

STATE OF CALIFORNIA
Department of Transportation
Division of Local Assistance



LOCAL ASSISTANCE PROGRAM GUIDELINES

**Processing Procedures for
Implementing Federal and/or
State Funded Local Public
Transportation Projects**



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December 19, 2008

To: REPRESENTATIVES OF CALIFORNIA LOCAL GOVERNMENT
APPLICABLE CALTRANS EMPLOYEES
REPRESENTATIVES OF THE PRIVATE SECTOR

Subject: Local Assistance Program Guidelines

Enclosed is the Department of Transportation (Caltrans) Division of Local Assistance Program Guidelines (LAPG). The Division of Local Assistance assists local agencies in taking advantage of State and federally funded transportation programs. We accomplish this by developing implementation policies that are consistent with Legislative requirements. This publication is to be used as a tool to help local agencies improve mobility across California.

These guidelines provide a detailed description of the various State and federal programs available for financing local public transportation projects. The topics discussed under each program include, but are not limited to: project eligibility requirements, project selection process, funding levels, key decision makers, special processing requirements, critical implementation dates, and other relevant references. The "Transportation Funding Opportunities Guidebook," a more compact companion publication provides brief overviews of the various State and federal programs, is also available at:

http://www.dot.ca.gov/hq/LocalPrograms/lam/Transportation_Funding_Guidebook.pdf

The LAPG was originally issued on July 1, 1996, and has been continually updated ever since by a process which releases Local Programs Procedures (LPPs). The LPPs are documents used for the deployment of new procedures and policies between updates of the manual and guidelines. They are numbered according to calendar year and order in which released (i.e. the first LPP issued during the year 2008 would be LPP 08-01). This 2008 printed edition of the LAPG contains all LPPs issued up to and including LPP 08-03. An entire chronological list of LPPs has been made available for historical reference and can be viewed on the Local Assistance Home Page at: <http://www.dot.ca.gov/hq/LocalPrograms/>. The LAPG is maintained online at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapg.htm>. To subscribe to the DLA Web site for continual LPP updates, please go to: <http://www.dot.ca.gov/hq/LocalPrograms/sub.htm>

Our goal is to make the guidelines streamlined and user friendly. If you have any questions or wish to make comments for ongoing improvements to the guidelines, please feel free to contact

Representatives of California Local Government
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Representatives of the Private Sector
December 19, 2008
Page 2

the LAPG and Local Assistance Procedures Manual Coordinator (LAPM)–David Saia at (916) 654-5620 or by e-mail at David_Saia@dot.ca.gov or the Manual Editor–Evelyn Williams at: Division.of.Local.Assistance@dot.ca.gov. You may also offer your suggestions by completing the enclosed form and return it to us with your comments.

Sincerely,



KEVIN POKRAJAC, Chief
Office of Procedures Development & Training
Division of Local Assistance

Enclosure

LOCAL ASSISTANCE PROGRAM GUIDELINES

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CHAPTER 1 INTRODUCTION/OVERVIEW

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CHAPTER 1 INTRODUCTION/OVERVIEW

1.1 PURPOSE

The purpose of the *Local Assistance Program Guidelines* (LAPG) is to provide local project sponsors with a complete description of the federal and state programs available for financing local public transportation-related facilities. Each program is discussed in detail in the following chapters and addresses such topics as: project eligibility, project selection process, funding levels, key decision-makers, significant dates, relevant statutory references and related publications.

With the 1997 State enactment of Senate Bill 45 (SB 45), the enactment of the 1998 federal “Transportation Equity Act for the 21st Century” (TEA-21), superseded by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), new programs and increased funding levels have become available for local transportation projects.

Exhibit 1-A State & Federal Programs Available for Local Transportation Projects, illustrates the various federal and state programs available for financing local transportation projects and the typical annual funding level for each of the programs. Note that state program funding levels are subject to inclusion in the annual state budget approved by the Governor.

Exhibit 1-B, Local Assistance Programs, lists the various federal and state programs available for financing local transportation projects and includes a brief discussion of the programs and the eligible uses of the funds.

1.2 BACKGROUND

On September 12, 1997, the Governor signed SB 45, making substantial changes in the State’s transportation programming process.

SB 45 was enacted with the following basic objectives:

(SB 45 amended, added, and repealed sections 14523-55 and 65071-86 of the Governmental Code, 99310-18 of the Public Utilities Code, and 163-7, 188, 199 and 2600-02 of the Streets and Highways Code.)

- Preserve the basic planning and programming process, avoid legislative budgeting of projects, while changing the State Transportation Improvement Program (STIP) from a project delivery document to a resource management document.
- Transfer transportation decision-making responsibility to those who are closest to the problem.
- Eliminate artificial constraints and barriers to programming.
- Place state highways, local roads and transit projects on equal footing for access to support costs.
- Recognize the Caltrans role as owner-operator of the State Highway System (SHS), while removing Caltrans from lead responsibility for resolving urban congestion problems created largely by local decisions.
- Provide incentives for regional accountability for the timely use of funds.
- Retain the California Transportation Commission (CTC) role as guardian of state capital dollars, with responsibility for determining how best to manage those dollars in a wise and cost-effective manner.

In June 9, 1998, the President signed TEA-21 authorizing highway, highway safety, and other surface transportation programs for the next six years, which significantly increased federal funding

authorizations for state and local highways, and mass transportation. Federal funds allocated to California and available for state, local, and mass transportation projects were increased to approximately \$2.5 billion annually.

SAFETEA-LU signed into law by President George W. Bush on August 10, 2005, guaranteed funding for highways, highway safety, and public transportation totaling to \$244.1 billion for the five-year period 2005-2009. SAFETEA-LU promotes more efficient and effective federal surface transportation programs by focusing on transportation issues of national significance, while giving state and local transportation decision-makers more flexibility for solving transportation problems in the communities.

The types of projects and activities now eligible for federal funding provide state and local governments with unprecedented flexibility in developing a mix of highway, transit and other alternatives to address statewide, regional and local transportation needs.

The CTC intends to carry out these objectives through its guidelines, stressing accountability and flexibility.

1.3 ROLES OF THE LOCAL AND REGIONAL AGENCIES

Cities, counties, Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), and other authorities work independently as well as with Caltrans in the development of long and short-range improvement plans. The role of local communities in the design of transportation improvement programs and selection of projects has continued to expand through the enactment of ISTEA, TEA-21, SB 45, and SAFETEA-LU. Transportation planning begins at the city and county level with the inclusion in their “General Plan” of a transportation (circulation) element. One key in local decisions is land use. The transportation elements developed in a local General Plan are incorporated along with air, water, congestion and environmental concerns into planning and programming documents developed by RTPAs and Metropolitan Planning Organizations (MPOs). Exhibit 1-C, MPO RTPA Map, is a map showing the location of MPOs and RTPAs in the state.

Transportation planning begins at the city and county level with the inclusion of a transportation element in a local “General Plan.” The transportation elements developed in a General Plan are incorporated along with other concerns into planning and programming documents that RTPAs and MPOs develop.

The CTC is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California. The CTC also advises and assists the Secretary of Business, Transportation and Housing Agency and the Legislature in formulating and evaluating state policies and plans for California’s transportation programs. The Commission is also an active participant in the initiation and development of State and federal legislation that seeks to secure financial stability for the State’s transportation needs.

Various local agency specialty plans (e.g. air, water, land use, and congestion) influence and are incorporated (as needed) into the Regional Transportation Plan (RTP). An RTP is a 20-year transportation plan that describes policies, strategies, needs and goals. An RTP presents the local area’s vision for local multimodal transportation systems. RTPs are required by state and federal law. Caltrans cooperates in the development of the regional documents by providing expertise and information. RTPs must be consistent with Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) planning regulations. These regulations impose conditions for receiving federal-aid funds that require each urbanized area to have a continuing, comprehensive and coordinated transportation planning process that results in RTPs and Federal Transportation Improvement Programs (FTIP) consistent with planned development of the area.

Key documents in transportation planning and programming are defined below. Also shown are an outline of roles and a flowchart overview of the planning and programming process. For more details, go to the Transportation Programming Web site at: www.dot.ca.gov/hq/transprog/ and also refer to Chapter 23, “Local Agency State Transportation Improvement Program (STIP) Projects,” of the Local Assistance Program Guidelines (LAPG).

RTIP: The Regional Transportation Improvement Program (RTIP) is the RTPA’s share of the state STIP and must be consistent with the RTP. Updated every two years, the RTIP is a five-year program identifying projects based on funding availability from the STIP fund estimate. Upon adoption by the RTPA, the RTIP is submitted to Caltrans for approval and incorporation into the STIP.

STIP: The State Transportation Improvement Program (STIP) is a five-year capital improvement program of transportation projects, on and off the State Highway System (SHS), with a 2-year project list amendment, funded with revenues from the State Highway Account (SHA) as well as other funding sources.

FTIP: Each of California’s 18 MPOs prepares a Federal Transportation Improvement Programs (FTIP) that includes a four-year priority list of highway and transit projects that are federally funded or are of regional significance. FTIPs also include federally funded capital improvements to the regions’ transit systems along with associated federal operating assistance programs.

FSTIP: Prepared by Caltrans in cooperation with the MPOs and RTPAs, the Federal Statewide Transportation Improvement Program (FSTIP) is a four-year statewide intermodal transportation program that contains all projects in California that are federally funded or regionally significant.

Local — Cities, Counties & Other Agencies:

- Cities and counties set land-use policy and nominate transportation projects for funding by the RTPA.
- Transit agencies, such as Bay Area Rapid Transit (BART) and Los Angeles County Metropolitan Transportation Agency (LACMTA), nominate projects for funding and deliver transportation services and improvements.
- Environmental agencies at the local, State, and federal level review transportation projects and issue permits to ensure transportation improvements comply with environmental law.

Regional — Metropolitan Planning Organization (MPO)

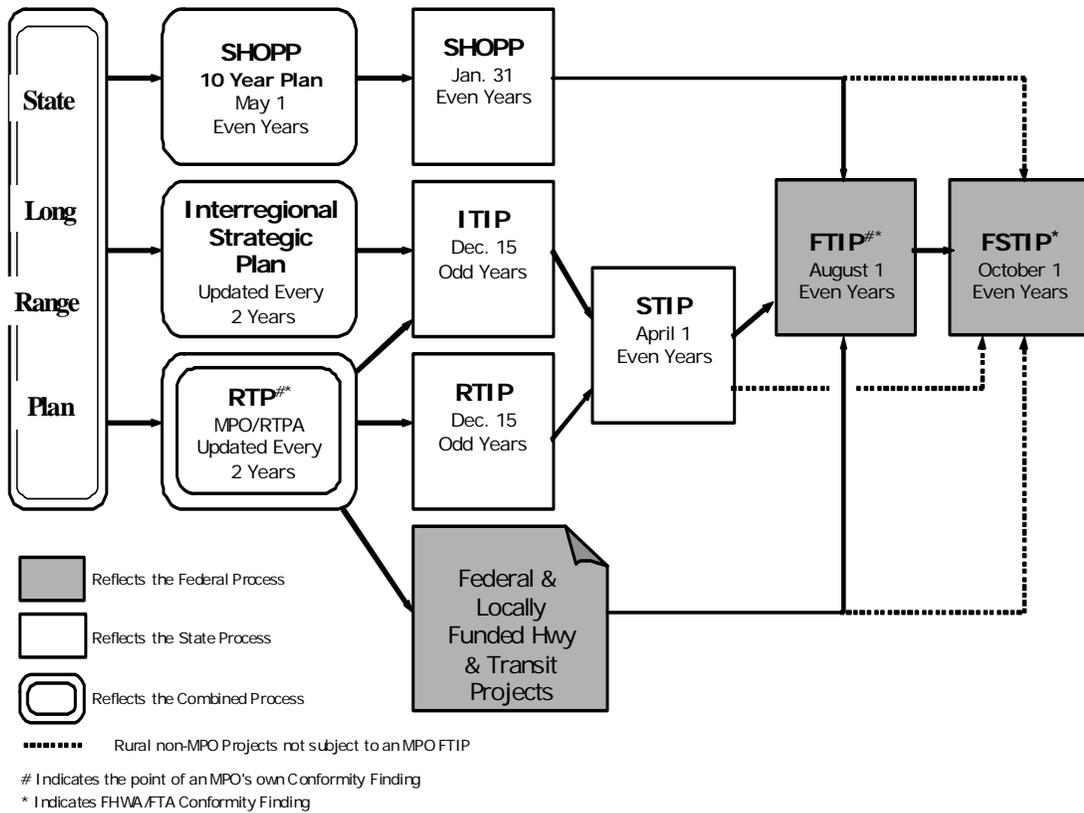
- Currently there are 18 MPOs in California.
- Prepares the 20-year RTP and selects projects.
- The Governor designates an MPO in every urbanized area with a population over 50,000 as defined by US Census.
- Federally required planning bodies, typically, the same as an urban region’s RTPA.

Regional — Regional Transportation Planning Agency (RTPA)

- Includes 48 agencies formed by special legislation, council/association of governments, and local transportation commissions.
- Administers State funds and allocates federal and local funds to projects.
- Selects projects for the Regional Transportation Improvement Program (RTIP) in the STIP.

PROCESS FLOWCHART

FEDERAL/STATE PLANNING & PROGRAMMING PROCESS



Transportation Programming
September 2000

For more information, go to Transportation Programming Web site at: www.dot.ca.gov/hq/transprog/

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1.4 FEDERAL PROGRAMS

The three major funding categories for local assistance projects are: the National Highway System (NHS), the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ).

NHS funds, typically restricted to projects located on the NHS, are programmed for local projects through the STIP. See Exhibit 3-A, California Local Routes on the National Highway System, of this manual for a complete listing of local routes on the NHS.

STP funds may be used on any public road except those functionally classified as local roads or rural minor collectors. These roads are collectively referred to as federal-aid roads (or highways). The exception to the functional classification criteria is that bridge, safety, carpool related, and bicycle/pedestrian projects may be located on any road. SAFETEA-LU allows a portion of the STP funds for rural areas to be used on rural minor collectors (see Chapter 4, “Surface Transportation Program (STP),” of this manual).

The CMAQ program provides a flexible funding source for transportation projects and programs that help meet the requirements of the Clean Air Act. Eligible activities include transit improvements, travel demand management strategies, traffic flow improvements, and fleet conversions to cleaner fuels, among others. Funding is available for areas that do not meet the National Ambient Air Quality Standards (non-attainment area), as well as former non-attainment areas that are now in compliance (maintenance areas) (see Chapter 5, “Congestion Mitigation and Air Quality (CMAQ),” of this manual).

Other funding categories for local assistance projects are described below.

The Highway Bridge Program (HBP) provides federal funds for bridgework on and off federal-aid highways. The purpose of this program is to help fund major reconstruction and replacement bridge projects. (see Chapter 6, “Highway Bridge Replacement and Rehabilitation (HBRR),” of this manual).

Ten percent of the STP apportionment authorized by SAFETEA-LU is reserved for Safety Programs: Highway Safety Improvement Program (HSIP) (see Chapter 9, “Highway Safety Improvement Program (HSIP)” and Chapter 24, “Federal Safe Routes to School,” of this manual).

Another ten percent of the STP apportionment is reserved for Transportation Enhancements (TE). This reservation is used for projects directly related to surface transportation that are over and above normal and mitigation work, and are within the twelve categories in federal statute (see Chapter 8, “Transportation Enhancements (TE),” of this manual).

Emergency Relief funds are used for the reconstruction of roads, streets, and bridges on federal-aid highways that are damaged by floods, earthquakes, hurricanes or other catastrophes. These funds become available when the damage is extensive and an emergency is formally declared by the Governor and approved by the Federal Highway Administration (FHWA) (see Chapter 11, “Disaster Assistance,” of this manual).

Minor federal programs, including the Public Lands Highways (PLH), Scenic Byways, High Priority Projects (name changed under TEA-21 from Demonstration projects), and Intelligent Transportation System (ITS) programs are discussed in Chapter 12, “Other Federal Programs,” of this manual.

1.5 STATE PROGRAMS

SB 45 terminated three state funded local assistance programs:

- State & Local Transportation Partnership Program (SLTPP or Partnership Program)
- Flexible Congestion Relief (FCR)
- Traffic System Management Program (TSM)

State funds that were available for local agencies under SLTPP, FCR and TSM are now available for local agencies under the STIP program. Also, old state STIP funds and new TEA-21 funds allocated to the state are available for local agencies. Locally sponsored transportation projects receiving STIP funding may receive either state funds, or federal funds with a state funded match.

Article XIX of the California Constitution permits the use of state revenues in the SHA only for state highways, local roads and fixed guide way facilities. This means, for example, that rail rolling stock and buses may be funded only from the federal revenues in the SHA. For such projects, the nonfederal match will have to be provided from a non-STIP source (see Chapter 23, “Local Agency STIP Projects,” of this manual).

Other state programs available for locally sponsored transportation projects include:

- Environmental Enhancement and Mitigation Program
- Bicycle Transportation Account

The Optional Exchange program provides for qualifying RTPAs and counties to exchange their annual apportionment of Regional Surface Transportation Program (RSTP) funds and regional TE funds for state cash. The State Match program provides state funds to match federal RSTP funds. Exchange and Match funds are not tied to federal requirements, but instead must comply with Article XIX of the State Constitution (see Chapter 8, “Transportation Enhancements” and Chapter 18, “Optional Federal Exchange and State Match Programs,” of this manual).

The Grade Separation Program provides state funds for the: 1) construction, reconstruction and alteration of grade separations to eliminate proposed or existing grade crossings, and 2) the removal or relocation of highways or railroad tracks to eliminate grade crossings (see Chapter 19, “Grade Separation,” of this manual).

The Environmental Enhancement and Mitigation (EEM) program provides state funds for the transportation project to mitigate the environmental impacts of new or modified public transportation projects above and beyond that required by the environmental document (see Chapter 20, “Environmental Enhancement and Mitigation (EEM),” of this manual).

The Bicycle Transportation Account (BTA) provides funds to cities and counties for projects that improve safety and convenience for bicycle commuters (see Chapter 21, “Bicycle Transportation Account,” of this manual).

The Safe Routes to Schools (SR2S) program provides funds to local governmental agencies based on the results of a statewide competition that requires submission of proposals for funding and rates those proposals on all of the following factors:

1. Demonstrated needs of the applicant.
2. Potential for reducing child injuries and fatalities.
3. Potential for encouraging increased walking and bicycling among students.
4. Identification of safety hazards.

5. Identification of current and potential walking and bicycling routes to school.
6. Consultation and support for projects by school-based associations, local traffic engineers, local elected officials, law enforcement agencies, and school officials.

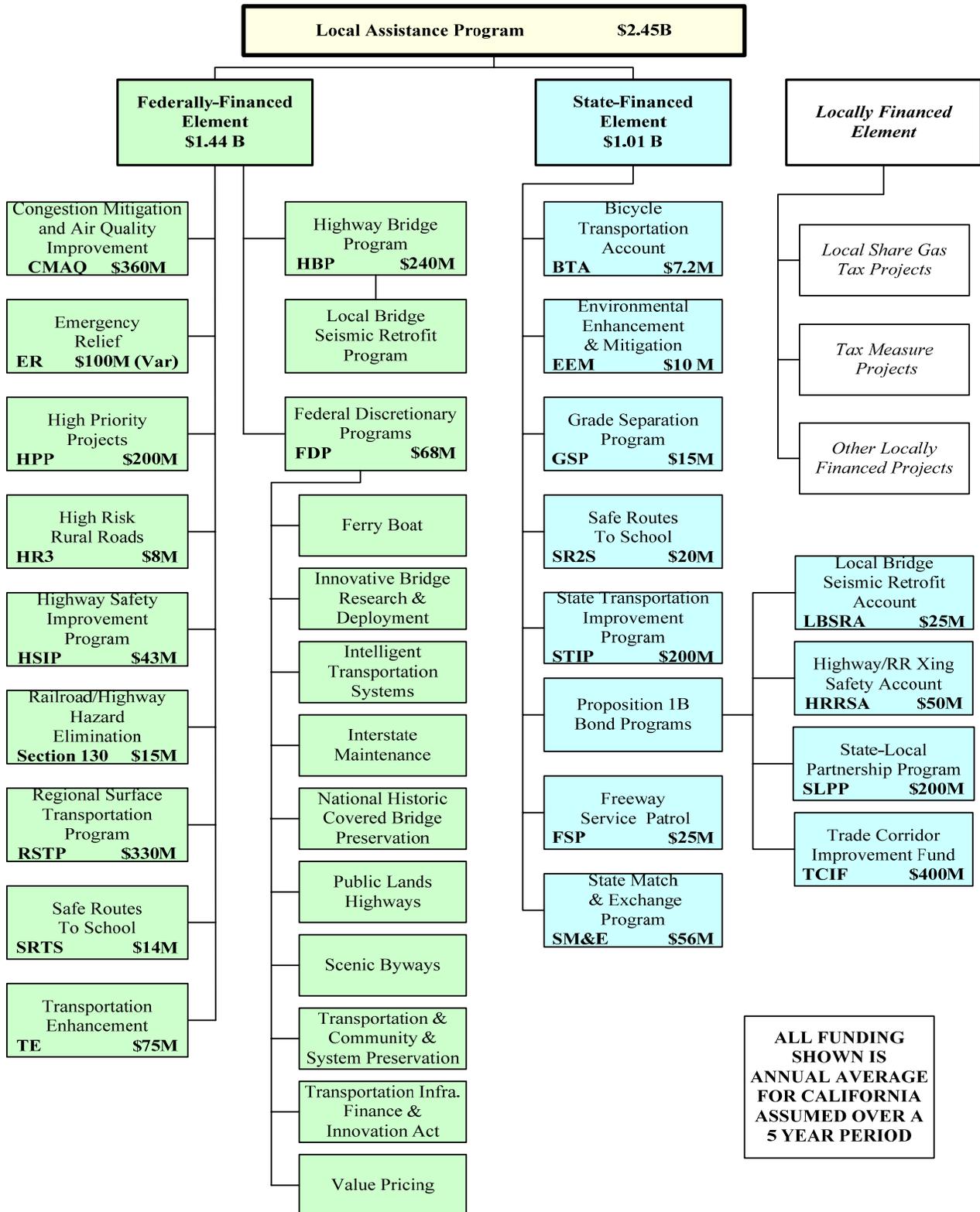
(See Chapter 24, “Federal Safe Routes to School,” of this manual.)

For further information about both federal and state programs contact the District Local Assistance Engineer (DLAE) for your area shown in Exhibit 1-D Caltrans District Local Assistance Offices.

1.6 REFERENCES

- “A Summary – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)” FHWA August 25, 2005”-
- California Transportation Commission – “2006 STIP Guides,”
- “Statutes Relating to the Programming and Funding of Transportation Projects,” May 2006 State of California, Department of Transportation, Division of Transportation Programming
- SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>

EXHIBIT 1-A STATE & FEDERAL PROGRAMS AVAILABLE FOR LOCAL TRANSPORTATION PROJECTS



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EXHIBIT 1-B LOCAL ASSISTANCE PROGRAMS

Chapter	Federally-Financed Program	Eligible Uses of Funds
5	Congestion Mitigation and Air Quality (CMAQ) Improvement	Projects which contribute to the attainment or maintenance of the National Ambient Clean Air Quality Standards under the provisions of the Federal Clean Air Act.
6	Highway Bridge Program (HBP)	Funds to improve the condition of highway bridges through replacement, rehabilitation, and systematic preventative maintenance.
7	Local Bridge Seismic Retrofit Program	Bridges must be on the Caltrans candidate seismic list.
8	Transportation Enhancements (TE)	Funds transportation-related capital improvement projects that enhance quality-of-life, in or around transportation facilities.
9	Highway Safety Improvement Program (HSIP)	Project must be on any public road, publicly owned bicycle, pedestrian pathway, or trail. Projects must identify a specific safety problem that can be corrected or be improved substantially.
10	High Risk Rural Roads (HR3) Program	Project to correct or improve hazardous roadway locations or features to reduce the frequency and severity of accidents on rural roads. Project must be located on a rural major collector, a rural minor collector, or rural local road.
11	Emergency Relief (formerly Disaster Assistance)	Intended to aid states and local highway agencies in paying unusually heavy expenses of repairing serious damage to federal-aid highways resulting from natural disasters or catastrophic failures.
24	Safe Routes To School (SRTS)	Eligible projects fall under the category of infrastructure (capital improvements), or non-infrastructure (education, encouragement, enforcement). Infrastructure project must be located within a two mile radius of a grade school or middle school.
12	High Priority Projects (HPP)	Project is specially established and funded by Congress through federal law. The designated funding can only be used for projects as described in the law.
4	Regional Surface Transportation Program	Funds highway projects; bridges (including construction, reconstruction, seismic retrofit and painting); transit capital improvements; carpool, parking, bicycle and pedestrian facilities; safety improvements and hazard elimination; research; traffic management systems; advanced truck stop electrification

4	Cont.... Regional Surface Transportation Program	systems; projects relating to intersections that have disproportionately high accident rates, have high congestions, and are located on federal highway; environmental restoration and pollution abatement on 4R projects (expenditures for this activity may not exceed 20 percent of the total costs of the project); surface transportation planning; transportation enhancement activities and control measures; and wetland and other environmental mitigation.
12	Federal Discretionary Programs	Funds for highway, transit, and rail discretionary programs available to California applicants authorized by various sections of SAFETEA-LU. Funding for these programs vary, some are formula driven and others are nationally competitive. Funds are distributed over the five-year life of SAFETEA-LU.
	a) Ferry Boat	Constructions of ferry boats and ferry terminal facilities which are publicly owned, majority publicly owned or publicly operated.
	b) Innovative Bridge Research & Deployment	Funds for states and local agencies to incorporate innovative materials and materials technologies in their bridge projects.
	c) Intelligent Transportation System	Funds for ITS integration and deployment projects; funding and projects are congressionally designated.
	d) Interstate Maintenance	For resurfacing, restoring, rehabilitating and reconstructing, including adding travel lanes on designated portions of Interstate System routes.
	d) National Historic Covered Bridge Preservation	Funds for states in their efforts to rehabilitate, repair, or preserve the Nation’s historic covered bridges.
	e) Public Lands Highways	Funds for transportation projects eligible for assistance under Title 23 that are within, adjacent to, or provide access to the areas served by federal public lands highways.
	f) Scenic Byways	Funds for eligible scenic byways projects along all-American Roads or designated scenic byways and for the planning, design and development of State Scenic Byway programs.
	g) Transportation & Community & System Preservation	Funds for researching relationships between transportation, community preservation and the environment; funds projects to address transportation efficiency and community system preservation.
	h) Transportation Infrastructure. Finance & Innovation Act	Provides loans, lines-of-credit, and loan guarantees to certain surface transportation projects of national or regional significance.

	i) Value Pricing	Funds for value pricing projects – both pre-implementation and implementation projects to promote economic efficiency in the use of highways and support congestion reduction, air quality, energy conservation and transit productivity.
Chapter	State-Financed Program	Eligible Uses of Funds
19	Grade Separation Program	Funds portion of high priority grade separation projects. Public agencies which own roadways that cross railroad tracks are eligible. Railroad companies are also eligible applicants under certain conditions.
20	Environmental Enhancement & Mitigation	To mitigate the environmental impacts of new or modified public transportation facilities beyond the mitigation level required by the project's environmental document.
21	Bicycle Transportation Account	Funds for city and county projects that improve safety and convenience for bicycle commuters.
23	State Transportation Improvement Program	Multi-year capital improvement program resource management document to assist the state and local entities plan and implement transportation improvements and to utilize resources in a cost-effective manner.
24	Safe Routes To School (SR2S)	Projects must be located on any state highway or on any local road to correct identified safety hazard or problem on a route that students use for trips to and from school.
	Proposition 1B Bond Programs	Proposition 1B enacts the Highway Safety, Traffic Reduction Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of State general obligation bonds for specified purposes.

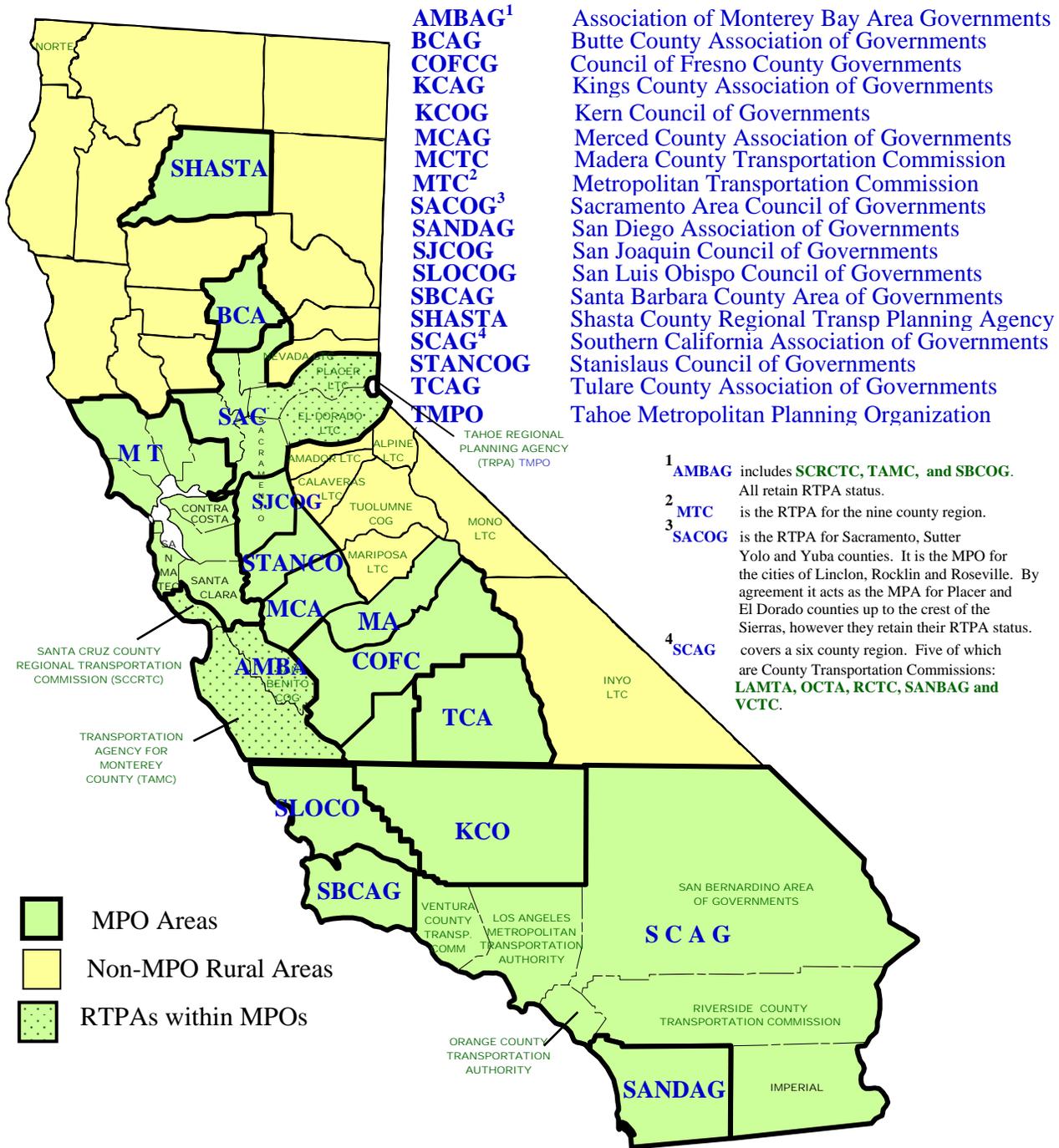
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CALIFORNIA

METROPOLITAN PLANNING ORGANIZATIONS (MPOs)

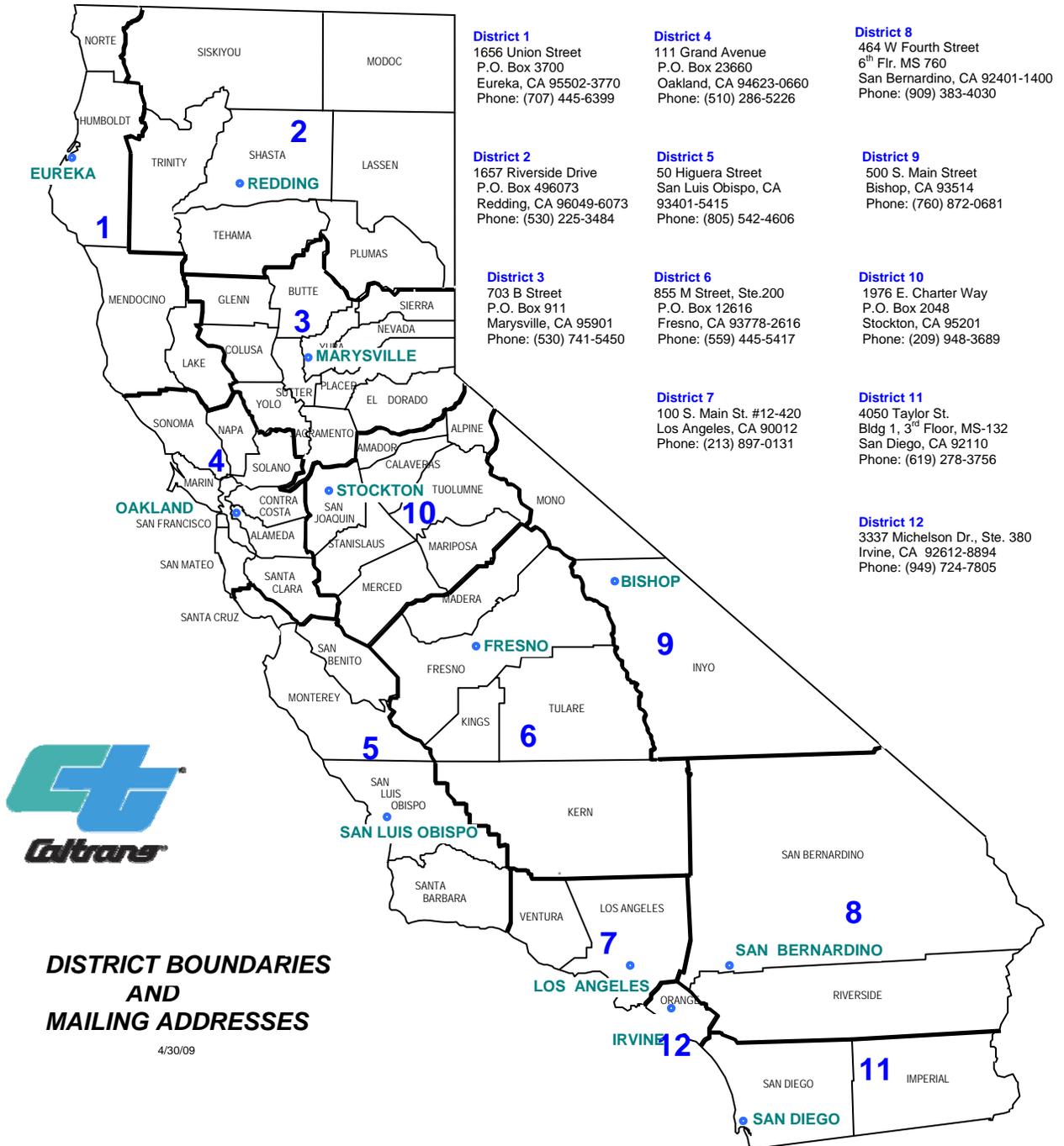
and

Regional Transportation Planning Agencies (RTPAs)



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CALTRANS DISTRICT LOCAL ASSISTANCE



**DISTRICT BOUNDARIES
AND
MAILING ADDRESSES**

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CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM**CONTENTS**

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CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM

2.1 INTRODUCTION

This chapter describes the actions required for the financing of the Federal Highway Administration (FHWA) federal-aid projects on the national, state, and project levels. On the national level, the chapter covers the Federal-aid Highway Program actions taken in Washington D.C. to fund local federal-aid projects. State level actions cover the five kinds of federal funds available for local federal-aid projects as well as the monitoring and tracking of obligational authority. The project level actions outline the documents that need to be in place and tasks to complete before a local agency can begin invoicing for federal-aid funds.

DEFINITIONS

Allocation – An administrative distribution of funds among the states, done for funds that do not have statutory distribution formulas.

Apportionment – A statutorily prescribed division or assignment of funds. An apportionment is based on prescribed formulas in the law and consists of dividing authorized obligational authority for a specific program among the states.

Authorization – Formal federal process that establishes a date for which an agency can start reimbursable work for a phase(s) of a project. For the construction phase, an agency must obtain authorization prior to project advertisement. Authorization can be given by Congress, FHWA, or state depending on funding program regulations. Local agencies know they have authorization when they receive “Authorization to Proceed” from Caltrans.

Obligation – Commitments made by federal agencies to pay out money as distinct from the actual payments, which are “outlays.” Generally, obligations are incurred after the enactment of budget authority. However, since budget authority in many highway programs is in the form of contract authority, obligations in these cases are permitted to be incurred immediately after apportionment or allocation. The obligations are for the federal share of the estimated full cost of each project at the time it is approved regardless of when the actual payments are made or the expected time of project completion.

Obligational Authority – Another term for limitation on obligations.

2.2 NATIONAL LEVEL ACTIONS

The process of financing the Federal-aid Highway Program begins with congressional approval of a Federal Highway Act. The most recent Federal Highway Act is the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) signed by President George W. Bush on August 10, 2005, which superseded the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), and the Transportation Equity Act for the 21st Century. The highway act is the primary instrument used by Congress to shape and redirect the federal-aid highway program.

Most programs (CMAQ, STP, etc.) within the federal-aid highway program operate under what is called “contract authority,” a special form of budget authority. Under contract authority, the sums authorized in federal highway acts are made available for obligation without an annual appropriations action. The use of contract authority gives the states advance notice of the size of the federal-aid program as soon as the authorization is enacted. It should be understood that contract authority is unfunded by definition and does not allow the obligation of funds to a project. It does, however, allow an assignment of funds to projects when preparing planning documents, such as the Transportation Improvement Program. A subsequent appropriations act is necessary to pay obligations made under contract authority (discussed later). One program that does not operate under contract authority is the discretionary program. See the figure below for more information on contract authority.

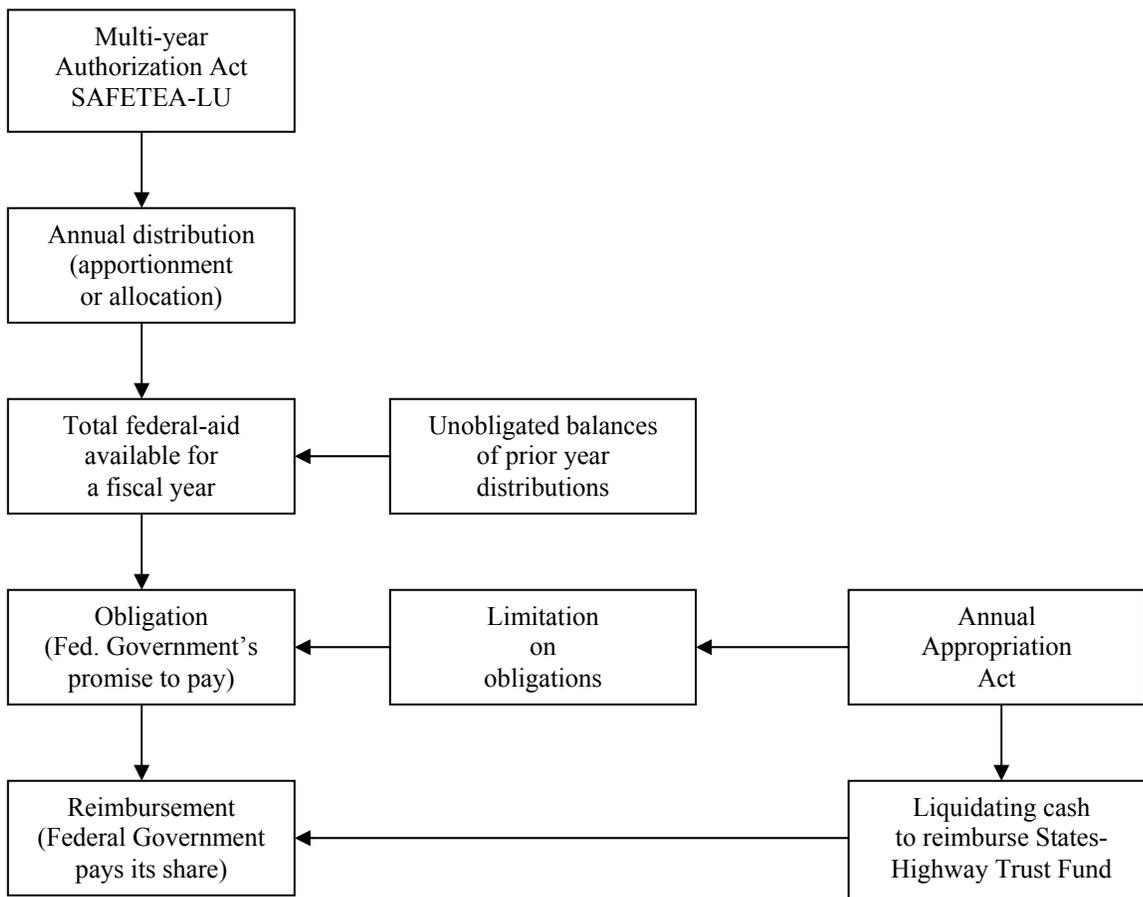


Figure 1.—Contract Authority Programs

Title 23 of the United States Code (23 USC) is titled “Highways,” and contains most of the laws that govern the federal-aid highway program. It includes the provisions of law that Congress considers permanent or continuing, and need not be reenacted with each new highway act. As new highway acts are passed, sections of Title 23 are amended, added or repealed as necessary. Title 23 does not contain requests for studies, special projects, etc., and most authorizations are not codified.

AUTHORIZATIONS AND DEDUCTIONS

Congressional authorizations represent the upper limits on the federal funding commitments, which can be made against the various federal-aid highway programs included in a Federal Highway Act.

Before these authorizations are released to the states, two administrative deductions are made. The first deduction is for FHWA oversight of the highway program and FHWA sponsored research development and technology transfer. This deduction is limited to 3.5 percent of the funds apportioned to the states for most authorized programs. The second deduction is for metropolitan transportation planning activities mandated by 23 USC 134. This deduction is equivalent to 1.0 percent of the amount remaining after the FHWA oversight deduction is made from the Interstate Maintenance (IM), National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) Improvement Program and Highway Bridge Program (HBP).

APPORTIONMENTS AND ALLOCATIONS

The FHWA apportions (distributes) the remaining authorized program funds, after deductions and set asides, to the states using federally mandated formulas and procedures.

Federal apportionment of authorized amounts generally occurs on the first day of the federal fiscal year (FFY). The FFY begins October 1 and ends September 30 and is referred to by the ending year (e.g. 2000 fiscal year begins on October 1, 1999). Once an apportionment is made to a state, it cannot be taken away except by lapsing or through a congressional action.

The majority of Federal Highway Program funds are available for three years after the close of the fiscal year for which such sums are authorized. In effect, these funds are available for a four-year period. However, at the end of this period of availability, the authority to obligate remaining funds from that particular fiscal year's apportionment will lapse—it is no longer available for obligation.

The apportioned funds for the current year are added to the unused portion (unobligated balance) of the previous years' apportionments to establish the new unobligated balance. This balance represents the total funds authorized by Congress and distributed (apportioned) by FHWA for eventual obligation by the state. However, as discussed in the next section on "Obligational Authority," there is a limitation (established annually) on the total amount of apportioned funds, including unexpired funds from previous fiscal years, which can be obligated in a given year.

"Allocation" is the distribution of funds where there are no federally mandated formulas. In most cases, allocated funds are divided among the states using administratively determined formulas and/or criteria provided by law.

OBLIGATIONAL AUTHORITY

Because of the multi-year authorization and multi-year availability of funds associated with the federal-aid highway program, federal limitations are placed on the amount of

funds that a state can obligate within a given fiscal year. This annual limitation is called “Obligational Authority” (OA) and applies to the total obligations of apportioned funds within a given fiscal year, regardless of the year in which the funds were apportioned. A limit on OA enables the federal-aid highway program to be more responsive to economic and budgetary conditions. The ceiling on annual OA does not take back authorized funds already apportioned to the states; it only limits the annual rate of obligation. The amount of OA is included in the federal annual appropriations act. Any unused OA does not carry over to subsequent years.

The OA ceiling is divided among the states based on each state’s relative share of total apportioned funds. SAFETEA-LU, Section 1102 provides for an annual redistribution of this obligational ceiling after August 1. OA is redistributed from states unable to utilize their initial full share of OA to other states able to obligate more than their initial share. A state which uses up both its initial OA limit and any OA received through the August 1 redistribution before September 30 may also be eligible for an additional OA bonus. This process does not increase the overall total funds authorized to a state, however, it does permit a state to use their authorization faster.

OA only impacts apportioned funds. Allocated funds are either exempt from OA controls or are covered by their own spending authority. Please see individual program chapters to see which funds are impacted by OA.

ANNUAL APPROPRIATIONS ACTIONS

Although obligations are commitments by the federal government to reimburse the states for the federal share of a project cost, actual cash reimbursements by the Department of the Treasury cannot be made until approval of the annual appropriations act. The two primary functions of the annual appropriations act are to: 1) provide cash to liquidate (pay) the federal commitment and 2) establish the annual limit on obligational authority.

2.3 STATE LEVEL ACTIONS

LOCAL AGENCY APPORTIONMENTS

There are essentially five kinds of federal funds that are made available to local agencies to fund their projects. These are funds associated with:

- **Statewide pools of Federal-aid**
The statewide funds set aside for local use include programs like Highway Bridge Program (HBP), Highway Safety Improvement Program (HSIP), and Safe Routes to School (SRTS). Projects are prioritized and placed on statewide program lists. Each one of these programs has its own unique method of determining prioritized lists based on program goals.
- **High Priority (Demonstration) Projects**
Demonstration programs have project descriptions and locations defined in legislation so they are not a source for general purpose funding of local projects. Demonstration projects are earmarked in federal legislation. They come with their own OA, may have an impact on what the state receives in Minimum Guarantee funds and are not

subject to Senate Bill 45 (SB 45) rules. See Chapter 12, “Other Federal Programs,” of the *Local Assistance Program Guidelines* (LAPG)” for additional information.

- **Local Federal-aid**

Federal-aid is apportioned to Regional Transportation Planning Agencies (RTPAs) and Metropolitan Planning Organizations (MPOs) based on state law.

Regional Surface Transportation Program (Chapter 4, LAPG) funds and Congestion Mitigation and Air Quality (CMAQ) Improvement Program (Chapter 5, LAPG) funds are apportioned to RTPAs and MPOs. State legislation (Section 182.6 of the Streets and Highways Code) defines how the funds are apportioned to RTPAs and MPOs within California. Each RTPA and MPO determines which projects are to be funded with these funds.

The California Transportation Commission (CTC) adopted a resolution (G-98-20), at the October 28, 1998 meeting that divided up California’s Transportation Enhancement Activity (TEA) allocation between regions, Caltrans and the Resources Agency. Regional TEA funds (Chapter 8, Transportation Enhancement Activities [TEA], LAPG) are apportioned to RTPAs and MPOs. Regional TEA funds are now divided by formula into county shares. RTPAs/MPOs decide when and how to use their county share.

RSTP, CMAQ, and Regional TEA funds are subject to use it or lose it provisions of Assembly Bill 1012 (AB 1012) (Chapter 783 in Statutes of 1999).

- **State Transportation Improvement Program (STIP) funds**

Under SB 45, the STIP consists of two broad programs, the Regional Improvement Program (RIP) funded from 75 percent of the STIP funding and the Interregional Improvement Program (IIP) funded from 25 percent of STIP funding. The 75 percent regional program is further subdivided by formula into county shares.

County shares are available solely for projects (local streets and roads, state highway, or mass transportation must compete for the 75 percent regional share) nominated by RTPAs/MPOs in their Regional Transportation Improvement Programs (RTIPs). Caltrans will nominate only projects for the IIP. Under restricted circumstances, an RTPA/MPO may recommend a project for funding from the interregional share. See Chapter 23, “Local Agency STIP Projects,” of this manual for further information on how this relates to federal funds.

- **Traffic Congestion Relief Program (TCRP)**

The TCRP, created by Assembly Bill 2928, is a transportation funding measure which incorporates: 1) congestion relief and 2) additional funds for local street and road maintenance. The project descriptions, locations and funding amounts for congestion relief are defined by legislation. The maintenance funds will be allocated to cities and counties through the State Controller by formulation described within the legislation.

See the TCRP Web site at www.dot.ca.gov/tcrp for the statute, its requirements, CTC guidelines, and the project application form.

LOCAL OBLIGATIONAL AUTHORITY

When ISTEA funds first became available to local agencies, available OA was not perceived as a problem (see Section 2.1 for a discussion of OA) because most local agencies were in the process of learning federal-aid procedures. At that time, most local agency obligations against apportionments statewide were well below the OA limit. Now, under SAFETEA-LU, many local agencies are familiar with the rules and flexibility of federal-aid so the obligations against total apportionments are much higher. Therefore, it is necessary to monitor obligations to ensure that all local agencies have the opportunity to use their apportionments. It is also necessary to monitor obligations to ensure that the Division of Local Assistance (DLA), as a whole, does not exceed its proportionate share of the OA limitation.

The following procedures are used in managing federal OA for Local Assistance projects:

- Based on state statute, after the beginning of each FFY (October 1), or when federal apportionments and OA allocations are received from FHWA, Caltrans will allocate federal apportionments and corresponding OA to each MPO/RTPA. The OA will be determined based on the obligation limitation established by FHWA for that year and the federal apportionments for RSTP, CMAQ, and Regional TEA for each MPO/RTPA.
- FHWA sets a 15 percent limitation of the annual OA allocation that can be used in the first quarter of the FFY.
- The DLA monitors apportionment and OA usage/transfers and provide online reports for the District Local Assistance Engineers (DLAEs) and MPOs/RTPAs.
- The DLA grants the MPOs/RTPAs flexibility in borrowing/loaning OA from other MPOs/RTPAs at any time during the year, provided that the DLA is notified of the agreement by the affected MPOs/RTPAs.
- When an MPO/RTPA region exhausts its OA allocation, the DLAE will ask any local agency submitting a “Request for Authorization,” in the affected area, if it wants to obligate any project under Advance Construction (AC), or if they have arranged with another MPO/RTPA to borrow their OA (see Chapter 3, “Project Authorization,” of the *Local Assistance Procedures Manual* (LAPM)).
- When an MPO/RTPA regional OA is exhausted, and the MPO/RTPA and local agencies in the region have not agreed to use AC, the DLAE will place all local agency “Requests for Authorization” (in that MPO’s/RTPA’s region) on hold until July 1 of that fiscal year.

Note: Any MPO/RTPA may negotiate a loan of OA from any other MPO/RTPA and continue to obligate projects using the borrowed OA. MPOs/RTPAs must notify DLA in writing of any loans prior to, or at the time of, submitting a request to obligate funds that use the borrowed OA.

- On June 1 of each year, the DLA will transfer all unused OA, including statewide OA (bridge and safety programs are in the statewide OA), into a statewide pool. The DLA will then cash out all AC and obligate all projects on hold on a first-come, first-served basis until the OA is exhausted or all projects are obligated.
- Also on June 1, the DLA will request that local agencies provide “Requests for Authorization” to the DLAE for any additional projects that are not under AC or on hold and that could be obligated prior to September 30 of that year. This is in preparation for the “August Redistribution” of OA. In August of each year, FHWA redistributes OA (from states that have not used all of their OA) to states that (1) have used their OA or (2) can show that they will use all their OA by September 30 and have requested additional OA. Lists of projects on hold plus any additional projects are provided by the DLAEs to the DLA by July 20 of each year. Projects under AC will be identified by the DLA.
- On July 30 of each year, the DLA will provide the Federal Resources Office (FRO) with a list of AC projects (if any), projects that are still on hold (if any), and additional projects to be obligated before September 30. This list is used in requesting additional OA from FHWA.
- The FRO will request additional OA from FHWA on or around August 4.
- If additional OA is obtained from FHWA, a pro rata portion, based on the ratio of the dollar costs of Caltrans and local agency projects submitted for redistributed OA, is provided by FRO to the DLA.
- The DLA will cash out any remaining AC projects, obligate projects that are on hold (if any), and obligate those additional projects with “Requests for Authorization” submitted between July 1-20. This will be done on a first-come, first-served basis until the additional OA is exhausted.
- If OA is still remaining, the DLA will continue to obligate projects as they are requested until September 15, or until the statewide OA pool and the regional Minimum Allocation is exhausted.
- If there is OA remaining on September 15, the FRO will obligate Caltrans projects (or cash out AC for Caltrans projects) to utilize all the OA that is available statewide. This is necessary since OA is available for one year only and expires on October 1 of each year.

OBLIGATIONAL AUTHORITY AND ADVANCE CONSTRUCTION GUIDELINES

- Advance Construction (AC) allows agencies to begin work on a project. However, agencies are required to use their own funds and they have the option to seek federal reimbursement. Federal reimbursement is postponed until the OA is available to obligate funds for reimbursement. Federal Authorization must be received prior to beginning work that will be reimbursed later.
- Once funds are obligated on a project, they cannot be withdrawn and substituted with a different fund (e.g., cannot de-obligate RSTP and substitute with CMAQ).

- If AC is used, the federal participation rate can be set at the time AC is converted to federal funds. (This allows federal funds to be obligated when better cost data is available). This procedure works especially well for underfunded projects (see Chapter 3, “Project Authorization,” of the LAPM) and can be used even if OA is available.
- AC can be used to fund part of the project costs when a project will be funded from various federal apportionments and whether or not all of the apportionments have OA available.

TRACKING OBLIGATIONAL AUTHORITY

Local agencies should track their own OA usage. To assist a local agency in tracking OA, a set of balance reports is available for use. The reports may be accessed via the Internet at the Division of Local Assistance Web site under “Reports and Databases” at: <http://www.dot.ca.gov/hq/LocalPrograms/public.htm>.

2.4 PROJECT LEVEL ACTIONS

FEDERAL-AID PROJECT FINANCING

The federal-aid highway program is a reimbursable program. The federal government reimburses the state only for those eligible costs which are actually incurred by the project sponsor. Authorized funds, distributed to the state through apportionments or allocations, represent lines of reimbursement credit upon which a project sponsor may draw as they advance a federal-aid project. Typically, the sponsor of a federal-aid project must initiate a federal-aid project using their own money, i.e. provide front-end financing and receive monthly cash reimbursements for the federal share of the project cost as the work is completed. Refer to Chapter 5, “Accounting/Invoices,” of the LAPM for the requirements to receive reimbursement.

These following sections outline the major project related documents and actions necessary before a local agency can begin invoicing for reimbursement of the federal share of a local federal-aid project.

LOCAL AGENCY-STATE MASTER AGREEMENT

A Local Agency-State Master Agreement must be executed before a local agency requests federal participation from the DLA. In the Master Agreement, a local agency agrees to comply with all federal laws and regulations and FHWA and Departmental policies and procedures relative to environmental compliance, design, right of way acquisition, construction and maintenance of the proposed facility, and for other authorized uses. Periodically, Master Agreements must be re-executed because of changes in laws and policies. Refer to Chapter 4, “Agreements,” of the LAPM for additional information on the agreements used on federal and state-aid local transportation projects.

PROJECT INCLUSION IN THE FTIP/FSTIP AND APPROVED ELIGIBILITY LISTS

All projects, except Emergency Relief (ER), must be included in a Federal Statewide Transportation Improvement Program (FSTIP) before work can be authorized and initiated. ER projects must be included in the FTIP/FSTIP only if they involve substantial functional, location or capacity changes. Local agencies are responsible for ensuring that their project is programmed correctly with an FTIP prior to requesting authorization to proceed for that project. For additional information on FTIP/FSTIP, see Chapter 1, "Introduction/Overview," of this manual.

To provide local agencies with the increased flexibility in handling projects, expedite project delivery, and reduce paperwork, certain categories of projects (see Exhibit 2-A, "Transportation Improvement Program (TIP) Exempt Projects" - "Table 1") may be excluded from project-specific listing in Metropolitan Transportation Plans and TIPs. This exemption does not apply to Table 1 projects; if the MPO in consultation with other state and federal agencies under the interagency consultation requirements concurs that the project has potentially adverse emissions impacts for any reason.

Funding for Table 1 projects still must be listed in TIPs to meet the programming requirements under SAFETEA-LU, but that requirement may be fulfilled by an appropriate grouped project listing. For more information on lump sum listings, see the Transportation Programming Web site at www.dot.ca.gov/hq/transprog/fedpgm.htm, under "Grouped Project Listing."

Additional regulation allows certain types of regional transportation projects to be exempted from regional emissions analyses. These project types are listed in Exhibit 2-A, "TIP Exempt Projects" - "Table 2." The local effects of these projects with respect to carbon monoxide (CO) or particulate matter (PM10) concentrations must be considered to determine if hotspot analysis is required prior to making a project-level conformity determination (see Chapter 5, "CMAQ," of this manual). If a local agency determines a hot-spot analysis is not required, the local agencies can then proceed with the project development process and place those eligible projects for exemption under the appropriate lump sum listing. However, the exemption clause does not apply to those projects when the MPO, in consultation with other state and federal agencies under the interagency consultation conformity requirements, concurs that the project has potentially adverse emissions impacts for any reason. In addition, the following projects must also be included on the approved multi-year program lists:

- Grade Crossing Improvement funds - California Public Utilities Commission (CPUC) approved list (see Division of Rail, Rail Crossing Safety and Track Branch for more information)
- Highway Bridge Program (HBP) funds - Caltrans approved list (see Chapter 6, "HBRR," of this manual)
- Highway Safety Improvement Program (HSIP) funds - Caltrans approved list (see Chapter 9, "HSIP," of this manual)
- Safe Routes to School (SRTS) – California Highway Patrol and Caltrans approved list (see Chapter 24, "Federal Safe Routes to School," of this manual)

These multi-year program lists (or plans) are explained in detail in the appropriate chapters of this manual. The multi-year program lists may be downloaded from the DLA Web site.

AUTHORIZATION TO PROCEED

Prior to beginning reimbursable work on a federal-aid project, an “Authorization to Proceed” (E-76) (see Chapter 3, “Project Authorization,” of the LAPM) must be granted by the FHWA or Caltrans (per Stewardship Agreements), which authorizes reimbursement with federal funds. Any work performed prior to such authorization is not eligible for federal participation. The project shall not be advertised prior to authorization of construction phase. The obligation of funds for all federal-aid projects is performed by the FHWA.

“Authorization to Proceed” is required for each phase of work for which federal reimbursement is sought. These include preliminary engineering, right of way, utility relocation and construction, and construction engineering (concurrent phase authorization is permissible). However, right of way and construction cannot be authorized without NEPA approval. “Authorization to Proceed” may also be granted for a portion of a work phase, (e.g., utility work may be authorized as part of the right of way phase). Within a phase of work, the work for partial approval must be at logical break points as agreed to by Caltrans or the FHWA, based on task accomplishments and not a period of time. The work tasks must be specifically attributable to the development of the project.

For declared emergencies approved by the FHWA for Emergency Relief funding, emergency repair work (to open public roads to traffic) and preliminary engineering work may be initiated without prior authorization. Restoration work requires prior authorization. Provide documentation necessary to prepare the Disaster Assessment Form (see Chapter 11, “Disaster Assistance,” of this manual).

For highway related projects, detailed procedures for obtaining federal authorization to proceed and obligating federal funds are contained in Chapter 3, “Project Authorization,” of the LAPM.

SAFETEA-LU funds made available for public transit projects, which are typically administered by the Federal Transit Administration (FTA), must be transferred to the jurisdiction of the FTA. The procedures for transferring federal funds and administrative responsibility from the FHWA to the FTA are also discussed in Chapter 3, “Project Authorization,” of the LAPM.

PROGRAM SUPPLEMENT AGREEMENT

A Program Supplement Agreement between the state and local agency must be executed prior to the reimbursement of federal funds for each project. This agreement is a supplement to the above referenced Local Agency-State Master Agreement and addresses project specific financial responsibilities (see Chapter 4, “Agreements,” of the LAPM).

Program Supplement Agreements will no longer display phases of work on the front page of the agreement. Instead, special covenants will be added to the project Program Supplement Agreement that allow funding for future phases of the project to be encumbered upon approval of the “Request for Authorization” of those phases. The DLA will prepare a Program Supplement Agreement upon receiving and approving the agency’s initial Request for Authorization, Finance Letter, and Agreement Checklist.

DETAIL ESTIMATE

Before the award of a construction contract, the project sponsor prepares a “Detail Estimate.” The Detail Estimate is used to:

- Identify federally participating and non-participating portions of work
- Segregate work by major federal work type codes
- Quantify supplemental work, state/local agency furnished materials, and contingencies and construction engineering
- Establish the federal reimbursement ratio for the project

See Exhibit 15-M, “Detail Estimate,” of the LAPM.

FINANCE LETTER

A Finance Letter is also prepared by the local agency to identify the funding sources of a project. It is based on the Detail Estimate and other costs for nonconstruction phases of work. A Finance Letter segregates project costs by eligible phases of work, identifies work performed by state and/or local forces, shows the total and participating and nonparticipating project costs, and identifies the various project funding sources. The Finance Letter is the basis for reimbursement of the federal funds shown in the Federal-aid Project Agreement (E-76). Eligible project costs cannot be reimbursed until a Finance Letter is submitted to the Local Program Accounting Branch via the DLAE and DLA. See Exhibit 15-N, “Finance Letter,” of the LAPM.

COMBINED STATE AND FEDERAL-AID PROJECT FINANCING

Where the state is providing funds to match or supplement federal funding, the details of this funding shall be provided with the “Request for Authorization” (see Chapter 3, “Project Authorization,” of the LAPM) submittal. Sufficient information and cost breakdown shall be provided to segregate the state funding.

Before beginning preliminary engineering, the local agency should discuss the current program rules with the DLAE.

2.5 REFERENCES

- SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>
- Section 176 (c)(4) of the Clean Air Act as Amended in 1990
- Section 182 Streets and Highway Code
- California Transportation Commission, *STIP Guidelines*, amended July 19, 2000, CTC Resolution G-00-20
- *Transportation Enhancement Activities Guidelines*, April 6, 1999 and April 27, 1999
- *Local Assistance Procedures Manual (LAPM)*
- 23 CFR 630.114
- 23 CFR 635.301 et.seq.
- 23 CFR 450
- *Financing Federal-aid Highways*
- Transportation Planning Web site: www.dot.ca.gov/hq/transprog/fedpgm.htm

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Table 1 -- Transportation Improvement Program (TIP) Exempt Projects

SAFETY

Railroad/highway crossing
 Hazard elimination program
 Safer non-Federal-aid system roads
 Shoulder improvements
 Increasing sight distance
 Safety improvement program
 Traffic control devices and operating assistance other than signalization projects
 Railroad/highway crossing warning devices
 Guardrails, median barriers, crash cushions
 Pavement resurfacing and/or rehabilitation
 Pavement marking demonstration
 Emergency relief
 Fencing
 Skid treatments
 Safety roadside rest areas
 Adding medians
 Truck climbing lanes outside the urbanized area
 Lighting improvements
 Widening narrow pavements or reconstructing bridges (no additional travel lanes)
 Emergency truck pullovers

MASS TRANSIT

Operating assistance to transit agencies
 Purchase of support vehicles
 Rehabilitation of transit vehicles
 Purchase of office, shop, and operating equipment for existing facilities
 Purchase of operating equipment for vehicles (e.g., radios, fareboxes, lifts, etc.)
 Construction or renovation of power, signal, and communications systems
 Construction of small passenger shelters and information kiosks
 Reconstruction or renovation of transit buildings and structures (e.g., rail or bus buildings, storage and maintenance facilities, stations, terminals, and ancillary structures)
 Rehabilitation or reconstruction of track structures, track, and trackbed in existing rights-of-way
 Purchase of new buses and rail cars to replace existing vehicles or for minor expansions of the fleet
 Construction of new bus or rail storage/maintenance facilities categorically excluded in 23 CFR 771

AIR QUALITY

Continuation of ridesharing and vanpooling promotion activities at current levels
 Bicycle and pedestrian facilities

OTHER

Specific activities which do not involve or lead directly to construction, such as:
 Planning and technical studies
 Grants for training and research programs
 Planning activities conducted pursuant to Titles 23 and 49 U.S.C.
 Federal-aid systems revisions
 Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action
 Noise attenuation
 Advance land acquisitions (23 CFR 712 or 23 CFR 771)
 Acquisition of scenic easements
 Plantings, landscaping, etc.
 Sign removal
 Directional and informational signs
 Transportation enhancement activities (except rehabilitation and operation of historic transportation buildings, structures, or facilities)
 Repair of damage caused by natural disasters, civil unrest, or terrorist acts, except projects involving substantial functional, locational or capacity changes

Table 1 appears as Table 2 in the Federal Register, Vol. 58, No. 225

Table 2 - Projects Exempt From Regional Emissions Analyses

Intersection channelization projects
Intersection signalization projects at individual intersections
Interchange reconfiguration projects
Changes in vertical and horizontal alignment
Truck size and weight inspection stations
Bus terminals and transfer points

Table 2 appears as Table 3 in the Federal Register, Vol. 58, No. 225

CHAPTER 3 FEDERAL-AID ROUTES & FUNCTIONAL CLASSIFICATIONS

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CHAPTER 3 FEDERAL-AID ROUTES & FUNCTIONAL CLASSIFICATIONS

3.1 INTRODUCTION

Prior to the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, the Federal-aid Highway Program was directed primarily toward the construction and improvement of four federal-aid systems: the Interstate (FAI), Primary (FAP), Urban (FAU) and Secondary (FAS) Systems. The National Highway System Act of 1995 restructured the federal-aid system and repealed the FAP, FAU and FAS systems. Instead of four federal-aid systems, now there is one system, the National Highway System (NHS). The Interstate System is a component of the NHS.

Although there is only one federal-aid system comprising of arterials, collectors and local roads, all public roads functionally classified above that of rural minor collector are eligible for federal assistance under new and/or continued programs provided by SAFETEA-LU. These are primarily funded under the Regional Surface Transportation Program (RSTP), the Congestion Mitigation and Air Quality (CMAQ) Improvement Program, and the Highway Bridge Program (HBP). Refer to Chapters 4 through 12 of this manual for complete discussions of the various federal-aid programs available to local agencies under the SAFETEA-LU.

3.2 FEDERAL-AID ROUTES

NATIONAL HIGHWAY SYSTEM

The NHS focuses federal resources on routes which are most important to interstate travel and the national defense, and roads that connect to other modes of transportation or are essential for international commerce. The NHS is designed to maintain system connectivity within the State and with adjacent states.

Section 103 (b) (1) of 23 U.S.C. defines the purpose of the NHS as:

“to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel.”

The federally mandated components of the NHS are: 1) the Interstate Highways 2) other urban and rural principal arterials 3) intermodal connectors which provide motor vehicle access to a major port, airport, public transportation facility, or other intermodal transportation facility, 4) the Strategic Highway Network (STRAHNET) which is a network of highways important to the United States strategic defense policy and which provides defense access, continuity, emergency capabilities for the movement of personnel, materials, and equipment in both peace time and war time, 5) major STRAHNET connectors which are listed in the Military Traffic Management Command's report, STRAHNET Connector Atlas, SE89-4b-59, dated September 1991, and 6) High Priority Corridors which have been predetermined by Congress.

The task of designating the State's portion of the NHS was a cooperative effort between Caltrans, regional and local governments, and neighboring states. The National Highway System Designation Act, signed by the President on November 28, 1995 formally adopted the NHS. The NHS listing was updated in 2002; refer to Exhibit 3-A "Local Routes on the National Highway System," of this manual for the listing of the local routes on the NHS.

FEDERAL-AID SYSTEM

Highways which are classified higher than local roads or rural minor collectors are collectively referred to as "Federal-aid Highways." New and continued programs provided under SAFETEA-LU permit the use of federal funds on these types of facilities.

Within the State of California, the total mileage of the federal-aid system, (including about 7,638 NHS miles) is approximately 54,700 miles.

OTHER PUBLIC ROADS

Although most federal highway funds are spent on "federal-aid highways," some federal funds may be used to finance improvements on local roads and rural minor collectors. Under the Highway Bridge Program (HBP), at least 15% of the State's bridge apportionment is to be used for bridge projects on roads classified as local or rural minor collectors. In addition, the Surface Transportation Program provides federal funds for bridge, safety, carpool related, and bicycle/pedestrian projects on any public road, regardless of functional classification.

3.3 FUNCTIONAL CLASSIFICATIONS

Streets and highways are grouped into classes or systems according to the character of service they are intended to provide. This process is called functional classification. An integral part of this process is the recognition that individual roads and streets do not serve travel independent from the rest of the highway system. Rather, most travel involves movement through a network of roads, so it is necessary to determine how this travel can be channelized within the network in a logical and efficient manner. Functional classification defines the nature of this channelization process by defining the role that any particular road or street should play in serving the flow of trips through a highway network.

Functional classification can be applied in planning highway system development, determining the jurisdictional responsibility for particular systems, and in fiscal planning. Functional classification is also important in determining eligibility for federal-aid funding.

FUNCTIONAL CLASSIFICATION FEATURES

Urban and rural areas have fundamentally different characteristics as to density of street and highway networks, nature of travel patterns, and the way in which these elements are related in highway function. Therefore, it is necessary to provide separate classifications for urban and rural functional systems.

URBAN

The four functional systems for urban and urbanized areas are 1) principal arterials, 2) minor arterial streets, 3) collector streets, and 4) local streets.

- The urban principal arterial system of streets and highways serves the major centers of activity of a metropolitan area, the highest traffic volume corridors and the longest trip desires, and carry a high proportion of the total urban area travel on a minimum of mileage. The system is integrated, both internally and between major rural connections.

The principal arterial system carries the major portion of trips entering and leaving the urban area, as well as the majority of through movements desiring to bypass the central city. In addition, significant intra-area travels, such as between central business districts and outlying residential areas, between major inner city communities, or between major suburban centers, are served by this system. Frequently, the principal arterial system will carry important intra-urban as well as intercity bus routes. Finally, this system in small urban and urbanized areas provides continuity for all rural arterials which intercept the urban boundary.

- The urban minor arterial street system interconnects with and augments the urban principal arterial system and provides service to trips of moderate length and a somewhat lower level of travel mobility than principal arterials. This system also distributes travel to geographic areas smaller than those identified with the higher system.

The urban minor arterial street system includes all arterials not classified as principal arterials and contains facilities that place more emphasis on land access than the higher system, and offer a lower level of traffic mobility. Such facilities may carry local bus routes and provide intra-community continuity, but ideally should not penetrate identifiable neighborhoods. This system includes urban connections to rural collector roads where such connections have not been classified as urban principal arterials.

- The urban collector street system provides both land-access service and traffic circulation within residential neighborhoods, commercial and industrial areas. It differs from the arterial system in that facilities on the collector system may penetrate residential neighborhoods, distributing trips from the arterials through the area to the ultimate destination. Conversely, the collector street also collects traffic from local streets in residential neighborhoods and channels it into the arterial system. In the central business district and in other areas of like development and traffic density, the collector system may include the street grid which forms a logical entity for traffic circulation.
- The urban local street (local roads) system comprises all facilities not on one of the higher systems. It serves primarily to provide direct access to abutting land and access to the higher systems. It offers the lowest level of mobility and usually contains no bus routes. Service to through traffic movement usually is deliberately discouraged.

RURAL

Rural functional classes are in the areas outside of urban areas. These areas include many small towns that have a population less than 5,000. The classes are similar to the urban functional classes. The differences in the nature and intensity of development between rural and urban areas cause these systems to have characteristics that are somewhat different from the correspondingly named urban systems. Rural functional classes consist of: 1) principal arterials, 2) minor arterials, 3) major collectors, 4) minor collectors, and 5) local streets.

- The rural principal arterial system consists of a network of continuous routes that serve corridor movements with trip length and travel density characteristics indicative of substantial statewide or interstate travel. Rural principal arterials provide an integrated network without stub connections except where unusual geographic or traffic flow conditions dictate otherwise.
- The rural minor arterial system forms a network linking cities, larger towns, and other traffic generators, such as resort areas capable of attracting travel over similarly long distances. Minor arterials, spaced at intervals consistent with population density, ensure that all developed areas of the State are within a reasonable distance of an arterial highway.
- The rural major collector system serves the larger towns not directly served by arterials and other traffic generators of intra-county importance.
- Rural minor collectors are spaced at intervals consistent with population density, collect traffic from local roads and serve the remaining smaller communities.
- Rural local streets primarily provide access to adjacent land and provide service to travel over relatively short distances as compared to collectors or other higher systems.

CHANGES IN FUNCTIONAL CLASSIFICATION

Caltrans has the primary responsibility for determining anticipated functional usage, and initially developing and periodically updating the highway functional classification system.

Changes in functional classification must comply with the requirements described in the *Highway Functional Classification -- Concepts, Criteria and Procedures* manual published by the Federal Highway Administration (FHWA).

- City Streets - Each incorporated city is responsible for initiating requests to change the functional classification of city streets. City staff provides the necessary justification for the proposed classification change. The changes should be consistent with approved FHWA guidelines
- County Roads - Each county is responsible for initiating requests to change the functional classification of county roads. County staff provides the necessary justification for the proposed classification change. The changes should be consistent with the approved FHWA guidelines

- State Highways - Caltrans Districts are responsible for initiating requests to change the functional classification of State highways. District staff provides the necessary justification for the proposed classification change. The changes should be consistent with the approved FHWA guidelines.
- Changes to other facilities - Forest Service roads, State Park roads, Indian Reservation roads, etc. must be initiated by the affected agency that has jurisdiction over the facility. The staff of each agency provides the necessary justification for the proposed classification change. The Caltrans Districts would assist with any questions these agencies may have regarding the proposed functional classification changes.

Once a request is initiated by the responsible agency, it must be submitted to the appropriate Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) for concurrence. This requirement applies to all public roads (local, state and federal) for which a functional classification change is proposed.

When a MPO/RTPA proposes the change of functional classification of a public road, it must involve the appropriate entity with jurisdiction over the facility to ensure that recommendations are mutually acceptable.

All requests for change, along with all the justifications, are forwarded through the Caltrans Districts to the Headquarters Division of Transportation System Information (TSI) for evaluation and recommendation to FHWA. The Districts review all proposals and submit their independent recommendations to Headquarters TSI. TSI updates the (Functional Classification) maps and sends to FHWA for approval. The change becomes official on the date the FHWA signs the maps.

3.4 REFERENCES

- FHWA, Highway Functional Classification--Concepts, Criteria and Procedures, March, 1989 at: http://www.fhwa.dot.gov/planning/fcsec1_1.htm
- Title 23, Ch 1, Section 103 and Section 1006 of Publication 102-240
- 23 USC, section 130(b)(1)
- Division of TSI, Highway System Engineering Web site: <http://www.dot.ca.gov/hq/tsip/hseb/index.html>
- National Highway System Act of 1995
- SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>

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LOCAL NATIONAL HIGHWAY SYSTEM DESIGNATION

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
DISTRICT 02				
Lassen	County	Garnier Rd.	From Herlong Access Rd. (Sierra Ordinance Depot) to Route 395	3.8
DISTRICT 03				
Sacramento	County	Hazel Ave	From Route 50 to Folsom Blvd.	0.1
Sacramento	County	Folsom Blvd.	From Hazel Avenue to Aerojet Road.	0.4
Sacramento	County	Roseville Road	From I-80 to Watt Avenue.	1.7
Sacramento	County	Watt Ave	From Roseville Road to McClellan AFB (A Street).	0.8
Yolo	W SAC	Harbor Blvd.	From Industrial Road to Route 50.	0.4
DISTRICT 04				
Alameda	Oakland	West Grand	From I-80 to Maritime Street.	0.4
Alameda	Oakland	Maritime St.	From West Grand Avenue to 7 th Street.	1.3
Alameda	Oakland	Batann Ave	From Maritime Street to Corregidor St. (Mil. Ocean Terminal).	0.2
Alameda	Oakland	8 th St	From I-880 to Cypress Avenue.	0.0
Alameda	Oakland	Cypress St.	From 8 th Street to 7 th Street.	0.1
Alameda	Oakland	7 th Street	From Cypress Avenue to Maritime Street.	1.2
Alameda	Oakland	Hegenberger Rd.	From West of Rte 61 to I-880.	1.1
Alameda	Oakland	Middle Harbor Rd.	From East E St. (Oakland Nav. Supply Ctr.) to I-880.	1.4
Contra Costa	County	Waterfront Road	From I-680 to Martinez City Limit (East of SPRR).	0.8
Contra Costa	Martinez	Waterfront Road	From Martinez City Limit (East of SPRR) to 0.6 mi east.	0.6
Contra Costa	County	Waterfront Road	From 0.6 mi east SPRR to 0.1 mi. east of Hastings Slough	2.3
Contra Costa	Richmond	Western Dr.	From I-580 to Point Molate Fuel Depot.	0.8
Contra Costa	Richmond	Canal Blvd	From Port of Richmond to I-580.	1.1
Contra Costa	Richmond	Harbour Way	From Port of Richmond to I-580.	0.9
San Francisco	SF	Army St.	From 3 rd Street (Port of SF) to Rte 101.	0.9
San Francisco	SF	3 rd St.	From Army St to Cargo Way (Port of SF).	0.3
Santa Clara	San Jose	Airport Pkwy	From Airport Blvd to Rte 87.	0.1
Solano	Fairfield	Airbase Pkwy	From I-80 to Cannon Dr. (Travis Air Force Base).	5.6

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
DISTRICT 05				
Santa Barbara	County	Clark Ave.	From Rte 135 to Route 101	2.3
DISTRICT 06				
Kern	County	Rosamond Blvd.	From Edwards Air Force Base (W. Bdry) to Route 14.	1.8
DISTRICT 07				
Los Angeles	Long Beach	Pico Ave.	From Ocean Blvd (Port of Long Beach) to 9 th Street.	0.9
Los Angeles	Long Beach	9 th St.	From Pico Ave to Santa Fe Avenue.	0.4
Los Angeles	Long Beach	Santa Fe Ave.	From 9 th Street to Anaheim Street.	0.1
Los Angeles	Los Angeles	Anaheim St.	From Alameda Street to 0.1 mi East of Nicholson Avenue.	1.3
Los Angeles	Long Beach	Anaheim St.	From 0.1 mi East of Nicholson Ave to Santa Fe Avenue.	0.3
Los Angeles	Los Angeles	Alameda St.	From Anaheim Street to B Street.	0.9
Los Angeles	Los Angeles	B Street	From Alameda Street to John Gibson Blvd.	1.2
Los Angeles	Los Angeles	John Gibson Blvd.	From Wilmington-San Pedro Rd. (Port of LA) to B Street.	1.1
Los Angeles	Los Angeles	Figueroa St.	From B Street to C Street.	0.1
Los Angeles	Los Angeles	C Street	From Figueroa Street to I-110.	0.1
Los Angeles	Palmdale	Avenue M	From Rte 138 to 30 th St. (AF Plant 42).	4.4
Ventura	Port Hueneme	Hueneme Rd.	From Ventura Road to City Limit West of J Street.	0.4
Ventura	Oxnard	Hueneme Rd.	From CL West of J St. to Edison Drive.	1.0
Ventura	County	Hueneme Rd.	From Edison Drive to Rice Avenue.	1.3
Ventura	County	Rice Ave	From Hueneme Rd to Fifth Street (SH 34).	3.1
Ventura	Oxnard	Rice Ave	From Fifth Street (SH 34) to Route 101.	1.7
Ventura	Oxnard	Victoria Ave.	From Channel Islands Blvd. to Wooley Road.	1.0
Ventura	County	Victoria Ave.	From Wooley Road to City Limit South of Fifth Street.	0.5
Ventura	Oxnard	Victoria Ave.	From CL South of Fifth St. to Teal Club Road.	0.4
Ventura	County	Victoria Ave.	From Teal Club Road to City Limit at SPRR.	3.3

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
Ventura	Ventura	Victoria Ave.	From CL at SPRR to Route 101	0.3
Ventura	County	Las Posas Road	From Rte 1 (Point Mugu Naval Station) to Pleasant Valley Road	6.0
Ventura	Camarillo	Las Posas Road	From Pleasant Valley Road to Route 101.	0.9
DISTRICT 08				
San Bernardino	Barstow	Fort Irwin Rd.	From I-15 to Fort Irwin.	23.4
San Bernardino	TNP	Lear Ave.	From Rte 62 (Twenty Nine Palms Hwy) to Amboy Road.	2.1
San Bernardino	County	Lear Ave.	From Amboy Road to Indian Trail.	1.5
San Bernardino	County	Indian Trail	From Lear Ave to Mesquite Springs Road.	4.4
San Bernardino	TNP	Indian Trail	From Mesquite Springs Road to Condor Road.	1.0
San Bernardino	TNP	Condor Rd.	From Indian Train to Marine Combat Center.	1.3
Riverside	MORV	Cactus Ave.	From Graham St. (March Air Force Base) to I-215.	1.6
DISTRICT 10				
San Joaquin	LTRP	Roth Rd	From 0.3 mi. West of WPRR (Sharpe Army Depot) to I-5.	0.7
San Joaquin	County	Chrisman Road	From Valpico Rd. (Tracy Defense Depot) to 11 th Street.	2.0
San Joaquin	County	11 th STEET	From Chrisman Road to I-5.	3.8
San Joaquin	Stockton	Harbor St.	From Port of Stockton to Fresno Avenue.	0.2
San Joaquin	Stockton	Fresno Ave.	From Harbor Street to Route 4.	0.3
DISTRICT 11				
San Diego	SD	Miramar Rd.	From Neptune Road (Miramar Naval Air Station) to I-15.	1.0
San Diego	NATC	8 th Street	From Harbor Drive to I-5.	0.3
San Diego	SD	Pacific Hwy	From NSC-Broadway Compound to Braodway.	0.1
San Diego	SD	Broadway	From Pacific Highway to 11 th Avenue.	1.0
San Diego	SD	11 th Ave.	From Broadway to I-5.	0.6
San Diego	SD	Rosecrans Ave.	From N Bndry Naval Res. to N Harbor Dr. (portion Rte. 209).	1.5
San Diego	SD	N. Harbor Dr.	From Rosecrans Ave (SH 209) to Laurel Drive.	3.0
San Diego	SD	Laurel St.	From Harbor Drive to I-5.	0.5
San Diego	SD	Pacific Hwy	From Laurel Street to E St. (NSC-Broadway Compound).	1.0

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
San Diego	SD	Grape St.	From Pacific Highway to I-5.	0.3
San Diego	SD	Hawthorn St.	From Pacific Highway to I-5.	0.3
San Diego	SD	Crosby Rd.	From Belt St (Port of San Diego) to Harbor Drive.	0.1
San Diego	SD	Crosby St.	From Harbor Drive to I-5.	0.3
San Diego	SD	Harbor Dr.	From Crosby Street to 28 th Street.	1.0
San Diego	SD	28 th Street	From Harbor Drive to I-5.	0.3
DISTRICT 12				
Orange	Los Alamitos	Katella Ave.	From Lexington Drive to I-605.	1.6
Orange	Los Alamitos	Lexington Dr.	From Katella Avenue to Los Alamitos Reserve Center.	0.3
Orange	Seal Beach	Seal Beach Blvd	From Forrestal Lane to I-405.	2.0
"LOCAL" ROUTES ON THE NHS TOTAL				119.5

LOCAL NATIONAL HIGHWAY SYSTEM INTERMODAL CONNECTORS

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
DISTRICT 01				
Humboldt	Eureka	Washington St.	From Port of Humboldt to Route 101.	0.4
DISTRICT 04				
Alameda	Oakland	Broadway	From Oakland Amtrak Station to Second Street.	0.1
Alameda	Oakland	Second St.	From Broadway to Jackson Street.	0.3
Alameda	Oakland	Jackson St.	From Second Street to I-880.	0.2
Alameda	Emeryville	Powell St.	From Emeryville Amtrak Station to I-80.	0.2
Alameda	Oakland	Castro St.	From Oakland Bus Terminal to 18 Street.	0.2
Alameda	Oakland	18th St.	From Castro Street to I-980.	0
Contra Costa	Richmond	Canal Blvd.	From Richmond Rail Yard to I-580.	0.2
Contra Costa	Richmond	Giant Highway	From UPS-Richmond Terminal to Richmond Parkway.	0.7
Contra Costa	Richmond	Richmond Pkwy	From Giant Highway to I-80.	1.1
Contra Costa	Martinez	Marina Vista	From Martinez Amtrak Station to Alhambra Street.	0.3
Contra Costa	Martinez	Alhambra St.	From Marina Vista to Route 4.	2.0
Santa Clara	San Jose	Montgomery St.	From San Jose Amtrak Station to The Alameda.	0.2
Santa Clara	San Jose	The Alameda	From Montgomery Street to Santa Clara Street.	0.1
Santa Clara	San Jose	Santa Clara St.	From The Alameda to Almaden Blvd.	0.4
Santa Clara	San Jose	Almaden Blvd.	From Santa Clara Street to St. James Street.	0.2
Santa Clara	San Jose	St. James St.	From Almaden Blvd. to Route 87.	0.1
Santa Clara	San Jose	Post St.	From San Jose Bus Terminal to Almaden Avenue.	0.1
Santa Clara	San Jose	Almaden Ave.	From Post Street to St. James Street.	0.3
Solano	Benicia	Bayshore Rd.	From Port of Benicia to Park Road.	1.6
Solano	Benicia	Park Rd.	From Bayshore Road to Industrial Way.	0.2
Solano	Benicia	Industrial Way	From Park Road to I-680.	0.1
San Francisco	San Francisco	Bus Separator Ramp	From San Francisco Trans. Bay to I-80.	0.7
San Mateo	Redwood City	Seaport Blvd.	From Port of Redwood City to Route 101.	1.8

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
DISTRICT 05				
Monterey	Monterey	Salinas St.	From Salinas Bus Terminal to Route 183.	0.1
Monterey	County	Blackie Rd.	From Castroville Rail Yard to Route 183.	0.5
Monterey	Salinas	Abbott St.	From Salina Rail Yard to S. Sanborn Road.	0.5
Monterey	Salinas	S. Sanborn Rd.	From Abbott Street to Route 101.	0.8
Santa Barbara	County	Moffett Pl.	From Santa Barbara Airport to Route 217.	0.5
Santa Barbara	Santa Barbara	Yanonali	From Santa Barbara Amtrak Station to Garden Street.	0.2
Santa Barbara	Santa Barbara	Garden St.	From Yanonali to Route 101.	0.1
Santa Barbara	Santa Barbara	Carillo St.	From Santa Barbara Bus Terminal to Route 101.	0.7
Santa Cruz	Watsonville	W. Beach St.	From Watsonville Rail Yard to Industrial Road.	0.6
Santa Cruz	Watsonville	Industrial Rd.	From W. Beach St. to Route 129.	0.3
DISTRICT 06				
Kern	Bakersfield	F Street	From Bakersfield Amtrak Station to California Avenue.	0.3
Kern	Bakersfield	California Ave.	From F Street to Route 99.	1.0
Kern	Bakersfield	F Street	From Bakersfield Bus Terminal to 24 th Street.	0.4
Kern	Bakersfield	24 th St.	From F Street to Route 99.	1.3
Fresno	Fresno	Broadway	Fresno Bus Terminal to Fresno Street.	0.1
Fresno	Fresno	Tulare St.	From Fresno Amtrak Station to Route 41.	0.4
Fresno	Fresno	Fresno St.	From Broadway to Route 99.	0.5
Fresno	Fresno	North Ave.	From Fresno TOPC Rail Yard to Route 99.	0.5
Fresno	Fresno	Clinton Way	From Fresno Airport to McKinley Avenue.	0.5
Fresno	Fresno	McKinley Ave.	From Clinton Way to Route 41.	3.5
DISTRICT 07				
Los Angeles	Burbank	Thorton Ave.	From Burbank Airport to Buena Vista Street.	0.7
Los Angeles	Burbank	Buena Vista St.	From Thorton Ave. to I-5.	0.4
Los Angeles	Long Beach	Lakewood Blvd.	From Long Beach Airport to I-405.	1.0

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
Los Angeles	Los Angeles	Los Angeles St.	From Union Station Amtrak Station to Alameda Street.	0.1
Los Angeles	Los Angeles	Alameda St.	From Los Angeles Street to Route 101.	0.2
Los Angeles	Los Angeles	7 th Street	From Los Angeles Bus Terminal to Alameda Street.	0.2
Los Angeles	Los Angeles	Alameda St.	From 7 th Street to I-10.	0.8
Los Angeles	Los Angeles	Lamar St.	From LA Rail Yard (near Union Station) to North Main Street.	0.3
Los Angeles	Carson	Sepulveda Blvd.	From Long Beach Rail Yard to Route 47.	0.7
Los Angeles	Vernon and Commerce	Washington Blvd.	LA ATSF Rail Yard to I-710).	1.4
Los Angeles	Industry	Stimson Ave.	From City of Industry Rail Yard to Valley Boulevard.	0.1
Los Angeles	Industry	Valley Blvd.	From Stimson Ave. to Hacienda Blvd.	0.4
Los Angeles	Industry	Hacienda Blvd.	From Valley Blvd. to Route 60.	1.0
DISTRICT 08				
Riverside	Palm Springs	Tahquitz Canyon	From Palm Springs Airport to Indian Canyon Drive.	2.0
Riverside	Palm Springs	Indian Canyon Dr.	From Tahquitz Canyon Way to I-10.	6.0
Riverside	Indio	Requa Ave.	From Indio Bus Terminal to Jackson Street.	0.4
Riverside	Indio	Jackson St.	From Requa Avenue to I-10.	1.4
San Bernardino	Ontario	Archibald Ave.	From Ontario Airport to I-10.	0.7
San Bernardino	Ontario	Vineyard Ave.	From Ontario Airport to I-10.	0.8
San Bernardino	San Bernardino	Second St.	From San Bernardino Amtrak Station to I-10.	0.7
San Bernardino	San Bernardino	Third St.	From San Bernardino Amtrak Station to I-10.	0.7
San Bernardino	San Bernardino	4th St.	From San Bernardino Rail Yard to Cajon Road.	0.5
San Bernardino	San Bernardino	Cajon Rd.	From 4th Street to Route 66.	0.1

County	Local Agency	Local Road Name	Route Description and Termini	Total Miles
San Bernardino	Barstow	First Ave.	From Barstow Bus Terminal to Main Street.	0.6
San Bernardino	Barstow	Main St.	From First Avenue to Barstow Road.	0.3
San Bernardino	Barstow	Barstow Rd.	From Main Street to I-15.	1.0
San Bernardino	County	Cedar Ave.	From Fontana Rail Yard to I-10.	0.1
San Bernardino	Rialto	Riverside Ave.	From Fontana Rail Yard to I-10.	0.1
DISTRICT 10				
San Joaquin	Stockton	San Joaquin St.	From Stockton Amtrak Station to Lafayette Street.	0.4
San Joaquin	Stockton	Lafayette St.	From San Joaquin Street to Stanislaus.	0.3
San Joaquin	Stockton	Washington St.	From San Joaquin Street to Stanislaus.	0.3
San Joaquin	Stockton	Center St.	From Stockton Bus Terminal to Route 4.	0.1
San Joaquin	Stockton	Jefferson St.	From Stockton Rail Yard to Diamond Street.	0.2
San Joaquin	Stockton	Diamond St.	From Jefferson Street to Charter Way.	0.3
San Joaquin	County	Roth Rd.	From Lathrop Rail Yard to existing NHS Connector (Roth Rd.)	0.1
DISTRICT 11				
San Diego	Oceanside	Hill St.	From Oceanside Amtrak Station to Mission Avenue.	0.4
San Diego	Oceanside	Mission Ave.	From Hill Street to I-5.	0.5
San Diego	Solana Bch.	Lomas Santa Fe	From Del Mar Amtrak Station to Route I-5.	0.9
DISTRICT 12				
Orange	Irvine	MacArthur	From John Wayne Airport (Orange County) to I-405.	0.5
Orange	Santa Ana	Santa Ana Blvd.	From Santa Ana Amtrak Station to I-5.	0.2
Orange	Anaheim	Katella Rd.	Anaheim Amtrak Station to Route 57.	0.2
Orange	Fullerton	Harbor Blvd.	From Fullerton Amtrak Station to Route 91.	1.1
INTERMODAL CONNECTOR "LOCAL" ROUTES ON THE NHS TOTAL				

CHAPTER 4 SURFACE TRANSPORTATION PROGRAM (STP)

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CHAPTER 4 SURFACE TRANSPORTATION PROGRAM (STP)

4.1 INTRODUCTION

The Surface Transportation Program (STP) was established by the 1991 Federal Intermodal Surface Transportation Efficiency Act (ISTEA) and continued with the passage of the Transportation Equity Act for the 21st Century (TEA-21) and the TEA-21 Restoration Act in 1998. Both new Acts are jointly referred to as TEA-21. Funds are directed to projects and programs for a broad variety of transit and highway work (including work done to streets and roads).

4.2 ELIGIBILITY CRITERIA

GENERAL

Eligible projects may be located on:

- Any federal-aid highway, including the National Highway System. (A portion of the funds reserved for rural areas may be spent on rural minor collectors for fiscal years 1998 through 2003.)
- Bridges on any public highway.
- Transit capitol projects, and intra-city/inter-city bus terminals and facilities.

Generally, the projects must be transportation projects or programs which are:

- Consistent with Title 23 United States Code (USC) and/or Title 49 USC.
- Derived from the Regional Transportation Plan (RTP), included in a Federal Transportation Improvement Program (FTIP) and/or Federal Statewide Transportation Improvement Program (FSTIP) and consistent with the conformity determinations of the Clean Air Act and its amendments.

PROJECT TYPES

Eligible project types (Title 23 USC, Chapter 1, Section 133) include:

- Construction, reconstruction, rehabilitation, resurfacing, restoration and operational improvements for highway and bridge projects, including bridge seismic retrofit, painting and application of calcium magnesium acetate, sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing compositions. Also included are the necessary engineering, right-of-way and environmental mitigation for these activities.
- Transit capital projects under Chapter 53 of 49 USC including vehicles and facilities, whether publicly or privately owned, that are used to provide inter-city passenger service by bus.
- Carpool projects, fringe and corridor parking facilities, bicycle facilities and non-construction projects, pedestrian walkways, and modification of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.).

- Highway and transit safety infrastructure projects, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossing elimination or improvement.
- Highway and transit research and development and technology transfer programs.
- Capital and operating costs for traffic monitoring, management and control facilities and programs.
- Surface transportation planning programs.
- Transportation enhancement activities.
- Transportation control measures listed in Section 108(f)(1)(A) of the Clean Air Act excluding clause (xvi).
- Development and establishment of management systems under Title 23 USC, section 303.
- Wetlands mitigation and natural habitat efforts related to projects funded under Title 23 USC.
- Capital improvements for infrastructure-based intelligent transportation systems.
- Environmental restoration and pollution abatement projects, including retrofit or construction of stormwater treatment facilities (limited to 20% of the total cost of reconstruction, rehabilitation, resurfacing, or restoration projects).

PREVENTIVE MAINTENANCE

Section 119 of Title 23, United States Code, was amended by ISTEA and continued by TEA-21 to provide specific federal-aid fund eligibility for preventive maintenance on Interstate highways. Subsequent clarifications by the California Division Administrator for the FHWA extended federal-aid fund eligibility for preventive maintenance on other federal-aid highways.

Preventive maintenance projects may be advanced without including safety or geometric enhancements, but with the understanding that appropriate AASHTO safety and geometric enhancements will be an integral part of future reconstruction, rehabilitation, resurfacing, or restoration projects. Preventive maintenance includes, but is not limited to, roadway activities such as joint and shoulder rehabilitation, heater re-mix, seal coats, corrective grinding of PCC pavement, and restoration of drainage systems. These activities are eligible for federal-aid participation provided:

- The local agency certifies that it has a Pavement Management System (PMS). This certification is to be completed biennially, with a copy attached to the Field Review Form for all Preventive Maintenance Projects (see Exhibit 4-A, "Pavement Management System Certification").
- The decision process used by the city or county to determine project strategies was based on the established PMS.

Items to be covered and noted in the Field Review. See Chapter 7, "Field Review" in the *Local Assistance Procedures Manual (LAPM)*.

- The PMS determined the project strategy to be cost effective and have a service life of five years or more.

Items to be covered and noted in the Field Review. See Chapter 7, "Field Review" in the LAPM.

- The project is not for spot application. Spot application projects are considered to be normal maintenance and therefore not eligible.
- The preventive maintenance project does not degrade any existing safety or geometric aspects of the facility.
- All federal-aid requirements shall apply.
- Funding for each project shall be required to be in an approved Federal Statewide Transportation Improvement Program (FSTIP). (It is recommended that preventive maintenance projects be programmed on a lump sum basis for the program and not as individual projects.)

Items to be covered and noted in the Field Review. See Chapter 7, "Field Review" in the LAPM.

4.3 FUNDING

California received \$656 million dollars for the Federal Fiscal Year of 2000/2001 (October 1, 2000 to September 30, 2001) in total STP apportionments under the 1998 TEA-21 provisions. Funds are apportioned on a pro-rata percentage of federal-aid highway lane-miles, vehicle-miles traveled on lanes on federal-aid highways, and tax payments attributable to highway users. FHWA may impose annual penalties when the state does not comply with specific provisions of federal law. Certain deductions for administrative purposes, set-asides, and transfers may adjust the amount available for apportionment.

STP SAFETY PROGRAMS

Ten percent of the STP apportionment authorized by TEA-21 is reserved for safety programs defined by Sections 130 (railroad-highway crossing improvements) and 152 (hazard elimination projects) of the Act (see Chapter 9, "Hazard Elimination Safety," and Chapter 10, "Railroad/Highway At-Grade Crossing," in this manual).

STP TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA)

Another 10 percent of the STP apportionment is reserved for Transportation Enhancement Activities. This reserved apportionment is used for a variety of special projects which serve to enhance or enlarge the function or purpose beyond that normally required for transportation service or environmental mitigation requirement (see Chapter 8, "Transportation Enhancement Activities" of this manual).

REGIONAL STP

Federal statute divides the remaining 80 percent of the STP apportionment among the urbanized and non-urbanized areas. Of this amount, 62.5 percent (50 percent of the total) must be divided among the urbanized areas (areas with populations over 200,000) and remaining areas of the state, normally on a population basis, and 37.5 percent (30 percent of the total) may be used in any area.

State law (Streets and Highway Code, Section 182.6) defines certain STP funds allocated within the state as Regional STP (RSTP). State law further defines how these funds are apportioned to the Metropolitan Planning Organizations (MPOs) by the state. Further apportionment is made by the MPOs to the County Transportation Commissions. Where there is no MPO, the apportionment goes to the Regional Transportation Planning Agency (RTPA).

For the Federal Fiscal Year of 2000/2001, the amount apportioned for distribution to the MPOs, RTPAs, and County Transportation Commissions is \$318 million.

4.4 PROJECT SELECTION

The agencies receiving RSTP apportionments (i.e., MPOs, RTPAs, and County Transportation Commissions), in cooperation with Caltrans, cities, counties, and transit operators, develop a program of projects for entry into the FTIP/FSTIP. Each MPO or RTPA provides application rules for project listings in their local jurisdictions. Each regional FTIP is subsequently incorporated into the FSTIP, which also includes the projects for areas of the state not covered by MPOs.

4.5 PROJECT IMPLEMENTATION

Upon selection for funding through FTIP/FSTIP, project costs can become eligible for federal reimbursement through the FHWA authorization and obligation process. Requests to initiate project work must be processed through the District Local Assistance Office. Expenses incurred prior to authorization are not eligible for reimbursement. (See Chapter 3, "Project Authorization," in the LAPM.)

Under TEA-21, the federal share for most California STP projects is 88.53 percent. Safety projects are eligible for 90 or 100 percent federal share (see Chapter 9, "Hazard Elimination Safety," and Chapter 10, "Railroad/Highway At-Grade Crossing," of this manual).

4.6 FEDERAL TRANSIT ADMINISTRATION (FTA) TRANSFERS

Under ISTEA and TEA-21, funds traditionally used for highway projects can be transferred to the FTA for use on transit projects (Title 23 USC, section 134). The funds transferred are primarily used to acquire buses, vans, and light rail trains, as well as for operations in the first three years of a transit system's operations.

The transfer process begins when a transit operator determines that funding is needed for a specific project, such as acquiring a bus, rehabilitating vans, or constructing a transit facility. Next, the transit operator makes a grant application to FTA. Once the number is received from FTA, the transit operator submits the necessary documentation to the Caltrans District Local Assistance Engineer (DLAE). At this point, the project identified for funding should be included on the FTIP/FSTIP.

The DLAE then forwards the FTA transfer request to the Division of Local Assistance. Upon receiving a request, the Division of Local Assistance assures that adequate funding

and obligational authority is available. Afterward, the Division of Local Assistance submits a letter to FHWA that 1) identifies the project and 2) asks FHWA to transfer the funds, thereby reducing the apportionment for the region. When FHWA Headquarters Office of Budget and Finance completes the necessary documents, FHWA then transfers funds to FTA.¹

For additional information, please refer to Chapter 3, "Project Authorization," of the LAPM.

4.7 RSTP/STATE FUNDS EXCHANGE

Non-MPO RTPAs may exchange their RSTP funding for State Highway Account funds. Counties represented by MPOs may exchange their guaranteed share of these funds provided that the amount is less than 1 percent of the total statewide apportionment or in excess of 3.5 percent total statewide apportionment by formula (see Chapter 18, "Exchange/Match Program," of this manual).

4.8 "USE IT OR LOSE IT" PROVISIONS OF ASSEMBLY BILL 1012

Assembly Bill 1012 (AB 1012) was enacted in October 1999 with a goal of improving the delivery of transportation projects. The legislation states that regional agency RSTP and Congestion Mitigation and Air Quality Improvement (CMAQ) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission (CTC) in the fourth year.

Caltrans will apply the same policy to the Regional Transportation Enhancement Activities (TEA) program; although, the statutes do not specify that the Regional TEA program is subject to the same timely use of funds provisions. This treatment of Regional TEA funds is consistent with the CTC policy that states Regional TEA funds will be apportioned and managed in a manner similar to RSTP funds.

The roles and responsibilities for the timely use of funds are delineated in statute and are shared by regional agencies, Caltrans, and the CTC.

- Regional agencies are responsible for: 1) obligating the funds within the three-year time period, and 2) developing a plan for these funds that remain unobligated in the third year.
- Caltrans is responsible for monitoring and reporting unobligated balances.
- The CTC is responsible for reprogramming the unobligated balances to ensure no federal lapse occurs.

¹ Once transferred to FTA, the funds cannot be returned to FHWA.

Regional agencies must submit a formal obligation plan for any CMAQ, RSTP, or Regional TEA balance older than 2-years old to the DLAE by April 15 of each year. The plan must be tied back to the FTIP and provide a project identifier for each project.

Adequate time must be allowed in the plans for the required administrative processes in order to meet the federal funds cut off date of September 15. Therefore, regional agencies must submit all requests for obligation of funds to the Department district offices no later than August 15.

For information on policy and procedures necessary to implement the Timely Use of Funds provisions outlined in AB 1012, refer to the “Guidelines for Implementation of the Timely Use of Funds Provisions of AB 1012,” found on the Local Assistance homepage at: www.dot.ca.gov/hq/LocalPrograms/.

4.9 REFERENCES

- Title 23 United States Code, Chapter 1, Sections 104, 133, 134,135,149, 152
- California Constitution, Article XIX
- Streets and Highways Code, Sections 182.4, 182.6
- “Guidelines for Matching Regional Surface Transportation and CMAQ Projects (August 4, 1993),” Division of Transportation Programming
- “A Guide to Federal-Aid Programs, Projects, and Other Uses of Highway Funds,” Publication No. FHWA-PD-92-018, September 1992

LOCAL AGENCY LETTERHEAD

Date: _____

PAVEMENT MANAGEMENT SYSTEM CERTIFICATION

The City/County of _____ certifies that it has a Pavement Management System (PMS).

The system was developed by _____ and contains, as a minimum, the following elements from the attached federal requirements:

- Inventory of arterial and collector routes reviewed and updated biennially. The last update of the inventory was completed on _____, 20 ____.
- Assessment of pavement condition for all routes in system incorporating the use of the international roughness index or the pavement serviceability rating data, updated biennially. The last review of pavement condition was completed on _____, 20 ____.
- History of pavement performance.
- Identification of all sections of pavement needing rehabilitation or replacement.
- Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current biennial period, and for following biennial period.
- Impact of budget decisions on future pavement condition.

(If PMS system was developed in-house, briefly describe it on an attached sheet.)

Agency

Signature

Title

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CHAPTER 5 CONGESTION MITIGATION AND AIR QUALITY (CMAQ) IMPROVEMENT PROGRAM

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CHAPTER 5 CONGESTION MITIGATION AND AIR QUALITY (CMAQ) IMPROVEMENT PROGRAM

5.1 INTRODUCTION

The Congestion Mitigation and Air Quality (CMAQ) Improvement Program was established by the 1991 Federal Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorized with the passage of Transportation Equity Act for the 21st Century (TEA-21), and superseded by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Funds are directed to transportation projects and programs which contribute to the attainment or maintenance of National Ambient Air Quality Standards (NAAQS) in nonattainment or air quality maintenance areas for ozone, carbon monoxide, or particulate matter (PM) under provisions in the Clean Air Act (Title 42, United States Code).

5.2 ELIGIBILITY CRITERIA

Project and program eligibility has evolved through a series of federal guidelines that were developed and issued following the passage of ISTEA. With the passage of SAFETEA-LU on August 10, 2005, the Federal Highway Administration (FHWA) has provided new guidance under their document titled “CMAQ Improvement Program under the SAFETEA-LU Final Program Guidance,” dated October, 2008.

A wide and diverse variety of projects and programs are eligible for CMAQ funding. However, the Clean Air Act requires FHWA and Federal Transit Administration (FTA) to ensure timely implementation of Transportation Control Measures (TCMs) in applicable State Implementation Plans (SIPs). TCMs are included in the SIP to contribute to the attainment and maintenance of the NAAQS. Therefore, the highest priority for funding under the CMAQ program is the implementation of such control measures.

As indicated in Exhibit 5-A, “CMAQ Improvement Program under the SAFETEA-LU Final Program Guidance,” of this chapter, the general eligibility criteria for CMAQ funding is for projects to have expected reductions in carbon monoxide, ozone precursor, or PM emissions. In order to properly assess the emissions, the CMAQ Improvement Program under the SAFETEA-LU Final Program Guidance suggests that proposals for CMAQ funding include a precise description of the project, the project’s size and scope, and a timetable.

For questions concerning eligibility or air quality analysis requirements, see Exhibit 5-A, of this chapter. Specific project types typically considered eligible for CMAQ funding are listed below along with the page number reference in this exhibit.

- Transportation Control Measures (TCMs) – page 15
- Extreme Low-Temperature Cold Start Programs – page 16
- Alternative Fuels and Vehicles – page 16
- Congestion Reduction & Traffic Flow Improvements – page 17
- Transit Improvements – page 19
- Bicycle and Pedestrian Facilities and Programs– page 21

- Travel Demand Management – page 21
- Public Education and Outreach Activities – page 22
- Transportation Management Associations – page 23
- Carpooling and Vanpooling – page 23
- Freight/Intermodal – page 23
- Diesel Engine Retrofits & Other Advanced Truck Technologies – page 24
- Idle Reduction– page 26
- Training for Transportation Workforce – page 26
- Inspection/Maintenance (I/M) Programs – page 26
- Experimental Pilot Projects- page 27

5.3 FUNDING

Nationwide, over a billion dollars per year is available for the CMAQ program. The funds are distributed by formula which weighs each specific air basin's relative level of air quality severity and population compared to the nationwide total. California receives approximately \$400 million per year in funds over the life of SAFETEA-LU.

Within California, by statute (Streets and Highway Code, Sections 182.6 and 182.7), funds are apportioned using the same federal formula to Metropolitan Planning Organizations (MPOs) in nonattainment areas. Further apportionment is made by the MPOs to the County Transportation Commissions.

A potential source of nonfederal match funds is presented in Chapter 23, "Local Agency STIP Projects," of this manual.

5.4 PROJECT SELECTION

Agencies receiving CMAQ apportionments (i.e., MPOs, Regional Transportation Planning Agencies [RTPAs], and County Transportation Commissions), in cooperation with Caltrans, congestion management agencies, cities, counties, and transit operators, develop a program of projects for entry into the Federal Transportation Improvement Program (FTIP). Each MPO provides the criteria for selecting CMAQ projects in their local jurisdictions. SAFETEA-LU requires the Federal Statewide Transportation Improvement Program (FSTIP) to cover a period of no less than four years and be updated at least every four years, or more frequently. In the State of California, the FSTIP is updated every two years. During the update of the FSTIP, all 18 MPOs' FTIPs must be submitted to the State no later than August first of each even numbered year. Each regional FTIP is subsequently incorporated into the federal statewide Transportation Improvement Plan (TIP), which also includes the projects for rural areas of the State not covered by the MPOs.

5.5 PROJECT IMPLEMENTATION

Upon selection for funding through the FTIP process, projects become federally eligible for reimbursement through the FHWA authorization and obligation process. Expenses incurred prior to authorization are not eligible for reimbursement (see Chapter 3, “Project Authorization,” in the *Local Assistance Procedures Manual* [LAPM]).

Under SAFETEA-LU, the federal share for most California CMAQ projects is 88.53 percent. Under the Energy Independence and Security Act of 2007, the Federal Share for eligible CMAQ projects carried out with funds obligated in FY 2008 or 2009 may be, at the discretion of the State, up to 100 percent of the cost of the project or program. Since FFY 2009 ended on September 30, 2009, all CMAQ funded projects, except those that qualify for 100% federal reimbursement under 23 USC 120(c), shall have a nonfederal match of not less than 11.47%.

5.6 FEDERAL TRANSIT ADMINISTRATION (FTA) TRANSFER

Under SAFETEA-LU, funds allocated or apportioned for use for highway projects can be transferred to the FTA for use on transit projects (Title 23 USC, Section 134). The funds transferred are primarily used to acquire buses, vans, and light rail trains, as well as for operation cost in the first three years of a transit system’s operations. See Chapter 4, “Surface Transportation Program (STP),” of this manual for more information on the FTA transfer process.

5.7 REPORTING

The State is required to prepare an annual report for FHWA and FTA describing CMAQ obligations in the prior federal fiscal year. The report focuses on the types of work being performed and the quantified assessment of the air quality improvements expected for each project. Prepared by Caltrans Transportation Programming, and uploaded into the FHWA Tracking System, the report summarizes project descriptions and emissions calculations that were submitted as part of each CMAQ project eligibility determination.

5.8 “USE IT OR LOSE IT” PROVISIONS OF ASSEMBLY BILL 1012

Assembly Bill 1012 (AB 1012) was enacted in October 1999 with a goal of improving the delivery of transportation projects. The legislation states that regional agency CMAQ and Regional Surface Transportation Program (RSTP) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission (CTC) in the fourth year. See Chapter 4, “Surface Transportation Program (STP),” of this manual for more information on the “Use It or Lose It” provisions of AB 1012.

5.9 REFERENCES

- Title 23, United States Code, Chapter 1, Sections 104, 133, 134, 135
- Title 42, United States Code
- California Constitution, Article XIX
- Streets and Highways Code: Sections 182.6 (f) and 182.7
- Caltrans Transportation Programming Official CMAQ web site:
http://www.dot.ca.gov/hq/transprog/federal/cmaq/Official_CMAQ_Web_Page.htm
- FHWA CMAQ web site: <http://www.fhwa.dot.gov/environment/cmaqpgs/>
- CMAQ Final Program Guidance for SAFETEA-LU (October 2008):
<http://www.fhwa.dot.gov/environment/cmaqpgs/cmaq08gd.pdf>

**The Congestion Mitigation and Air Quality (CMAQ) Improvement
Program**

under the

**Safe, Accountable, Flexible, Efficient Transportation Equity Act: A
Legacy for Users**

FINAL PROGRAM GUIDANCE

October, 2008

The guidance contained in this document is intended to be nonbinding, except insofar as it references existing statutory requirements. In this guidance document, the use of mandatory language such as “shall,” “must,” “required,” or “requirement” is only used to reflect statutory or regulatory mandates and does not create new requirements. This guidance does not create or confer any rights for or on any person and should not be construed as rules of general applicability and legal effect.



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I. INTRODUCTION

The CMAQ program was created under the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, continued under the Transportation Equity Act for the 21st Century (TEA-21), and reauthorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).¹ Over \$8.6 billion is authorized over the five-year program (2005-2009), with annual authorization amounts increasing each year during this period. Through 2005, the program has supported nearly 16,000 transportation projects across the country.

This guidance replaces the April 1999 version and provides information on the CMAQ program, including:

- Authorization levels and apportionment factors specific to the SAFETEA-LU
- Flexibility and transferability provisions available to States
- Geographic area eligibility for CMAQ funds
- Project eligibility information
- Project selection processes
- Program administration

Appendices 1-3 provide updated statutory language relating to the CMAQ program. Appendix 4 provides supplemental information on diesel retrofit projects. **[NOTE: Appendices 1 and 2 provide updated statutory language. Appendix 3 provides information on diesel retrofits, while original Appendix 4 on cost-effectiveness has been dropped in deference to EPA's referenced research on this subject].**

Information on the current annual apportionment to each State and an electronic version of this guidance are available at <http://www.fhwa.dot.gov/environment/cmaqpgs/index.htm>.

This guidance document has been prepared by the Air Quality Team in FHWA's Office of Environment and Planning.

II. PROGRAM PURPOSE

The purpose of the CMAQ program is to fund transportation projects or programs that will contribute to attainment or maintenance of the national ambient air quality standards (NAAQS) for ozone, carbon monoxide (CO), and particulate matter (PM).

The CMAQ program supports two important goals of the Department of Transportation: improving air quality and relieving congestion. While these goals are not new elements of the program, they are strengthened in a new provision added to the CMAQ statute by SAFETEA-LU, establishing priority consideration for cost-effective emission reduction and congestion mitigation activities when using CMAQ funding.²

Reducing pollution and other adverse environmental effects of transportation projects and transportation system inefficiency have been long-standing objectives of the Department of

¹ Pub. L. 109-59, 119 Stat. 1144 (Aug. 10, 2005).

² 23 U.S.C. §149(f)(3) (SAFETEA-LU §1808(d))



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Transportation. The strategic plans for the Department of Transportation and for the Federal Highway Administration both include performance measures specifically focused on reducing air pollution from transportation facilities. The CMAQ program provides funding for a broad array of tools to accomplish these goals. By choosing to fund a CMAQ project, a State or local government can improve air quality and make progress towards achieving attainment status and ensuring compliance with the transportation conformity provisions of the Clean Air Act.³

Reducing congestion is also a key objective of the Department of Transportation, and one that has gained increasing attention in the past several years. The cost of congestion, which negatively affects the U.S. economy, quality of life, and air quality, has risen dramatically in the last 25 years despite record levels of transportation investment. Some economists estimate that the overall cost of congestion to the U.S. economy approaches \$200 billion a year. As a result, in May 2006, the Department of Transportation announced its *National Strategy to Reduce Congestion on America's Transportation Network* (the Congestion Initiative) that aims to meaningfully reduce the economic and social costs of congestion on our nation's highways and in other transportation facilities.⁴ This strategy can be found at: <http://isddc.dot.gov/OLPFiles/OST/012988.pdf>.

Since congestion relief projects also reduce idling, the negative emissions impacts of "stop and go" driving, and the number of vehicles on the road, they have a corollary benefit of improving air quality. Based on their emissions reductions, these types of projects, including investments in improved system pricing and operations, are eligible for CMAQ funding.⁵ The Department believes State and local governments can simultaneously reduce the costly impacts of congestion while also improving air quality.

III. AUTHORIZATION LEVELS UNDER THE SAFETEA-LU

A. Authorization Levels

Table 1 shows the SAFETEA-LU CMAQ authorization levels by fiscal year. The CMAQ funds will be apportioned to States each year based upon the apportionment factors discussed in Section V.

TABLE 1
SAFETEA-LU CMAQ AUTHORIZATION LEVELS

Fiscal Year Authorization	Amount Authorized
FY 2005	\$1,667,255,304
FY 2006	\$1,694,101,866
FY 2007	\$1,721,380,718
FY 2008	\$1,749,098,821

³ 42 U.S.C. §7506 Section 176(c)

⁴ Speaking before the National Retail Federation's annual conference on May 16, 2006, in Washington, D.C., former U.S. Transportation Secretary Norman Mineta unveiled a new plan to reduce congestion plaguing America's roads, rails, and airports. The *National Strategy to Reduce Congestion on America's Transportation Network* includes a number of initiatives designed to reduce transportation congestion. The transcript of these remarks is available at the following URL: <http://www.dot.gov/affairs/minetasp051606.htm>

⁵ 23 U.S.C. §149(b)(5)



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FY 2009	\$1,777,263,247
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B. Equity Bonus

Similar to the minimum guarantee under the TEA-21, the Equity Bonus in SAFETEA-LU provides additional funding beyond the authorized levels so that each State receives a minimum percentage of its gas tax receipts back in the form of Federal-aid funds.⁶

C. Transferability of CMAQ Funds

Since transportation and environmental program priorities fluctuate, States may choose to transfer a limited portion of their CMAQ apportionment to the following Federal-aid highway programs: Surface Transportation Program (STP), National Highway System (NHS), Highway Bridge Program (HBP), Interstate Maintenance (IM), Recreational Trails Program (RTP), and the Highway Safety Improvement Program (HSIP).

States may transfer CMAQ funds according to the following provision: An amount not to exceed 50 percent of the quantity of the State's annual apportionment less the amount the State would have received if the CMAQ program had been authorized at \$1,350,000,000.⁷ For example, if the annual national apportionment is \$1.75 billion and a State receives \$10 million more than it would have received if the national apportionment had been \$1.35 billion, the State can transfer up to \$5 million to other programs. Any transfer of such funds must still be obligated in nonattainment and maintenance areas.⁸ The amount of transferable funds will differ each year and by State, depending on overall authorization levels. Each year, the FHWA will inform States how much, if any, CMAQ funding is transferable and will track this movement of CMAQ funds. States also may transfer CMAQ funds to other Federal agencies. The SAFETEA-LU provides additional flexibility to complete such transfers when the receiving Federal agency has entered into an agreement with the State to undertake an eligible Federal-aid project.⁹ These opportunities apply to projects that have met all CMAQ eligibility requirements prior to the transfer.

D. CMAQ and Innovative Finance: State Infrastructure Bank (SIB) and Section 129 Loans

Projects with dedicated repayment streams, i.e., a consistent source of revenue, may be financed with loans through DOT's innovative finance program as an alternative or supplement to CMAQ funding.

State Infrastructure Banks are State-directed programs that allow Federal-aid funds to be lent to sponsors of eligible Federal-aid projects (any project under Title 23 or capital projects, as defined by 49 U.S.C. §5302, are eligible). SIBs may be capitalized with several Federal-aid highway apportionments including the National Highway System Program, the Surface Transportation Program, the Highway Bridge Program, the Interstate Maintenance Program, and the Equity Bonus program. (Note: CMAQ may not be used to *capitalize* a SIB, but SIB funds may be used to *finance* CMAQ projects). State funds also may be used to capitalize the SIB. The State then receives repayments over time that can be directed toward other transportation

⁶ 23 U.S.C. §105 (SAFETEA-LU §1104)

⁷ 23 U.S.C. §126(c)

⁸ 23 U.S.C. §149(b)

⁹ 23 U.S.C. §132(a) (SAFETEA-LU §1119)



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projects. For example, New York State was successful in utilizing its SIB to implement two truck stop electrification projects along the New York State Thruway.

Section 129 loans (23 U.S.C. 129(a)(7)) allow states to use Federal-aid highway apportionments to make loans for projects with dedicated revenue streams (this is only applicable to highway, bridge, tunnel, ferry boat, and ferry terminal projects). A Section 129 loan may be used to construct a truck stop electrification facility if the facility is located on the Interstate right-of-way.¹⁰ [NOTE: The provision for construction in the Interstate ROW has since been removed via Public Law No. 110-244, 122 Stat. 1572 the SAFETEA-LU Technical Corrections Bill]

The SAFETEA-LU establishes a new SIB program under which all States are authorized to enter into cooperative agreements with the U.S. DOT to establish infrastructure revolving-funds eligible to be capitalized with Federal transportation funds.¹¹ The key difference between a Section 129 loan and a SIB is that a Section 129 loan usually provides financing to an individual project and funding a SIB capitalizes a financial entity that can assist multiple projects. The two loan programs have similar maximum allowable terms established by Federal law:

- Both public and private entities are eligible to be project sponsors
- Repayments begin within 5 years of project completion
- Maximum loan term is 30 years after project authorization (Section 129) or 30 years after first repayment (SIB)
- Interest rate may be set by State, at or below market rates
- Loans can only be made up to 80 percent of eligible project costs (Section 129). For SIBs, loans can be made up to 80 percent of eligible project costs (although the non-Federal share can be reduced under 23 U.S.C. §120(b) if the sliding scale rate is used).

These innovative loan programs can increase the efficiency of States' transportation investments and significantly leverage Federal resources by attracting non-Federal public and private investment, and provide greater flexibility to the States by allowing other types of project assistance in addition to grant assistance. This type of financing is important for new technologies or start-up businesses that may have difficulty finding financing in the private capital markets. In addition to SIBs and section 129 loans, the FHWA also administers the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which provides Federal credit assistance to large-scale projects greater than \$50 million.

The following example illustrates how a Section 129 loan could work to construct an idle-reduction facility on an Interstate right-of-way. A private party intends to build a stationary idle-reduction facility, and seeks grant funding for it from the State DOT. The idle reduction facility will eventually earn a profit by charging user fees, but since the capital costs are high, the private party needs assistance with financing the initial construction. Instead of providing an outright grant, the State could offer a loan of Federal-aid funds with flexible repayment terms. If the facility required \$1 million for initial construction, the State could make a loan at five percent over fifteen years. The State could accelerate the payments if the facility were more successful than expected, and delay repayment if the facility failed to meet revenue targets. The State could also build in credits for additional emissions reductions, providing incentives for additional loans

¹⁰ 23 U.S.C. §111(d) (SAFETEA-LU §1412)

¹¹ 23 U.S.C. §190 (SAFETEA-LU §1602)



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or grants to idle reduction projects. More information on the DOT's innovative finance program is available at <http://www.fhwa.dot.gov/innovativefinance/>.

IV. PRIORITY FOR USE OF CMAQ FUNDS

The SAFETEA-LU directs States and MPOs to give priority to two categories of funding. First, priority is for diesel retrofits, particularly where necessary to facilitate contract compliance, and other cost-effective emission reduction activities, taking into consideration air quality and health effects. Second, priority is to be given to cost-effective congestion mitigation activities that provide air quality benefits.¹² Other projects also may be cost-effective. The priority provisions in the statute apply to the portion of CMAQ funds derived from the application of sections 104(b)(2)(B) and 104(b)(2)(C) of SAFETEA-LU, i.e., the CMAQ apportionment formula. They do not apply to areas where CMAQ funding has been derived from the minimum apportionment provisions.

In accordance with the SAFETEA-LU,¹³ the EPA has released a guidance document, *The Cost Effectiveness of Heavy-Duty Diesel Retrofits and Other Mobile Source Emission Reduction Projects and Programs*, which provides cost-effectiveness data on diesel engine retrofit technologies and other CMAQ-eligible activities. It is available online at: <http://www.epa.gov/cleandiesel/publications.htm>

In addition, the Transportation Research Board published *The Congestion Mitigation and Air Quality Improvement Program: Assessing 10 Years of Experience* in 2002, providing a number of effectiveness measures for both emissions and travel activity.

Though SAFETEA-LU establishes these CMAQ investment priorities, it also retains State and local agencies' authority in project selection. The law maintains the existing roles and authorities of public agencies, and substantial shifts in local procedures are not required by the SAFETEA-LU.¹⁴ However, project selection should reflect the positive cost-effectiveness relationships highlighted in the EPA guidance. State and local transportation programs that implement a broad array of these cost-effective measures may record a more rapid rate of progress toward their clean air goals, since many of these endeavors generate immediate benefits. Local procedures that elevate the importance of these efforts in project selection—and rate them accordingly—may accelerate the drive to air quality attainment.¹⁵

In addition to the SAFETEA-LU priority on cost-effectiveness, Section 176(c) of the Clean Air Act¹⁶ requires that the FHWA and FTA ensure timely implementation of transportation control measures (TCMs) in applicable State Implementation Plans (SIPs). These and other CMAQ-eligible projects identified in approved SIPs should receive funding priority.

The FHWA recommends that States and MPOs develop their transportation/air quality programs using complementary measures that provide alternatives to single-occupant vehicle (SOV) travel

¹² 23 U.S.C. §149(f)(3) (SAFETEA-LU §1808(d))

¹³ 23 U.S.C. §149(f)(2)(c) (SAFETEA-LU §1808(d))

¹⁴ 23 U.S.C. §149(f)(3)(B) (SAFETEA-LU §1808(d))

¹⁵ U.S. House, *Safe, Accountable, Flexible, Efficient Transportation Equity Act, a Legacy for Users, Conference Report* (to accompany H.R. 3) (109 H. Rpt. 203), Section 1938, *Priorities Provision in Diesel Retrofit*

¹⁶ 42 U.S.C. §7506 Section 176(c)(2)(B)



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while improving traffic flow through operational strategies and balancing supply and demand through pricing, parking management, regulatory, or other means.

V. ANNUAL APPORTIONMENTS OF CMAQ FUNDS TO STATES

A. CMAQ Apportionments

Federal CMAQ funds are apportioned annually to each State according to the severity of its ozone and CO problem (see Appendix 2). The population of each county (based upon Census Bureau data) that is in a nonattainment or maintenance area for ozone and/or CO is weighted by multiplying by the appropriate factor listed in Table 2. PM nonattainment and maintenance areas and former 1-hour areas, except those few 1-hour maintenance areas participating in Early Action Compacts, are not included in the apportionments.

Note: CMAQ apportionments and CMAQ eligibility are two different things. Some areas in which CMAQ funds may be spent are not included in the apportionments (see Section VI.).

**TABLE 2
 SAFETEA-LU CMAQ APPORTIONMENT FACTORS¹⁷**

POLLUTANT	CLASSIFICATION AT THE TIME OF ANNUAL APPORTIONMENT	WEIGHTING FACTOR
Ozone (O ₃) or (CO)	Maintenance (these areas had to be previously eligible as nonattainment areas - See Section VI.)	1.0
Ozone	Subpart 1 ("Basic")	1.0
Ozone	Marginal	1.0
Ozone	Moderate	1.1
Ozone	Serious	1.2
Ozone	Severe	1.3
Ozone	Extreme	1.4
CO	Nonattainment	1.0
Ozone and CO	Ozone nonattainment or maintenance and CO nonattainment or maintenance	1.2 x O ₃ factor
All States – minimum apportionment	1/2 of 1 percent total annual apportionment of CMAQ funds	N/A

CMAQ apportionments are calculated based on the nonattainment and maintenance areas that exist at the time of apportionment. Generally, apportionments are calculated prior to the beginning of each fiscal year.

B. Area Designations: Attainment vs. Nonattainment

Each State is guaranteed a minimum apportionment of one-half percent of the year's total program funding, regardless of whether the State has any nonattainment or maintenance areas.

¹⁷ 23 U.S.C. §104(b)(2) (SAFETEA-LU §1103(d))



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These flexible funds or minimum apportionment funds can be used anywhere in the State for projects eligible for either CMAQ or the STP.¹⁸

The FHWA Budget Division identifies annual apportionments of CMAQ funds as either *mandatory* or *flexible*. All funding is considered mandatory for States with weighted populations yielding one-half percent or more of the authorized funds (based on the table above). Annual CMAQ funding apportioned through the application of sections 104(b)(2)(B) and 104(b)(2)(C) must be used for projects in nonattainment/maintenance areas.¹⁹

States with weighted populations yielding at least some apportioned value but less than one-half percent of the authorized funds receive both mandatory and flexible funds to reach the minimum apportionment. For example, if a State's weighted population yields two tenths of one percent of the authorized funds, it would receive two tenths of one percent of the national funds as mandatory funds, and three tenths of one percent as flexible funds. Thus, 40 percent of the State's funds would be mandatory and 60 percent would be flexible.

For States with no areas applicable to the apportionment table, their minimum apportionment, one-half percent, is all flexible funding. The FHWA reports the breakdown of mandatory and flexible funds by State in its fiscal year apportionment tables.

C. Apportionments and State Allocation

Notwithstanding the statutory formula for determining the apportionment amount, the State may use its CMAQ funds in any ozone, CO, or PM nonattainment or maintenance area. A State is under no statutory obligation to allocate CMAQ funds in the same way they are apportioned. States are encouraged to consult affected MPOs to determine regional and local CMAQ priorities and work with them to allocate funds accordingly.

D. Federal Share and State/Local Match Requirements

The Federal share for most CMAQ projects, generally, has been 80 percent. However, under the Energy Independence and Security Act of 2007,²⁰ the Federal share for eligible CMAQ projects carried out with funds obligated in fiscal year 2008 or 2009, or both, may be, at the discretion of the State, up to 100 percent of the cost of the project or program.

VI. GEOGRAPHIC AREAS THAT ARE ELIGIBLE TO USE CMAQ FUNDS

A. Eligible Areas

CMAQ funds may be invested in all ozone, CO, and PM nonattainment and maintenance areas. Funds also may be spent in the few remaining 1-hour ozone maintenance areas (these counties also have Early Action Compacts in place), since the 1-hour standard remains in effect for these areas.

¹⁸ 23 U.S.C. §149(c) (SAFETEA-LU §1808(c))

¹⁹ 23 U.S.C. §149(b)

²⁰ Pub. L. 110-140, Sect. 1131 (December 20, 2007).



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Funds also may be used for projects in proximity to nonattainment and maintenance areas if the benefits will be realized primarily within the nonattainment or maintenance area. The delineation of an area considered “in proximity” should be discussed with the FHWA and FTA field offices and elevated to headquarters if necessary.

B. Maintenance Areas

CMAQ funds may be invested in maintenance areas that have approved maintenance plans under CAA section 175A. In States with ozone or CO maintenance areas but no nonattainment areas, mandatory CMAQ funds must be used in the maintenance areas.²¹

C. Maintenance Plan Requirement, SAFETEA-LU

CMAQ funds may be invested in former 1-hour ozone areas that were not designated under the 8-hour standard but where the 1-hour standard has been revoked. Since these areas are required to file maintenance plans, they are considered eligible for CMAQ funding under provisions of the SAFETEA-LU.²²

D. Flexible Funds in PM Areas

While States may use flexible CMAQ funding anywhere and for any CMAQ- or STP-eligible project (see V.B. on minimum apportionment), the FHWA encourages States and MPOs to evaluate the cost-effectiveness and benefits to public health of targeting flexible CMAQ funding to projects that reduce PM. Examples of such projects include implementing a diesel retrofit or idle reduction program, constructing freight/intermodal transfer facilities, traffic signalization, or ITS projects that reduce congestion; paving dirt roads, and purchasing street sweeping equipment.

VII. PROJECT ELIGIBILITY PROVISIONS

A. Project Eligibility: General Conditions

To be eligible for CMAQ funds, a project must be included in the MPO’s current transportation plan and TIP (or the current STIP in areas without an MPO). In nonattainment and maintenance areas, the project also must meet the conformity provisions contained in section 176(c) of the Clean Air Act and the transportation conformity regulations.²³ In addition, all CMAQ-funded projects need to complete National Environmental Policy Act (NEPA) requirements and meet basic eligibility requirements for funding under titles 23 and 49 of the United States Code.

The following should guide CMAQ eligibility decisions:

1. Capital Investment

²¹ 23 U.S.C. §149(b)

²² 23 U.S.C. §149(b) (SAFETEA-LU §1808(a))

²³ 40 CFR Parts 51 and 93



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CMAQ funds may be used to establish new or expanded transportation projects or programs that reduce emissions, including capital investments in transportation infrastructure, congestion relief efforts, diesel engine retrofits, or other capital projects.



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2. Operating Assistance

There are several general conditions that must be met for operating assistance to be eligible under the CMAQ program:

- a. Operating assistance is limited to new transit services, intermodal facilities, and travel demand management strategies (including traffic operation centers); and the incremental cost of expanding existing transit services.
- b. In using CMAQ funds for operating assistance, the intent is to help start up viable new transportation services that can demonstrate air quality benefits and eventually cover their costs as much as possible. Other funding sources should supplement and ultimately replace CMAQ funds for operating assistance, as these projects no longer represent additional, net air quality benefits but have become part of the baseline transportation network.
- c. Operating assistance includes all costs of providing new transportation services, including, but not limited to, labor, fuel, administrative costs, and maintenance.
- d. When CMAQ funds are used for operating assistance, non-Federal share requirements still apply.
- e. With the focus on start-up costs only, operating assistance under the CMAQ program is limited to three years. The provisions in 23 U.S.C. §116 place responsibilities for maintenance on States.²⁴ Since facility maintenance is akin to operations, three years of CMAQ assistance provides adequate incentive and flexibility while not creating a pattern of excessive or even perpetual support. Exceptions are listed below under VII.D.7 Travel Demand Management, VII.D.8 Public Education, and VII.D.10 Carpooling and Vanpooling.

3. Emission Reduction

Air quality improvement is defined by several distinct terms in 23 U.S.C. §149. These terms include contribution to attainment, reduction in pollution, air quality benefits, and others. For purposes of this guidance, the FHWA uses *emission reduction* to represent this group of terms. CMAQ-invested projects or programs must reduce CO, ozone precursor (NO_x and VOCs), PM, or PM precursor (e.g., NO_x) emissions from transportation; these reductions must contribute to the area's overall clean air strategy and can be demonstrated by the assessment that is required under this guidance.²⁵ States and MPOs also may consider the ancillary benefits of eligible projects, including greenhouse gas reductions, congestion relief, safety, or other elements, when programming CMAQ funds, though such benefits do not alone establish eligibility.

²⁴ 23 U.S.C. §116

²⁵ 23 U.S.C. §149(b)



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4. Planning and Project Development

Activities in support of eligible projects also may be appropriate for CMAQ investments. Studies that are part of the project development pipeline (e.g., preliminary engineering) under NEPA are eligible for CMAQ support, as are FTA's Alternatives Analyses. General studies that fall outside specific project development do not qualify for CMAQ funding. Examples of such efforts include major investment studies, commuter preference studies, modal market polls or surveys, transit master plans, and others. These activities are eligible for Federal planning funds.

B. Projects Ineligible for CMAQ Funding

The following projects are ineligible for CMAQ funding:

1. Light-duty vehicle scrappage programs.²⁶
2. Projects that add new capacity for SOVs are ineligible for CMAQ funding unless construction is limited to high-occupancy vehicle (HOV) lanes.²⁷ This HOV lane eligibility includes the full range of HOV facility uses authorized under 23 U.S.C §166, such as high-occupancy toll (HOT) and low-emission vehicles.
3. Routine maintenance and rehabilitation projects (e.g., replacement-in-kind of track or other equipment, reconstruction of bridges, stations, and other facilities, and repaving or repairing roads) are ineligible for CMAQ funding as they only maintain existing levels of highway and transit service, and therefore do not reduce emissions.²⁸ Other funding sources, such as STP and FTA's Section 5307 program, are available for such activities.
4. Administrative costs of the CMAQ program may not be defrayed with program funds, e.g., support for a State's "CMAQ Project Management Office" is not eligible.
5. Projects that do not meet the specific eligibility requirements of titles 23 and 49 U.S.C. are ineligible for CMAQ funds.
6. Stand-alone projects to purchase fuel. One exception is listed below in Section VII.D.3.²⁹

C. Public-Private Partnerships (PPPs)

In a PPP, a private or non-profit entity's resources replace or supplement State or local funds and possibly a portion of the Federal-aid in a selected project. The PPP elements of the program have been refined over the last two transportation reauthorizations, and these partnerships have become a critical part of CMAQ.³⁰

Partnerships should have a legally-binding written agreement in place between the public agency and the private or non-profit entity before a CMAQ-funded project may be implemented. These agreements should be developed under relevant Federal and State law and should specify the intended use for CMAQ funding; the roles and responsibilities of the participating entities; and how the disposition of land, facilities, and equipment

²⁶ 23 U.S.C. §149(b)

²⁷ 23 U.S.C. §149(b)

²⁸ 23 U.S.C. §116

²⁹ 23 U.S.C. §149(k)

³⁰ 23 U.S.C. §149(e)



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will be carried out should the original terms of the agreement be altered (e.g., due to insolvency, change in ownership, or other changes in the structure of the PPP).

Public funds should not be invested where a strong public benefit cannot be demonstrated. Consequently, CMAQ funds should be devoted to PPPs that benefit the general public by clearly reducing emissions, not for financing marginal projects. Consistent with the planning and project selection provisions of the Federal-aid highway program, the FHWA considers it essential that all interested parties have full, open, and timely access to the project selection process.

There are several other statutory restrictions and special provisions on the use of CMAQ funds in PPPs. Eligible costs under this section should not include costs to fund an obligation imposed on private sector or non-profit entities under the CAA or any other Federal law.³¹ However, if the private or non-profit entity is clearly exceeding its obligations under Federal law, CMAQ funds may be used for that incremental portion of the project.

Eligible non-monetary activities that satisfy the non-Federal match requirements under the partnership provisions include the following:

- Ownership or operation of land, facilities, or other physical assets
- Construction or project management
- Other forms of participation approved by the U.S. DOT

Sharing of total project costs, both capital and operating, is a critical element of a successful public-private venture, particularly if the private entity is expected to realize profits as part of the joint venture. State and local officials are urged to consider a full range of cost-sharing options when developing a PPP, including a larger State/local match. For detailed information on cost principles beyond the scope of this guidance, please consult *OMB Circular A-87*, which focuses on determining allowable costs for State, local, and tribal governments; and 49 CFR Part 18, which provides direction on administering Federal grants to State and local governments.

D. Eligible Projects and Programs

Eligibility information is provided below. Not all possible requests for CMAQ funding are covered—this section provides examples of activities eligible for CMAQ funds.

1. Transportation Control Measures (TCMs)

Most of the TCMs included in Section 108 of the CAA, listed below, are eligible for CMAQ funding. One CAA TCM, programs to encourage removal of pre-1980 light-duty vehicles, is specifically excluded from CMAQ eligibility.³²

- i. programs for improved public transit;

³¹ 23 U.S.C. § 149(e)(5)

³² 23 U.S.C. §149(b)(1)(A)(i)



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- ii. restriction of certain roads or lanes to, or construction of such roads or lanes for use by, passenger buses or HOV;
- iii. employer-based transportation management plans, including incentives;
- iv. trip-reduction ordinances;
- v. traffic flow improvement programs that reduce emissions;
- vi. fringe and transportation corridor parking facilities serving multiple-occupancy vehicle programs or transit service;
- vii. programs to limit or restrict vehicle use in downtown areas or other areas of emission concentration particularly during periods of peak use;
- viii. programs for the provision of all forms of high-occupancy, shared-ride services;
- ix. programs to limit portions of road surfaces or certain sections of the metropolitan area to the use of non-motorized vehicles or pedestrian use, both as to time and place;
- x. programs for secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas;
- xi. programs to control extended idling of vehicles;
- xii. reducing emissions from extreme cold-start conditions;
- xiii. employer-sponsored programs to permit flexible work schedules;
- xiv. programs and ordinances to facilitate non-automobile travel, provision and utilization of mass transit, and to generally reduce the need for SOV travel, as part of transportation planning and development efforts of a locality, including programs and ordinances applicable to new shopping centers, special events, and other centers of vehicle activity; and
- xv. programs for new construction and major reconstructions of paths, tracks, or areas solely for the use by pedestrian or other non-motorized means of transportation when economically feasible and in the public interest.

2. Extreme Low-Temperature Cold Start Programs

Projects intended to reduce emissions from extreme cold-start conditions are eligible for CMAQ funding. Such projects include retrofitting vehicles and fleets with water and oil heaters and installing electrical outlets and equipment in publicly-owned garages or fleet storage facilities (See Section VII.C. for a possible expansion to privately-owned equipment and facilities).

3. Alternative Fuels and Vehicles

Fuel

With the exception of Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana, and Ohio, fuel costs are not an eligible expense as a stand-alone project.³³ Only these seven States may use CMAQ funds to purchase the alternative fuels defined in section 301 of the 1992 Energy Policy Act (natural gas, ethanol, etc.) or biodiesel, assuming such projects meet other applicable eligibility requirements noted in Section VII.B. above.

³³ SAFETEA-LU, §1808(k)



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Establishing publicly-owned fueling facilities and other infrastructure needed to fuel alternative-fuel vehicles is an eligible expense, unless privately-owned fueling stations are in place and reasonably accessible. Additionally, CMAQ funds may support converting a private fueling facility to support alternative fuels through a public-private partnership agreement (See Section VII.C.).

Non-transit Vehicles

CMAQ funds may be used to purchase publicly-owned alternative fuel vehicles, including passenger vehicles, refuse trucks, street cleaners, and others. Costs associated with converting fleets to run on alternative fuels are also eligible. When private vehicles are purchased, only the cost difference between the alternative fuel vehicles and comparable conventional fuel vehicles is eligible. Such vehicles should be fueled by one of the alternative fuels identified in section 301 of the 1992 Energy Policy Act or biodiesel. Eligible projects also include alternatives to diesel engines and vehicles.

Hybrid Vehicles

Although not defined by the Energy Policy Act of 1992 as alternative fuel vehicles, certain hybrid vehicles that have lower emissions rates than their non-hybrid counterparts may be eligible for CMAQ investment. Hybrid passenger vehicles must meet EPA's low emissions and energy efficiency requirements for certification under the HOV exception provisions of the SAFETEA-LU to be eligible for CMAQ funding.³⁴ **[NOTE: The final rule is in the last stages of review, although no date set for publication in the Federal Register, as of November 14, 2008].**

Projects involving heavier vehicles, including refuse haulers and delivery trucks, also may be appropriate for program support. Eligibility should be based on a comparison of the emissions projections of these larger candidate vehicles and other comparable models.

4. Congestion Reduction & Traffic Flow Improvements

Traffic flow improvements may include the following:

a. Traditional Improvements

Traditional traffic flow improvements, such as the construction of roundabouts, HOV lanes, left-turn or other managed lanes, are eligible for CMAQ funding provided they demonstrate net emissions benefits.

b. Intelligent Transportation Systems

Intelligent Transportation Systems (ITS) projects, such as traffic signal synchronization projects, traffic management projects, and traveler information

³⁴ 23 U.S.C. §166(e) (SAFETEA-LU §1121(a)). The required rulemaking developed by EPA has been published in the *Federal Register* at 72 FR 29102, <http://www.epa.gov/fedrgstr/EPA-AIR/2007/May/Day-24/a9821.htm>



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systems, can be effective in relieving traffic congestion, enhancing transit bus performance, and improving air quality. The following have the greatest potential for improving air quality:

- Regional multi-modal traveler information systems
- Traffic signal control systems
- Freeway management systems
- Electronic toll-collection systems
- Transit management systems
- Incident management programs

A lengthier discussion of the benefits associated with various operational improvements can be found at:

http://ops.fhwa.dot.gov/program_areas/programareas.htm

c. Value/Congestion Pricing

As part of its Congestion Initiative referenced above, the Department broadly promotes highway congestion pricing and is also seeking an area-wide demonstration of the effectiveness of congestion pricing (along with other elements). Congestion pricing is a market-based mechanism that allows tolls to rise and fall depending on available capacity and demand. It has gained increasing attention and popularity in recent years following several highly successful facility demonstrations in the U.S. and several network wide demonstrations abroad. Tolls can be charged electronically, thereby eliminating the need for tollbooths. In addition to the benefits associated with reducing congestion, revenue is generated that can be used to pay for a wide range of transportation improvements, including Title 23-eligible transit services in the newly tolled corridor.

Parking pricing can include time-of-day parking charges that reflect congested conditions. These strategies should be designed to influence trip-making behavior and may include charges for using a parking facility at peak periods, or a range of employer-based parking cash-out policies that provide financial incentives to avoid parking or driving alone. Parking pricing integrated with other pricing strategies is encouraged.

Pricing encompasses a variety of market-based approaches such as:

- **HOT lanes**, or High Occupancy Toll lanes, on which variable tolls are charged to drivers of low-occupancy vehicles using HOV lanes, such as the “FasTrak” Lanes on I-15 in San Diego and the recently converted I-394 in Minneapolis in which prices vary dynamically every two minutes based on traffic conditions
- **New variably tolled express lanes** on existing toll-free facilities, such as the “91 Express Lanes” on State Route 91 in Orange County, CA
- **Variable tolls on existing or new toll roads**, such as on the bridges and tunnels operated by the Port Authority of New York and New Jersey



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- **Network-wide or cordon pricing**, such as implemented in Stockholm, London and Singapore
- **Usage-based vehicle pricing**, such as mileage-based vehicle taxation being explored by the State of Oregon, or pay-per-mile car insurance

As with any eligible CMAQ project, value pricing should generate an emissions reduction. Marketing and outreach efforts to expand and encourage the use of eligible pricing measures may be funded indefinitely. Eligible expenses for reimbursement include, but are not limited to: tolling infrastructure, such as transponders and other electronic toll or fare payment systems; small roadway modifications to enable tolling, marketing, public outreach, and support services, such as transit in a newly tolled corridor. Innovative pricing approaches yet to be deployed in the U.S. also may be supported through the *Value Pricing Pilot Program*. A more complete discussion of projects currently underway in the U.S. can be found at:

http://ops.fhwa.dot.gov/tolling_pricing/value_pricing/index.htm.

Operating expenses for traffic flow improvements are eligible for CMAQ funding for three years if they can be shown to produce air quality benefits, if the expenses are incurred from new or additional services, and if previous funding mechanisms, such as fares or fees for services, are not displaced.

Projects or programs that involve the purchase of integrated, interoperable emergency communications equipment are eligible for CMAQ funding.³⁵

5. Transit Improvements

Many transit projects are eligible for CMAQ funds. The general guideline for determining eligibility is whether the project increases capacity and would likely result in an increase in transit ridership and a potential reduction in congestion. As with other types of CMAQ projects, there should be a quantified estimate of the project's emissions benefits accompanying the proposal.

The FTA administers most transit projects. Once the FTA determines a project eligible, CMAQ funds will be transferred from the FHWA to the FTA, and the project will be administered according to the requirements of the FTA's Urbanized Area Formula Grant Program.³⁶ Certain types of transit projects for which the FTA lacks statutory authority, such as diesel retrofit equipment for public school bus fleets, are administered by the FHWA.

a. Facilities

New transit facilities (e.g., lines, stations, terminals, transfer facilities) are eligible if they are associated with new or enhanced mass transit service. Routine maintenance or rehabilitation of existing facilities is not eligible, as it does not reduce emissions. However, rehabilitation of a facility may be eligible if the vast

³⁵ 23 U.S.C. §149(b)(6) (SAFETEA-LU §1808(b)(4))

³⁶ 49 U.S.C. §5307



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majority of the project involves physical improvements that will increase capacity. In such cases there should be supporting documentation showing an increase in transit ridership that is more than minimal. If the vast majority of the project involves capacity enhancements, other elements involving refurbishment and replacement-in-kind also are eligible.

b. Vehicles and Equipment

New transit vehicles (bus, rail, or van) to expand the fleet or replace existing vehicles are eligible. Transit agencies are encouraged to purchase vehicles that are most cost-effective in reducing emissions. Diesel engine retrofits, such as replacement engines and exhaust after-treatment devices, are eligible if certified or verified by the EPA or California Air Resources Board (CARB). Routine preventive maintenance for vehicles is not eligible as it only returns the vehicles to baseline conditions. Besides diesel engine retrofits, other transit equipment may be eligible if it represents a major system-wide upgrade that will significantly improve speed or reliability of transit service, such as advanced signal and communications systems.

c. Fuel

Fuel, whether conventional or alternative fuel, is an eligible expense only as part of a project providing operating assistance for new or expanded transit service under the CMAQ program. This includes fuels and fuel additives considered diesel retrofit technologies by the EPA or CARB. See Section VII.D.3 for statutory exceptions for certain states regarding the purchase of alternative fuel with CMAQ funds.

d. Operating Assistance

Operating assistance to introduce new transit service or expand existing service is eligible. It may be a new type of service, service to a new geographic area, or an expansion of existing service providing additional hours of service or reduced headways. For a service expansion, only the operating costs of the new increment of service are eligible. Eligible operating costs include labor, fuel, maintenance, and related expenses. Operating assistance may be CMAQ-funded for a maximum of three years. The intent is to support the demonstration of new services that may prove successful enough to sustain with other funding sources, and to free up CMAQ funds to generate new air quality benefits.

e. Transit Fare Subsidies

CMAQ funds may be used to subsidize regular transit fares in an effort to prevent the NAAQS from being exceeded, but only under the following conditions: The reduced or free fare should be part of a comprehensive area-wide program to prevent the NAAQS from being exceeded. "Ozone Action" programs vary in scope around the country, but they generally include actions that individuals and employers can take and they are aimed at all major sources of air pollution, not



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just transportation. The subsidized fare should be available to the general public and may not be limited to specific groups. It may only be offered during periods of elevated pollution when the threat of exceeding the NAAQS is greatest; it is not intended for the entire high-ozone season. Finally, the fare subsidy proposal should demonstrate that the responsible local agencies will combine the reduced or free fare with a robust marketing program to inform SOV drivers of other transportation options. Because the fare subsidy is not strictly a form of operating assistance, it would not be subject to the three-year limit.

6. Bicycle and Pedestrian Facilities and Programs

Bicycle and pedestrian facilities and programs are included as a TCM in section 108(f)(1)(A) of the CAA. The following are eligible projects:

- Constructing bicycle and pedestrian facilities (paths, bike racks, support facilities, etc.) that are not exclusively recreational and reduce vehicle trips
- Non-construction outreach related to safe bicycle use
- Establishing and funding State bicycle/pedestrian coordinator positions for promoting and facilitating nonmotorized transportation modes through public education, safety programs, etc. (Limited to one full-time position per State)³⁷

7. Travel Demand Management

Travel demand management (TDM) encompasses a diverse set of activities that focus on physical assets and services that provide real-time information on network performance and support better decision-making for travelers choosing modes, times, routes, and locations. Such projects can help ease congestion and reduce SOV use—contributing to mobility, while enhancing air quality and saving energy resources. Similar to ITS and Value Pricing, today's TDM programs seek to optimize the performance of local and regional transportation networks. The following activities are eligible if they are explicitly aimed at reducing SOV travel and associated emissions:

- Fringe parking
- Traveler information services
- Shuttle services
- Guaranteed ride home programs
- Market research and planning in support of TDM implementation
- Carpools, vanpools (see item 10 below)
- Traffic calming measures
- Parking pricing
- Variable road pricing
- Telecommuting
- Employer-based commuter choice programs

CMAQ funds may support capital expenses and up to three years of operating assistance to administer and manage new or expanded TDM programs.

³⁷ 23 U.S.C. §217(d)



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Marketing and outreach efforts to expand use of TDM measures may be funded indefinitely, but only if they are broken out as distinct line items (See Section VII.D.8. below).

Eligible telecommuting activities include planning, preparing technical and feasibility studies, and training. Construction of telecommuting centers and computer and office equipment purchases should not be supported with CMAQ funds.

8. Public Education and Outreach Activities

The goal of CMAQ-funded public education and outreach activities is to educate the public, community leaders, and potential project sponsors about connections among trip making and transportation mode choices, traffic congestion, and air quality. Public education and outreach can help communities reduce emissions and congestion by inducing drivers to change their transportation choices. More important, an informed public is likely to support larger regional measures necessary to reduce congestion and meet CAA requirements.

A wide range of public education and outreach activities is eligible for CMAQ funding, including activities that promote new or existing transportation services, developing messages and advertising materials (including market research, focus groups, and creative), placing messages and materials, evaluating message and material dissemination and public awareness, technical assistance, programs that promote the Tax Code provision related to commute benefits,³⁸ transit “store” operations, and any other activities that help forward less-polluting transportation options.

Using CMAQ funds, communities have disseminated many transportation and air quality public education messages, including maintain your vehicle; curb SOV travel by trip chaining, telecommuting and using alternate modes; fuel properly; observe speed limits; don’t idle your vehicle for long durations; eliminate “jack-rabbit” starts and stops, and others.

The *It All Adds Up to Cleaner Air* public education messages and materials (regarding vehicle maintenance, proper fueling, trip chaining, and alternate modes) have been successful in raising awareness, garnering funds and in-kind support, and building coalitions of diverse groups across the country. These commercial-quality materials, which were developed in response to requests by State and local transportation and air agencies, are free and communities are encouraged to use and build on them. More information is available at <http://www.italladdsup.gov/>.

³⁸ Section 132(f) of the Internal Revenue Code allows employers to pay their employees, as of November 5, 2007, up to \$115 per month for transit and vanpool expenses and up to \$215 per month for qualified parking. 26 U.S.C. §132(f). Each of these benefits is subject to annual increases based on changes to the Consumer Price Index. 26 U.S.C. §1(f)(3). Alternately, employers may allow employees to use their pre-tax income to purchase these commuter benefits. Employers may also provide a combination of these employer-paid and employee paid tax-free benefits. For more information, please visit <http://www.commuterchoice.com/>.



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Long-term public education and outreach can be effective in raising awareness that can lead to changes in travel behavior and ongoing emissions reductions; therefore, these activities may be funded indefinitely.

9. Transportation Management Associations

Transportation Management Associations (TMAs) are groups of citizens, firms, or employers that organize to address the transportation issues in their immediate locale by promoting rideshare programs, transit, shuttles, or other measures. TMAs can play a useful role in brokering transportation services to private employers.

CMAQ funds may be used to establish TMAs provided that they reduce emissions. Eligible expenses include TMA start-up costs and up to three years of operating assistance. Eligibility of specific TMA activities is addressed throughout this guidance.

10. Carpooling and Vanpooling

Eligible activities can be divided into two types of costs: *marketing* (which applies to both carpools and vanpools) and *vehicle* (which applies to vanpools only).

- a. Carpool/vanpool marketing covers existing, expanded, and new activities designed to increase the use of carpools and vanpools, and includes purchase and use of computerized matching software and outreach to employers. Guaranteed ride home programs are also considered marketing tools. Marketing costs may be funded indefinitely.
- b. Vanpool vehicle capital costs include purchasing or leasing vans for use in vanpools. Eligible operating costs, limited to three years, include empty-seat subsidies, maintenance, insurance, administration, and other related expenses.

CMAQ funds should not be used to buy or lease vans that would directly compete with or impede private sector initiatives. States and MPOs should consult with the private sector prior to using CMAQ funds to purchase vans, and if private firms have definite plans to provide adequate vanpool service, CMAQ funds should not be used to supplant that service.

Carpooling and vanpooling activities may be funded with up to 100% federal funding, with certain limitations.³⁹

11. Freight/Intermodal

Projects and programs targeting freight capital costs—rolling stock or ground infrastructure—are eligible provided that air quality benefits can be demonstrated.⁴⁰ Freight projects that reduce emissions fall generally into two categories: primary efforts that target emissions directly or secondary projects that reduce net emissions.

³⁹ 23 U.S.C. §120(c)

⁴⁰ 23 U.S.C. §149(b)(3)



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Successful primary projects could include new diesel engine technology or retrofits of vehicles or engines. Eligibility is not confined to highway projects, but also applies to nonroad mobile freight projects, such as rail.⁴¹ See Section VII.D.12. below on diesel retrofit technology—examples of primary freight projects—and for information on EPA’s guidance and model rule for emissions reduction credit in the SIP and conformity processes.

Secondary projects reduce emissions through shifts in or additions to infrastructure. Support for an intermodal container transfer facility may be eligible if the project demonstrates reduced diesel engine emissions when balancing the drop in truck VMT against the increase in locomotive or other non-highway activity. Intermodal facilities, such as inland transshipment ports or near/on-dock rail, may generate substantial emissions reductions through the decrease in miles traveled for pre-1986 heavy-duty diesel trucks. This secondary, indirect effect on truck traffic and the ensuing drop in diesel emissions help demonstrate eligibility.

The transportation function of these freight/intermodal projects should be emphasized. Marginal projects that support freight operations in a very tangential manner are not eligible for CMAQ funding. Warehouse handling equipment, for example, is not an eligible investment of program funds. However, equipment that provides a transportation function or directly supports this function is eligible, such as railyard switch locomotives or shunters.

12. Diesel Engine Retrofits & Other Advanced Truck Technologies

The SAFETEA-LU places a new emphasis on diesel engine retrofits and the various types of projects that fall under this broad category.⁴² These efforts are defined as vehicle replacement, repowering (replacing an engine with a cleaner diesel engine, alternative fuels, etc.), rebuilding an engine, or other technologies determined by the EPA as appropriate for reducing emissions from diesel engines.⁴³ This latter point, highlighting developing technologies, establishes a degree of flexibility and a need for periodic adjustment in the definition by the EPA. The legislation defines retrofit projects as applicable to both on-road motor vehicles and nonroad construction equipment; the latter must be used in Title 23 projects based in nonattainment or maintenance areas for either PM or ozone.⁴⁴

There are a number of project types in the diesel retrofit area for which CMAQ funds are eligible. Assuming all other CMAQ criteria are met, eligible projects include diesel engine replacement; full engine rebuilding and reconditioning; and purchase and installation of after-treatment hardware, including particulate matter traps and oxidation catalysts, and other technologies; and support for heavy-duty vehicle retirement programs. Project agreements involving replacements of either engine or full vehicle

⁴¹ 23 U.S.C. §149(b)(3)

⁴² 23 U.S.C. §149(f)(3) (SAFETEA-LU §1808(d))

⁴³ 23 U.S.C. §149(f)(2) (SAFETEA-LU §1808(d))

⁴⁴ 23 U.S.C. §149(b)(7) (SAFETEA-LU §1808(b))



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should include a provision for disposal of the engine block and a process to verify the retirement of this equipment.⁴⁵

CMAQ funds may be used to purchase and install emission control equipment on school buses. (Such projects, generally, should be administered by FHWA; see VII.D.5, Transit Improvements, above.) In addition, although CMAQ funds should not be used for the initial purchase of airport parking lot shuttles, funds may be used for purchase and installation of after treatment hardware or repowering (with a hybrid drive train, for example).

Refueling is not eligible as a stand-alone project, but is eligible if it is required to support the installation of emissions control equipment, repowering, rebuilding, or other retrofits of non-road engines.⁴⁶ For example, ultra-low sulfur diesel (ULSD) may be purchased as part of a project to install diesel particulate filters on nonroad construction equipment because these devices need ULSD to function properly. Costs associated with ULSD are eligible for CMAQ funding only until the standards are effective and the fuel becomes commonly available through the regional supply and logistics chain, effectively rendering ULSD the only remaining diesel fuel distributed. Eligible costs are limited to the difference between standard nonroad diesel fuel and ULSD.

In addition to equipment and technology, outreach activities that provide information exchange and technical assistance to diesel owners and operators on retrofit options are eligible investments. These projects could include the actual education and outreach program, construction or acquisition of appropriate buildings, and other efforts to promote the use of retrofit technologies. Please see Appendix 4 for more detail on diesel retrofits and the various strategies available in this developing air quality field.

The FHWA acknowledges that diesel retrofit projects may include nonroad mobile source endeavors, which traditionally have been outside the Federal-aid process. However, the SAFETEA-LU clarifies CMAQ eligibility for nonroad diesel retrofit projects.⁴⁷ Areas that fund these projects are not required to take credit for the projects in the transportation conformity process. For areas that want to take credit, the EPA developed guidance for estimating diesel retrofit emission reductions and for applying the credit in the SIP and transportation conformity processes. The guidance can be found at <http://www.epa.gov/otaq/stateresources/transconf/policy.htm#retrofit>.

In addition to retrofit projects, upgrading long-haul heavy-duty diesel trucks with advanced technologies, such as idle reduction devices, cab and trailer aerodynamic fixtures, and single-wide or other efficient tires, has been demonstrated by the EPA's *Smart Way Transport Partnership Program* to reduce NOx emissions and save fuel. These strategies also are eligible for CMAQ support. Such projects funded directly by CMAQ that involve the private sector should be part of a Public-Private Partnership, as discussed in Section VII.C.

⁴⁵ Reimbursement of costs for full-vehicle replacement may be limited to those elements that lead to emission reductions.

⁴⁶ 23 U.S.C. §149(f) (SAFETEA-LU §1808(d))

⁴⁷ 23 U.S.C. §149(b)(7) (SAFETEA-LU §1808(b))



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13. Idle Reduction

Idle reduction projects that reduce emissions and are located within, or in proximity to and primarily benefiting, a nonattainment or maintenance area are eligible for CMAQ investment (The geographic requirement mainly applies to off-board projects, i.e. truck stop electrification (TSE) efforts). However, if CMAQ funding is used for an on-board project (i.e. auxiliary power units, direct fired heaters, etc.) the vehicle—usually a heavy-duty truck—should travel within, or in proximity to and primarily benefiting, a nonattainment or maintenance area.

There have been several instances where operating assistance funds have been requested for TSE services. CMAQ funding to date for TSE projects has been limited to capital costs (i.e. deployment of TSE infrastructure). Operating assistance for TSE projects should not be funded under the CMAQ program because TSE projects generate their own revenue stream and therefore should be able to cover all operating expenses from the accumulated revenue. See Section III.D for information on innovative financing opportunities available for these efforts.

The SAFETEA-LU also permits electrification or other idling reduction facilities and equipment to be constructed or located on rights-of-way of the Interstate system.⁴⁸ Prior to the enactment of the SAFETEA-LU, this activity was prohibited. **[NOTE: As mentioned earlier, the SAFETEA-LU Technical Corrections Bill removed the provision for facility construction in the Interstate ROW].**

The EPA issued guidance in January 2004 on methods for calculating emissions reduction credits in SIPs and in the transportation conformity process for long-haul truck idle reduction projects. The guidance can be found at www.epa.gov/smartway/idlingimpacts.htm.

14. Training

The SAFETEA-LU provides that States and MPOs may use Federal-aid funds to support training and educational development for the transportation workforce.⁴⁹ The FHWA encourages State and local officials to weigh the air quality benefits of such training against other cost-effective strategies detailed elsewhere in this guidance before using CMAQ funds for this purpose. Training funded with CMAQ dollars should be directly related to implementing air quality improvements and be approved in advance by the FHWA Division office.

15. Inspection/Maintenance (I/M) Programs

Funds under the CMAQ program may be used to establish either publicly or privately owned I/M facilities. Eligible activities include construction of facilities, purchase of equipment, I/M program development, and one-time start-up activities, such as updating quality assurance software or developing a mechanic training curriculum. The I/M

⁴⁸ 23 U.S.C. §111(d) (SAFETEA-LU §1412)

⁴⁹ 23 U.S.C. §504(e) (SAFETEA-LU §5204(e))



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program must constitute new or additional efforts,⁵⁰ existing funding (including inspection fees) should not be displaced, and operating expenses are eligible for three years.

Privately Owned I/M Facilities

In States that rely on privately owned I/M facilities, State or local I/M program-related administrative costs may be funded under the CMAQ program as in States that use public I/M facilities. However, CMAQ support to establish I/M facilities at privately owned stations, such as service stations that own the equipment and conduct emission test-and-repair services, requires a public-private partnership (See Section VII.C.).

The establishment of "portable" I/M programs, including remote sensing, is also eligible under the CMAQ program, provided that they are public services, reduce emissions, and do not conflict with statutory I/M requirements or EPA regulations.

16. Experimental Pilot Projects

State and local organizations have experimented with various types of transportation services to better meet the travel needs of their constituents. These "experimental" projects may show promise in reducing emissions, but do not yet have supporting data. The FHWA has supported and funded some of these projects as demonstrations to determine their benefits and costs. These experimental pilots are not intended to bypass the definition of basic project eligibility but seek to better define the projects' future role in strategies to reduce emissions.

For a project or program to qualify as an experimental pilot, it should be defined as a transportation project and be expected to reduce emissions by decreasing vehicle miles traveled (VMT), fuel consumption, congestion, or by other factors. The FHWA encourages States and MPOs to creatively address their air quality problems and to experiment with new services, innovative financing arrangements, public-private partnerships, and complementary approaches that use transportation strategies to reach clean air goals. The CMAQ program may be used to support a well-conceived project even if the proposal may not fully meet the eligibility criteria of this guidance.

Given the untried nature of these pilot projects, before-and-after studies should be completed to determine actual project impacts on air quality as measured by net emissions reduced. These assessments should document the project's immediate impacts in addition to long-term benefits. A schedule for completing the study should be a part of the project agreement. Completed studies should be submitted to the FHWA Division office within three years of implementation of the project or one year after the project's completion, whichever is sooner.

VIII. PROJECT SELECTION PROCESS-GENERAL CONDITIONS

⁵⁰ 23 U.S.C. §149(b)



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Proposals for CMAQ funding should include a precise description of the project, providing information on its size, scope, location, and timetable. Also, an assessment of the project's expected emission reduction benefits should be completed prior to project selection to better inform the selection of CMAQ projects (See Below).

A. Air Quality Analysis

1. Quantitative Analyses

Quantified emissions benefits (i.e., emissions reductions) and disbenefits (i.e., emissions increases) should be included in all project proposals, except where it is not possible to quantify emissions benefits (see Qualitative Assessment, below). Benefits and disbenefits should be included for all pollutants for which the area is in nonattainment or maintenance status and should include appropriate precursor emissions. Benefits should be listed in a consistent fashion (i.e., kg/day) across projects to allow accurate comparison during the project selection process. Net benefits from all emissions sources involved should be included in the analysis. For example, in analyzing a commuter rail project, net benefits would include emissions reductions from the auto trips avoided, and emissions increases tied to locomotive operation.

State and local transportation and air quality agencies conduct CMAQ-project air quality analyses with different approaches, analytical capabilities, and technical expertise. The SAFETEA-LU encourages State DOTs and MPOs to consult with State and local air quality agencies about the estimated emission reductions from CMAQ proposals.⁵¹ However, while no single method is specified, every effort must be taken to ensure that determinations of air quality benefits are credible and based on a reproducible and logical analytical procedure.⁵²

2. Qualitative Assessment

Although quantitative analysis of air quality impacts is expected for almost all project types, an exception will be made when it is not possible to accurately quantify emissions benefits. In these cases, qualitative assessments based on reasoned and logical determinations that the projects or programs will decrease emissions and contribute to attainment or maintenance of a NAAQS are acceptable.

Public education, marketing, and other outreach efforts, which can include advertising alternatives to SOV travel, employer outreach, and public education campaigns, may fall into this category. The primary benefit of these activities is enhanced communication and outreach that is expected to influence travel behavior, and thus air quality.

3. Analyzing Groups of Projects

In some situations, it may be more appropriate to examine the impacts of comprehensive strategies to improve air quality by grouping projects. For example, transit improvements

⁵¹ 23 U.S.C. §149(e) (SAFETEA-LU §1808(e))

⁵² 23 U.S.C. §149(b)(1); (SAFETEA-LU §1808(b))



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a study of the cost-effectiveness of diesel retrofits in reducing PM, NOx, and VOC emissions.⁵³ In addition, the National Academy of Science's Transportation Research Board has evaluated the cost-effectiveness of other CMAQ eligible projects, with a focus on NOx and HC reductions. This study can be found at <http://www.fhwa.dot.gov/environment/cmaqpgs/index.htm>. Information on the cost-effectiveness of CMAQ-eligible projects can be used as a guidepost in evaluating the different types of projects under consideration by an MPO or State. However, cost-effectiveness ultimately will depend on local conditions and project specific factors that affect emission reductions and costs.

B. Federal Agency Responsibilities and Coordination

1. Eligibility Determinations

The FTA determines the eligibility of transit projects, and the FHWA determines the eligibility of all other projects. The FHWA, FTA, and EPA field offices should establish and maintain a consultation and coordination process to review CMAQ funding proposals as needed. While the eligibility determination is not made jointly, every effort should be made to satisfy the concerns raised by the agencies' field offices. The FHWA or FTA field offices may request additional information from the State or MPO to help determine eligibility. The consultation process should provide for timely review and handling of CMAQ funding proposals. The FHWA and FTA headquarters offices are available to consult with their field offices on eligibility determinations.

2. Program Administration

The FHWA Division offices and the FTA Regional offices are responsible for administering the CMAQ program. In general, the FHWA transfers funds to the FTA to administer CMAQ-funded transit projects. In cases where the FTA lacks statutory authority (e.g., school bus fleets), the FHWA will administer the transit project. For projects that involve transit and non-transit elements, such as park-and-ride lots and intermodal passenger projects, the administering agency is decided on a case-by-case basis. All other projects are administered by the FHWA.

3. Tracking Mandatory/Flexible Funds

The FHWA Division office is responsible for tracking obligation of mandatory and flexible CMAQ funds in appropriate areas (See Section V.B.).

C. Annual Reports

States should prepare annual reports detailing how CMAQ funds have been invested. CMAQ reporting is not only useful for the FHWA, the FTA, and the general public, but maintenance of a cumulative database of all CMAQ projects is required by SAFETEA-LU. In addition, the annual reports will be key in developing the CMAQ Evaluation and Assessment, a major research effort designed to gauge the impact of the program, and also required by the statute.⁵⁴

⁵³ More information is available at <http://www.epa.gov/cleandiesel/publications.htm>.

⁵⁴ 23 U.S.C. §149(h) (SAFETEA-LU §1808(f))



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coupled with demand management to reduce SOV use in a corridor might best be analyzed together. Other examples include linked signalization projects, transit improvements, marketing and outreach programs, and ridesharing programs that affect an entire region or corridor.

4. Tradeoffs

As noted above, emissions benefits should be calculated for all pollutants for which an area is in nonattainment or maintenance status. Some potential projects may lead to benefits for one pollutant and increased emissions for another, especially when the balance involves precursors such as NO_x and VOC. States and MPOs should consult with relevant air agencies to weigh the net benefits of the project.

IX. PROGRAM ADMINISTRATION

A. Project Selection—MPO and State Responsibilities

CMAQ projects are selected by the State or the MPO. MPOs, State DOTs, and transit agencies should develop CMAQ project selection processes in accordance with the metropolitan and/or statewide planning process. The selection process should involve State and/or local transportation and air quality agencies. This selection process provides an opportunity for States and/or local agencies to present a case for the selection of eligible projects that will best use CMAQ funding to meet the requirements and advance the goals of the Clean Air Act.

The CMAQ project selection process should be transparent, in writing, and publicly available. The process should identify the agencies involved in rating proposed projects, clarify how projects are rated, and name the committee or group responsible for making the final recommendation to the MPO board or other approving body. The selection process should also clearly identify the basis for rating projects, including emissions benefits, cost effectiveness, and any other ancillary selection factors such as congestion relief, greenhouse gas reductions, safety, system preservation, access to opportunity, sustainable development and freight, reduced SOV reliance, multi-modal benefits, and others. At a minimum, projects should be identified by year and proposed funding source.

Close coordination is encouraged between the State and MPO to ensure that CMAQ funds are used appropriately and to maximize their effectiveness in meeting the CAA requirements. While the program of projects is being developed, the State or MPO should consult with FHWA and FTA to resolve any questions about eligibility. This will ensure that the projects programmed for CMAQ funding in the TIP are all eligible.

States and MPOs should fulfill this responsibility so that nonattainment and maintenance areas are able to make good-faith efforts to attain and maintain the NAAQS by the prescribed deadlines. State DOTs and MPOs should consult with State and local air quality agencies to develop an appropriate project list of CMAQ programming priorities that will have the greatest impact on air quality. In developing this list, MPOs and States should evaluate the cost-effectiveness of the projects and give priority consideration to those that will create the greatest emissions reductions for the least cost. The SAFETEA-LU calls out diesel retrofits as one type of cost-effective project to which priority consideration shall be given. The EPA has conducted



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CMAQ annual reports should be submitted through the web-based CMAQ Tracking System.

More information on the CMAQ system is available at:

<http://www.fhwa.dot.gov/environment/cmaqpgs/usersguidemail.htm>.

The FHWA Division offices, State DOTs, and MPOs should develop a process for entering and approving the data in a timely manner. This report should be approved by the FHWA Division office by the first day of March following the end of the previous Federal fiscal year (September 30) and cover all CMAQ obligations for that fiscal year. Thus, State DOTs and MPOs should report the data early enough that the Division office has time to review and comment on the report. The report as entered into the CMAQ Tracking System should include:

1. A list of projects funded under CMAQ, in seven main project categories:
 - *Transit*: facilities, vehicles, and equipment, operating assistance for new transit service, etc. Include all transit projects whether administered by the FTA or the FHWA
 - *Shared Ride*: vanpool and carpool programs and parking for shared-ride services
 - *Traffic Flow Improvements*: traffic management and control services, signalization projects, ITS projects, intersection improvements, and construction or dedication of HOV lanes
 - *Demand Management*: trip reduction programs, transportation management plans, flexible work schedule programs, vehicle restriction programs
 - *Pedestrian/Bicycle*: bikeways, storage facilities, promotional activities
 - *I/M and other TCMs*: projects not covered by the above categories
 - *STP/CMAQ*: projects funded with flexible funds

For reporting purposes, obligations for all CMAQ-eligible phases (beginning with the NEPA process) should be reported for the project they support.

2. The amount of CMAQ funds obligated or deobligated for each project during the Federal fiscal year. Enter deobligations as a negative number. (Do not include Advance Construct funds, as these are not obligations of federal CMAQ funds. Such projects should be reported later when converted to CMAQ funds.)
3. Emissions benefits (and disbenefits) for each project developed from project-level analyses. Report *projected* emissions benefits expected to occur in the first year that a project is fully operational, in kilograms reduced per day. Benefits should be reported the first time a project is entered into the system, and only then to avoid double counting of benefits. (Because funds may be obligated for a project over several years, an individual CMAQ project may show up in reports for multiple years.) Additionally, address all pollutants for which the area is in nonattainment or maintenance status. Do not enter emissions benefits for deobligations or projects funded with flexible funds (STP/CMAQ).
4. Public-private partnerships and experimental pilot projects should be identified in the system. Transmit electronic versions of completed before-and-after studies for experimental pilot projects to the Division offices (See Section VII.D.16., Experimental Pilot Projects).



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5. Other required information: MPO, nonattainment/maintenance area, project description.
6. Optional information: TIP, State and/or FMIS project numbers—highly recommended. Other optional information includes: greenhouse gas emission reductions, cost effectiveness, safety, congestion relief, and other ancillary benefits.



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APPENDIX 1: 23 U.S.C. §149
SAFETEA-LU Changes in Underlined Italics

§ 149. Congestion mitigation and air quality improvement program

(a) Establishment.— The Secretary shall establish and implement a congestion mitigation and air quality improvement program in accordance with this section.

(b) Eligible Projects.— Except as provided in subsection (c), a State may obligate funds apportioned to it under section 104 (b)(2) for the congestion mitigation and air quality improvement program only for a transportation project or program if the project or program is for an area in the State that is or was designated as a nonattainment area for ozone, carbon monoxide, or particulate matter under section 107(d) of the Clean Air Act (42 U.S.C. 7407 (d)) and classified pursuant to section 181(a), 186(a), 188(a), or 188(b) of the Clean Air Act (42 U.S.C. 7511 (a), 7512 (a), 7513 (a), or 7513 (b)) or is or was designated as a nonattainment area under such section 107 (d) after December 31, 1997, or is required to prepare, and file with the Administrator of the Environmental Protection Agency, maintenance plans under the Clean Air Act (42 U.S.C. 7401 et seq.) and—

(1)(A)(i) if the Secretary, after consultation with the Administrator determines, on the basis of information published by the Environmental Protection Agency pursuant to section 108(f)(1)(A) of the Clean Air Act (other than clause (xvi)) that the project or program is likely to contribute to—

(I) the attainment of a national ambient air quality standard; or

(II) the maintenance of a national ambient air quality standard in a maintenance area;

and

(ii) a high level of effectiveness in reducing air pollution, in cases of projects or programs where sufficient information is available in the database established pursuant to subsection (h) to determine the relative effectiveness of such projects or programs; or,

(B) in any case in which such information is not available, if the Secretary, after such consultation, determines that the project or program is part of a program, method, or strategy described in such section 108(f)(1)(A);

(2) if the project or program is included in a State implementation plan that has been approved pursuant to the Clean Air Act and the project will have air quality benefits;

(3) the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines that the project or program is likely to contribute to the attainment of a national ambient air quality standard, whether through reductions in vehicle miles traveled, fuel consumption, or through other factors;

(4) to establish or operate a traffic monitoring, management, and control facility or program if the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines that the facility or program, including advanced truck stop electrification systems, is likely to contribute to the attainment of a national ambient air quality standard; (removed “or”)

(5) if the program or project improves traffic flow, including projects to improve signalization, construct high occupancy vehicle lanes, improve intersections, improve transportation systems management and operations that mitigate congestion and improve air quality, and implement intelligent transportation system strategies and such other projects that are eligible for assistance under this section on the day before the date of enactment of this paragraph;

(6) if the project or program involves the purchase of integrated, interoperable emergency communications equipment; or



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(7) if the project or program is for—(A) the purchase of diesel retrofits that are—(i) for motor vehicles (as defined in section 216 of the Clean Air Act (42 U.S.C. 7550));or(ii) published in the list under subsection (f)(2) for non-road vehicles and non-road engines (as defined in section 216 of the Clean Air Act (42 U.S.C. 7550)) that are used in construction projects that are—(I) located in nonattainment or maintenance areas for ozone, PM₁₀, or PM_{2.5} (as defined under the Clean Air Act (42 U.S.C. 7401 et seq.)); and(II) funded, in whole or in part, under this title; or(B) the conduct of outreach activities that are designed to provide information and technical assistance to the owners and operators of diesel equipment and vehicles regarding the purchase and installation of diesel retrofits.

No funds may be provided under this section for a project which will result in the construction of new capacity available to single occupant vehicles unless the project consists of a high occupancy vehicle facility available to single occupant vehicles only at other than peak travel times. In areas of a State which are nonattainment for ozone or carbon monoxide, or both, and for PM-10 resulting from transportation activities, the State may obligate such funds for any project or program under paragraph (1) or (2) without regard to any limitation of the Department of Transportation relating to the type of ambient air quality standard such project or program addresses.

(c) States Receiving Minimum Apportionment.—

(1) States without a nonattainment area.— If a State does not have, and never has had, a nonattainment area designated under the Clean Air Act (42 U.S.C. 7401 et seq.), the State may use funds apportioned to the State under section 104 (b)(2) for any project in the State that—(A) would otherwise be eligible under this section as if the project were carried out in a nonattainment or maintenance area; or(B) is eligible under the surface transportation program under section 133.(2) States with a nonattainment area.— If a State has a nonattainment area or maintenance area and receives funds under section 104 (b)(2)(D) above the amount of funds that the State would have received based on its nonattainment and maintenance area population under subparagraphs (B) and (C) of section 104 (b)(2), the State may use that portion of the funds not based on its nonattainment and maintenance area population under subparagraphs (B) and (C) of section 104 (b)(2) for any project in the State that—(A) would otherwise be eligible under this section as if the project were carried out in a nonattainment or maintenance area; or(B) is eligible under the surface transportation program under section 133.

(d) Applicability of Planning Requirements.— Programming and expenditure of funds for projects under this section shall be consistent with the requirements of sections 134 and 135 of this title.

(e) Partnerships With Nongovernmental Entities.—

(1) In general.— Notwithstanding any other provision of this title and in accordance with this subsection, a metropolitan planning organization, State transportation department, or other project sponsor may enter into an agreement with any public, private, or nonprofit entity to cooperatively implement any project carried out under this section.

(2) Forms of participation by entities.— Participation by an entity under paragraph (1) may consist of—



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(A) ownership or operation of any land, facility, vehicle, or other physical asset associated with the project;

(B) cost sharing of any project expense;

(C) carrying out of administration, construction management, project management, project operation, or any other management or operational duty associated with the project; and

(D) any other form of participation approved by the Secretary.

(3) Allocation to entities.— A State may allocate funds apportioned under section 104 (b)(2) to an entity described in paragraph (1).

(4) Alternative fuel projects.— In the case of a project that will provide for the use of alternative fuels by privately owned vehicles or vehicle fleets, activities eligible for funding under this subsection—

(A) may include the costs of vehicle refueling infrastructure, including infrastructure that would support the development, production, and use of emerging technologies that reduce emissions of air pollutants from motor vehicles, and other capital investments associated with the project;

(B) shall include only the incremental cost of an alternative fueled vehicle, as compared to a conventionally fueled vehicle, that would otherwise be borne by a private party; and

(C) shall apply other governmental financial purchase contributions in the calculation of net incremental cost.

(5) Prohibition on federal participation with respect to required activities.— A Federal participation payment under this subsection may not be made to an entity to fund an obligation imposed under the Clean Air Act (42 U.S.C. 7401 et seq.) or any other Federal law.

(f) Cost-Effective Emission Reduction Guidance.—

(1) Definitions.—In this subsection, the following definitions apply:

(A) Administrator.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

(B) Diesel retrofit.—The term 'diesel retrofit' means a replacement, repowering, rebuilding, after treatment, or other technology, as determined by the Administrator.

(2) Emission reduction guidance.—The Administrator, in consultation with the Secretary, shall publish a list of diesel retrofit technologies and supporting technical information for—

(A) diesel emission reduction technologies certified or verified by the Administrator, the California Air Resources Board, or any other entity recognized by the Administrator for the same purpose;

(B) diesel emission reduction technologies identified by the Administrator as having an application and approvable test plan for verification by the Administrator or the California Air Resources Board that is submitted not later than 18 months of the date of enactment of this subsection;

(C) available information regarding the emission reduction effectiveness and cost effectiveness of technologies identified in this paragraph, taking into consideration air quality and health effects.

(3) Priority.—

(A) In general.—States and metropolitan planning organizations shall give priority in distributing funds received for congestion mitigation and air quality projects and programs from apportionments derived from application of sections 104(b)(2)(B) and 104(b)(2)(C) to—

(i) diesel retrofits, particularly where necessary to facilitate contract compliance, and other cost-effective emission reduction activities, taking into consideration air quality and health effects; and



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(ii) cost-effective congestion mitigation activities that provide air quality benefits.

(B) Savings.—This paragraph is not intended to disturb the existing authorities and roles of governmental agencies in making final project selections.

(4) No effect on authority or restrictions.—Nothing in this subsection modifies or otherwise affects any authority or restriction established under the Clean Air Act (42 U.S.C. 7401 et seq.) or any other law (other than provisions of this title relating to congestion mitigation and air quality).

(g) Interagency Consultation.—The Secretary shall encourage States and metropolitan planning organizations to consult with State and local air quality agencies in nonattainment and maintenance areas on the estimated emission reductions from proposed congestion mitigation and air quality improvement programs and projects.

(h) Evaluation and Assessment of Projects.—

(1) In general.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall evaluate and assess a representative sample of projects funded under the congestion mitigation and air quality program to—

(A) determine the direct and indirect impact of the projects on air quality and congestion levels; and

(B) ensure the effective implementation of the program.

(2) Database.—Using appropriate assessments of projects funded under the congestion mitigation and air quality program and results from other research, the Secretary shall maintain and disseminate a cumulative database describing the impacts of the projects.

(3) Consideration.—The Secretary, in consultation with the Administrator, shall consider the recommendations and findings of the report submitted to Congress under section 1110(e) of the Transportation Equity Act for the 21st Century (112 Stat. 144), including recommendations and findings that would improve the operation and evaluation of the congestion mitigation and air quality improvement program.



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SAFETEA-LU Section 1808: Additional Provisions

The following provisions were included in the SAFETEA-LU Section 1808. These provisions do not amend 23 U.S.C. and therefore sunset when the SAFETEA-LU expires. To avoid confusion, they are presented here separate from the rest of the statutory text.

(g) Flexibility in the State of Montana.—The State of Montana may use funds apportioned under section 104(b)(2) of title 23, United States Code, for the operation of public transit activities that serve a nonattainment or maintenance area.

(h) Availability of Funds for State of Michigan.—The State of Michigan may use funds apportioned under section 104(b)(2) of such title for the operation and maintenance of intelligent transportation system strategies that serve a nonattainment or maintenance area.

(i) Availability of Funds for the State of Maine.—The State of Maine may use funds apportioned under section 104(b)(2) of such title to support, through September 30, 2009, the operation of passenger rail service between Boston, Massachusetts, and Portland, Maine.

(j) Availability of Funds for Oregon.—The State of Oregon may use funds apportioned on or before September 30, 2009, under section 104(b)(2) of such title to support the operation of additional passenger rail service between Eugene and Portland.

(k) Availability of Funds for Certain Other States.—The States of Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana, and Ohio may use funds apportioned under section 104(b)(2) of such title to purchase alternative fuel (as defined in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211)) or biodiesel.



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APPENDIX 2: 23 U.S.C. §104(b)(2) APPORTIONMENT

(2) Congestion mitigation and air quality improvement program.—

(A) In general.—For the congestion mitigation and air quality improvement program, in the ratio that—

(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

(ii) the total of all weighted nonattainment and maintenance area populations in all States.

(B) Calculation of weighted nonattainment and maintenance area population.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

(i) 1.0 if, at the time of apportionment, the area is a maintenance area;

(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under such subpart;

(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under such subpart;

(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under such subpart;

(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under such subpart;

(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of such Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide; or

(viii) 1.0 if, at the time of apportionment, an area is designated as nonattainment for ozone under subpart 1 of part D of title I of such Act (42 U.S.C. 7512 et seq.).

(C) Additional Adjustment for Carbon Monoxide Areas.—If, in addition to being designated as a nonattainment or maintenance area for ozone as described in section 149(b), any county within the area was also classified under subpart 3 of part D of title I of the Clean Air Act (42 U.S.C. 7512 et seq.) as a nonattainment or maintenance area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the county, as determined under clauses (i) through (vi) or clause (viii) of subparagraph (B), shall be further multiplied by a factor of 1.2.

(D) Minimum apportionment.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of 1/2 of 1 percent of the funds apportioned under this paragraph.

(E) Determinations of population.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.



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APPENDIX 3: CONSIDERATIONS FOR DIESEL RETROFIT PROJECTS

The term diesel retrofit includes any technology or system that achieves emission reductions beyond that required by the EPA regulations at the time of engine certification. Assuming all other criteria are met, eligible diesel retrofit projects include the replacement of high-emitting vehicles/equipment with cleaner vehicles/equipment (including hybrid or alternative fuel models), repowering or engine replacement, rebuilding the engine to a cleaner standard, the purchase and installation of advanced emissions control technologies (such as particulate matter traps or oxidation catalysts) or the use of a cleaner fuel to support eligible nonroad devices. The legislation defines retrofit projects as applicable to both on-road motor vehicles and nonroad construction equipment. Retrofit strategies include:

Emissions Control Technologies

The EPA and the California Air Resources Board (CARB) have retrofit technology verification programs that evaluate the performance of advanced emissions control technologies and engine rebuild kits. CMAQ-funded diesel retrofit projects must use retrofit technologies that are verified under the EPA's Voluntary Diesel Retrofit Program or CARB.⁵⁵ A list of EPA-verified technologies is available at <http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm>. CARB's verification program can be found at <http://www.arb.ca.gov/diesel/verdev/home/home.htm>. In addition, for more detailed information on the cost-effectiveness of various diesel retrofit technologies, the EPA's study, "The Cost-Effectiveness of Heavy-Duty Diesel Retrofits and Other Mobile Source Emission Reduction Projects and Programs" can be found at: <http://www.epa.gov/cleandiesel/publications.htm>

Refueling

Refueling is eligible when combined with an overall diesel retrofit project for which the cleaner fuel is required. For example, ultra-low sulfur diesel (ULSD) may be purchased as part of a project to install diesel particulate filters on highway construction equipment only because these devices require ULSD to function properly.

Fuel-related technologies identified in EPA's list of retrofit strategies are eligible only until standards for such clean fuel are effective. For example, ULSD is eligible for CMAQ only until the standard is effective. For on-road use, ULSD is mandated for use in October 2006. According to EPA's regulatory development calendar, low sulfur diesel (500 ppm of sulfur) will be required for nonroad use in 2007, while ULSD (15 ppm of sulfur) will be required for nonroad use in 2010.

Vehicle/Equipment Replacement Projects

Replacement projects occur when older vehicles/equipment are replaced with cleaner vehicles/equipment before they would have been removed through normal fleet turnover or attrition. The vehicle or equipment being replaced should be scrapped or the engine remanufactured to a cleaner standard. For areas that want to take credit in the SIP and transportation conformity processes for these projects, see the EPA's retrofit guidance at: <http://www.epa.gov/otaq/stateresources/transconf/policy.htm#retrofit>.

⁵⁵ 23 U.S.C. §149(b)(7) (SAFETEA-LU §1808(b))



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Generally, the replacement vehicle or equipment would perform the same function as the vehicle or equipment that is being replaced (e.g., an excavator used to dig pipelines or utility trenches would be replaced by an excavator that continues these duties).

In addition, the vehicle or equipment being replaced would be in good working order and able to perform the duties of the new vehicle or equipment. Removing vehicles that no longer function or are at the end of their useful life will not lead to an emissions reduction.

Repower or Engine Replacement Projects

Engine replacement projects involve the replacement of an older, higher emitting engine with a newer, cleaner engine. Engine replacements can also be combined with emission control technologies. The engines being replaced should be scrapped or remanufactured to a cleaner standard. As noted above, for areas that want to take credit in the SIP and transportation conformity processes for these projects, see EPA's retrofit guidance at:

<http://www.epa.gov/otaq/stateresources/transconf/policy.htm#retrofit>.

New engines also must be EPA-certified.⁵⁶ For a complete list of all EPA certified large highway and nonroad engines, please consult the list at <http://www.epa.gov/otaq/certdata.htm>.

For more information on diesel retrofits, please see the EPA's National Clean Diesel Campaign website at <http://www.epa.gov/cleandiesel/>.

⁵⁶ 23 U.S.C. §149(b)(7) (SAFETEA-LU §1808(b))

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CHAPTER 6 HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM (HBRRP)

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CHAPTER 6 HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM (HBRRP)

6.1 INTRODUCTION

The HBRRP is a safety program that provides federal-aid to local agencies to replace and rehabilitate deficient locally owned public highway bridges. This Chapter explains the reimbursable scopes of work, eligibility requirements, how to apply for HBRRP funding, and the general programming process.

This program is funded by Federal Highway Administration (FHWA) authorized by United State Code (USC) Title 23, Section 144. The total California apportionment is split 45% for federally identified deficient on State Highway System bridges and 55% for deficient off State Highway System bridges. The average annual apportionment available to local agencies (off State Highway System bridges) is about \$160 million. This program is subject to Obligational Authority (OA) limits. See Chapter 2, “Financing the Federal-Aid Highway Program,” Section 2.2, of the *Local Assistance Program Guidelines* (LAPG) for information regarding OA.

The allocation of HBRRP funds to local agency projects is managed through a 10-year programming plan. This multi-year plan is available for download from the HBRRP website. The multi-year plan provides the HBRRP lump sum dollar amounts in the Federal Statewide Transportation Improvement Program (FSTIP). See Chapter 2, “Financing the Federal-Aid Highway Program,” Section 2.3 of the LAPG for information regarding what type of HBRRP projects may use the HBRRP lump sum item in the FSTIP.

The HBRRP has many statutory, regulatory, and policy limitations on how HBRRP funds can be spent on bridge projects. The purpose of these rules is to ensure that federal bridge funds are dedicated to solving bridge safety problems. Since local agencies are financially accountable for meeting these requirements, it is essential that local agency decision-makers thoroughly understand these guidelines.

Local agencies assume full liability for the safety of their bridges and eligibility of participating costs of their projects.

6.1.1 GLOSSARY

The purpose of this Section is to provide an easy reference for common terms used in implementing the HBRRP.

AASHTO: American Association of State Highway and Transportation Officials

ADT: Average Daily Traffic.

CFR: Code of Federal Regulations. The CFR are not legislated statutes but do have the force of law.

- DLAE: District Local Assistance Engineer. See Section 6.9.2 on page 6-32.
- E76: The federal document that provides federal authorization to allow reimbursable work to begin for a specific phase.
- FHWA: Federal Highway Administration
- FO: Functionally Obsolete. See Section 6.12.1 on page 6-35.
- FSTIP: Federal Statewide Transportation Improvement Plan. Once approved by FHWA, projects in the FSTIP may be authorized. The FSTIP includes each regional FTIP.
- HBRRP: The Highway Bridge Replacement and Rehabilitation Program
- LAPG: *Local Assistance Program Guidelines*. This manual explains the eligibility and funding requirements of all the local assistance programs. The HBRRP is Chapter 6 of the LAPG.
- LAPM: *Local Assistance Procedures Manual*. This manual describes the procedures that Caltrans and local agencies must follow so that local agencies may be reimbursed by various State and Federal Programs.
- National Register of Historic Places (NRHP):
- A listing of historically or archaeologically significant sites maintained by each state. The NRHP does not contain all significant sites. It only lists those currently identified and that the owner has allowed to be listed. There are many eligible sites that have not been registered, either because they have not been found or they have not yet been nominated.
- NBI: National Bridge Inventory. This is a database of all public highway bridges in the United States. Some of the bridges in this database are considered “deficient” and are eligible candidate HBRRP projects.
- NBIS: National Bridge Inspection Standards.
- NCHRP: National Cooperative Highway Research Program. Administered by the Transportation Research Board (TRB) and sponsored by the member departments (i.e., individual state departments of transportation) of AASHTO and FHWA. The NCHRP was created in 1962 to conduct research in acute problem areas that affect highway planning, design, construction, operation, and maintenance nationwide.
- NEPA: National Environmental Protection Act. The federal law that establishes the authority to protect the environment from abuse due to human activities.
- NHS: National Highway System. Highways that are of national importance are included in the NHS.

- PCI: Paint Condition Index. See Section 6.2.3 on page 6-7.
- PE: Preliminary Engineering. Project development phase of work. See Section 6.4.3 on page 6-18.
- SD: Structurally Deficient. See Section 6.12.1 on page 6-35.
- SLA: Caltrans Structures Local Assistance. See Section 6.9.3 on page 6-33.
- SR: Sufficiency Rating. See Section 6.12.1 on page 6-35.
- STIP: State Transportation Improvement Program. The California Transportation Commission (CTC), a state-level panel appointed by the governor, is required to biennially adopt, and submit to the Legislature and the governor, a STIP. The STIP is a comprehensive listing of all major projects to be funded from specified State funding programs, including certain federal funds that flow directly to the State. As a result, many of the projects that are included in the STIP must eventually be included in the regional TIPs and the FSTIP as well.
- STP: Surface Transportation Program. A category of federal-aid for general purpose transportation uses. See 23USC133.
- USC: United State Code. The USC contains Title 23, which incorporates TEA-21. The HBRRP is defined in Section 144.

6.1.2 HBRRP WEBSITE

For listings of eligible candidate bridges, the HBRRP Multi-Year Plan, and other reports, see the HBRRP website:

www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm.

6.1.3 HOW TO APPLY FOR HBRRP FUNDS

Agencies that have executed or that have the authority to execute State/Local Federal-Aid Master Agreements with Caltrans may apply for HBRRP funds. Federal funds provided under these guidelines may only be spent on bridges carrying public highways (including local streets and roads) not included in the State Highway System and not owned by Caltrans. Eligibility requirements for specific scopes of work are listed in Section 6.2 starting on page 6-5.

Qualifying bridges (and culverts meeting the definition of a bridge) must have a minimum span of 20 feet. See Section 6.5.14 on page 6-23 for more information.

For the application (programming) process see Section 6.6 on page 6-25.

6.1.4 HOW TO GET HELP

The Caltrans District Local Assistance Engineer (DLAE) is the primary contact for official correspondence and help with Local Assistance Programs. A list of the DLAEs, their phone numbers and email addresses is available from the Local Assistance website:

www.dot.ca.gov/hq/LocalPrograms/

For more information on roles and responsibilities see Section 6.9 on page 6-32. Caltrans can provide help in the following areas:

- Explaining these guidelines
- Explaining the federal-aid process
- Filling out forms
- Helping with project scoping and field reviews
- Explaining environmental documentation and Right of Way acquisition rules
- Participating in consultant selection panels and providing advice in consultant negotiations
- Reviewing (cursory) PS&Es
- Providing advice in dealing with difficult construction change orders

6.1.5 PARTICIPATING COSTS

The term “participating cost” is used throughout this Chapter and also applies to all other reimbursement programs. A participating cost is an actual project cost paid for by the sponsoring local agency that is eligible for reimbursement on a pro rata basis in compliance with laws, regulations, and policies.

For bridge replacement projects, Caltrans publishes the “Comparative Bridge Costs” sheet that can be used to develop preliminary “participating” project costs and can help with bridge type selection. This information can be downloaded from the Local Assistance website under “References.”

6.1.6 FEDERAL REIMBURSEMENT RATE

The general federal reimbursement is 80% of the participating project costs. The local 20% match may be either State or local funds. Exceptions to the 80% reimbursement rate are projects that were initiated prior to ISTEA using STP funds where Caltrans committed to a different reimbursement rate.

The federal reimbursement for bridge barrier replacement projects is 88.53% of the participating project costs.

The following sections detail the requirements for each category of HBRRP funding.

6.2 REIMBURSABLE PROJECT SCOPES UNDER THE HBRRP

Local agencies that develop HBRRP projects are required to ensure their projects are cost-effective and that the project scopes meet their needs. The two general all-inclusive project scopes participating under the HBRRP are bridge rehabilitation and replacement. However, the HBRRP does allow some limited stand-alone project scopes as shown below:

- Painting
- Barrier Railing Replacement
- Scour Countermeasure
- Local “Mandatory” Seismic Retrofit Program

The HBRRP may also fund other types of bridge projects as shown below:

- Low Water Crossing Replacement with New Bridge
- Bridge Replacement Due to Flood Control Project
- New Bridge to Replace Ferry Service
- Special Historic Bridge Work
- High Cost Bridge Projects

6.2.1 BRIDGE REHABILITATION

Bridges must be rated Structurally Deficient (SD) or Functionally Obsolete (FO) with the Sufficiency Rating (SR) ≤ 80 to be eligible candidates for rehabilitation. These ratings cause a bridge to be on the Eligible Bridge List (EBL). See the HBRRP website for the EBL and instructions on determining SD/FO and SR. See Section 6.12 on page 6-34, regarding how the ratings are derived from the biennial bridge inspection data.

1. Rehabilitation funding is for major reconstruction of a bridge to meet current standards anticipating the transportation needs for a minimum of 10 years into the future, but not to exceed the lesser of 20 years or the remaining design life of the rehabilitated bridge. The development of a rehabilitation project shall correct major deficiencies including structural problems, load capacity improvement, deficient deck geometry, deficient approach roadway alignment, underclearance problems, waterway adequacy, seismic deficiencies, scour problems, painting, and bridge railing/approach guardrail replacement. Major reconstruction not triggered by the above deficiencies is not participating. (23CFR650.405(b)(2))
2. Constructing additional lanes (including turn lanes) on an existing bridge or including more lanes on a new bridge than what currently exists requires specific approval by the Office of Program Management. Local agencies shall raise this issue for Caltrans review through the DLAE whenever local agencies determine that an increase in lane capacity is required. Local agencies shall provide supporting documentation demonstrating the need for widening. Supporting documentation may include discussion of specific AASHTO standards, planning studies in accordance with the *Highway Capacity Manual*, and master plans developed by Metropolitan Planning Organizations

or Regional Planning Agencies. Discussion of proposed widening (including construction schedule) of the transportation corridor shall also be included if the corridor has not yet been widened to current standards. See the additional discussion on bridge widening in the Commentary, Sections 6.13.1 and 6.13.2 on page 6-37.

Capacity increasing projects may not use the HBRRP lump sum FSTIP item. Local agencies must work with their regional planning agency to establish the project line item in the FSTIP. See Chapter 2, "Financing the Federal-Aid Highway Program," Section 2.3 of the LAPG for information regarding what type of federal-aid projects may use lump sum FSTIP items.

3. All aspects of the bridge (including environmental) should be reviewed to determine the project scope. The cost of determining the project scope is participating under the HBRRP. See Chapter 7, "Field Review" of the *Local Assistance Procedure Manual* (LAPM) for requirements of the field review process. As available Caltrans staffing levels permit, the DLAE is available to coordinate the field review to include Structures Local Assistance (SLA), District Right of Way, and District Environmental staff.
4. Stand-alone bridge deck replacement is considered major reconstruction. (Major reconstruction is defined in Section 6.5.3 on page 6-19.) However, stand-alone application of High Molecular Weight Methacrylate (HMWM) to mitigate deck cracking (which may trigger structural deficiency) and doing no major reconstruction is considered maintenance and is not HBRRP participating. On the other hand, if HMWM is proposed in a project along with a widening of the bridge to accommodate the installation of new bridge railing, then the entire project is HBRRP participating. The trigger for HBRRP eligibility in this case is the proposed change in geometry (major reconstruction) of the deck to meet current standards when the new bridge railing is installed. (The local agency is still responsible for reviewing and correcting all deficiencies identified in item (1) above).
5. Bridge replacement may be an appropriate "rehabilitation" option if a detailed cost analysis (HBRRP participating) shows that replacement is the most cost-effective solution. Cost-effectiveness studies may include life cycle cost analysis. SLA written concurrence is required for bridge replacement projects where the SR>50. Concurrence must be obtained prior to approving the environmental documents and proceeding with final design and Right of Way. The local agency shall discuss the level of detail in the cost analysis with SLA prior to the development of the study. The level of detail will vary on a case-by-case basis. In cases where rehabilitation is not constructable or where the cost-effectiveness is self evident, the detailed cost analysis may not be required, but SLA concurrence will still be required.
6. The cost comparison between rehabilitation and replacement shall not be the sole factor in deciding the best solution. All reasonable, constructable alternatives should be environmentally assessed. In special situations where the best solution is not the most cost-effective solution, HBRRP funding approval shall be elevated to the Office of Program Management through the DLAE.

6.2.2 BRIDGE REPLACEMENT

1. Bridges must be rated SD or FO with the $SR \leq 50$ to be eligible candidates for replacement.
2. The Code of Federal Regulations (CFR) defines the replacement scope of work as follows:

“23CFR650.403(1) Replacement. Total replacement of a structurally deficient or functionally obsolete bridge with a new facility constructed in the same general traffic corridor. A nominal amount of approach work, sufficient to connect the new facility to the existing roadway or to return the gradeline to an attainable touchdown point in accordance with good design practice is also eligible. The replacement structure must meet the current geometric, construction and structural standards required for the types and volume of projected traffic on the facility over its design life.”

Per AASHTO’s “A Policy on the Geometric Design of Highways and Streets,” 1994 edition, projected needs beyond 20 years are not practical. Therefore, even though the design life of a new bridge may be 25 to 100 years, the HBRRP will only participate in the geometrics of bridge based on 20 year projected traffic needs.

3. Increases in lane capacity on bridge replacement projects require Caltrans funding approval. See Section 6.2.1 on page 6-5, item (2) for approval requirements.
4. Even though a bridge may be eligible for replacement ($SR \leq 50$), rehabilitation shall still be considered to ensure the most cost-effective solution is selected. When appropriate (determined by the local agency), a cost analysis should be included in the local agency’s project file. The SR, by itself, shall not be the sole justification for bridge replacement.

6.2.3 BRIDGE PAINTING

The purpose of this program is to help local agencies fund eligible bridge painting projects as a stand-alone scope of work when the local agency does not wish to rehabilitate or replace a subject bridge.

1. Bridges may be on the EBL, rated SD or FO with $SR \leq 80$. If State Surface Transportation Program (STP) funds are available, bridges off the EBL may be programmed. Contact the DLAE to see if STP funds are available. For more discussion about STP funded bridge projects see Section 6.5.16 on page 6-24.
2. The Paint Condition Index (PCI) for a bridge must be 65 or less or SLA must provide concurrence for a bridge painting project to participate in the HBRRP. The PCI is available from the bridge inventory listing from the HBRRP website:

www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm#ebl

3. Minor rehabilitation of corroded structural members is an eligible participating cost. The cost of the rehabilitation effort should not exceed 10 to 15 percent of the cost of the

painting project (paint contract items only). In some cases the Ten Year Rule #1 may apply if the load carrying capacity of the bridge is improved by the minor rehabilitation. See Section 6.5.3 on page 6-19 for discussion of Ten Year Rule issues.

4. The costs of resolving major deficiencies causing the bridge to be on the EBL are not participating in a painting project. See Section 6.12.1 on page 6-35 for descriptions of major deficiencies. If the bridge is on the EBL, rehabilitation should be considered prior to the development of a painting project. Background information supporting this consideration should be documented in the local agency's project file.
5. HBRRP funded bridge painting is for major scopes of work. Minor spot painting is considered maintenance and is not participating work under the HBRRP.

6.2.4 BRIDGE BARRIER RAILING REPLACEMENT

The purpose of this program is to help local agencies upgrade the safety of bridge barrier systems and to widen bridges to provide AASHTO standard lane and shoulder widths. The funds set aside for this program are for bridges, that except for bridge barrier systems, are in otherwise structurally sound condition.

This program is funded using HBRRP funds transferred to STP. For general discussion regarding these special STP funds, see Section 6.5.16 on page 6-24.

1. Bridges that have received a rating of National Bridge Inventory (NBI) item 36A = 0 are eligible candidates for this program. For definitions of the NBI data items, see the National Bridge Inventory Coding Guide, which is available on the HBRRP website. The HBRRP website has an "on-line" Local Bridge Inventory Database for reviewing candidate bridges by local agency.
2. Bridges that are eligible for HBRRP rehabilitation funds (SD or FO, with $SR \leq 80$) are not eligible for STP funded bridge barrier railing replacement. The safety improvements would be participating under a HBRRP funded rehabilitation project and are therefore excluded from this STP fund source. (Projects that are currently programmed that are SD or FO, $SR \leq 80$, will continue to be funded. However, if a local agency changes the scope to include bridge widening, the project will be reprogrammed using HBRRP funds with a 80% federal reimbursement rate. The requirements of full bridge rehabilitation will apply. See Section 6.2.1 on page 6-5.)
3. The replacement of bridge railing, approach guardrail and end-sections is participating as a stand-alone project under this Section.
4. The cost of bridge widening to bring lane and shoulder widths to current standards anticipating future needs consistent with the requirements of "rehabilitation" (see Section 6.2.1 on page 6-5) is also participating under this Section. However, bridge widening to meet current standards is not mandated to receive Bridge Barrier Railing Replacement funds. Design exceptions per Section 11.2 of Chapter 11, "Design Standards," LAPM shall be required if the bridge width is not brought to current standards.

5. Adding additional lanes to a bridge is not participating.
6. Other improvements, such as addition of bicycle facilities or sidewalks may also be participating on a case-by-case basis to ensure the bridge railing and approach barrier is meeting the needs of the public. The local agency shall identify these specific improvements in their application for funding approval by the Office of Program Management (contact the DLAE for help).
7. Bridge replacement or partial funding of a bridge replacement project is not participating.
8. Right of way acquisition and approach roadwork minimally needed to accommodate the bridge barrier railing replacement project are participating. Approach work is limited by Section 6.4.2 on page 6-17.
9. The intent of this program is not to correct damaged bridge barrier systems. Correcting damaged bridge rail/approach guardrail that would otherwise meet current standards is considered maintenance work and is not participating under this program.
10. Caltrans encourages local agencies to choose a barrier railing system that meets National Cooperative Highway Research Program (NCHRP) Report 350 standards. For bridges off the National Highway System (NHS), local agencies are delegated the authority to decide whether the replacement barrier railing should meet NCHRP 350 crash testing standards. See Chapter 11, "Design Standards," of the LAPM for further instructions. See Exhibit 6-F, "Modifications to Crash Tested Bridge Railing" page 6-69 for information regarding the modification of crash tested bridge railing.
11. Barrier railing systems on bridges on the NHS shall meet NCHRP 350 crash testing standards.
12. For bridges off the NHS, where proposed new bridge barrier railing systems do not meet NCHRP 350 crash testing standards, the application for funds must identify the safety improvements that justify the funding of the project.
13. Where only approach roadwork and approach guardrail work is proposed with no bridge railing work, the application for funds must justify the funding of the project for approval by the Office of Program Management (contact the DLAE for help). If there is no safety issue being addressed relating to the bridge or approaches, the project will not qualify for STP funds under this Section.
14. For road-work projects only, the route must be included in the Federal-Aid Highway System. Therefore, this Section cannot fund roadwork-only projects on public roads that are functionally classified as rural minor collectors or urban or rural local streets.
15. Local agencies may only receive bridge barrier railing replacement funds once in the life of the bridge unless bridge railing standards change or the design speed of the bridge is increased beyond the tested rating of the bridge railing.

16. Local agencies should be aware that if bridge geometry is significantly improved by the bridge railing replacement project, future HBRRP funding may be impacted by Ten Year Rule #1. See Section 6.5.3 on page 6-19 for discussion of ten year rule issues.
17. Culverts (meeting the definition of a bridge, see Section 6.5.14 on page 6-23) are eligible for guardrail construction if none exists or if the guardrail is substandard. The requirement of item 1 above must be met to receive bridge railing replacement funds.
18. New sidewalk construction is participating if it is part of the bridge railing system and can be justified by the local agency. New electroliers are also participating if a local agency can demonstrate the lighting to be appropriate. These justifications shall appear in the project applications or when requesting scope changes for approval by the Office of Program Management (contact the DLAE for help).
19. The federal reimbursement is 88.53% of the participating project costs. The local match may be either State or local funds.
20. Caltrans will solicit candidate projects from local agencies when funding levels have been determined each year for a new cycle. Local agencies will have 6 months to submit applications after being notified by Caltrans (DLAE) that new candidates will be accepted.
21. Applications must be complete and be postmarked by the specified deadline in the Caltrans solicitation letter or the applications will be automatically rejected. The applications will be rejected to avoid causing delays in establishing the statewide list of approved candidates. This will ensure that all local agencies, statewide, that follow the instructions can initiate their projects without delays. Local agencies are strongly advised to take advantage of Caltrans' services (if Caltrans staff is available) to provide advice in assembling strong, successful project applications. Contact the DLAE for help.
22. Due to limited funds, candidate projects will be prioritized based on the Priority Index Number (PIN) described in Exhibit 6-C, "PIN for Barrier Rail Replacement Projects," page 6-55. Local agencies may submit up to five applications for a given cycle.
23. Each local agency will be allowed up to two successful candidate projects if sufficient funding is available. More projects will be approved on a priority basis if funding is available in a given cycle.
24. Because funds are available on a competitive basis statewide, increases in federal funds on a project may not be possible after a cycle is established. It is critical that local agencies properly scope their projects prior to submitting applications for funds and use up to a 25% contingency in their application.
25. Local agencies may not substitute approved projects for projects with lower priority PINs after the statewide list is approved. Funds released from projects that are cancelled by local agencies go back to the statewide balance of federal funds to be used in the next cycle of candidate projects.

6.2.5 SCOUR COUNTERMEASURE

The purpose of this program is to help local agencies implement scour countermeasure as a stand-alone scope of work when the local agency does not wish to implement a bridge rehabilitation or replacement project.

1. To receive funds the bridge must have a rating of NBI Item 113 ≤ 4 or SLA must provide a recommendation that scour countermeasure is necessary.
2. Funds will be available if the bridge is rated SD or FO, and SR ≤ 80 (on the EBL) or if State STP funds are available. For more discussion about STP funded bridge projects see Section 6.5.16 on page 6-24.
3. The participating cost of a scour countermeasure project is limited to installation of monitoring devices and/or modifying the bridge to resist (and correct, if needed) scour damage and/or development of operational plans. The repair of damage caused by scour (without mitigating the scour problem) is considered maintenance work and is not participating.
4. Correcting major deficiencies causing a bridge to be on the EBL is not required of a scour countermeasure project. If the bridge is on the EBL, rehabilitation or replacement should be considered prior to the development of a scour countermeasure project.
5. If a bridge is not on the EBL and bridge replacement or rehabilitation is the most cost-effective scour countermeasure strategy, the bridge replacement or rehabilitation cannot be funded using the HBRRP. This restriction is based on how HBRRP funds are authorized under 23USC144. STP funds may be used in this situation, if funds are available. However, if the bridge is on the EBL, Caltrans recommends that the local agency consider a full rehabilitation or replacement project, which would be HBRRP participating.

6.2.6 LOCAL MANDATORY SAFETY SEISMIC PROGRAM

This is considered a separate program from the HBRRP due to State funding requirements and State legislation. See Chapter 7, “Seismic Safety Retrofit,” of the LAPG for programming instructions and participating scopes of work. Also see Section 6.5.1 on page 6-19 for policy on inactive Mandatory Seismic Retrofit Projects.

COMBINED HBRRP AND “MANDATORY” SEISMIC RETROFIT PROJECTS

The funds identified in the approved seismic retrofit strategy under the “Mandatory” Seismic Retrofit Program may be combined into an eligible rehabilitation, replacement, painting, or bridge railing replacement project. See Chapter 7, “Seismic Safety Retrofit” of the LAPG for additional information.

Requesting HBRRP funds for rehabilitation or replacement in excess of funds provided by the “Mandatory” Seismic Retrofit Program requires a formal application for funds as described in this Chapter.

6.2.7 LOW WATER CROSSING REPLACEMENT (NEW BRIDGE)

The purpose of this program is to replace low water crossings with bridges so that the public will not be subject to hazardous situations and emergency vehicles can serve the public in a timely manner.

Low water crossing replacement is also appropriate when permits to operate the low water crossing are subject to termination causing the permanent closure of a public highway.

Low Water Crossings eligible for replacement must meet the following definition based on FHWA policy:

“Low water crossings are public road waterway crossings other than bridges where construction improvements have been made in the stream, river or lake bed to provide a firm surface for vehicles to travel across the water course. The crossings are designed and constructed to be passable to traffic most of the year during periods of ordinary stream flow but are impassable to traffic during periods of high water.”

Other requirements:

1. The application for funds (see Section 6.6 on page 6-25) must describe how a proposed Low Water Crossing Replacement project meets the program purpose.
2. The participating costs are the same as bridge replacement discussed above in Section 6.2.2 on page 6-7, as applicable.
3. New bridges (or culverts) must have a minimum 20 foot span to meet the definition a bridge in Section 6.5.14 on page 6-23 or the work is not considered major construction. Only major construction will be considered eligible for HBRRP participation. Local agencies are required to size the span to meet appropriate design criteria, not size the span to meet HBRRP eligibility criteria. Over designing the span of a bridge to meet HBRRP eligibility requirements will result in the loss of all federal funds for the project.

6.2.8 BRIDGE REPLACEMENT DUE TO FLOOD CONTROL PROJECT

23USC144(m)(1)(D) authorizes the use of HBRRP funds to replace any public highway bridge rendered obsolete as a result of United States Corps of Engineers flood control or channelization projects where there are insufficient funds from the United States Corps of Engineers to replace the impacted bridges. The bridges do not need to be rated SD or FO with $SR \leq 80$ (On EBL).

1. For bridges on the EBL, Preliminary Engineering (PE) may be authorized once the bridge project is included in the HBRRP multi-year plan. The bridge geometrics should be based on the functional requirements triggered by the flood control project. However, federal construction authorization for the bridge may not be approved until the federal government appropriates AND authorizes funds for the final design (final PS&E development) of the flood control project. This ensures that the bridge geometrics will

be consistent with the flood control project. It also ensures that bridge will not be built with expensive geometric requirements for a flood control project that is never authorized by the federal government.

If a local agency chooses to proceed with the replacement project prior to the federal government appropriating and authorizing funds for final design of the flood control project, the HBRRP participating costs will be based on the geometrics assuming no flood control project. In this situation, if the bridge isn't eligible for replacement, the participating HBRRP costs could be limited to just rehabilitation costs.

2. If the bridge is not on the EBL, PE shall only be authorized after the federal government has appropriated AND authorized funds for the final design for the flood control project. Construction may not be authorized until the federal government appropriates AND authorizes construction for the flood control project.
3. The local agency shall document in their application for funds that there are insufficient federal flood protection funds to pay for the cost of the bridge replacement.
4. Federal flood control funds cannot be used as matching funds for HBRRP (or vice versa) unless provisional language is established by federal law.

6.2.9 NEW BRIDGE TO REPLACE FERRY SERVICE

23USC144(m)(1)(C) authorizes the use of HBRRP funds to replace any ferry that was in service on January 1, 1984. The application for funds must document how this requirement has been met. The guidelines associated with bridge replacement apply. See Section 6.2.2 on page 6-7.

6.2.10 SPECIAL HISTORIC BRIDGE WORK

It is the intent of the HBRRP to place value on maintaining the historic integrity of qualifying historic bridges.

1. The requirements associated with bridge rehabilitation and replacement apply to this Section, except where discussed below.
2. A "historic bridge" is a bridge that is listed on, or eligible for listing on, the National Register of Historic Places. This data may be downloaded from the HBRRP website. For qualifying bridges, NBI data item 37, Historical Significance, is rated 1 or 2.

The National Register of Historic Places (NRHP) is a federally mandated listing of historically or archaeologically significant sites maintained by each state. The NRHP does not contain all significant sites. It only lists those currently identified and that the owner has allowed to be listed. There are many eligible sites that have not been registered, either because they have not been found or they have not yet been nominated.

3. 23USC144(o)(3) authorizes the use of HBRRP funds for the reasonable costs associated with actions to preserve, or reduce the impact of a HBRRP project on the historical integrity of a designated bridge.

4. Where a proposed rehabilitation project will not remove the bridge from the EBL, the local agency shall notify the DLAE to ensure that the proposed work is participating under the HBRRP. The DLAE, in consultation with SLA will forward recommendations for project funding to the Office of Program Management for approval. The DLAE will consult with SLA to ensure all reasonable rehabilitation strategies have been considered. Local agencies will be required to process the appropriate design exceptions per Chapter 11, "Design Standards," of the LAPM.
5. For a historic bridge replacement project, where a new bridge will be on a new alignment, the historic bridge may be rehabilitated using HBRRP funds. The participating costs of the rehabilitation shall not exceed the estimated cost of demolition.
6. A local agency that proposes to demolish a historic bridge for a replacement project with HBRRP funds shall first make the bridge available for donation to the State, another local agency, or to a private entity. This can be accomplished by notifying the State Historic Preservation Officer, Caltrans, or other cities or counties in the State.

The costs incurred by the local agency to preserve the historic bridge, including funds made available to the receiving entity to enable it to accept the bridge, shall be HBRRP participating up to an amount not to exceed the cost of demolition. The bridge will no longer be eligible for any federal-aid under Title 23. (Local agencies should consider using other federal programs before using HBRRP for this purpose.)

If HBRRP funds are involved in the preservation of the historic bridge, the donation may only take place if the receiving entity enters into an agreement with the local agency to:

- (A) maintain the bridge and the features that give it its historic significance; and;
- (B) assume all future legal and financial responsibility for the bridge, which may include an agreement to hold the local agency harmless in any liability action.

6.2.11 HIGH COST BRIDGE PROJECTS

The purpose of this Section is to provide local agencies needing more than \$10 million of HBRRP funds for locally owned bridge projects a way to receive the funds in a fair and equitable process statewide. (This Section does not apply to STP funded bridge projects programmed under this Chapter.) HBRRP funds programmed under this Section will be known as "High Cost" funds.

1. PE and Right of Way phases may be funded under other sections of this Chapter as long as the total federal HBRRP commitment is less than \$10 million.
2. A project report shall be developed by the local agency that addresses the following issues:
 - The project objectives must be clearly defined and all reasonable options for meeting the project objectives must be explored to demonstrate that the project is cost-effective.

- The report must address pros and cons of each option with supporting technical and cost information attached.
 - A recommendation shall be developed with explanation.
3. Local agencies considering applying for high cost funds should work with the DLAE and SLA to ensure that all appropriate options have been considered and cost estimates are within industry standards. SLA is available to advise local agencies in developing appropriate options related to the bridge work. Bridge type selection options, painting preparation options, and seismic retrofit options are examples where SLA may be consulted.
 4. Some high cost projects may be subject to the requirements of “Value Engineering” as defined in 23USC106(e) and Chapter 12, “Plans, Specifications, and Estimate,” Section 12.5 of the LAPM. Local agencies must contact the DLAE to discuss how this requirement may impact a specific project.
 5. Caltrans will make HBRRP funds available beyond the \$10 million limit (see Section 6.4.1 on page 6-17) if there will be no adverse impacts to the funding of other local agency projects. HBRRP funds programmed under this Section may be in addition to funds previously programmed under this Chapter.
 6. Local agencies may apply for “High Cost” funds when Caltrans solicits candidate projects from local agencies - statewide. Local agencies will respond by submitting the following materials making up the “application package” for their candidate “High Cost” project:
 - A “Request for Authorization to Proceed with (Right of Way or) Construction” package in accordance with Chapter 3, “Project Authorization,” of the LAPM.
 - The project report shall be submitted to the DLAE for Caltrans review. The DLAE will work with SLA and other units in Caltrans to develop and forward recommendations on the project to the Office of Program Management for funding approval.
 - An Exhibit 6-A, “HBRRP Application/Scope Definition Form,” page 6-43, shall also be submitted to the DLAE.
 - An expenditure plan of when the funds will actually be expended during the construction of the project.
 7. In the case where a local agency is not interested in pursuing Advance Construction (see item 9 below), the DLAE shall not process the E76 until all funds have been identified for the project phase needing federal authorization. If there are not enough “High Cost” funds to completely fund the requested project phase, the funds will be redistributed to other “High Cost” projects whose project sponsors are willing to advance local funds to proceed with their projects.
 8. The “High Cost” funds will be available for Right of Way or Construction phases only.

9. The “High Cost” funds will be allocated to a project based on a percentage of the unfunded project needs divided by the sum of all unmet “High Cost” local assistance HBRRP project needs statewide.
10. “High Cost” funds will only be available in the Federal Fiscal Year (FFY) for which they are allocated. If funds are not obligated within that time period, the “High Cost” funds shall revert back to the local assistance statewide HBRRP balance.
11. On an annual basis beginning in February 2002, Caltrans (through the DLAE) will solicit candidate “High Cost” projects from local agencies that need funding in the next FFY beginning in October 2002. The Office of Program Management will notify the DLAEs which projects and how much “High Cost” funds have been allocated. Caltrans may allow “High Cost” funds to be obligated prior to the new FFY if sufficient OA exists in the current FFY. Detailed instructions will be provided when the distribution of “High Cost” HBRRP funds are made available to local agencies.
12. If a local agency does not wish to delay their project needing “High Cost” funds, the local agency must use Advance Construction (AC) in order to preserve the HBRRP 80% reimbursement rate. See Sections 1 and 2 of Chapter 3, “Project Authorization,” of the LAPM for AC and underfunding policy. Local agencies using advance construction shall understand that neither Caltrans nor FHWA can guarantee that future federal funds will be made available to convert AC into HBRRP federal funds. For additional discussion on AC, see Chapter 2, “Financing the Federal-Aid Highway Program,” of the LAPG.
13. Local agencies may apply for “High Cost” funds each year for the same projects to allow the conversion of all AC to HBRRP funds. The federal-aid project closure or “final voucher” does not occur until all AC has been converted to federal funds.

6.3 STANDARDS

Standards for local assistance projects are available in Chapter 11, “Design Standards,” of the LAPM. Note that the bridge inspection ratings must never be used as design criteria for meeting AASHTO standards. See Section 6.12 on page 6-34. The minimum ratings triggering HBRRP eligibility do not necessarily reflect good design practice established by AASHTO in the “*A Policy on Geometric Design of Highways and Streets.*”

The primary intent of the HBRRP is to remove bridges from the EBL through rehabilitation or replacement. On rare occasions local standards or design exceptions appear to compromise the intent of the HBRRP. For this reason, local agencies as a condition for HBRRP funding on all rehabilitation and replacement projects (see Sections 6.2.1 and 6.2.2, page 6-5), shall ensure the scope of work will result in a bridge that will not be rated FO or SD and that the SR will be greater than 80. Local standards or design exceptions processed under Chapter 11, “Design Standards,” of the LAPM do not provide exemption to this requirement. Exceptions based on cost-effectiveness or in the public interest of historic structures must be approved by the Office of Program Management (contact the DLAE for help).

SLA is available to estimate revised bridge ratings based on proposed rehabilitation strategies upon request by local agencies.

See Chapter 12, “Plans, Specifications and Estimate,” Section 12.6, of the LAPM regarding the appropriate use of Metric/English Caltrans Standard Plans.

6.3.1 DESIGN EXCEPTIONS

See Chapter 11, “Design Standards,” of the LAPM for design standards and design exception process. Local agencies take full responsibility and liability for meeting design standards and approving design exceptions.

6.4 PARTICIPATING COST LIMITS

To ensure the purpose of the HBRRP is being fulfilled by local agency projects, certain costs and types of work have limits. These limits apply to all projects funded under this Chapter. See Exhibit 6-B, “HBRRP Special Cost Approval Checklist,” page 6-53 for a summary of participating costs that require specific Office of Program Management approval (contact the DLAE for help).

6.4.1 MAXIMUM HBRRP FUNDS ON ONE PROJECT

Up to \$10 million of Federal (HBRRP or STP) funds may be programmed (reserved) on any one project under this Chapter. Local agencies requiring more than \$10 million (HBRRP only) may apply for special funding under “High Cost Bridge Projects,” Section 6.2.11 on page 6-14.

6.4.2 APPROACH ROADWAY WORK

The following quote from the CFR identifies work that is not eligible for participation under the HBRRP:

“23CFR650.405(2)(c) Ineligible work. Except as otherwise prescribed by the Administrator, the costs of long approach fills, causeways, connecting roadways, interchanges, ramps, and other extensive earth structures, when constructed beyond the attainable touchdown point, are not eligible under the bridge program.”

Federal participation for approach roadway shall be limited to the minimum necessary to make the facility operable consistent with current design standards. The approach roadway length is measured from the bridge abutment to the touchdown on the existing roadway alignment. The approach length from each abutment in excess of 60M (200ft) (on federal-aid system) and 120M (400ft) (off federal-aid system) requires advance approval by the Office of Program Management (contact the DLAE for help). See additional discussion for exceptions to these rules in Section 6.13.8 on page 6-40. This Section applies to all funds (STP and HBRRP) programmed for projects under this Chapter.

6.4.3 PRELIMINARY ENGINEERING (PE) COSTS

See Section 3.1, Chapter 3, "Project Authorization," of the LAPM for eligible participating work. HBRRP funds may not be used for general feasibility or general transportation corridor planning studies even if federally deficient bridges are on a corridor being studied for improvement. HBRRP participation in PE is for the development of specific HBRRP projects where the local agency is required to deliver a construction project.

Federal participation of PE costs is limited to actual costs up to \$75,000 or 25% of the estimated participating construction cost (excluding construction engineering and contingency), whichever is greater. Additional participation must be approved by the Office of Program Management (contact through the DLAE). Justification for exceeding PE cost limits includes difficult environmental, seismic, hydraulic/scour issues, or other bridge technical problems. Complex project management issues may also be a justification.

HBRRP participation in consultant contract management and quality assurance costs shall not exceed 15% of a consultant's total charges.

For exceptions to the above rules, local agencies must submit a justification in writing to the DLAE. The DLAE will review the request, provide recommendations and forward to the Office of Program Management for approval.

The DLAE will work with the various technical units within the Caltrans to form a recommendation. Technical bridge design issues shall be submitted to SLA for comment. Environmental issues shall be forwarded to the District environmental reviewer for comment. Final funding approval will come from the Office of Program Management.

6.4.4 CONTINGENCY INCLUDING SUPPLEMENTARY WORK COSTS

HBRRP participation in Contingency and Supplementary Work in the planning phase of a project should not exceed 25% of the participating construction contract item costs. Contingency and Supplementary Work in the final engineer's estimate should not be less than \$5,000 nor exceed 10% of the participating construction contract item costs, unless approved by the Office of Program Management (contact the DLAE for help).

Exceptions to this rule will be handled similar to PE cost exceptions as discussed in the previous Section.

6.4.5 CONSTRUCTION ENGINEERING COSTS

HBRRP participation in Construction Engineering may not exceed 15% of the participating construction contract item costs, unless approved by the Office of Program Management. Local agencies must contact the DLAE for assistance.

Exceptions to this rule will be handled similar to PE cost exceptions as discussed in Section 6.4.3 on page 6-18.

6.5 GENERAL RULES AND POLICIES

The following rules and policies apply to all projects funded under this Chapter.

6.5.1 INACTIVE PROJECTS - 3 YEAR RULE

The purpose of this section is to ensure that all programmed projects are delivered in a timely manner. Inactive projects tie up limited resources that can be used by other local agencies that are in need of funds. The following rules shall be followed:

1. Caltrans will not accept new project applications from any local agency that has any programmed HBRRP or “Mandatory” Seismic Safety projects with no financial (invoice or federal fund authorization) activity in 3 years. Exceptions will be on a case-by-case basis approved by the Office of Program Management (contact the DLAE for help). A list of inactive projects can be downloaded from the HBRRP website:

www.dot.ca.gov/hq/LocalPrograms/

2. Construction authorization for current active projects will be withheld until the local agency either develops a workplan acceptable to Caltrans to deliver their inactive projects or cancels the inactive projects in compliance with Section 6.7.6 on page 6-30.
3. A grace period of six months from the date these guidelines are published will be allowed prior to implementation of this Section.

6.5.2 BIENNIAL REPORTING REQUIREMENT

Caltrans, on a minimum two-year interval, will ask local agencies for updated cost/schedule information for all projects in the HBRRP multi-year plan. Local agencies that fail to respond to Caltrans requests for project status may have their projects canceled at Caltrans’ discretion.

Local agencies that become aware of schedule, cost, and scope changes should notify the DLAE immediately upon discovery to ensure that that the new scope is participating and that adequate funding will be available when the local agency requests the funding. Use Exhibit 6-D, “HBRRP Scope/Cost/Schedule Change Request,” page 6-56 to request scope/cost/schedule changes.

6.5.3 TEN YEAR RULE #1 (YEAR OF CONSTRUCTION/RECONSTRUCTION)

Bridges in the NBI with a date of construction or date of major reconstruction (NBI Data Items 27 & 106) within the past 10 years will not be considered deficient bridges and will not be eligible to receive any funds under this Chapter. For example, if a geometrically deficient bridge was built in 1996, the bridge will not be considered deficient until the end of 2005. This rule applies regardless of the funding source (State, federal or local) of the project triggering the date of construction or date of major reconstruction.

Major reconstruction is work that improves either the structural load carrying capacity of the bridge or substantially alters the roadway geometry of the bridge.

Unforeseen phenomena may be grounds for exemption from Ten Year Rule #1. The Office of Program Management is responsible for approving exemptions. Local agencies must contact the DLAE for assistance. The intent of the policy is to encourage local agencies to properly scope their projects to anticipate future geometric needs and to properly design bridges to carry standard design loads.

6.5.4 TEN YEAR RULE #2 (YEAR OF PE AUTHORIZATION)

Federal law establishes a ten year rule to help ensure the timely use of funds:

“23USC102(c) ENGINEERING COST REIMBURSEMENT. If on-site construction of, or acquisition of right-of-way for, a highway project is not commenced within 10 years (or such longer period as the State requests and the Secretary determines to be reasonable) after the date on which Federal funds are first made available, out of the Highway Trust Fund (other than Mass Transit Account), for preliminary engineering of such project, the State shall pay an amount equal to the amount of Federal funds made available for such engineering.”

This means construction or Right of Way (R/W) acquisition must commence within ten years of PE authorization or funds may be taken from the local agency and returned to the State and FHWA. This applies to all federal projects, including HBRRP funded projects.

Time extensions are usually granted based on difficult environmental or R/W issues or where local agencies are forced to redirect staff to other projects in time of emergencies. The Office of Program Management (contact the DLAE for help) will only approve time extensions if the local agency can provide a plan to deliver the project.

Local agencies are responsible for notifying the DLAE that their project requires a time extension to ensure that federal funding will be available when a local agency requests funding.

6.5.5 UTILITY RELOCATION REIMBURSEMENT

Chapter 14, “Utility Relocations,” of the LAPM shall be followed.

1. Costs are only participating when the relocation is made necessary by the proposed construction and the local agency is legally obligated to pay for the work.
2. The estimated credits for salvage and depreciation shall be deducted from the participating project cost.
3. The estimated costs of utility “betterments” shall be deducted from the participating project cost. A “betterment” is the incremental improvement from what is currently installed.

6.5.6 EXCEEDING AASHTO STANDARDS

Where proposed design solutions exceed AASHTO guidelines or standards, the associated extra costs are generally not participating unless justified. Minimum standards may be exceeded based on intermodal transportation considerations, serviceability issues, and good geometric design practice. The decisions and background information driving the design requirements in these cases must be documented in the local agency's project file for future Caltrans review. See Section 6.13.1 and Section 6.13.2 beginning on page 6-36 regarding the establishment of bridge geometrics.

6.5.7 UNUSUAL ARCHITECTURAL TREATMENTS

Unusual architectural treatments (decorative fascia, tile work, architectural lighting, exotic bridge railing, belvederes etc.) are generally not participating. Location, public input, availability of funds, and cost-effectiveness play a role in the determination of HBRRP participation.

Local agencies shall notify the DLAE to request HBRRP participation of unusual architectural treatments. (The DLAE will work with the Office of Program Management to determine HBRRP participation.)

Generally, special treatments should not exceed 5% of the total construction contract item cost. Local agencies are required to justify unusual architectural treatments in their project files for future Caltrans program review.

See Section 6.13.7 on page 6-40 for information related to non bridge items.

6.5.8 ENVIRONMENTAL MITIGATION

Federal funds (including HBRRP funds) cannot be used to reimburse local agencies for costs associated with excessive, non-practical mitigation. The Caltrans District environmental reviewer is responsible for advising local agencies and the DLAE when proposed mitigation is excessive and/or if any of their mitigation will not be reimbursed by FHWA.

Federal funds (including HBRRP funds) may be used for:

1. Mitigation that is accomplished within the scope of the project.
2. Plant establishment and monitoring up to two years and possibly longer to allow for the permanent establishment of plants. The funding of plant establishment may be accomplished using an escrow account. Plant establishment and monitoring longer than two years must be approved by the District environmental reviewer.
3. Other participating mitigation may be required and must be documented in the NEPA documents and be approved by FHWA.

Federal funds (including HBRRP funds) may not be used for:

1. Endowment funds for biological monitoring or maintenance activities in perpetuity;
2. Maintenance work. Maintenance is the fiscal obligation of the local agency.

Local agencies should contact the DLAE for detailed discussion and field review to scope appropriate mitigation strategies. (The DLAE will work with the District environmental reviewer and the Office of Program Management to resolve difficult issues.)

6.5.9 PURCHASE OF EQUIPMENT

Equipment costing less than \$5,000 is reimbursable under the indirect cost rate, not as a line item under PE or CE direct costs. See Chapter 5, “Accounting/Invoices,” of the LAPM for indirect cost rate approval.

Equipment costing more than \$5,000 must be prorated over the time the equipment is actually used on a federal-aid project. See the FHWA *Contract Administration Core Curriculum Manual*, Section IIC4(b) at the following website for more information: www.fhwa.dot.gov/programadmin/contracts/cor_IIC.htm - IIC4b

Under no circumstances may a local agency profit by using its own equipment on a project. The cost of using publicly owned equipment shall not exceed industry standard rental rates. Further requirements are under Chapter 12, “Plans, Specifications & Estimate,” Section 12.12 of the LAPM regarding special contract provisions. Also see Chapter 16, “Administer Construction Contracts,” of the LAPM regarding equipment rental rates.

6.5.10 WORK BY LOCAL AGENCY STAFF (FORCE ACCOUNT)

Local agency staff in special circumstances may perform reimbursable construction activities. See Chapter 12, “Plans, Specifications & Estimate,” Section 12.4 of the LAPM for specific requirements.

6.5.11 “REPLACED” BRIDGES TO REMAIN IN PLACE

Sometimes when a bridge is “replaced” with a new bridge on a new alignment but on the same corridor, the old bridge does not need to be demolished. The old bridge can remain in place to carry pedestrian and bicycle traffic. The old bridge may not be rehabilitated with HBRRP funds unless it is of historical significance. See Section 6.2.10 on page 6-13.

The CFR provides the legal background and an additional example:

23CFR650.411(c)(2) Whenever a deficient bridge is replaced or its deficiency alleviated by a new bridge under the bridge program, the deficient bridge shall either be dismantled or demolished or its use limited to the type and volume of traffic the structure can safely service over its remaining life. For example, if the only deficiency of the existing structure is inadequate roadway width and the combination of the new and existing structure can be made to meet current standards for the volume of traffic the facility will carry over its design life, the existing bridge may remain in place and be incorporated into the system.

Proposed work outside these examples requires Office of Program Management funding approval (contact the DLAE for help). The local agency is responsible for requesting Caltrans approval.

6.5.12 FIELD REVIEW POLICY

See Chapter 7, “Field Review,” of the LAPM for Field Review requirements and policies relating to optional and mandatory field reviews.

For most projects off the NHS, field reviews are optional. However, field reviews that include Caltrans participants are strongly recommended. Field reviews help ensure that cost-effective solutions are considered, that proposed work is federally reimbursable, and that environmental concerns are raised early in the project development process.

Federal PE funds may be authorized prior to the field review to facilitate the proper scoping of projects by consultants. Caltrans (The Office of Program Management) may limit federal funds authorized for PE until the scope of work is reasonably defined.

Local agencies requesting optional cursory PS&E reviews are encouraged to have field reviews with Caltrans (including SLA) involvement. See Section 6.7.2 on page 6-27 regarding PS&E reviews.

6.5.13 CONSTRUCTION QUALITY ASSURANCE

See Chapter 2, “Roles and Responsibilities,” Section 2.6 of the LAPM for information.

Local agencies may ask the DLAE for construction quality assurance assistance. The DLAE may decline the request for assistance or provide limited assistance depending on available staff resources.

Local agencies that are contracting for construction engineering services may request Caltrans involvement in the consultant selection process. Caltrans engineers are available to help ensure that qualified consultants are selected at reasonable costs.

In cases where the DLAE becomes aware that a project under construction is not being adequately administered by a local agency, increased Caltrans involvement will be required.

The decision for “required” oversight by Caltrans will be on a case-by-case basis. The decision for construction oversight will be made by the Office of Program Management and the Office of Project Implementation based on recommendations from the DLAE.

6.5.14 MINIMUM BRIDGE LENGTH

Bridges must have a span of at least 6.1 M (20 ft) to be considered for inspection and inclusion in the NBI. If a bridge is not in the NBI, the bridge cannot be rated SD, FO, or have a SR making the bridge eligible for HBRRP funds. Following is a more precise definition of a bridge from the CFR which includes dealing with multi box or pipe culverts:

“23CFR§ 650.403(a) Bridge. A structure, including supports, erected over a depression or an obstruction, such as water, a highway, or a railway, having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet between undercopings of abutments or spring lines of arches, or extreme ends of the openings for multiple boxes; it may include multiple pipes where the clear distance between openings is less than half of the smaller contiguous opening.” (See the NBIS Coding Guide for a diagram that clarifies this issue. This can be downloaded from the HBRRP website.)

6.5.15 RAILROAD CAR BRIDGES

Permanent railroad car bridges will not be HBRRP participating. Temporary railroad car bridges required for construction will be participating.

The basis for not allowing HBRRP participation in the permanent installation of railroad car bridges is the following:

- It is very difficult for an engineer to certify that the structural members can meet Caltrans/AASHTO structural design standards.
- It is expensive to inspect railroad car bridges due to the number of structural elements and welds.
- It is difficult to establish material properties.
- There are potential problems associated with meeting AASHTO minimum geometrics.

Caltrans encourages local agencies to consider slab deck bridges as an appropriate cost-effective alternative.

6.5.16 STP FUNDED BRIDGE PROJECTS - INFORMATION FOR DLAEs

The information in this Section is for the DLAE's use. Local agencies may skip over this Section. As noted in the discussions for painting, scour countermeasure, bridge railing and approach barrier replacement, projects may be funded using State STP funds as opposed to HBRRP funds.

These STP funds are managed by the State and must not be confused with the Regional STP funds. State STP funds were originally HBRRP funds that have been transferred to STP to fund local bridge projects that would not normally be participating under the HBRRP.

Even though these funds are STP, the obligation of these funds should refer to the appropriate regional HBRRP lump sum item in the FSTIP. This is appropriate because these projects are considered bridge rehabilitation projects and use OA that came with the original HBRRP funds.

Please note that special prefixes and apportionment (pseudo) coding must be used to avoid having these projects charged to MPO/RTPA Regional STP funds. See the HBRRP website for the latest listings of project prefixes and apportionment/pseudo codes. The selection of project prefixes and apportionment codes should be left to the DLAE and the Office of Project Implementation when State STP funds are programmed on bridge projects funded under this Chapter.

6.6 PROJECT PROGRAMMING (INITIATION)

Before submitting an application for a HBRRP project, local agencies are encouraged to meet with the DLAE and SLA to discuss their candidate projects. This step allows the local agency project manager to become more familiar with the program and with services that can be provided by Caltrans to assist the local agency. A “pre-field review” may be held to discuss issues regarding the candidate project.

The first “official” step to initiate HBRRP participation in a local bridge project is for the local agency to prepare and submit an application to the DLAE.

When Caltrans receives the application package, the DLAE and Office of Program Management will review the proposed work in very general terms to ensure that HBRR Program intent and basic rules are met. Compliance with eligibility requirements is the responsibility of the local agency. This is especially the case where the project evolves during Preliminary Engineering (PE) phase. Local agencies needing further assistance in eligibility review should ask the DLAE for a field review.

When Caltrans determines that the project is eligible for HBRRP funds, Caltrans includes (programs) the project in the HBRRP Multi-Year Plan. Once the project is programmed, the local agency may request federal authorization to proceed with PE. PE includes the development of project studies (if needed) prior to NEPA document approval. See Chapter 3, “Project Authorization,” of the LAPM for instructions.

Note: Federal authorization for any phase of work must be in place BEFORE reimbursable work is performed. Do not confuse the programming process with the federal authorization process.

6.6.1 APPLICATION PERIOD

For all scopes of work other than bridge barrier railing replacement and High Cost Bridge Project funds, applications will be accepted on a continuing basis.

6.6.2 MINIMUM APPLICATION REQUIREMENTS

The following minimum information must be included in a HBRRP application package:

1. A cover letter from the local agency requesting that Caltrans program the project.
2. The HBRRP Application Form and attachments (Exhibit 6-A, “HBRRP Application/Scope Definition Form,” page 6-43) must be complete, except as

specifically allowed in the application. Local agencies needing help with the application should contact the DLAE.

3. Preliminary (possibly incomplete) Field Review Form and Roadway Data Sheet (Exhibit 7-B and Exhibit 7-C from Chapter 7, "Field Review," of the LAPM.) The local agency should fill out only known data.
4. Identify PE funds needed to scope project and estimates of cost and schedule of the project.
5. Applications for High Cost Bridge funds and Bridge Barrier Railing Replacement funds will only be accepted by the DLAE after a solicitation for candidates has been transmitted from the DLAE's to local agencies. See Section 6.2.4 on page 6-8 for information on Bridge Barrier Railing Replacement and Section 6.2.11 on page 6-14 for information on High Cost Bridges.

The DLAE is responsible for ensuring the application package meets the above minimum requirements prior to forwarding copies of the package to the Office of Program Management and SLA. The DLAE should identify any potential difficulties and provide recommendations.

6.6.3 OPTIONAL SLA REVIEW OF APPLICATION

The DLAE or the Office of Program Management may request SLA review of a project, if justified. This level of oversight is consistent with Chapter 7, "Field Review," of the LAPM that places the responsibility of project scoping on the local agency. Local agencies requesting optional technical support for project scoping may work with the DLAE/SLA prior to submitting the application package and/or may request an optional field review in the application. The level of service provided by Caltrans will be dependent on available Caltrans staffing.

When the DLAE or the Office of Program Management requests SLA to review an application or scope change, a request for construction authorization shall not be processed by the DLAE until SLA's review is complete and issues raised by SLA are addressed by the local agency. At the discretion of the DLAE or the Office of Program Management, PE authorization may be withheld pending the results of the SLA review.

SLA shall notify (email is acceptable) the DLAE and the Office of Program Management of any findings as a result of the application review. The Office of Program Management will also notify the DLAE and SLA of the status of the application package by email. Any issues raised need to be resolved by the local agency, SLA, the DLAE, District Right of Way or the District Environmental Reviewer. The DLAE is responsible for the coordination of the resolution of issues raised.

After the project is programmed, the DLAE will initiate the field review if required by Chapter 7, "Field Review," of the LAPM, if the field review has not yet taken place. Field reviews should be scheduled appropriately to include the local agency's consultants. Local agencies are encouraged to request optional field reviews to help identify project scope, environmental and R/W issues.

6.7 PROJECT IMPLEMENTATION

Once the project is programmed, local agencies may request PE authorization (Chapter 3, "Project Authorization," of the LAPM) for preparation of any project studies, preliminary R/W plans and environmental documentation.

The DLAE shall ensure that funds authorized do not exceed what is programmed as shown in the HBRRP multi-year plan.

6.7.1 COST/SCOPE/SCHEDULE CHANGES

If a cost/scope/schedule change occurs, the local agency shall notify the DLAE immediately of the changes. A cover transmittal letter shall be sent to the DLAE with the following attachments:

- An updated application with attachments, if there is a major scope change. Local agencies should contact the DLAE for advice on whether an updated application is needed.
- A cost/scope/schedule change form (Exhibit 6-D, "HBRRP Scope/Cost/Schedule Change Request," page 6-59).

If a local agency is requesting immediate reimbursement, a revised request for authorization and finance letter must be included as required by Chapter 3, "Project Authorization," of the LAPM.

The DLAE will forward copies of the scope change request package to the Office of Program Management and SLA. The Office of Program Management and SLA will process the package the same way a new project application is handled per Section 6.6 on page 6-25.

6.7.2 OPTIONAL CURSORY PS&E REVIEW

Optional PS&E reviews are cursory in nature involving the scope (plans), specifications, and engineer's estimate. This review can help identify issues regarding roadway safety, constructability, obsolete or expensive standard specifications, and HBRRP eligibility that might have been overlooked

Cursory PS&E reviews are not design checks and findings are usually advisory in nature. Findings that are significant to the cost-effectiveness or safety of the project must be addressed by the local agency or federal authorization/reimbursement will be withheld. Tort liabilities resulting from design exceptions, mistakes and omissions in the design are solely the responsibility of the local agency.

Local agencies may request a cursory PS&E review by contacting the DLAE.

1. The DLAE is responsible for coordinating the cursory PS&E review with the local agency, SLA, and other units within Caltrans. SLA is the point of contact for technical services provided by the Caltrans Division of Engineering Services.

2. See Chapter 12, “Plans, Specifications & Estimates,” Sections 12.2 and 12.14, of the LAPM for procedures relating to cursory PS&E review. These reviews should occur when the PS&E is about 65% complete (not 90% complete per the LAPM). At this stage of completion, all the design calculations and plans have been completed but are unchecked. (PS&E reviews at 90% completion will still be accepted, however, this may cause delays in advertising the projects.)
3. Local agencies requesting optional cursory PS&E reviews are strongly encouraged to have field reviews with Caltrans involvement.
4. Because these reviews are optional, incomplete PS&E packages may be submitted. Only what is submitted by the local agency will be reviewed.
5. Local agencies may withdraw the request for PS&E review, at any time if Caltrans staff is not available to meet local agency deadlines. If it appears that a PS&E review cannot be completed within the timeframe required by the local agency, the local agency shall be the decision maker as to whether the PS&E review should be completed with the possible delay in advertising their project.
6. Prior to processing any work authorizations, the DLAE shall coordinate with SLA and the local agency to ensure that the needs of the local agency are appropriately met. Under no circumstances is a DLAE to withhold prompt action on a request for authorization due to optional PS&E review.
7. Change orders or cost increases due to amending the PS&E after the project has been advertised may not necessarily be HBRRP participating. If there are significant changes to an advertised project due to a cursory PS&E review, Caltrans may require the local agency to re-advertise the project. To avoid project delays, it is important that local agencies requesting help with their projects do so early in the project development cycle.
8. The PS&E packages submitted for review should include:

Documents needed for PS&E Review	Number of Copies	Level of Completion by Local Agency or Consultant
Plans (no smaller than full 11x17)	4	Completed but unchecked
Special Provisions (for bridge portion)	4	Completed but unchecked
Hydraulic Report	2	Completed but unchecked
Foundation Report	2	Completed but unchecked
Engineers Estimate	4	Completed but unchecked

Project Report (Formal bridge type selection studies, if performed or other engineering related studies)	2	Completed prior to final design
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NOTES:

Partial PS&Es may be submitted. Full “detail” cursory PS&E reviews generally take four to six weeks. Local agencies should consult with the DLAE for proper scheduling of the cursory PS&E review to avoid conflicts with requesting authorization for construction (federal authority to advertise the project).

(The DLAE is to retain one copy of the plans, special provisions, engineer’s estimate, and project report. The DLAE should forward the remainder of copies to SLA.)

6.7.3 PROCEEDING TO FINAL DESIGN

Proceeding to final design to complete the PS&E may not commence until the DLAE has notified the local agency that the environmental documents have been approved and eligibility issues (if any) have been resolved. See Chapter 12, “Plans, Specifications & Estimate,” of the LAPM for detailed discussion of procedures.

6.7.4 SCOPE CHANGES DURING FINAL DESIGN

Minor scope changes may be resolved with a letter from the local agency to the DLAE. The local agency must contact the DLAE for decision on whether the scope change is minor.

Major scope changes may invalidate the environmental documents and cause the project to be ineligible for federal funding. Caltrans decides how to proceed in major scope changes during final design. The DLAE should consult with SLA, Caltrans District Environmental and the Office of Program Management.

Where a major scope change is required, Caltrans may require the project application be revised and resubmitted to the DLAE. If needed, the environmental documents may need to be reevaluated. See Chapter 12, “Plans, Specifications & Estimate,” Section 12.3 of the LAPM. If there are changes to the environmental documents, the DLAE must provide direction to the local agency if PS&E work may continue. The DLAE will need to work with District Environmental to resolve complex environmental issues.

6.7.5 CONSTRUCTION CHANGE ORDERS (CCO)

Chapter 16, “Administer Construction Contracts,” Section 16.13 of the LAPM delegates federal funding eligibility decision making regarding change orders to local agencies. Local agencies are encouraged to contact the DLAE for assistance if needed. Please see Chapter 16 of the LAPM for general instruction.

Local agencies assume full liability for the safety of their bridges and eligibility of participating costs of their projects.

Where the change orders exceed contingency, the local agency must contact the DLAE explaining the need for additional funds. The following instructions must be followed:

If the project is programmed with the lump sum item in the FSTIP, only the Office of Program Management needs to be consulted (contact through the DLAE) to ensure sufficient funds are available for the CCO.

If the project is identified as a line item in the FSTIP, the local agency must obtain concurrence from the RTPA/MPO and the Office of Program Management.

Local agencies will work through the DLAE to obtain approval from the Office of Program Management. If the FSTIP needs to be amended for a project line item, the local agency must work with their appropriate regional planning agency for proper processing.

6.7.6 PROJECT CLOSURE DURING PE

If, during project development, it is determined that no work is needed (choosing the “no build” option), the local agency may close out the project in the PE phase. Sometimes during the project development phase, environmental, R/W, or legal issues arise that make the project not feasible or cost-effective. In these situations, the local agency will be reimbursed for the work performed under the E76 authorizing PE. When the local agency submits the final invoice, a final report must be included documenting the conclusion with supporting information. See Chapter 17, “Project Completion,” of the LAPM for detailed instructions.

A project may also be closed with PE reimbursement to the local agency if the costs of the project are beyond the local agency’s estimated budget as documented in the original application for HBRRP funds. When the local agency submits the final invoice, a final report must be included providing specific information supporting the conclusion. The Office of Program Management (contact the DLAE for help) will make the determination if PE funds should be reimbursed.

If a local agency develops a final PS&E and the project is never advertised due to local match funding constraints, the HBRRP participation will be limited to the costs of scoping the project and developing the federal environmental documents. The engineering work to develop the final PS&E will be non-participating. Federal law does not authorize federal funds to be used to develop shelf projects.

Any other reasons for canceling a project may not be grounds for reimbursement of PE costs. If a local agency cancels (as opposed to choosing the “no build” option) a project, all PE funds must be returned to the State. The State will then return the funds to FHWA.

6.7.7 PROJECT CLOSURE AFTER CONSTRUCTION COMPLETION

The DLAE shall not approve/process a local agency’s final invoice until all the requirements of Chapter 17, “Project Completion,” of the LAPM have been met by the local agency. (This applies to all bridge projects regardless of the funding program.)

If a final invoice is received by the DLAE, but the requirements of Chapter 17, "Project Completion," of the LAPM have not been met, the DLAE shall reject the invoice and return it the local agency advising them of the requirements for closing out a federal-aid project.

6.8 SUMMARY OF PROJECT INITIATION/IMPLEMENTATION

Following are the basic steps to initiate and develop a HBRRP funded project:

1. The local agency should contact the DLAE to review the program requirements and to schedule an optional pre-field review meeting. The DLAE should coordinate with SLA as a minimum.
2. The local agency sends an application (Section 6.6 on page 6-25) for HBRRP funds to the DLAE.
3. The DLAE reviews the application package for minimum requirements and forwards copies of the application to Office of Program Management and to SLA.
4. The Office of Program Management "programs" the project and notifies the DLAE the candidate project has been accepted. Caltrans may now authorize PE funds, at the request of the local agency. See Section 6.7 on page 6-27. (At this stage the detail procedures in the LAPM should be reviewed.)
5. The DLAE coordinates a field review with the local agency, if required. It may be scheduled after consultants have been retained by the local agency. (see Chapter 7, "Field Review," of the LAPM for field review process.) The scheduling of optional cursory PS&E reviews should be discussed.
6. The local agency submits the final environmental documents and requests R/W authorization if needed.
7. The DLAE processes the environmental documents. Once the environmental documents are approved, the local agency may commence with final design. The DLAE may now process R/W authorization and notifies the local agency with the E76.
8. When the PS&E is 65% complete, the local agency may request that Caltrans perform an optional cursory review of the PS&E. If this service is needed, the PS&E should be sent to the DLAE. The local agency must be clear regarding review deadlines to ensure the project meets the schedule of the local agency.
9. The local agency submits the request for authorization for construction and other required forms to the DLAE.
10. The DLAE processes the request for authorization and notifies the local agency with the E-76.
11. The local agency may now advertise the project. See the LAPM for further instructions or contact the DLAE for assistance.

12. When construction is complete, the requirements of Chapter 17, "Project Completion," of the LAPM must be met to receive final reimbursement.

6.9 ROLES AND RESPONSIBILITIES

6.9.1 LOCAL AGENCY

The local agency is the project manager and is responsible for all aspects of the project.

The local agency is accountable for how it spends federal funds on eligible projects. The local agency is responsible for following these program guidelines and the procedures in the LAPM.

The local agency is responsible for requesting Caltrans funding approval for certain participating costs identified in Exhibit 6-B, "HBRRP Special Cost Approval Checklist," page 6-51.

6.9.2 CALTRANS, DISTRICT LOCAL ASSISTANCE ENGINEER (DLAE)

The DLAE is the point of contact for all local assistance projects. Written communication (including email) from Caltrans to the local agency that provides official policy direction (including eligibility, scope, or funding decisions) to the local agency will be from the DLAE. Copies of all written correspondence and appropriate email will be kept in the DLAE project files.

The DLAE is responsible for providing expertise in understanding these program guidelines and the federal process as documented in the LAPM and the LAPG.

The DLAE is also responsible for ensuring that all "official" written (including e-mail) controversial correspondence to local agencies is "cc'd" to the Office of Program Management and the Office of Project Implementation. Controversial correspondence includes any denial of funds to a local agency or an action on the part of Caltrans that delays the construction authorization of a local HBRRP project.

The DLAE is to coordinate all Caltrans internal activities for local assistance projects. The DLAE is pro-active in ensuring that local agencies are aware of HBRRP scoping issues and offering help to local agency to resolve those issues. The DLAE is to utilize the Office of Program Management, Office of Project Implementation, SLA, District geometricians, District Right of Way and environmental experts, and be familiar with the standards and AASHTO references identified in Chapter 11, "Design Standards," of the LAPM.

The DLAE is also responsible ensuring that local agencies are aware of all Caltrans services available to local agencies that can improve the quality and timely delivery of HBRRP projects.

For current names, addresses, and email addresses, see the DLAE website:

www.dot.ca.gov/hq/LocalPrograms/dlae.htm

6.9.3 CALTRANS, STRUCTURES LOCAL ASSISTANCE (SLA)

SLA provides and coordinates technical services related to bridge projects in the areas of field reviews, cost estimation, inspection, design, analysis, construction, consultant selection and contracting, including expertise in explaining these program guidelines. SLA works directly with local agency staff and management in coordination with the DLAE. However, all Caltrans official correspondence to local agencies is transmitted through the DLAE.

SLA, at the request of the DLAEs, is responsible for working with local agencies in promoting the HBRRP and helping local agencies identify deficient bridges on the EBL. SLA, in this function, should also promote the above mentioned services to improve the quality and timely delivery of local HBRRP projects.

Note: When SLA receives questions regarding bridge inspections, SLA may forward the questions to appropriate bridge inspection engineering staff (either Caltrans staff or local agency staff authorized to inspect bridges).

6.9.4 CALTRANS, OFFICE OF PROGRAM MANAGEMENT

This office is responsible for:

- Programming funds for local agency projects.
- Approving special costs identified in Exhibit 6-B, “HBRRP Special Cost Approval Checklist,” page 6-51.
- Managing the statewide Local HBRRP apportionment fund balance.
- Establishing program policy and procedures to maximize the use of federal funds and comply with federal requirements.
- Working with the DLAE and SLA to resolve difficult project related policy issues.
- Conducting program reviews to determine local agency compliance with federal and State laws, regulations, and policy.

6.9.5 CALTRANS, OFFICE OF PROJECT IMPLEMENTATION

This office is responsible for the actual authorization of federal funds and the development of program supplemental agreements on projects processed by the DLAE staff.

It is the responsibility of this office to ensure that federal funds are authorized on projects in compliance with the LAPM. The OPI relies on information provided by the OPM and the DLAE regarding the amount of participating HBRRP funds on a project. Funds authorized on a project shall not exceed amounts programmed in the HBRRP multi-year plan.

6.10 PROGRAM REVIEW

A program review shall be implemented with a frequency and scope at the discretion of the Chief, Office of Program Management.

The purpose of the program review is to:

- Ensure that quality bridge projects are being developed meeting current standards
- Ensure that these program guidelines and the LAPM are being followed
- Identify areas of improvement to these guidelines, the LAPM, laws, regulations, and policies.

If needed, the Chief, Office of Program Management may also request formal audits of project scope and expenditures that may trigger the loss of funds to non-compliant local agencies.

6.11 DISPUTE RESOLUTION

Disputes between Caltrans and local agencies regarding local assistance funded projects that cannot be resolved by the DLAE shall be elevated to Office of Program Management for final Caltrans decision.

Local agencies are encouraged to raise issues through the DLAE that can help improve the usefulness of the HBRRP to solve transportation problems. Where a local agency believes a law, rule, guideline, or a project eligibility decision is contrary to the public's interest, local agencies have a responsibility to elevate issues for Caltrans management review.

6.12 THE BRIDGE INSPECTION PROGRAM

The Bridge Inspection Program is a federally mandated program established under 23USC144(b), (c) and 23USC151.

The intent of the program is to:

- Establish an inventory of bridges carrying public highways,
- Help local agencies manage their bridge maintenance programs,
- Identify safety problems related to bridges.

Each bridge in the State carrying a public highway that has a minimum span of 6.1 M (20 ft) (see Section 6.5.14 on page 6-23) is inspected every two years. Caltrans maintains the master bridge inventory for the State. The statewide inventory of bridges is available from the HBRRP website. Whenever a bridge is inspected, the owner of the bridge is mailed a bridge inspection report that discusses the health of the bridge including needed

maintenance work. The report also includes a Structure Inventory and Appraisal (SI&A) sheet. The SI&A sheet provides all the detailed ratings required by federal law.

Local agencies may request copies of the bridge inspection reports from the DLAE or SLA. Agencies that inspect their own bridges should work with their own inspection departments to acquire the reports.

The inventory of “deficient” rated bridges drives the amount of the annual HBRRP apportionment (based on relative deck area and unit cost nationally) that California receives.

A “deficient” bridge is defined as having a Sufficiency Rating (SR) ≤ 80 and is Structurally Deficient (SD) and/or Functionally Obsolete (FO).

When developing a rehabilitation or replacement strategy for a bridge it is necessary to understand the current problems with the bridge to develop an appropriate scope of work that resolves the major deficiencies of the bridge.

6.12.1 MAJOR DEFICIENCIES (FROM SI&A SHEET)

SCOUR POTENTIAL

National Bridge Inventory (NBI) item 113 is the scour criticality rating. This is a calculated rating based on a potential major hydraulic event. Scour potential should always be reviewed when developing a rehabilitation project. For detailed information regarding the NBI data “items” see the *National Bridge Inventory Coding Guide*. This guide can be downloaded from the HBRRP website.

SD, FO, AND SR DEFINED

For a bridge to be considered either structurally deficient or functionally obsolete a highway bridge must meet have the ratings described below.

For Structural Deficiency (SD):

1. A condition rating of 4 or less for:
Item 58 - Deck or
Item 59 - Superstructures or
Item 60 - Substructures or
Item 62 - Culvert and Retaining Walls.
[Item 62 applies only if the last digits of Item 43 are coded 19.]

OR

2. An appraisal rating of 2 or less for:
Item 67 - Structural Condition or
Item 71 - Waterway Adequacy.
[Item 71 applies only if the last digits of Item 42 are coded 0, 5, 6, 7, 8, or 9.]

For Functional Obsolescence (FO):

1. An appraisal rating of 3 or less for:

Item 68 - Deck Geometry or

Item 69 - Underclearances or

Item 72 - Approach Roadway Alignment.

[Item 69 applies only if the last digit of Item 42 is coded 0, 1, 2, 4, 6, 7 or 8.]

OR

2. An appraisal rating of 3 for:

Item 67 - Structural Condition or

Item 71 - Waterway Adequacy.

[Item 71 applies only if the last digit of Item 42 is coded 0, 5, 6, 7, 8, or 9.]

The **Sufficiency Rating (SR)** is an overall “health” indicator for the bridge and is calculated by a complex formula defined in Appendix B in the *National Bridge Inventory Coding Guide*. Local agencies requesting help with the SR calculations should contact SLA or the DLAE for assistance.

6.13 COMMENTARY

The intent of this Section is to help explain some common situations that have been encountered in the implementation of the HBRRP. The guidance provided below shall be considered policy that must be followed for all HBRRP funded projects. **Questions on these issues shall always be directed to the DLAE for funding approval by the Office of Program Management.**

6.13.1 ESTABLISHING BRIDGE GEOMETRICS

Many areas of California are experiencing population growth and are demanding more diverse modes of transportation than in recent years. Major capital projects such as bridge rehabilitation and replacement projects can involve difficult environmental problems and expensive construction. For this reason it is important that local agencies properly plan their bridge projects from a transportation facility point of view rather than just a “replace in kind” approach or simply rehabilitate a bridge using current ADTs. Failure to properly plan a bridge project may result in premature obsolescence and the waste of public funds.

Local agencies need to work closely with their regional planning agencies and consult AASHTO’s “A Policy on Geometric Design of Highways and Streets” to ensure that their bridge rehabilitation and replacement projects will meet their needs.

Bridge geometrics should be established based on future ADTs, but may also be based on other appropriate transportation planning studies involving Design Hourly Volume analysis or other rational analysis. Please refer to the *Highway Capacity Manual* for an expanded discussion of determining lane capacity. In many cases regional planning agencies have

adopted transportation models that should be input to the geometric design of new or rehabilitation bridge projects.

Information on the *Highway Capacity Manual* can be found at the following web address:

trb.org/trb/

For roads functionally classified as local streets and roads with ADTs less than 2,000, AASHTO permits lane widths less than 3.6 m (12 ft) and shoulders less than 1.5 m (5 ft). However, it is acceptable for local agencies to adopt 3.6 M (12 ft) lanes with 1.5 m (5ft) shoulders as minimums. Please refer to AASHTO's "A Policy on Geometric Design of Highways and Streets" for in depth discussion of appropriate geometric design.

6.13.2 PARTICIPATING BRIDGE WIDENING COSTS (Q&A)

1. *If a bridge is functionally obsolete due to underclearances, can the bridge be widened for additional lane and shoulder widths and participate in the HBRRP?* No. Since the major deficiency is not being addressed, HBRRP funds may not participate in the widening.

However, if the only constructable solution to the underclearance problem is bridge replacement, then 23CFR650.403(1) applies and widening may be appropriate and participating.

2. *If a bridge is structurally deficient due to scour damage on one footing can the bridge be widened if the bridge is on the EBL?* No. If the scour damage can be repaired and the scour condition mitigated the bridge widening would not be HBRRP participating.

However, if the bridge must be replaced, then 23CFR650.403(1) applies and widening may be appropriate and participating.

If the scour damage can be repaired which involves major reconstruction triggering the Ten Year Rule #1 (Section 6.5.3 on page 6-19) and the scour condition mitigated, and the local agency can demonstrate that the bridge will again be on the EBL within 10 years using future ADT's, then widening and possibly replacement would then be appropriate.

3. *If a bridge is functionally obsolete due to deck geometry and underclearances, can the bridge be widened only?* Maybe. It depends on the economics of solving the underclearance problem versus limited rehabilitation and the consequences of the underclearance problems. A project study would be required (HBRRP participating) to develop the appropriate options and recommendations.
4. *If a bridge is functionally obsolete due to underclearances, can HBRRP funds be used to lower the grade of a road under the bridge?* Yes, if that is all it takes to remove the bridge from the EBL.
5. *A bridge is functionally obsolete due to deck geometry. Can additional bridge width be HBRRP participating for adding lanes if the transportation corridor is not planned for*

additional lane capacity within 10 years? No. However, the bridge may be widened to meet AASHTO standards for the current geometry of the corridor and future ADTs. Additionally, the bridge may be structurally designed to accommodate future widening. Refer to the AASHTO's "A Policy on Geometric Design of Highways and Streets," as referenced in Chapter 11, "Standards," of the LAPM.

6. *A bridge is functionally obsolete due to deck geometry. Can additional bridge width be HBRRP participating for adding lanes if a transportation corridor is being planned for widening within 5 years?* It would not make sense to spend public funds on a bridge widening project that could result in a bridge being functionally obsolete within 10 years. In this situation, if the local agency can demonstrate that it is moving forward on the corridor widening project, the HBRRP may fully participate in adding additional deck width to accommodate the future widening of the transportation corridor.
7. *A bridge is functionally obsolete due to deck geometry but not due to approach roadway alignment. The corridor is currently a four lane arterial that narrows down to a two lane bridge. The current and future ADT does not support the widening of the two lane bridge to four lanes. Can the bridge still be widened?* Yes. AASHTO's "A policy on Geometric Design of Highways and Streets" (1994) recommends for roads functionally classified as arterial streets, that the minimum bridge clear width "should be the same as the curb to curb width of the street." Therefore, based on AASHTO standards, the HBRRP may participate in adding lanes to the bridge to be consistent with the current corridor geometry.

6.13.3 HBRRP FUNDING OF BICYCLE FACILITIES

The HBRRP may participate in funding bridge widening to accommodate bicycle facilities. In general, the roadway widths should be consistent with the roadway of the corridor. See AASHTO's "Guide for the Development of Bicycle Facilities" for appropriate design concepts.

For rehabilitation projects, HBRRP may participate in the widening when other major deck reconstruction or lane/shoulder widening is needed. (Costs for bridge widening for bicycle facilities only are not participating.)

New bicycle facilities must be identified as "betterments" in the HBRRP application (Exhibit 6-A, "HBRRP Application/Scope Definition Form," page 6-43) and must be justified. The justification must show that the betterments are needed by the community and are appropriate for the location.

6.13.4 HBRRP FUNDING OF TEMPORARY REPAIRS OF BRIDGES

If a bridge is in need of temporary repairs to allow time to develop a bridge replacement project, can HBRRP funds be used to fund the temporary repairs? No. This work is considered maintenance and is not HBRRP participating.

6.13.5 HBRRP FUNDING OF TEMPORARY BRIDGES

If a bridge collapses the HBRRP may participate in the installation and rent of a temporary bridge until the final bridge replacement is completed. However, if the construction contract for the final bridge replacement is not awarded within three years of the installation of the temporary bridge, all federal funds used to construct and pay rent on the bridge must be returned to Caltrans and FHWA. Special covenants shall be included in the E76 and program supplemental agreement to this effect.

All NEPA documents must be approved according to the standard process (Chapter 6, "Environmental Procedures," of the LAPM). Additionally, the installation of the temporary bridge shall not preclude other more cost-effective bridge replacement options. In essence, the scope of the final project shall be determined prior to the installation of the temporary bridge.

The basis of this eligibility determination is that the work to install the temporary bridge is simply an advance of the detour work needed for the final bridge replacement construction. These participating costs would have occurred anyway; therefore, the costs are participating.

6.13.6 EMERGENCY WORK FUNDED BY HBRRP AND COMPETITIVE BIDDING

Under specific circumstances local agencies may decide not to competitively bid emergency work funded by the HBRRP (not Emergency Relief Program related). For specific requirements see Chapter 12, "Plans, Specifications & Estimate," Section 12.4 of the LAPM. See 23CFR 635.104 for regulatory basis. (This strategy also applies to RSTP funded projects.)

Following is an example application:

A local agency has a bridge programmed for replacement using HBRR funds and has begun preliminary engineering on the bridge replacement project. The bridge is off the NHS. Before the local agency completes the design of the bridge a major storm does such damage to the bridge that to repair the bridge is not practical.

There is no federally declared emergency so no emergency relief funds are involved.

The local agency can complete the standard environmental process and then proceed to final the PS&E within a relatively short time frame.

The local agency could contact their DLAE to request "Authorization for Construction" so as to begin negotiations with contractor(s) to replace the bridge, using HBRR funds without advertising the PS&E.

It should be noted that this waiver to competitive bidding only applies to emergency repairs as defined in Chapter 12, "Plans, Specification & Estimate," Section 12.4 of the LAPM. Reconstruction work and permanent repairs that can be separated from emergency repairs are to be performed using the competitive bidding process.

For bridges off the NHS, the decision to waive competitive bidding is made by the local agency. For bridges on the NHS, the decision to waive competitive bidding is with the DLAE. In all cases, the local agency must retain decision documentation in their project files.

6.13.7 REIMBURSEMENT OF “NON-BRIDGE” CONSTRUCTION ITEMS

A bridge is being widened and the touchdown of the one of the approaches ends at an intersection. The widening is causing one of the signals to be relocated or replaced. The signal is located well before the touchdown of the approaches to the existing roadway.

Can HBRRP funds be used to relocate the signal? Yes, since the widening is triggering the relocation.

If the signal is obsolete, can HBRRP funds be used to replace it with one that meets current standards? Yes. Once the HBRRP significantly impacted the signal, it should be brought up to current standards.

However, if the upgrade of one signal triggers the upgrade of other signals, the local agency will be responsible for funding the other signal replacements. This is because the other signals are beyond the touchdown of the approach. See Section 6.4.2 on page 6-17 for information on HBRRP road work participation limits.

For information on unusual architectural treatments see Section 6.5.7 on page 6-21.

6.13.8 SPECIAL CASE APPROACH ROADWORK

Section 6.4.2 on page 6-17 specifies limits on approach roadwork. Sometimes these limits must be relaxed to accommodate good design practice. Following are two examples:

1. A bridge is eligible for replacement. The new bridge must be raised to account for design flows. Raising the bridge causes sight distance problems which requires roadwork beyond the limits in Section 6.4.2. This roadwork is HBRRP participating because the work is needed for good design practice.
2. A bridge is eligible for replacement. The existing bridge and approaches are a classical “S” shaped geometry over a waterway that minimizes the span of the bridge. However, the current functional classification and design speeds of the transportation corridor justify the “straightening” of the alignment. This requires roadwork beyond the limits of Section 6.4.2. This roadwork is HBRRP participating because the work is needed for good design practice.

For both situations, the Office of Program Management would request comment from the DLAE and SLA in considering funding approval. The point of contact for local agencies is the DLAE.

6.13.9 LIMITED HBRRP PARTICIPATION IN REPLACEMENT PROJECTS

Following is an example of limited HBRRP participation on a bridge replacement project:

A bridge is on the EBL but is only eligible for rehabilitation. Cost analysis shows that a rehabilitation solution is more cost-effective than replacement solution.

The local agency wants to replace the bridge regardless of the economic analysis.

The HBRRP may participate in the project up to the costs of a rehabilitation project (support and capital costs) with the local agency using other funds for the remainder. Other funds could be (but not limited to) RSTP, STIP, or local funds. Note that federal funds cannot match federal funds.

6.13.10 24 HOUR CONSTRUCTION DAY

The costs associated with a 24-hour construction day may be HBRRP participating if required detours are causing a community extreme hardship related to bridge closure during construction.

HBRRP participation in the extra costs associated with the 24-hour construction day may be participating if a “Community Impact Assessment” is objectively performed.

The Caltrans Community Impact Assessment Handbook contains a Road Closure Report that may be adapted for this purpose. See Exhibit 6-E, “Road Closure Study,” page 6-65 for this modified report. It should be used to document the need for a 24-hour construction day and summarized in the environmental documents.

6.14 REFERENCES

All references are available from the Local Assistance website:

www.dot.ca.gov/hq/LocalPrograms/.

Local Assistance Program Guidelines

Local Assistance Procedures Manual

California Transportation Commission Resolution G97-05

California Streets and Highways Code Sections 2411 and 2413

United States Code Title 23, Section 144

Code of Federal Regulations

National Bridge Inventory Coding Guide

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EXHIBIT 6-A HBRRP APPLICATION/SCOPE DEFINITION FORM

See Section 6.6, Chapter 6 of the LAPG for information about this form.

This form shall replace Exhibit 7-D, “Major Structure Data,” from Chapter 7, “Field Review,” of the LAPM. Wherever the LAPM requires Exhibit 7-D for other programs, Exhibit 6-A may be substituted. Bridge projects funded entirely through other programs should continue to use Exhibit 7-D.

(One bridge per application, separate applications are required for multiple bridges at same location. Multiple bridges may be combined into one federal aid project later.)

State Bridge No. _____	Local Bridge No. _____
Project Number _____	(Caltrans to provide project number for new projects)
Responsible Agency _____	
Caltrans District <u>01</u>	
County _____	
Project Manager _____	
Title _____	
Phone _____	Fax _____
E Mail _____	
Project Location _____	
Project Limits <u>(Maximum Four Lines)</u>	

Type of Work _____
 Work Description (Maximum Four Lines)

HBRRP Category:

- | | |
|---|---|
| <input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Replacement
<input type="checkbox"/> Painting
<input type="checkbox"/> Bridge/Railing/Approach Barrier Replacement
<input type="checkbox"/> Low Water Crossing Replacement | <input type="checkbox"/> Scour Countermeasure
<input type="checkbox"/> Replacement Due to Flood Control Project
<input type="checkbox"/> New Bridge to Replace Ferry Service
<input type="checkbox"/> Historic Bridge
<input type="checkbox"/> High Cost Bridge |
|---|---|

- Minimal Application: Only questions 1,2,3, 4, cost data and signoff will be completed. Other information will be submitted at a later time after PE has been federally authorized to scope the project. See Section 6.6.2 “Minimum Application Requirements” for additional information.

The field review process enables the proper scoping of projects. Some field reviews are mandatory, most are optional. Field reviews are critically important to identify difficult environmental, Right of Way, and bridge type selection issues early in the project development phase. Please see Chapter 7 of the LAPM for further discussion.

1. Do you request that Caltrans initiate a field review? Yes No
2. Do you need help with consultant selection/oversight? Yes No
3. Do you need help with the federal process? Yes No
4. Caltrans engineers are available to provide an optional cursory review of the PS&E. The review looks at constructability, standard details and specifications, foundation/hydraulic design, and HBRRP funding eligibility. Do you request Caltrans perform a cursory PS&E review for this project? (If yes, please also request a field review.) Yes No

Federal Congressional District(s) _____

State Senate District(s) _____

State Assembly District(s) _____

Preliminary Engineering by: Local Agency Staff Consultant Other...

Design by: Local Agency Staff Consultant Other...

Foundation Investigation by: Local Agency Staff Consultant Other...

Hydrology Study by: Local Agency Staff Consultant Other...

Detour, stage construction, or close road? _____

Length of detour: _____

Resident Engineer for Bridge Work: Local Agency Staff Consultant Other...

For painting & scour scopes of work, skip this page.

**NBI data is from the Bridge Inspections Report (SI&A sheet)
Contact the DLAE/SLA for assistance, if needed**

Date Constructed (NBI Item 27): _____ Historical Bridge Category (NBI Item 37) _____

Structure Data	Existing	Proposed	Minimum AASHTO Standards
Structure type			
Structure length (specify units)			
Spans (No. and length)			
Curb to Curb width (See NBI Item 51 definition)			
Number of lanes			
Lane widths			
Shoulder widths	____ Lt ____ Rt	____ Lt ____ Rt	
Bike lanes (identify only if <u>not</u> included in the shoulder dimensions)	____ Lt ____ Rt	____ Lt ____ Rt	
Sidewalks/separated bikeways	____ Lt ____ Rt	____ Lt ____ Rt	
Approach roadway width (traveled way + paved shoulders, tapered approaches should be measured at the touchdown points not the abutments)			
Approach road length (from each abutment)	____ abt1 ____ abt2	____ abt1 ____ abt2	
Total bridge deck width			

**Summary of Major Deficiencies of Existing Bridge (See Section 6.12 for information)
(Contact the DLAE/SLA for assistance, if needed)**

Data is from SI&A Sheet (Last page of Bridge Inspection Report)

SD = Structurally Deficient
FO = Functionally Obsolete
Blank = Not SD or FO
NG = Not Good (Deficiency)

Sufficiency Rating (SR) = _____ Status SD FO Blank

Description of Data Item	NBI Data Item	Deficient Criteria	Results	What are the Deficiencies?
Deck	Item 58 =	≤ 4 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-SD	
Superstructure	Item 59 =	≤ 4 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-SD	
Substructures	Item 60 =	≤ 4 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-SD	
[Item 62 applies only if the last digits of Item 43 are coded 19.]				
Culvert and Retaining Walls	Item 62 =	≤ 4 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-SD	
Structural Condition	Item 67 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG	
[Item 71 applies only if the last digit of Item 43 is coded 0, 5, 6, 7, 8, or 9.]				
Waterway Adequacy	Item 71 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG	
Deck Geometry	Item 68 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-FO	

Description of Data Item	NBI Data Item	Deficient Criteria	Results	What are the Deficiencies?
[Item 69 applies only if the last digit of Item 42 is coded 0, 1, 2, 4, 6, 7 or 8.]				
Under-clearances	Item 69 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-FO	
Approach Roadway Alignment	Item 72 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG-FO	
Scour Criticality	Item 113 =	≤ 3 is problem	<input type="checkbox"/> OK <input type="checkbox"/> NG	
Bridge Railing	Item 36A =	= 0 Review	<input type="checkbox"/> OK <input type="checkbox"/> NG	
Guardrail Transition, Approaches, Guardrail Ends	Item 36B = Item 36C = Item 36D =	= 0 Review	<input type="checkbox"/> OK <input type="checkbox"/> NG	
Other deficiencies not identified in Bridge Inspection Report	Discuss in detail, attach additional pages and photographs as needed to justify HBRRP funds to correct problem:			

5. If this application is for rehabilitation or replacement scope, will all deficiencies be resolved by the project? If no, please discuss below or attach discussion on separate pages to application.

Yes No Not Applicable

6. Discuss any special condition or proposed design exceptions:

7. Identify and justify “betterments” that are HBRRP participating but are not related to the major deficiencies. Attach additional pages as needed.

8. Refer to Exhibit 6-B. Identify and justify specific items requiring Caltrans funding approval. Attach additional pages as needed.

9. Other comments: (identify non-HBRRP participating work)

Estimated Construction Costs:

Exclude Contingencies, Supplementary Work, and Construction Engineering

	HBRRP Participating	NOT HBRRP Participating*
Construct Bridge		
Bridge Removal		
Slope Protection		
Channel Work		
Detour – Stage Construction		
Approach Roadway		
Utility Relocation		
Mobilization		
Total		

Total Cost _____

* Items that are not HBRRP participating could be participating through other federal programs. See the LAPG for other eligibility requirements of other programs. Local agencies that are unsure which project costs are HBRRP participating should contact the DLAE/SLA for resolution.

Note that the total of the HBRRP participating costs should carry over into the construction line (direct costs) on the next page.

Summary of HBRRP Participating Costs

Please indicate the HBRRP total participating (eligible for reimbursement) costs for this project. Based on the amounts below and the federal reimbursement rate, Caltrans will program (reserve) the HBRRP funds needed for this project. Other federal funds (RSTP, TEA, etc.) needed for this project should be shown in the Field Review form Exhibit 7-B from Chapter 7 of the LAPM.

Target dates represent a commitment by the local agency when the project will need HBRRP funding. Failure to meet target dates may cause funds to be reprogrammed to other projects by other local agencies. The reprogramming of HBRRP funds is at the discretion of Caltrans.

- PE = Preliminary Engineering (Total not to exceed the greater of \$75 K or 25% of CON and consultant contract management and quality assurance not to exceed 15% of consultant costs).
- R/W = Right of Way
- CE = Construction Engineering (Not to exceed 15% of CON).
- CON = Construction
- Cont = Contingency (including supplement work) not to exceed 25% (preliminary estimate) nor 10% of CON for final design \$5 K min.

Enter CE Rate:

Enter Contingency Rate:

	Direct Costs		Indirect Costs*		HBRRP Participating \$**	Target Dates
PE	<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>	<input type="text"/>
R/W						<input type="text"/>
CON	<input type="text"/>					
CE	<input type="text"/>					
Cont	<input type="text"/>					
Subtotal	<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>	<input type="text"/>
Total Participating Cost					<input type="text"/>	<input type="text"/>
Enter Fed. Match Rate:	<input type="text"/>	HBRRP Requested			<input type="text"/>	

* See Chapter 5, "Accounting/Invoices," of the LAPM for approval of indirect costs.

** Participating costs exclude ineligible work items. Please review the HBRR Program Guidelines for reimbursable scopes of work and program cost limits. Other federal funds will be shown in the Field Review form, Exhibit 7-B, Chapter 7, "Field Review," of the LAPM.

Caltrans, please notify this agency to confirm this project has been programmed in the HBRRP Multi-Year Plan. I understand that reimbursable work shall not commence until a request for authorization (E76) has been processed by Caltrans and a notice to proceed has been received by this agency.

I certify that this project is in compliance with Chapter 6 (HBRRP) of the *Local Assistance Program Guidelines*. I understand that changes to the project scope/cost/schedule impacting the information in Exhibit 6-A and Exhibit 6-B require the processing of Exhibit 6-D (HBRRP Scope/Cost/Schedule Change Request).

Two (2) copies plus one original of this application (with attachments) will be included in the transmittal package to the DLAE.

Local Agency Project Manager

Date

Attachments:

- 1) Exhibit 6-B, LAPG, HBRRP Special Cost Approval Checklist
- 2) Bridge Inspection Report with SI&A Sheet
- 3) Sketch of General Plan or marked up as-built
- 4) Sketch of typical section
- 5) Photographs: 4 corners looking at the bridge & 2 elevation views, & views of each approach, for a total of 8 photographs (minimum).
- 6) Exhibit 7-B, Field Review Form, Chapter 7, LAPM
- 7) Exhibit 7-C, Roadway Data Sheet, Chapter 7, LAPM
- 8) Exhibit 6-C, PIN for Barrier Rail Replacement Projects (include only if applying for Bridge Railing Replacement funds.)
- 9) Other: _____
- 10) Request for Authorization is included in this application package for expedited processing?
 Yes No

Thank you for assembling the application package. Please send this package to your District Local Assistance Engineer to start the programming process. Please e-mail your suggestions to improve this form to eric.bost@dot.ca.gov or shannon.mlcoch@dot.ca.gov.

For Caltrans use only:

I have reviewed this application for completeness and have forwarded copies to the Office of Program Management and SLA.

- I recommend approval. (Attach comments as needed.)
- I do not recommend approval for the following reasons: See attached memo/e-mail to the Office of Program Management.
- I request SLA review of this application for the following reasons: (Attach memo/e-mail justifying increased Caltrans oversight).

DLAE or authorized staff

Date

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EXHIBIT 6-B HBRRP SPECIAL COST APPROVAL CHECKLIST

The purpose of this form is to help local agencies identify project costs that require Caltrans funding approval. Local agencies are responsible for contacting the DLAE to resolve any items requiring Caltrans review. This form is not a substitute for reading Chapter 6 of the LAPG or the LAPM. Local agencies are still financially accountable for meeting all the requirements of the LAPG and the LAPM.

Project Number _____

State Bridge No. _____ (one bridge per application) Local Bridge No. _____

Project Location _____

Chapter 6 LAPG Section #'s	Topic	Status
6.2.1 – Rehab 6.2.2 - Replace	Adding Additional Lanes (including turn lanes)	<input type="checkbox"/> Requires Caltrans/MPO Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> MPO has Approved Scope in FTSIP <input type="checkbox"/> Not Applicable
6.2.1 – Rehab	Scope is Bridge Replacement, but SR>50	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.2.4 – Rail	No bridge railing work to be done, but other safety work related to bridge is needed.	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.2.4 – Rail (applies to all scopes of work)	New sidewalks to be installed where none existed before. Please identify as “betterment” in Exhibit 6-A.	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.2.1 – Rehab 6.2.2 – Replace 6.2.10 – Historic 6.3 – Standards	Rehabilitation/Replacement will not address all major bridge deficiencies	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.5.11 – Replace	“Replaced” bridges to remain in place. Applies to work beyond specified examples in Section 6.5.12	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable

Chapter 6 LAPG Section #'s	Topic	Status
6.4.2	Approach roadwork exceeding guidelines	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.4.3	PE costs exceeding guidelines	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.4.4	Contingency exceeding guidelines	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.4.5	CE costs exceeding guidelines	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.5.3	10 Year Rule – Major (Re)Construction	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.5.4	10 Year Rule – PE Authorization	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.5.7	Unusual Architectural Treatments	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.7.1 6.7.4	Scope/Cost/Schedule Changes	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable
6.7.5	Construction Change Orders (CCOs) that Exceed Contingency	<input type="checkbox"/> Requires Caltrans Approval <input type="checkbox"/> Caltrans has Approved Costs <input type="checkbox"/> Not Applicable

I certify that I have reviewed this project against the requirements of Chapter 6 of the LAPG and have filled out this checklist accordingly.

Local Agency Project Manager

Date

EXHIBIT 6-C PIN FOR BARRIER RAIL REPLACEMENT PROJECTS

Following is the formula to be used to calculate the priority index number for HBRR Barrier Rail Replacement projects:

Description and Evaluation of Priority Factors

Total Bridge Rail Priority Points = F1 + F2 + F3 + F4 + F5 + F6 + F7

F1: Bridge Rail Type - Among the types of rails where NBI item 36A is coded 0 in the Bridge Inspection Report, some are considered to be less effective than others. Listed below are the assigned points (ten points maximum per project - if one side is good, project applies to bad side only - if project is for two sides with different points, use average):

F1 = 10 points: no bridge rail, or lightweight timber rails;

F1 = 6 points: lightweight concrete post or metal baluster, Tuthill, or equal;

F1 = 3 points: lightweight concrete window (Todd rail), unreinforced masonry; metal beam or lattice, or equal;

F1 = 0 points: all other rail types

F2: Consequence of Penetration

F2 = 6 points: bridges over an area of moderate or heavy public use (i.e., main road, street or railroad, playgrounds, parking lots, etc.);

F2 = 0 points: otherwise.

F3: Inadequate Approach Rail System - Points are given for inadequate approach guardrails, inadequate approach guardrail to bridge rail connections, and inadequate approach guardrail terminals (five points maximum per project - if it varies, use average of rails to be replaced):

F3 = 1 point: inadequate approach guardrail transitions;

F3 = 3 points: inadequate approach guardrail;

F3 = 1 point: inadequate approach guardrail terminal;

(Two-way bridges less than 60 feet wide should have an adequate approach guardrail system at all four corners).

F4: Accidents - All accidents involving the bridge rail, bridge ends and approach guardrails in the last 5 years are counted. One point is given for each Property

Damage Only (PDO) accident while 5 points are given for each fatal or injury accident.

F4 = 5 points: x (# of fatal or injury accidents) + 1 point: x (# of PDO accidents)

If replacing rail on only one side, use accidents involving the rail to be replaced.

F5: ADT/Lane - This is a measure of the number of conflicts on the bridge. The most critical case is at a volume/capacity ratio of 0.50, This is equivalent to 4,000 ADT/Lane, (Average Daily Traffic/Lane) on 2-lane, 2-way roads and 8,000 ADT/Lane on multi-lane roads. Points are given as follows (Use the “ADT” information from the Bridge Inspection Report.):

On 2-Lane, 2-Way Roads		On Multi-Lane Roads
F5 Points	(ADT/Lane)=L	(ADT/Lane)=L
0	L < 800	L < 1,600
1	800 ≤ L ≤ 1,600	1,600 ≤ L ≤ 3,200
2	1,600 ≤ L ≤ 2,400	3,200 ≤ L ≤ 4,800
3	2,400 ≤ L ≤ 3,200	4,800 ≤ L ≤ 6,400
4	3,200 ≤ L ≤ 4,000	6,400 ≤ L ≤ 8,000
5	L ≥ 4,000	L ≥ 8,000

F6: Site Conditions - This rating factor is affected by many variables such as vertical alignment, horizontal alignment, bridge width, or access roads being close to the bridge. For each variable that is slightly worse than the design standard, add 1/2 point. For each variable that is significantly worse than the design standard, add 1-1/2 points. The points for F6 shall be as follows:

F6 = 0 points: site conditions are excellent

F6 = 1 point: site conditions are good

F6 = 2 points: site conditions are fair

F6 = 3 points: site conditions are average

F6 = 4 points: site conditions are poor

F6 = 5 points: site conditions are critical

The maximum number of points for F6 on any bridge shall be 5.

F7: Potential for future bridge replacement - Top priority is to replace obsolete barrier rails on bridges with long life expectancy.

F7 = 10 points if Sufficiency Rating (SR) >80

F7 = 6 points if $70 < SR \leq 80$

F7 = 5 points if $60 < SR \leq 70$

F7 = 4 points if $50 < SR \leq 60$

F7 = 0 points if $SR \leq 50$.

For each candidate project provide each of the factors above with explanation for why each factor was selected. **THIS INFORMATION MUST BE PROVIDED FOR THE APPLICATION TO BE ACCEPTED.**

Factor	Value	Justification (Attach additional pages if required)
F1		
F2		
F3		
F4		
F5		
F6		
F7		

PIN= \sum Values above = _____

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EXHIBIT 6-D HBRRP SCOPE/COST/SCHEDULE CHANGE REQUEST

See Section 6.7.1, Chapter 6 of the LAPG for information about this form.

State Bridge No. _____ Local Bridge No. _____
Project Number _____ (Caltrans to provide project number for new projects)
Responsible Agency _____

Project Location	
Project Limits	
Type of Work	
Work Description	

1. Describe reason for Scope/Cost/Schedule Change (or attach separate pages):

--

2. If this is a request for scope change (not cost or schedule) please prepare a new or revised Exhibit 6-A “HBRRP Application/Scope Definition Form.” Will a revised Exhibit 6-A be submitted?

Yes No Not Applicable

3. If the answer to the above question is “Yes,” please skip to the signoff on this form and submit this form with the Exhibit 6-A package.
4. Identify and justify “betterments” that are HBRRP participating but are not related to the major deficiencies of this bridge. Attach additional pages as needed.

5. Refer to Exhibit 6-B. Identify and justify specific items requiring Caltrans funding approval. Attach additional pages as needed.

6. Other comments: (identify non-HBRRP participating work)

Estimated Construction Costs:

Exclude Contingencies, Supplementary Work, and Construction Engineering

	HBRRP Participating	NOT HBRRP Participating*
Construct Bridge		
Bridge Removal		
Slope Protection		
Channel Work		
Detour - Stage Construction		
Approach Roadway		
Utility Relocation		
Mobilization		
Total		

Total Cost _____

*Items that are not HBRRP participating could be participating through other federal programs. See the LAPG for other eligibility requirements of other programs. Local agencies that are unsure which project costs are HBRRP participating should contact the DLAE/SLA for resolution.

Note that the total of the HBRRP participating costs should carry over into the construction line (direct costs) on the next page.

Summary of HBRRP Participating Costs

Please indicate the HBRRP total participating (eligible for reimbursement) costs for this project. Based on the amounts below and the federal reimbursement rate, Caltrans will program (reserve) the HBRRP funds needed for this project. Other federal funds (RSTP, TEA, etc.) needed for this project should be shown in the Field Review form Exhibit 7-B from Chapter 7 of the LAPM.

Target dates represent a commitment by the local agency when the project will need HBRRP funding. Failure to meet target dates may cause funds to be reprogrammed to other projects by other local agencies. The reprogramming of HBRRP funds is at the discretion of Caltrans.

- PE = Preliminary Engineering (Total not to exceed the greater of \$75 K or 25% of CON and consultant contract management and quality assurance not to exceed 15% of consultant costs).
- R/W = Right of Way.
- CE = Construction Engineering (Not to exceed 15% of CON)
- CON = Construction
- Cont = Contingency (including supplemental work) not to exceed 25% (preliminary estimate) nor 10% of CON for final design. \$5 K min.

Enter CE Rate:

Enter Contingency Rate:

	Direct Costs	+	Indirect Costs*	=	HBRRP Participating \$**	Target Dates
PE	<input type="text"/>		<input type="text"/>		<input type="text"/>	<input type="text"/>
R/W						<input type="text"/>
CON	<input type="text"/>					
CE	<input type="text"/>					
Cont	<input type="text"/>					
Subtotal	<input type="text"/>		<input type="text"/>		<input type="text"/>	<input type="text"/>

Total Participating Cost

Enter Fed. Match Rate: HBRRP Reserved

*See Chapter 5, "Accounting/Invoices," of the LAPM for approval of indirect costs.

**Participating costs exclude ineligible work items. Please review the HBRR Program Guidelines for reimbursable scopes of work and program cost limits. Other federal funds will be shown in the Field Review form, Exhibit 7-B, Chapter 7, "Field Review," of the LAPM.

Caltrans, please notify this agency to confirm the requested scope/cost/schedule changes for this project have been incorporated in the HBRRP Multi-Year Plan. I understand that reimbursable work shall not commence until a request for authorization (E76) has been processed by Caltrans and a notice to proceed has been received by this agency.

I certify that this project is in compliance with Chapter 6 (HBRRP) of the *Local Assistance Program Guidelines*.

Two (2) copies plus one original of this form (with attachments) will be included in the transmittal package to the DLAE.

_____ Date
Local Agency Project Manager

Attachments (only if Question 2 is answered "No"):

- 1) Exhibit 6-B, LAPG, HBRRP Special Cost Approval Checklist
- 2) Other: _____
- 3) Request for Authorization is included in this application package for expedited processing? Yes No

Thank you for assembling the form. Please send this package to your District Local Assistance Engineer to process your request for scope/cost/schedule changes. Please email your suggestions to improve this form to eric.bost@dot.ca.gov or shannon.mlcoch@dot.ca.gov.

For Caltrans use only:

I have reviewed this form for completeness and have forwarded copies to the Office of Program Management and SLA.

- I recommend approval. (Attach comments as needed.)
- I do not recommend approval for the following reasons: See attached memo/email to the Office of Program Management.
- I request SLA review of this form for the following reasons: (Attach memo/email justifying increased Caltrans oversight.)

_____ Date
DLAE or authorized staff

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EXHIBIT 6-E ROAD CLOSURE STUDY**(EXAMPLE)**

See Section 6.13.10, "24 Hour Construction Day," on page 6-41 of Chapter 6 of the LAPG, for information on this study.

This report was prepared to address the impacts of temporarily closing road _____. The closure is necessitated by the proposed project which requires the widening of _____ in the vicinity of _____.

It is not feasible to stage the work allowing the road to remain in operation while the project is being constructed. The project will be constructed on the _____ side north of _____ Street, at the site of the _____.

The existing road provides direct access to and from _____, and _____ Streets. Access to and from _____ Street is provided via _____. The road will be closed for a period of 10 months.

A brief description of the project area is as follows: The immediate project vicinity is the commercial area along _____ Street to the east and west of _____, roughly between _____ Avenue and _____ Street. _____ Avenue and _____ Boulevard are north-south arterials paralleling _____ to the east and west, respectively. The portions of these arterials between _____ Streets are also considered part of the immediate project vicinity.

Typical businesses along _____ Street include _____

_____.

Land use along _____ Avenue ranges from a _____ and a _____ to _____ and _____, and is zoned _____.

The most sensitive land use in the project area is the _____ at the _____ quadrant of _____ Street and _____ Blvd.

The _____ is a major provider of _____ in the area. It also provides _____ services. Potential impacts on emergency vehicle access to the _____ was one of our communities' major concerns.

All of the businesses and non-profit organizations in the project area, including the _____, have a portion of their respective patrons that arrive and exit by _____ Street.

_____ Road also serves the nearby residential areas, as previously noted. Patrons seeking access to the business establishments in the project area will be impacted while _____ Street is closed from _____ to _____.

Because there are no viable alternative routes to and from the commercial area along _____ Street and, potential business patrons would not have adequate access to the project area during the road closure period, businesses would be adversely impacted.

The City of _____ met with _____ staff to discuss the closure and identify any of their concerns. The staff indicated that with advance notification and coordination the emergency drivers will be able to cope with the construction schedules. Project resident engineers will work closely with the medical staff.

On _____ (date), the City of _____ provided an opportunity for business owners and local residents to identify any concerns that they may have regarding access impacts due to temporarily closing the _____ Street.

As mitigation for the long-term closure of _____ Street , particularly with regards to emergency vehicle access, the County of _____ will require the contractor to complete the project in less than half the time as possible to insure that _____ Road will be in service as soon as possible. The road would be closed for the duration of the contract.

Because there are no viable alternative routes to the project area it is concluded that the various businesses and non-profit organizations would suffer adverse patronage losses during closure of _____ Street. This conclusion is further reinforced by the results of the meeting with the business owners and local residents as previously discussed.

Because the _____ Street closure would pose an adverse impact on the businesses in the project area, and surrounding residential communities, the following measures are suggested:

- Construct project is less than half the time (5months vs. 10 months).
- Notify the local business and commercial concerns of the temporary closure of _____ Road and alternative routes.
- Notify emergency public services, fire departments, and local ambulance services.
- Inform the California Highway Patrol and other appropriate law enforcement agencies of the proposed action.
- Notify the County Supervisor's Office and the City in which the road is located to discuss the proposal with them.
- If the Supervisor's Office and/or the City deems it worthy, conduct an open house to discuss the proposed closing with the public.
- Keep the County and affected City Traffic Engineer appraised.

- Before closing _____ Street mail out informational notices, issue press releases, and make public service radio announcements to inform the public in advance of the closure.

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EXHIBIT 6-F MODIFICATIONS TO CRASH TESTED BRIDGE RAILING

Efisa Valdez - Bridge Rail Memorandum regarding NCHRP 350 requirements

Page 1

Memorandum

U.S. Department
of Transportation
Federal Highway
Administration

Subject: **INFORMATION:** Bridge Rail Analysis Date: May 16, 2000
Original signed by
From: Frederick G. Wright, Jr. Reply to: HSA-1
Program Manager, Safety
To: Resource Center Directors
Division Administrators

Since 1986, the Federal Highway Administration has required all new bridge railings installed on the National Highway System to be crash tested or to be essentially the same as a railing that was tested. Since many States and municipalities in particular often desire not only architectural or aesthetic enhancements to existing acceptable bridge rails but often request acceptance of untested designs, strict compliance with this requirement could result in full scale testing of scores of essentially similar designs, increased project costs, and significant delays in construction. The AASHTO LRFD Bridge Specifications contain a procedure for analyzing certain types of bridge railings for structural adequacy and provide guidelines for desirable post and beam geometry based on the dimensions of railings that have been successfully crash tested in the past. However, a static analysis of **untested** designs has not been acceptable as an alternative to crash test verification of railing performance.

The Colorado Department of Transportation (CDOT) essentially combined both approaches by analyzing the capacity of a fully crash-tested railing and comparing the results to a similar Colorado design. The original Colorado design was then modified and re-analyzed to show that it equaled or exceeded the capacity of the tested rail. The FHWA accepted the modified Colorado design for use on the National Highway System based on the State's analysis, a copy of which has been added, along with this memorandum, to FHWA's Report 350 Hardware web site under "Bridge Railings." Specific questions on the Colorado analysis procedure may be addressed to Mr. Michael McMullen, CDOT, at (303) 757-9587 or via e-mail at michael.mcmullen@dot.state.co.us.

The FHWA bridge engineers may use this type of analysis as a basis for acceptance of bridge railings that are similar to a design that has been tested under the National Cooperative Highway Research Program (NCHRP) Report 350 guidelines. It is critical to note that this is not a "cookbook" approach, but rather one that requires careful analysis of all possible failure modes and assumed behavior of all rail elements and connection details. The failure modes may differ from those identified in the Colorado analysis if the bridge railing designs are significantly different. In addition to the structural analysis, bridge railings must also meet the height

requirements, size of openings between rails for combination traffic/pedestrian rails, and the recommended rail height-to-traffic face ratio and rail-to-post offsets noted in the LRFD Bridge Specifications.

2

2

Our goal is to give highway agencies a greater choice of railing designs without requiring unnecessary testing and without compromising motorist safety. As more rails are tested to comply with NCHRP Report 350, the choice of tested designs will increase and there should be less need to seek acceptance for any design that has not been tested. Please call Mr. Richard Powers of my staff at (202) 366-1320 if you have any questions.

Enclosure

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EXHIBIT

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CHAPTER 7 SEISMIC SAFETY RETROFIT

7.1 INTRODUCTION

The Seismic Safety Retrofit Program was established by emergency legislation (SB 36X) enacted during an extraordinary legislative session called after the October 17, 1989 Loma Prieta earthquake. The purpose of this program is to evaluate all publicly owned bridges in California and to take actions necessary to prevent their collapse due to earthquakes.

There are approximately 24,000 publicly owned bridges in California: 12,000 on state highways and 12,000 on or over local roadways. The local component of the Seismic Safety Retrofit Program provides funding and other assistance to cities and counties for evaluating bridges and constructing seismic retrofit projects.

The Director of Caltrans has set the mandated Seismic Safety Retrofit Program as a top priority.

7.2 PROGRAM FUNDING

The primary funding source for the local Seismic Safety Retrofit Program is the local share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) funds, with State Highway Account (SHA) funds providing the required match.

Local bridge seismic retrofit projects developed under the mandatory Seismic Safety Retrofit Program (as defined below) are funded fully with a combination of federal and state funds. Eligible work items include consultant selection, seismic analysis leading to strategy selection, environmental, right-of-way, PS&E, construction, construction engineering and inspection. Local agency overhead costs for administering the projects are also eligible for reimbursement. Generally, there should be no cost to the local agency when developing retrofit projects as recommended by the strategy report (see Section 7.9, "Mandatory Strategy Meetings," under "Results," for details), with the exception of up-front progress payments prior to federal and state reimbursement.

There may be cases when a local agency chooses to expand the scope of a retrofit project to include other work such as rehabilitation, widening or bridge replacement. The local agency will be responsible for all costs in excess of the retrofit estimate, or the required local match for excess costs if the additional work qualifies for other federal funding (see Section 7.4, "Eligible Costs," of this chapter for details).

7.3 PROJECT ELIGIBILITY

This mandated Seismic Safety Retrofit Program is limited to those bridges that are determined to be Category 1, which is defined as bridges that might collapse in a seismic event.

SEISMIC SCREENING OF BRIDGES

At the outset of the local Seismic Safety Retrofit Program, all 12,000 local bridges were considered candidates for retrofitting. Caltrans has since performed a series of three technical screenings on these local bridges to determine if further seismic analysis would be needed. The screening processes utilized a seismic risk-ranking algorithm to assign a Ranking Factor to each of the bridges. Factors considered in these screenings included items such as traffic, bridge as-built information, and the nature of nearby faults. Bridges with Ranking Factors above a certain threshold were considered seismically vulnerable and were selected for inclusion in this mandatory program for further seismic analysis and potential retrofit.

RESULTS OF SEISMIC SCREENING

As of January 1, 2001 these screenings resulted in the following seismic safety findings:

BRIDGES

- 10,165 Seismically safe: these bridges require no further analysis or retrofit.
- 631 Some seismic risk: these bridges have particular vulnerable details that warrant further examination when doing other work to the bridges.
- 1,204 Seismically vulnerable: these bridges require mandatory seismic analysis and retrofit if required by the analysis. Listing and current status of these bridges are available from the Seismic Safety Retrofit Program under “Program Information” of the Local Assistance website:

www.dot.ca.gov/hq/LocalPrograms/

PROGRAMMING NEW PROJECTS

When a local agency has new information about a bridge that has not been retrofitted under this program, e.g., new seismic faults or soil conditions, that may change the Ranking Factor of the bridge or seismic analysis calculations, the local agency may request a new screening analysis of the bridge by Caltrans. If this new analysis results in a ranking above the level considered seismically vulnerable, the bridge will be added to the mandatory program. Local agencies should contact their Caltrans District Local Assistance Engineer (DLAE) for assistance.

Additional restrictions and deadlines on availability of matching funds from the State Highway Account on the mandatory retrofit projects may be imposed in the future as conditions change.

7.4 ELIGIBLE COSTS

All local agency costs which are directly attributable and/or properly allocatable to the specific Seismic Safety Retrofit project established by the strategy meeting (see Section 7.9), are eligible for reimbursement.

Appropriate PE costs, including Strategy, PS&E development and Consultant Oversight, are reimbursable according to Chapter 6, “HBRR Program,” of this manual, Section 6.4.3, “Preliminary Engineering (PE) Costs.”

To be reimbursed, local agencies are to follow the standard procedures outlined in the *Local Assistance Procedures Manual (LAPM)*.

PROJECTS WITH DIFFERENT SCOPE

A local agency may decide to develop a construction project that is more extensive than that approved at the strategy meeting. For example, a local agency may choose to replace a bridge when the strategy meeting recommended retrofit. Agencies may also expand the retrofit project to design a higher performance standard than no-collapse, or to include bridge rehabilitation to address general bridge deficiencies. When these situations occur, the local agency is responsible for the extra cost beyond the program's committed funding towards the no-collapse retrofit project as recommended by the strategy. The program's funding commitment is the cost estimate included in the final strategy (approval) document. This funding commitment may be increased if additional cost items needed to complete the recommended project are identified by the local agency. Caltrans DLAEs, along with Headquarters Area Engineers and Seismic Retrofit Program Manager, will review these additional costs. Appropriate costs will be allowed and added to the total project cost.

If a bridge is on the HBRR eligible bridge list and the extra work qualifies for HBRR program funding, the extra cost may be partially (80%) covered by HBRR funds with local funding providing the match (20%).

7.5 ROLES AND RESPONSIBILITIES

DESIGNATION OF LEAD AGENCIES

The following three lead agencies were designated in accordance with the provisions of Section 179.3 of the Streets and Highways Code.

LOS ANGELES COUNTY was designated lead agency for local bridge retrofit projects in all the cities in Los Angeles County.

SANTA CLARA COUNTY was designated lead agency for local bridge retrofit projects located within the unincorporated portion of the county.

CALTRANS was designated lead agency for the remainder of local seismic retrofit projects throughout the state.

Total local Seismic Safety Retrofit Program = 1,204 Bridges (as of January 1, 2001).

Los Angeles County lead agency:	286 bridges
Santa Clara County lead agency:	36 bridges
Caltrans lead agency:	882 bridges

ROLES OF LEAD AGENCIES

The first responsibility of the lead agency was to inspect all publicly owned bridges within its jurisdiction to assess the need for analysis and potential retrofit work. This was completed in all areas through the seismic screenings performed by Caltrans.

The lead agency is responsible for making sure that a retrofit project is developed for each bridge that has been determined to require mandatory seismic analysis.

In addition to the above general lead agency responsibilities cited, Los Angeles County and Santa Clara County also took on the responsibility of actually developing seismic retrofit projects for bridges that fall under their jurisdiction.

ROLES OF LOCAL AGENCIES

For bridges where Caltrans was the designated lead agency, Caltrans offered to assist local agencies in performing seismic analysis and retrofit design. Most local agencies accepted this offer and Caltrans contracted out this work to consultants. These consultants have since completed all requested seismic analyses and structural retrofit design. All completed structure PS&Es have been delivered to local agencies. For these bridges, the responsibility of the bridge owning agency is to incorporate the retrofit design with environmental and other non-structural components of the project, to advertise and administer the construction contracts.

Those local agencies that are performing their own seismic analysis and design are responsible for developing seismic retrofit projects from start to finish. This includes, but is not limited to, initiating the projects, performing (or overseeing consultant performance of) seismic analyses, presenting the retrofit strategy to Caltrans at mandatory strategy meetings, ensuring environmental compliance, preparing PS&E, advertising and administering the construction contracts.

PROGRAMMING OF SEISMIC PROJECTS

All seismic retrofit projects must be included in the currently approved Federal Statewide Transportation Improvement Program (FSTIP) as an individual project or as part of a lump sum listing before federal funds can be authorized.

To expedite project delivery, Caltrans has instructed each Metropolitan Planning Organization (MPO) to include a blanket amount in their FTIPs for seismic and HBRR programs. In non-MPO areas, Caltrans has programmed these blanket amounts.

7.6 DESIGN STANDARDS

BASIC NO-COLLAPSE STANDARDS

The primary philosophy for the Seismic Safety Retrofit Program is to prevent bridge collapse. The result of a retrofit project should be a bridge that is safe from collapse in the event of a maximum credible earthquake. It is possible that the designer may demonstrate by analysis that a bridge will not collapse without any retrofit. In this case a “do nothing” strategy is an acceptable assessment. The designer must be cautioned to follow all load path demands and assure that no one portion of the resisting structural frame is deficient. “Bridge replacement” may also be an acceptable strategy when the existing bridge is in poor structural condition and the cost of retrofitting the bridge approaches or exceeds the cost of a new bridge with similar geometric configuration.

In addition to design standards and references in the LAPM Chapter 11, “Design Standards,” the following design standards and references are available to those involved in seismic design:

1. Caltrans Bridge Manuals:
 - Bridge Design Manual* –modified AASHTO specifications
 - Bridge Memo to Designers*
 - Bridge Design Details*
 - Bridge Design Aids*
 - Bridge Memo To Designers 20-4, October 1995 – Earthquake Retrofit Guidelines for Bridges*
2. *Seismic Design Criteria, Version 1.1* – Available from Caltrans, Division of Structures.
3. Other Related Publications: Various publications of design notes and research results from the University of California at Berkeley, San Diego and others. These publications are used extensively in current practice and enable the industry to keep up with the very latest research results. These research projects are listed in the *Bridge Memo To Designers 20-4*.
4. Computer Programs: Various computer programs have been developed by Caltrans' engineers. These programs will help ease the analysis and calculations required in retrofit analysis. They are available to consultants and local agencies involved in retrofit design.

Programs:	Beams304	Col604n	Col702r	Frame407
	Nfoot	Wframe	Xsection	
5. Caltrans Standard Special Provisions: The Division of Structures has Standard Special Provisions available on the Internet located in the Caltrans Engineering Service Center homepage at: www.dot.ca.gov/hq/esc/structurespecs/BRIDGE/.

References mentioned above are available through the Caltrans Structures Local Assistance Office.

HIGHER LEVEL PERFORMANCE RETROFIT STANDARDS

Some local agencies have expressed desire to retrofit their bridges to a service level performance standard. They would like to retrofit their bridges not only to withstand earthquakes but to suffer only minor damages that could be quickly repaired and allowing quick resumption of service. This would typically require extra or different retrofit measures that cost more than the standard no-collapse retrofit. Requests like this will be treated the same way as those projects with expanded scopes. The local agency will be responsible for any cost above and beyond that of the standard no-collapse retrofit.

METRIC

Either English or metric units may be used when the local agency, or their consultant, prepares the final PS&E package for bridge retrofit projects. However, English units must be used when Caltrans' consultants prepare the final PS&E package for seismic retrofit design. Regardless of the units used, both the bridge and roadway units must be the same (see Chapter 12, "Plans, Specifications and Estimate," of the LAPM for more information).

7.7 CONSULTANT SELECTION

Local agencies may retain the services of consultants to do all or part of the seismic design. Local agencies shall follow the consultant selection procedures in Chapter 10, “Consultant Selection,” of the LAPM.

It is recommended that 10% of the funds authorized for preliminary engineering be retained for the design support during construction phase and the consultant contract be written so that the consultant will be able to answer questions about the design during construction and to assist on change orders.

7.8 MANDATORY FIELD REVIEWS

OBJECTIVES

Field reviews for seismic retrofit projects are mandatory. The objectives of field reviews for seismic retrofit projects are also different in several ways from typical local agency projects as outlined in Chapter 7, “Field Review,” of the LAPM. The objectives of a seismic project field review are to:

- Begin to scope the project. (The project will not be fully scoped until after the strategy meeting.)
- Verify that the As-Built plans accurately represent the existing conditions.
- Check for modifications that would affect the seismic response of the structure.
- Dimension any members that are not accurately shown on the As-Built plans.
- If no As-Built plans are available, measure and dimension all pertinent structural members.
- Check for new conditions that would be affected by construction work.
- Discuss environmental considerations.

Important items to keep in mind for retrofit project field reviews include:

Access	Clearance	Coordination	Detour
Environmental	Falsework	Obstructions	Utilities
Modifications	Hydraulics	Permits	

WHO SHOULD ATTEND

Field reviews should be attended by:

- Consultants (if any)
- Local agency staff knowledgeable of utilities, right-of-way, environmental, traffic, etc.
- Caltrans Structures Local Assistance staff (if time and resources permit)
- Caltrans District Local Assistance staff (if time and resources permit)
- Caltrans District Environmental staff (if time and resources permit)

RESULTS

- The scope of the project is determined.
- The existing conditions are verified and any modifications documented.
- Construction controls are determined.
- Responsibilities are reviewed.

7.9 MANDATORY STRATEGY MEETINGS

OBJECTIVES

The objectives of the strategy meetings are to:

- Offer seismic designers support or alternative approaches.
- Determine that standard seismic retrofit details are being fully utilized.
- Establish alternative acceptable procedures to satisfy retrofits when unusual problems are encountered.
- Recommend alternative analysis when appropriate.
- Inform the project engineer of solutions to similar problems encountered by Caltrans, consultants, or other local agencies.
- Provide local agency personnel with information regarding potential traffic control, right-of-way, utility, and environmental problems.
- Achieve consensus agreement on economical and practical retrofit strategies.

WHO SHOULD ATTEND

The strategy meeting should be attended by:

- Design Consultants (Structural, Geotechnical, and Traffic if necessary)
- Local agency staff
- Caltrans Structures staff from:
 - Earthquake Engineering
 - Structures Design
 - Structures Construction
 - Structures Maintenance
 - Structural Foundations
- Structures Local Assistance Representative
- District Local Assistance Engineer

PREPARATION FOR THE MEETING

The designer or project engineer is expected to have performed the diagnostic analysis using the appropriate static and dynamic analysis, summarized the condition of columns, restrainers/hinges and abutments, and prepared a proposed solution prior to scheduling a strategy meeting. The designers should be prepared to discuss solutions considered and reasons for rejection of alternatives. At a minimum, a General Plan employing a legend of retrofit work and location of work, along with a table outlining the controlling design ductility ratios, should be presented. Additional tables and proposed details may also be necessary.

The local agency should be prepared to discuss the history of the bridge, environmental concerns, and any restrictions to construction such as traffic, right-of-way, etc.

MATERIALS REQUIRED FOR THE MEETING

The following materials are required for the Mandatory Strategy Meeting:

- Draft Strategy Report, including the General Plan, Sufficiency Rating from the Eligible Bridge List (see Chapter 6, “HBRR Program,” of this manual), as-built plans, photographs, and an estimate of costs (capital and engineering). These materials (a minimum of 10 copies) should be submitted to the DLAE. The DLAE should forward the package to Structures Local Assistance Office in Sacramento two weeks prior to the scheduled strategy meeting.
- Any plans or reports pertinent to the proposed work (utility layout, right-of-way maps, etc.)

RESULTS

A general consensus regarding the acceptable analysis and retrofit approach should be reached by the strategy meeting attendees. Additional strategy meetings should not be necessary if all the information noted above is provided prior to and during the meeting. The conclusions reached should be outlined and summarized by the agency responsible for seismic design in “strategy meeting minutes” and documented in the Final Strategy Report. A copy of the minutes should be sent to all attendees. A copy of the Final Strategy Report will be kept on file in the Structures Local Assistance Office.

7.10 PROCESSING PROCEDURES WHEN CALTRANS IS THE LEAD AGENCY

Comprehensive processing procedures for developing local bridge retrofit projects under the Seismic Safety Retrofit Program are shown in Exhibit 7-A, “Seismic Safety Retrofit Program Flowchart” of this chapter. The following discussion is a summary of the procedural steps involved.

Blocks of projects are identified for each local agency for development based upon available funds and preliminary cost estimates. Project development activities vary somewhat depending upon which agency is responsible for seismic design. In general, structures are analyzed in priority order according to the rankings established by Caltrans’ screening.

CALTRANS RESPONSIBLE FOR SEISMIC DESIGN

As of July 2001, Caltrans completed seismic analysis and structure design of all Seismic Safety Retrofit Program bridges for which it is responsible. Local agencies that requested Caltrans assistance should either have received or be expecting to receive the structure portion of the PS&E from Caltrans. Therefore, most agencies should be able to proceed directly to Step 12 of the following procedure, unless they have not requested authorization for preliminary engineering or not completed the necessary environmental documents:

1. Caltrans issues consultant task orders.
2. The local agency submits a “Request for Authorization” for the preliminary engineering phase (see Chapter 3, “Project Authorization” of the LAPM).
3. Caltrans issues an “Authorization to Proceed” to the local agency (see Chapter 3, “Project Authorization,” of the LAPM).
4. Caltrans initiates the mandatory Field Review (see Section 7.8, “Mandatory Field Review” of this chapter).
 - The local agency that owns the bridge is required to attend.
 - Caltrans will give a minimum 2-week notification.
 - The local agency begins work on the Field Review form and Preliminary Environmental Study (PES) (see Chapter 6, “Environmental Procedures,” of the LAPM).
5. Caltrans completes initial structural analysis after the Field Review.
6. The local agency finishes preliminary environmental investigations according to LAPM Chapter 6, “Environmental Procedures.”
7. Caltrans holds a mandatory Strategy Meeting that determines which actions to take on the bridge.
8. The local agency completes a Field Review form after the Strategy Meeting.
9. The Division of Local Assistance (DLA) submits a Program Supplement for preliminary engineering to the local agency for execution.
10. The local agency completes environmental documents per previous discussions and meetings.
11. Caltrans completes the structural portion of PS&E and transmits it to the local agency.
12. The local agency completes the roadway portion of PS&E and combines it with the Caltrans PS&E portion. Caltrans will not review the combined PS&E. The local agency will certify the non-structural portion of the PS&E (see Chapter 12, “PS&E,” of the LAPM).
13. The local agency submits a “Request for Authorization” for construction and constructs the project (see Chapter 3, “Project Authorization,” of the LAPM).
 - “Authorization to Proceed” is required before the project is advertised.
 - DLA submits the Program Supplement for construction to the local agency for execution.
 - The Program Supplement must be executed before a local agency can be reimbursed (see Chapter 4, “Agreements,” of the LAPM).
 - Caltrans will not provide oversight of the construction project; Caltrans will verify project completion.

LOCAL AGENCY RESPONSIBLE FOR SEISMIC DESIGN

Procedures are the same as when Caltrans is responsible for seismic design, except that:

1. The local agency submits a blanket “Request for Authorization” for preliminary engineering (see Chapter 3, “Project Authorization,” of the LAPM).
 - Combines all bridges that the local agency will be responsible for into one “Request for Authorization.”
 - Caltrans will verify that the project/funding is programmed in the FSTIP and the FSTIP has been approved by the FHWA.
2. Caltrans issues a blanket “Authorization to Proceed” and submits a Program Supplement for preliminary engineering to the local agency for execution.
3. If the local agency chooses to utilize consultants, see Section 7.7, “Consultant Selection” of this chapter.
4. The local agency initiates the mandatory Field Review.

- Sends out notification of the Field Review 2-weeks prior with a complete listing of bridges to be reviewed to all appropriate people (see Section 7.8, “Mandatory Field Review,” of this chapter).
 - Caltrans District and Structures staff will attend if staff time allows.
5. The local agency completes the initial structural analysis and begins other preliminary studies (see Chapter 6, “Environmental Procedures,” of the LAPM).
 6. The local agency schedules a mandatory Strategy Meeting with Caltrans Structures.
 - The local agency will give a 2-week notification.
 - All meetings will be held in Sacramento.
 - All local agency travel costs are reimbursable.
 - See Section 7.9, “Mandatory Strategy Meeting,” of this chapter.
 7. The local agency completes the structures and roadway PS&E.
 - Caltrans Division of Structures will review 90% and 100% PS&E for concurrence with the strategy document.
 - The local agency certifies the completed PS&E package (see Chapter 12, “PS&E,” of the LAPM).
 8. The local agency submits a “Request for Authorization” for construction and constructs the project (see Chapter 3, “Project Authorization,” of the LAPM).
 - “Authorization to Proceed” is required before the project is advertised.
 - DLA submits the Program Supplement for construction to the local agency for execution.
 - The Program Supplement must be executed before a local agency can be reimbursed (see Chapter 4, “Agreements,” of the LAPM).
 - Caltrans will not provide oversight of the construction project; Caltrans will verify project completion.

7.11 COORDINATION OF SEISMIC AND HBRR PROJECTS

A number of seismic retrofit candidate bridges are also candidates for the HBRR Program (a program regarding the replacement or rehabilitation of bridges). For these bridges, a combination of seismic and HBRR funds may be used.

On bridges for which local agencies are responsible, the local agency should carefully review the eligible bridge list before beginning any seismic analysis of the bridge. In some cases, replacement or rehabilitation incorporating seismic considerations may be the best alternative.

On combined HBRR and seismic projects, the local agency should take the project to the strategy meeting to establish estimated capital costs for the seismic project. For capital cost of the combined project (right of way and construction), the state will provide the matching funds up to the estimated seismic retrofit cost established at the strategy meeting and the local agency will provide the matching funds to the cost in excess of the seismic cost. For support costs (preliminary engineering and construction engineering), the state and the local agency will be required to provide their proportional shares of the matching funds based on their estimated capital expenditure (established at strategy meeting).

7.12 REFERENCES

Most references are available either from the Division of Local Assistance website (www.dot.ca.gov/hq/LocalPrograms/) or the Division of Structures website (www.dot.ca.gov/hq/esc/).

Local Assistance Program Guidelines

Local Assistance Procedures Manual

Streets and Highways Code, Section 179.3

Bridge Design Manual –modified AASHTO specifications

Bridge Memo to Designers

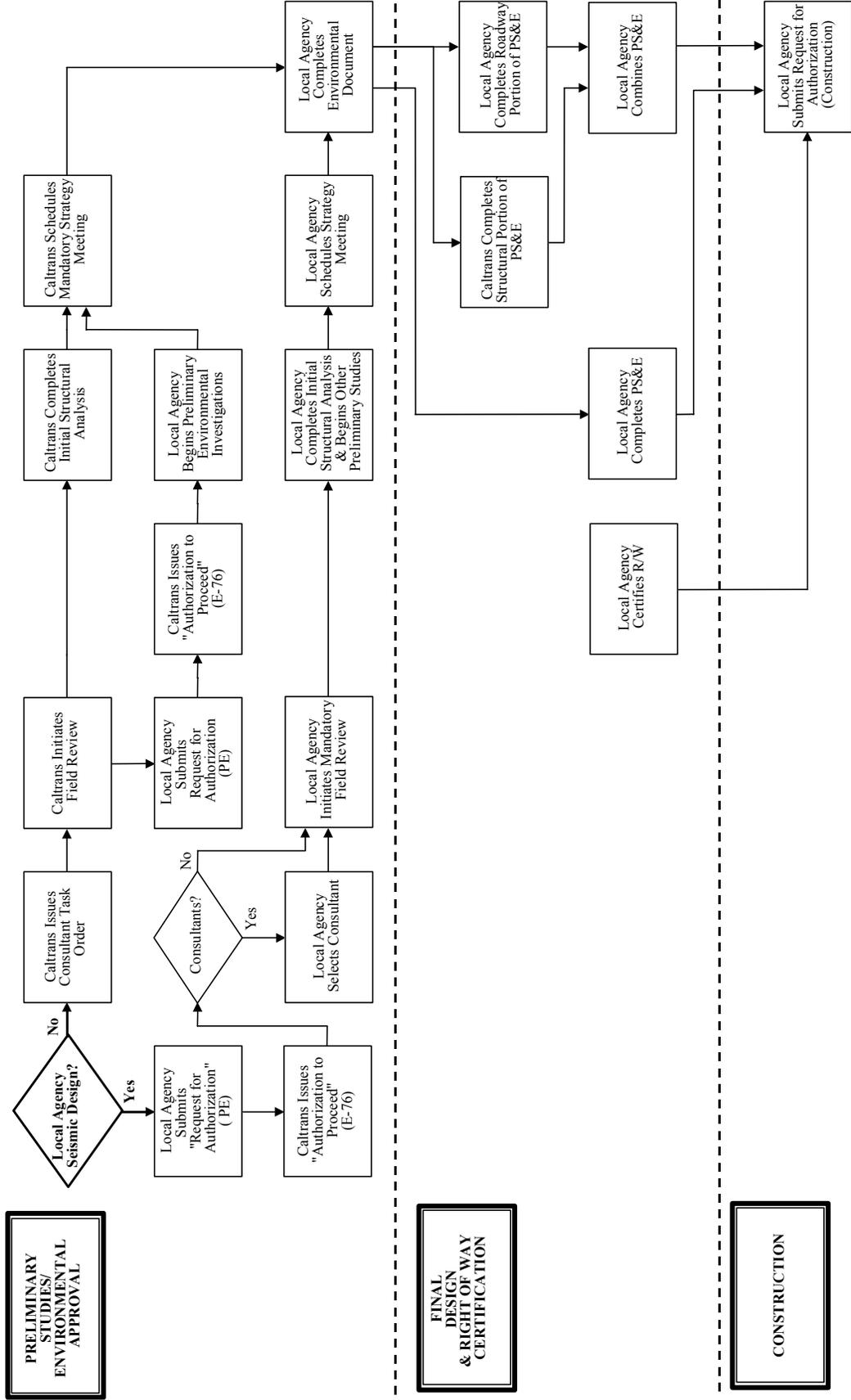
Bridge Design Details

Bridge Design Aids

Bridge Memo to Designers 20-4, October 1995 – Earthquake Retrofit Guidelines for
Bridges

Seismic Design Criteria, Version 1.1

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CHAPTER 8 TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA)

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EXHIBITS

Exhibit	Description	Page Number
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8-B	REVISIONS TO GUIDELINES - TRANSPORTATION ENHANCEMENT ACTIVITIES PROGRAM	8-105

CHAPTER 8 TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA)

8.1 INTRODUCTION

The Transportation Enhancement Activities (TEA) program is a reimbursable Federal-aid program. It is similar to other local Federal programs, in that:

- Applicants must be public agencies.
- Projects arise from the Regional Transportation Improvement Programs (RTIP) and they must be approved in the Federal Statewide Transportation Improvement Program (FSTIP) prior to incurring reimbursable costs
- Projects must comply with Federal environmental requirements and other Federal regulations.
- As Federal-aid projects, TEA projects must comply with the Federal-aid project procedures as outlined in the *Local Assistance Procedures Manual*

What makes TEA unique is:

- Ten unique categories of eligible activities.
- The application process.
- Requirement for a non-Title 23 dollar match.
- Individual programming of projects in the State Transportation Improvement Program (STIP).
- Minimum project size of \$50,000 in Federal funds.

See the section titled “About These Guidelines” in Exhibit 8-A, “TEA Guidelines” for additional program information. The Guidelines are arranged to take applicants and Regional Transportation Planning Agencies through the program from background and overview to application for funds.

8.2 CHANGES TO GUIDELINES

The Reengineering of the TEA Program, and other Caltrans Local Assistance programs was first conceived cooperatively with representatives of California cities and counties in a series of meetings conducted between November 1994 and March 1995. The primary purpose of reengineering was to reduce the amount of paperwork and effort required by Caltrans and local agencies to process Federal-aid projects. Unfortunately, most of the procedural steps and much of the paperwork involved in processing Federal-aid projects are mandated by Federal law and can not be eliminated without an Act of Congress. With the cooperation of the FHWA, however, some of the processes have been simplified and many of the reviews eliminated.

The reengineering of the Caltrans Local Assistance Program occurred simultaneously with a nationwide movement to reduce the size of government. The 1995/96 State Budget required a 50% statewide staff reduction of Caltrans Local Assistance Program necessitating a new approach to the way Caltrans Local Assistance Offices conducts business.

Caltrans Local Assistance Offices have limited involvement in the delivery of the local Federal-aid funded projects. As a result of the 50 percent staff reduction, and recommendation from the reengineering task force, it was decided that Caltrans will no longer conduct routine reviews of local agency projects (including reports, PS&E and on-site inspections). The responsibility of complying with Federal regulations has been shifted to the local agencies through a self-certification process.

“The TEA Guidelines”, Exhibit 8-A, have been revised to reflect the changes brought about by Reengineering of the Local Assistance program. Section A and B of the TEA Guidelines required minor modifications and Section D was completely rewritten to reflect the changes, as noted in Exhibit 8-B. Anyone having a copy of the TEA Guidelines, or planning on using the TEA Guidelines in Exhibit 8-A, should make the modification noted in Exhibit 8-B.

8.3 FUTURE CYCLES OF THE TEA PROGRAM

Future cycles of TEA depend on ISTEA reauthorization of the program in the Intermodal Surface Transportation Efficiency Act of 1991. If reauthorized, the next deadline for submittal would be in 1997, for programming in the 1998 State Transportation Improvement Program (STIP). Applicants may request placement on the TEA application mailing list by calling Marsha B. Mason, TEA Program Manager, at 916-654-5275.

Guidelines Transportation Enhancement Activities Program

California Department of Transportation

Adopted by the California Transportation Commission
Adopted February 1993 • revised June 1995

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Section A

PROGRAM BACKGROUND

About These Guidelines

These guidelines are intended to assist agencies that will implement projects to apply for transportation enhancement activities funds. The guidelines explain how enhancement activities are nominated, selected, funded, and administered. Although this is not a grant process, it is a two-stage competitive process for federal-aid funds. For most projects, selection decisions will occur at the regional level and funding decisions at the State level. (Only statewide projects are both selected and funded at the State level.) Projects in the final adopted program will be funded on a reimbursement basis.

Key points for applicants to know are:

- **This is a reimbursable program, not a grant;**
- **A local funding share is required in each phase of the project;**
- **Organizations must nominate projects, in partnership, through a public agency that is willing and able to take responsibility for carrying out and maintaining the project;**
- **Improvements to private property and commercial facilities are not eligible;**
- **Projects must comply with federal environmental requirements; and**
- **Projects must comply with other federal regulations, including those for considering disadvantaged business enterprises in consultant selection and for paying prevailing wages during construction.**
- **Suggested minimum project size is \$100,000 in federal funds, making the minimum overall project cost approximately \$114,000 (\$125,000 for a bicycle or pedestrian project), but regional agencies, Caltrans and the Commission will consider projects of unusual merit in the \$50,000 - \$100,000 range.**

Technical terms and abbreviations used in the text are defined in the DEFINITION OF TERMS at the end of these guidelines and are underlined where they first appear in the text. Section B includes a detailed discussion of project eligibility. The names of contacts in the Regional Transportation Planning Agencies and Caltrans Districts are included in the Appendix.

A-1

About the Program

California may receive more than \$200 million over a 6 year period (which started with the 1992 Federal Fiscal Year) for transportation enhancement activities from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This represents a ten percent (10%) set-aside of one of the ISTEA programs, the Surface Transportation Program funds. This money is available only for transportation enhancement activities.

Administering agencies (those receiving federal-aid funds for transportation enhancement activities) have found it to be in their best interest to be aware of the procedures and requirements for developing federal-aid projects. These are *substantially more involved in time and money* than the requirements for claiming State funds. Agencies unfamiliar with the requirements of Title 23, United States Code are encouraged to obtain and review the Caltrans *Local Assistance Procedures Manual* (LAPM). The Manual can be obtained from:

STATE OF CALIFORNIA
Department of Transportation
CENTRAL PUBLICATIONS DISTRIBUTION UNIT
1900 Royal Oaks Drive
SACRAMENTO, CALIFORNIA 95815-3800
Fax (916) 324-8997
E-mail: <http://caltrans-opac.ca.gov/publicat.htm>

Vision

The National Policy in ISTEA discusses creation of a national intermodal transportation system that "...must be the centerpiece of a national investment commitment to create the new wealth of the Nation for the 21st century." It defines this system as "all forms of transportation in a unified, interconnected manner..." ISTEA reflects a growing recognition that transportation programs, while vital for national mobility and international competitiveness, must also include consideration of the overall environmental context and community values and setting. The intent of the federal enhancements program is for transportation enhancements to become a common part of transportation investment policy, integrated into many projects.

Transportation enhancement funds are to be used for transportation-related projects that enhance quality-of-life, in or around transportation facilities. *Projects must be over and above required mitigation and normal transportation projects, and the project must be directly related to the transportation system.* The program should have a quality-of-life benefit while providing the greatest benefit to the greatest number of people.

Transportation enhancement activities are a means of more creatively and sensitively integrating transportation facilities into their surrounding communities. What distinguishes transportation enhancement activities from other worthwhile “quality-of-life” and environmental activities are their potential to create a transportation experience that is more than merely adequate. At the same time they may protect the environment and provide a more aesthetic, pleasant and improved interface between the transportation system for the communities and people adjacent to transportation facilities. Doing this will require expanded partnerships on all levels.

Responsible Governmental Agencies and Their Roles

Federal Highway Administration

The Federal Highway Administration has responsibility for approving the Federal State Transportation Improvement Program, for allocating funds to the State, and for approving and authorizing transportation enhancement activities expenditures.

California Transportation Commission (Commission)

The Commission has responsibility for the Fund Estimate (a special document), programming decisions, and funding eligible transportation enhancement activities. The Commission defines the size of the program through the Fund Estimate. The Commission must select which projects will be funded from among activities recommended by Regional Transportation Planning Agencies and the California Department of Transportation. The Commission programs these projects into the State Transportation Improvement Program. The Commission also ensures that proper environmental documentation has been approved prior to funding the right of way and/or construction phases of a transportation enhancement activities project. (See Allocation of Funds for Capital Outlay – The Second Vote on page D-6 for a discussion of phases.)

California Department of Transportation (Caltrans)

The California Department of Transportation (Caltrans) has primary responsibility for the administration of this program, including development of policies and procedures, and monitoring program implementation. Caltrans has responsibility for making eligibility determinations in cooperation with the Federal Highway Administration. Caltrans, utilizing a selection committee of Caltrans and other State and Federal agency representatives, screens and scores activities of a statewide nature (defined on page B-11), based on the statewide screening and ranking criteria, and recommends a prioritized list of such transportation enhancement activities in the Proposed State Transportation Improvement Program (PSTIP). The Department comments from a policy standpoint on specific activities to help the Commission determine which activities will be funded, develops contracts for activities on its rights-of-way, and certifies completion. Caltrans is responsible for submitting invoices for eligible costs to the Federal Highway Administration. Caltrans has responsibility delegated to it by the Federal Highway Administration to see that requirements under Title 23 are met and has responsibility for final acceptance of the projects. Caltrans sponsors enhancement activities and nominates them to the appropriate Regional Transportation Planning Agency.

Regional Transportation Planning Agencies (RTPAs)

The Regional Transportation Planning Agencies (RTPAs), including Metropolitan Planning Organizations and local transportation planning agencies, have responsibility for selecting activities within their jurisdiction, based on statewide screening and ranking criteria. RTPAs recommend their prioritized lists of eligible transportation enhancement activities to the Commission in their Regional Transportation Improvement Programs (RTIPs). In addition, RTPAs may provide comments to Caltrans and the Commission on portions of statewide projects located within their jurisdiction. The RTPA with authority for activity screening and ranking shall be the same agency established for other ISTEA funds in Senate Bill 1435. RTPAs comment on specific activities, with regard to their priorities, to help the Commission determine which activities will be funded. The RTPAs have responsibility to ensure adequate public participation in the entire regional process.

Metropolitan Planning Organizations

The Metropolitan Planning Organizations approve all statewide projects (see page B-11) within their jurisdiction prior to programming in the State Transportation Improvement Program (STIP). After programming in the STIP, they vote both regional and statewide projects into their Federal Transportation Improvement Program prior to Federal approval.

Public Agency Applicants

Public agency applicants nominate transportation enhancement activities to the appropriate RTPAs. Applicants submit activities of a statewide nature to Caltrans, with copies to affected RTPAs and counties.

State Resources Agency

The Resources Agency is involved in three ways:

- it may nominate transportation enhancement activities to the appropriate RTPAs;
- any department of the Resources Agency may submit applications for activities of a statewide nature (defined on page B-11) to Caltrans, with copies to affected RTPAs and counties.
- After projects that have come from the regional process are nominated to the Commission, the Resources Agency, as an umbrella agency, may identify and recommend nominated projects of statewide importance or projects contained in State development plans.

State Office of Historic Preservation

The State Office of Historic Preservation has responsibility for the administration of the historic preservation program in California. It assists the RTPAs and Caltrans in the evaluation of historical, cultural, and archeological properties and in the review of construction documents for historical properties. The Federal Highway Administration and Caltrans coordinate with the Office of Historic Preservation to ensure full compliance with Section 106 of the National Historic Preservation Act, as amended, (Public Law 102-575) and with the Governor's Executive Order W-26-92.

State Historical Building Safety Board (SHBSB)

The State Historical Building Safety Board determines applicability of the State Historic Building Code and the California Uniform Building Code to historic properties.

Who May Nominate Projects (Administering Agencies)

Projects may be nominated to the RTPAs for inclusion in the Regional Transportation Improvement Program (RTIP) *by the agency that will be administering the project and taking responsibility for maintaining it*. This may include Caltrans, the RTPAs, and other Federal, State, and local public agencies, i.e. Regents of the University of California, a county, city, city and county, special district, public authority, transit operator, transportation commission, county transportation authority or joint powers authority. A joint powers authority *must* be able to commit the resources of the member agencies. In addition, the administering agency must be capable of entering into a master agreement with Caltrans (see page D-1).

Administering agencies have contractual responsibility for carrying out to completion the enhancement project in accordance with Federal, State, and local laws and regulations.

Administering agencies often have partners in bringing forward enhancement projects. These partners may be non-profit organizations that have originated the project ideas and may wish to be a part of implementation. Others may be public agencies that are too small to meet the requirements of obtaining a master agreement with Caltrans. Others may be partners in funding only. No matter if partners are involved, the administering agency is the *one entity* responsible for implementing the project and maintaining it for the life of the project. (See page D-1.)

Public Participation

Interested parties and proponents of transportation enhancement activities are invited to submit project ideas for application through their local public agencies to their respective RTPAs. A list of RTPAs is included in the Appendix.

Public comment is invited prior to adoption of the Regional Transportation Improvement Programs and the State Transportation Improvement Program.

Each RTPA has a citizen participation program which provides citizens and interested parties a reasonable opportunity to comment on the Regional Transportation Plan prior to its adoption. In addition, RTPAs receiving a large number of applications are encouraged to utilize the technical expertise of interested, non-applicant citizens to score applications. For example, the San Francisco Bay area's RTPA utilizes volunteer experts in historic preservation, trails, and other areas to score project applications.

Opportunities for public comment may occur as a part of the environmental processes included in the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), and other State and Federal environmental regulations.

A Transportation Enhancement Activities Advisory Council to Caltrans was established in July 1993 to be an ongoing vehicle of public participation in program implementation. It is selected by the Director of Caltrans to identify issues and communicate program changes to their respective agencies or organizations. See Appendix, Transportation Enhancement Activities Advisory Council.

1996 STIP Cycle

Transportation enhancement activities funds are programmed every two years in the State Transportation Improvement Program (STIP) cycle. The 1994 STIP programmed enhancement projects through fiscal year 1996/97.

This is the third cycle of programming enhancement projects. In the 1996 STIP, one additional year of projects will be programmed in the first year of the STIP period (1996/97). Statewide transportation funding shortfalls may delay reimbursement of Federal funds to as late as 1999-2000.

The 1996 STIP will include transportation enhancement projects funded out of Federal fiscal years 1996 and 1997, the final years appropriated in ISTEA of 1991. A total of \$50 million will be available to program enhancements in this cycle.

Timeline for 1996 STIP Cycle

September 13, 1995	<u>Pre-Application Meeting:</u> Administering agency applicants discuss application with Caltrans District technical staff on or before this date. Applicants for statewide projects discuss with Caltrans Headquarters Office of Local Programs staff.
October 13, 1995	<u>Application Deadline:</u> Administering agencies submit applications to RTPAs for the 1996 State Transportation Improvement Program cycle. Date may vary; contact RTPA for its deadline.
November 3, 1995 Oct. 13 through Dec. 29, 1995	Administering agencies submit statewide project applications to Caltrans. RTPAs evaluate and rank applications.
January 1, 1996 through March 1996	Caltrans' Statewide project selection committee evaluates and ranks statewide project applications. Caltrans with FHWA evaluates all projects for eligibility.
January 10, 1996	RTPAs send projects of questionable eligibility to Caltrans.
March 15, 1996	RTPAs amend Regional Transportation Improvement Programs for 1996 State Transportation Improvement Program to submit enhancement projects to the Commission.
June 1996	<u>Commission Meeting:</u> Commission staff presents recommendations.
July 1996	<u>Commission Meeting:</u> Commission adopts Transportation Enhancement Activities program as part of the 1996 State Transportation Improvement Program (STIP).
June through December 1996	<u>Federal Transportation Improvement Program (FTIP):</u> Caltrans includes projects in FTIPs and sends for Federal approval. Administering agencies may only incur eligible costs <i>after</i> Federal approval.
July 1997 or July 1998	Funding <i>could</i> become available (see page C-1).

Section B

ELIGIBILITY

Program Eligibility

Does the project fit the program? This question can be answered "yes" only after three questions are answered affirmatively. Transportation enhancement activities must meet three basic criteria, based on instruction from the Federal Highway Administration:

“What is the direct relationship to the intermodal transportation system?”

Projects must have at least one direct relationship to the intermodal transportation system, which consists of all forms of transportation in a unified, interconnected manner. This relationship may be one of function, proximity, or impact. For example:

- A bikeway is a *functional* component of the intermodal transportation system.
- Removal of outdoor advertising in the viewshed of a highway is justified in light of its *proximity*. (Proximity can be confusing because any project appears eligible by virtue of being near a roadway, however, there will be no tenuous or contrived relationships. When the relationship is by proximity, how does the activity significantly enhance the transportation experience?)
- Water pollution control alongside an existing highway to protect or improve a drinking water supply would qualify based on the *impact* of the highway in terms of water pollution.

“Is this over and above a normal project?”

Enhancement activities are over and above normal transportation projects. Typically, a normal transportation project may include mitigation, standard landscaping, other permit requirements and provisions negotiated as a condition of obtaining a permit for a normal [non-enhancement] transportation project. If this proposal is an enhancement to a larger project, check the environmental document for these items – Is the proposed enhancement part of the project description? Is it listed as mitigation? If

so, the activity is not “over and above” a normal project. Is it a permit requirement? Permitting agencies might include Federal agencies such as U.S. Forest Service, Bureau of Land Management, or U.S. Corps of Engineers. State permitting agencies might include State Department of Fish and Game. Regional permitting agencies might include a regional water quality control board. Maintenance activities are not eligible. Projects to retrofit existing sidewalks for compliance with Americans with Disabilities Act requirements are not eligible.

“Which category or categories encompass the transportation enhancement activities?”

Projects must be selected from one or more of the ten activities categories. Only those activities listed in ISTEA Section 1007 (c) are eligible to be accounted for as transportation enhancement activities. If project eligibility in these ten categories is not clear, the applicant will provide reasoning for including it, and a determination will be made by the RTPA, Commission, Caltrans, and Federal Highway Administration.

The ten categories are:

1. **Provision of facilities for pedestrians and bicycles.**
2. **Acquisition of scenic easements and scenic or historic sites.**
3. **Scenic or historic highway programs.**
4. **Landscaping and other scenic beautification.**
5. **Historic preservation.**
6. **Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).**
7. **Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails).**
8. **Control and removal of outdoor advertising.**
9. **Archaeological planning and research.**
10. **Mitigation of water pollution due to highway runoff.**

Eligibility of projects has been interpreted broadly by Caltrans and the Federal Highway Administration. The following discussion presents the thinking behind decisions to define eligibility of the ten categories.

Ten Eligible Transportation Enhancement Activities Categories

I. Provision of facilities for pedestrians and bicycles.

This category provides an opportunity to create linkages in the existing transportation system by funding bicycle and pedestrian modes of travel. The bicycle and pedestrian modes connect people to activity centers, such as businesses, schools, shopping and recreation areas, and to other modes.

Projects accommodate bicyclists or pedestrians beyond or in addition to what is necessary for safe accommodation. This includes activities that enhance the transportation system through more aesthetic routing or design or improving other existing facilities to make them more usable for pedestrians and bicyclists, such as adding bicycle parking at a rail station. The purpose of the project must be for transportation but if a recreation experience is gained as a result of the transportation facility, this does not exclude the activity from consideration under this program.

Activities are not eligible where they are conducted as an incidental and routine part of new transportation projects in order to accommodate routine use by pedestrians and bicycles. Paved shoulders, wide curb lanes, sidewalks, and curb cuts are not eligible if incidental and routine to road construction or reconstruction; however, Class II Bikeways (Bike Lanes) are eligible. Projects may not be for maintenance activities or other replacement facilities; for example, pavement overlays on the same alignment and same width are not eligible.

While all projects must meet the Americans with Disabilities Act (ADA) mandate of accessibility, projects to retrofit existing facilities solely for conformance to accessibility standards in the California Building Code do not qualify. Construction of neighborhood sidewalks is regarded as normal work.

Projects for parking lots for *future* bicycle or pedestrian facilities are not eligible.

Questions about standards for bikeway designs or for bicycle facilities such as lockers and parking facilities can be addressed by the Caltrans Bicycle Coordinator at (916) 653-2750. Bikeway Planning and Design (Section 1000 of the Highway Design Manual) is available from the Caltrans Publications Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815 and on the Division of Design website at: <http://www.dot.ca.gov/hq/oppd/hdm/hdmtoc.htm>

Example of Projects: Bicycle lockers at rail stations, bus depots, airports, recreation facilities. Bicycle lockers over and above standard policy at park and ride lots. Bikeways: Class I (bike paths); Class II (bike lanes); Class III (bike routes). Bikeways or pedestrian paths, which separate these modes of travel from the motorized transportation system. Bike racks on transit systems. Acquisition, development, and construction of separate pedestrian or bicycle facilities on or off road rights of way or in relation to transit facilities are examples of eligible activity, as are improvements to facilities, which go beyond basic access and mobility.

2. *Acquisition of scenic easements and scenic or historic sites.*

This category may be applied to purchase, donation, transfer, or trade of lands which possess significant aesthetic, historic, natural, visual, or open space values, acquisition of which enhances the transportation experience as part of the transportation system, or as a significant part of the transportation viewshed.

Funds may be used for transaction costs including appraisals, surveys, legal costs, or purchase costs. Acquisition of scenic or historic sites includes expenditure of funds for the purchase or the use of funds to accept the donation, transfer, or trade of (a) less than fee interests, for example, easements, in land which possess significant scenic, historic, or cultural values and (b) fee title acquisition of such lands and any property listed in the California Register of Historic Resources or eligible for listing in the National Register of Historic Places.

Land acquired for its scenic qualities must be maintained for its scenic qualities. Mechanisms must be in place to enforce significant scenic or historic values, and the project sponsor must agree to enforce mechanisms to preserve them. The owner of any property acquired must be willing to participate in a preservation covenant attached to the deed of the property. Such a covenant ensures that future work on the property will respect the scenic or historic integrity of the property.

Lands acquired for scenic purposes may not be developed in a manner that degrades the scenic character and quality of the site. Public access is allowed.

The purpose of the project must be for scenic or historic acquisition, but if a wildlife habitat or corridor is gained as a result of the acquisition, this does not exclude the activity from consideration under this program.

Scenic acquisition of a degraded area may be eligible on condition that the agency restores the site to scenic status within this or a later project phase. (Restoration does not have to be done using Federal enhancement funds.)

Where proposed projects appear to be primarily park improvements with incidental transportation enhancement activities incorporated into the park improvement project, the transportation enhancement will be eligible, but not the park improvement.

Example of Projects: Acquisition of Big Sur Viewsheds. San Pedro Point Viewshed. Acquisition of a historic bridge, historic transportation terminal, land around a historic site adjacent to a scenic highway. Acquisition of historic properties which qualify for protection under the National Register or California Register or are designated in a local register.

3. *Scenic or historic highway programs.*

This category covers protection and enhancement of designated State scenic highways or federally designated scenic byways and State or federally eligible or designated historic highways. Funds may be used only for activities that will protect and enhance the scenic and historic integrity and visitor appreciation of an existing highway and adjacent area.

Example of Projects: Historic Pasadena Freeway, historic bridge signing, interpretive plaques or restoration of historic lighting standards, historic Old Highway 50, historic Feather River Highway and historic Euclid Avenue. Historic aesthetic treatment on retaining walls and guardrails. Visually sensitive bridge rails (guard rails on bridges) which meet Caltrans and FHWA safety requirements, for use on scenic highways and in areas of high visual sensitivity.

4. *Landscaping and other scenic beautification.*

This category includes landscape planning, design and construction activities which enhance the aesthetic or ecological resources along transportation corridors, points of access, and lands qualifying for other categories of transportation enhancement activities.

Architectural treatment, applied or integrated, of transportation structures, including bridges and highways beyond Caltrans' utilitarian design may be considered an enhancement activity, as long as it is beyond mitigation required to comply with CEQA, NEPA, and other permitting agencies' requirements. The primary purpose must be to enhance the scenic view.

Projects which blend the transportation system into the surroundings, making the system less intrusive, or otherwise enhance the aesthetic resources or beauty of the transportation system may include planning, design and construction of scenic vistas and overlooks, restoration of historic landscapes, and public art and design enhancements. Projects which enhance the ecological balance along a transportation corridor include planning, testing and planting for restoration or reintroduction of native plant communities and appropriate adaptive species, and the provision of interpretive information about the Federal and State agency programs through which ecological resources are preserved.

Projects on the National Highway System must be consistent with Caltrans' overall landscape program and policies, and will be approved by the Caltrans District Landscape Architect.

Projects may not be for temporary, routine, incidental or maintenance activities such as grass cutting, tree pruning or removal, erosion control, screen planting, construction of noise barriers, drainage improvement or post-construction finish work such as replanting and reseeding.

Plantings on the State Highway System may only be for that portion which is over and above Caltrans' policy no. 3.5.1, dated July, 1990, for standard planting in warranted areas.

Projects mainly for museum facility or park development work are not eligible, although park development elements that are necessary for and incidental to the eligible transportation enhancement activity, such as interpretation elements, may be considered eligible.

Graffiti-resistant coatings do not qualify as scenic beautification because they do not change the appearance of the surface, they must be reapplied at least every three to five years (a maintenance activity) and they do not preclude the re-application of graffiti.

Example of Projects: 'Gateway' plantings to communities. Retrofitting existing noise barriers (built before May 22, 1992, when it became standard practice) with landscaping. Rockwork in existing landscaping. Replacement of a utilitarian bridge with one of appropriate architectural qualities in a setting which calls for more than a utilitarian design. Landscaping transplants to move trees outside of clear zones and into more attractive, safer locations. Sculpture or other artwork at gateway entrance to communities or in California "Main Street" projects. Roadside Ecological Viewing Areas. Design and installation of visually sensitive bridge rails (guard rails on bridges), which meet Caltrans and FHWA safety requirements.

5. *Historic preservation.*

Historic, cultural properties, and archaeological resources determined eligible for or listed in the California Register of Historical Resources or a locally-designated resource, if the local designation is based on locally-adopted, written criteria, are eligible for transportation enhancement activity funding. Section 5024.1 of the California Public Resources Code defines the California Register as an authoritative guide in California to be used by State and local agencies, private groups, and citizens to identify the State's historical resources. The California Register includes properties determined eligible for or listed on the National Register of Historic Places, most California State Historical Landmarks, and State Points of Historical Interest. In addition, the California Register may include locally designated historic and prehistoric resources as well as local survey inventories using the National Register standards.

This category includes acquisition, protection, rehabilitation, interpretation, restoration, and stabilization or any combination of the foregoing, of any prehistoric or historic district, site, building, structure, landscape, or object (and artifacts and records related to it) listed or eligible for inclusion in the California Register or the National Register of Historic Places.

All work must be done in compliance with the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, the Secretary of the Interior's Standards for Treatment of Historic Properties, or the State Historic Building Code and must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36 CFR, Part 61. The qualifications define minimum education and experience required to perform eligible historic preservation activities. In some cases, additional areas or levels of expertise may be needed depending on the complexity of the task and the nature of the historic properties involved.

A substantial transportation linkage is required for a project to be considered eligible.

Projects should enhance the transportation system by improving the ability of the public to appreciate the historic significance of the project itself or the area to be served by the project.

In some circumstances, the cultural and sacred values of Native American or other ethnic community sites may require the inclusion of additional viewpoints. Proposals referring to such sites must be accompanied by evidence that appropriate Native American and ethnic community representatives have been consulted.

Incidental Americans with Disabilities Act (ADA) compliance elements are eligible only as required by the transportation enhancement project.

This category does not include reconstruction, i.e., building replicas of historic structures or buildings. It does not include the creation of museums, or of visitor centers; however, restoration of a building that will later be modified and used as a public museum is eligible. Maintenance activities are not eligible.

A preservation project arising from the deferring of maintenance – which was to have been done as a condition of a previous agreement for its preservation – will not be eligible.

Tenant improvements are not eligible costs.

Example of Projects: Stabilizing Chitactac Native American Village site and interpreting it to travelers and tourists. Restoration and interpretation along the Baja/Alta California Mission Period Heritage Corridor. Rehabilitation of historic buildings that serve the transportation system as multi-modal centers. Interpretation of placer mining at Alpha Omega Rest Area on Highway 20 and at Gold Run Rest Area on Highway 80. Restoration of historic maritime resources such as lighthouses. Restoration of a historic landscape on a highway. Rehabilitation of historic places, activities that encourage or facilitate historic interpretation for the public of sites associated with roads and other transportation facilities, heritage tourism, preservation or improvement of the appearance or quality of a historic property, district, or landscape, assistance in providing research and educational opportunities or related services on individual or related historical resources.

6. *Rehabilitation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).*

Historic transportation buildings are buildings or related structures associated with the operation, passenger and freight use, construction or maintenance of any mode of transportation where such building is listed or eligible for listing in the California Register or the National Register of Historic Places.

Structures and facilities include tunnels, bridges, trestles, embankments, rails or other guideway, non-operational vehicles, canal viaducts, tow paths and locks, stations and other built transportation features integrally related to the operation, passenger and freight use, construction, or maintenance of any mode of transportation.

Rehabilitation means the process of returning the property to a state which makes possible a contemporary use while preserving the significant historic features of that property. Subsequent conversion costs or tenant improvements are not eligible.

Example of Projects: Santa Fe Depot in San Diego. Central Valley railroad depots and train stations on the San Francisco Peninsula commute. Restoration of historic ferry terminals. Interpretive displays as part of historic bridge replacement projects. Costs on historic bridges over and above normal mitigation.

7. *Preservation of abandoned railway corridors (for conversion to pedestrian or bicycle trails).*

This category includes the acquisition, rehabilitation and development of corridors for public bicycle or pedestrian use. In some cases it could allow preservation without capital improvements, although *emphasis is placed on current enhancement value*. This category permits the development and rehabilitation of privately-owned rail corridors to bicycle or pedestrian facilities open to the general public without charge. This may not be used solely for rail preservation. A declaration of intent for future bike or pedestrian use is required. Failure to open the lands acquired for bicycle and pedestrian use within ten years from the start of the right of way phase means the administering agency will have to reimburse the Federal Highway Administration.

Example of Projects: Sacramento Northern Railway Bicycle Trail extension. Biz Johnson Trail on old Southern Pacific right of way in Susanville. Southern Pacific Santa Paula Branch Line Acquisition. Northwest Pacific Railroad Bike Path in Larkspur. Tidewater Bikeway in Manteca.

8. *Control and removal of outdoor advertising.*

This includes the control and removal of existing nonconforming outdoor advertising signs, billboards, displays, and devices, which are in addition to removal of illegal signs required to exercise effective control of outdoor advertising under Section 131 of Title 23. "Nonconforming" is defined in the California Administrative Code, Title 4 Chapter 6. In general, a nonconforming sign was placed lawfully, but does not conform to subsequent enacted laws. Priority shall be given to the removal of outdoor advertising signs, displays, and devices in conjunction with other enhancement activities, and nonconforming displays along scenic highways. This category may include compilation of an accurate inventory of nonconforming outdoor advertising displays.

If displays are conforming, Caltrans expects the agency with jurisdiction to have in place an ordinance or other mechanism to preclude replacement displays in the same transportation corridor.

Example of Projects: Purchase and removal of nonconforming billboards on designated scenic highways. Purchase of scenic easements along transportation corridors or viewsheds to prevent visual degradation.

9. *Archaeological planning and research.*

This includes, but is not limited to, research on sites qualified for transportation enhancement funds; experimental activities in archaeological site preservation and interpretation; planning to improve identification, evaluation and treatment of archaeological sites; problem-oriented synthesis using data derived from (though not limited to) transportation-related archaeological activities; local and regional research designs to guide future surveys, data recovery, and synthetic research; and activities having similar purposes carried out in partnership with other Federal, State, local and tribal government agencies and non-governmental organizations.

This category includes rehabilitating archaeological dig records and curation of artifacts previously recovered along the transportation corridor to enhance significance and public appreciation for the site through interpretative signs, displays, and publications.

Projects primarily for data entry into geographic information systems to accommodate future normal transportation projects are not eligible.

Although museum creation is not an eligible activity, public exhibit of the artifacts may be eligible.

All work must be done in compliance with the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation or Secretary of the Interior's Standards for Historic Preservation Projects and must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36 CFR, Part 61. The qualifications define minimum education and experience required to perform eligible historic preservation activities. In some cases, additional areas or levels of expertise may be needed depending on the complexity of the task and the nature of the historic properties involved.

In some circumstances, the cultural and sacred values of Native American or other ethnic community sites may require the inclusion of additional viewpoints. Proposals referring to such sites must be accompanied by evidence that appropriate Native American and ethnic community representatives have been consulted.

This category is not for excavations.

Example of Projects: Regional or statewide research. Upgrade or expansion of regional curation facilities to meet Federal and State guidelines, in order to regionalize archaeological collections and facilitate regional archaeological research. Statewide or regional archaeological study for State Routes in archaeologically sensitive areas, developing an Archaeological Inventory similar to the existing Bridge Inventory. Rehabilitation of archaeological dig records and artifacts previously recovered along a highway to enhance significance and public appreciation for the site through interpretive signs and publications. Construction of traveling displays of artifacts for schools.

10. Mitigation of water pollution due to highway runoff.

These projects are for facilities and programs reducing or eliminating pollution from storm water runoff from highway facilities in addition to current requirements and procedures for such mitigation. The pollution must be due to materials washing off of the roadway surface. Projects that demonstrate aesthetic and ecological methods for mitigation and enhance recharge are encouraged.

Projects may have groundwater recharge, multiple resource benefits, and aesthetic preservation components, but only when secondary to the purpose of mitigating water pollution due to highway runoff.

No activity which has been identified as a requirement of a stormwater permit is eligible for enhancement funding.

Acquisition of land in and of itself is not considered an eligible mitigation of water pollution unless the acquisition itself fulfills the mitigation objective. Projects to acquire degraded land to rehabilitate into mitigation for highway runoff must have absolute commitments of funds and completed plans for the mitigation work prior to application.

Example of Projects: Water pollution control alongside an existing highway to protect or improve a drinking water supply. Storm drain stenciling projects. Santa Monica stormwater treatment facility enhancements.

All Categories/All Projects

In addition, the project must fit into the general Federal requirements. These are listed in the "Competition at the Region - Screening Criteria" (See page C-4.)

Statewide Project Eligibility

In addition to program eligibility, statewide projects must meet the following criteria (a + b) or (a + c): a) applicant has a multi-regional jurisdiction, and b) project is within a multi-regional plan or c) project resides in more than one region.

Example of Projects: California's Coastal Trail enhancement project (six segments) submitted by the State Department of Parks and Recreation. Acquisition of scenic sites in two counties for the newly-designated San Joaquin River Parkway by the California Wildlife Conservation Board. Signing all historic bridges in California by Caltrans.

Eligible Costs

The applicant must prepare an accurate cost estimate for proposed transportation enhancement activities. Agencies unfamiliar with the kinds of costs incurred on Title 23 Federal-aid projects that are eligible for reimbursement should refer to the Local Streets and Roads booklets and must confer with their Caltrans District prior to the application deadline (see page E-1.)

Transportation enhancement activities funds are reimbursable Federal-aid moneys, subject to all the requirements of Title 23, United States Code. They are for capital improvements. Feasibility study projects are ineligible, which of themselves provide no enhancement to the public. If a study shows the project to be feasible and a financial plan shows a credible source of operating funds, capital phases may be eligible for enhancement funds. These include preliminary engineering (including environmental studies), real property acquisition, and construction costs associated with conducting an eligible activity. These funds are not to be used for program planning; however, they may be used for archaeological planning projects.

Improvements to private property and commercial facilities are not eligible, but may include properties for public use, owned by a public not-for-profit corporation.

Many projects are a mix of elements, some on the list of 10 categories and some not. Those project elements which are on the list may be counted as transportation enhancement activities. For example, a rest area might include an adjacent historic site purchased and developed as an interpretive site illustrating local history. The historic site purchase and development qualifies as a transportation enhancement activity.

Activities which are not explicitly on the list might qualify if they are an integral part of a larger qualifying activity. For example, if the rehabilitation of a historic railroad station required the construction of new drainage facilities, the entire project could be considered a transportation enhancement activity. Similarly, environmental analysis, project planning, design, land acquisition, and construction activities necessary for implementing qualifying transportation enhancement activities are eligible for funding. For example, costs for environmental mitigation required for the enhancement project itself are reimbursable.

Transportation enhancement activities may not in themselves be routine or customary elements of transportation projects or mitigation for project impacts in compliance with the requirements of environmental, or other Federal, State, or local laws, even if those aspects will otherwise constitute a specified transportation enhancement.

Project funding under the transportation enhancement program is not available for a non-applicant agency to perform its normal required review and permit functions.

Convict labor is not a reimbursable cost.

Costs involved in applying for funds are not eligible. Any costs incurred prior to written approval to proceed by Caltrans are not eligible. (See page B-17.)

Local Funding Share (Match)

Transportation Enhancement Activities are reimbursable projects. Applicants are expected to finance the project as it proceeds. Up to 88 percent of the actual eligible expenditures – up to the ceiling of the Federal funding share – will be reimbursed with each invoice. The amount programmed into the State Transportation Improvement Program (STIP), based on the original estimate of the project costs, will determine the Federal funding ceiling. Local funding share must be used in each phase.

Where the applicant chooses to use Federal funds, a match of approximately 12 match dollars to each 88 Federal dollars for a total of 100 dollars is required in each enhancement project phase. Administering agencies may “overmatch” enhancement projects; that is, additional match dollars may be used in the transportation enhancement activity beyond the match requirement. Because of Federal policies and the possibility of cost overruns, administering agencies are encouraged to use the full extent of Federal funds in the project. Agencies are discouraged from including more than 49 percent non-Federal dollars in the total enhancement project cost. The Federal Highway Administration authorizes expenditures on a project phase by phase (preliminary engineering, right of way, construction).

The exception to the 12 percent match is for bicycle and pedestrian facilities. *“For purposes of this title, construction of a pedestrian walkway and a bicycle transportation facility shall be deemed to be a highway project and the Federal share payable on account of such construction shall be 80 percent.”* (Section 217(f) of Title 23). A 20 percent match will be required on bicycle and pedestrian facilities; that is, 20 match dollars to each 80 Federal dollars for a total of 100 dollars is required in each enhancement project phase.

Match may be provided from Caltrans State Highway Account funds for projects directly related to the State Highway System. Each Caltrans District Director has responsibility for recommending use of these funds to the Commission. Project applicants are encouraged to have an alternate funding source when requesting State Highway Account funds, as there is no guarantee they will be approved by the Commission. (See Application, part Five.) State Highway Account match may only be requested during the application process; it may not be requested after a project is programmed.

Under the Federal Highway Administration's new innovative financing test and evaluation project, a nationwide project has been established to allow greater flexibility for matching funds; for example, match may now be other Federal dollars or private cash. Administering agencies may contact their Caltrans District Local Assistance Engineer for details.

Section 323 of Title 23 allows certain right of way donations to count towards the local funding share of a project. Donations must be from private ownership to public ownership for project purposes. Acquired right of way is not eligible as the match. Land that has been acquired previously and is already intended or available for use by the public does not qualify for donation credit.

“Soft match” refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share (match) of the project. An example of this is the toll credit provisions of Section 1044 of the ISTEA. Soft match generally is not eligible under current Federal rules.

Occasionally, an administering agency's partner seeks to provide labor or materials to design or construct a given project. Or sometimes an administering agency wants to use its own forces to do part or all of the work. In both of these cases, a competitive bidding process is precluded. When this is desired, the administering agency must give justification for not utilizing contracting by competitive bid; a comparison must be made between a) doing work by the agency's own forces [or sole-sourcing the work to the partner] and b) by contracting out. When justifying the use of the partner as a sole source, the administering agency also must show that these are the only people who can do the work, and that services are available only from this single source. Caltrans will make a “Finding of Public Interest” on the justification. In addition, some agencies' regulations may limit work by methods other than contracting out.

Use of Environmental Enhancement and Mitigation (EEM) Funds as Match

It is possible to use the State EEM funds as match, where a project qualifies under both programs. Each year for ten years, starting in 1991, the EEM program provides \$10 million to fund environmental projects directly or indirectly related to transportation projects. Such projects must provide environmental enhancement and mitigation over and above that otherwise called for under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). The sixth year applications will be submitted to the Resources Agency in November 1995.

The opportunity to use these two programs together is where they overlap, for example, in scenic acquisitions, tree planting or roadside bikeways. Transportation enhancement projects matched with EEM have been in Categories 1 (Bicycle and pedestrian facilities), 2 (Acquisition of scenic easements and scenic or historic sites), and 4 (Landscaping and other scenic beautification).

The transportation enhancement activities program and the EEM program have timing requirements that often make putting a project together with both funds challenging. The major hurdle is to complete the Federal environmental documentation (transportation enhancement activities requirement) before the deadline to start construction with EEM funds. (EEM does not reimburse for environmental documentation.)

EEM projects must receive a vote for allocation of funds for the right of way or construction phases *in the year programmed by the Commission*, start construction *within six months* after the allocation vote, and be *completed within three years* of the programming date.

To have a successful project, applicants desiring to use EEM for the local funding share may consider two optional paths. In both, *EEM is used to match only the right of way and construction phases*. This is, in part, because EEM cannot be used to fund environmental documents. The EEM project must have completed California Environmental Quality Act (CEQA) environmental approval prior to selection in the EEM program.

In the first option, applicants follow these steps:

- Apply for transportation enhancement activities funds in this 1996 STIP cycle (include preliminary engineering phase),
- Commit to use a match other than EEM for the project,
- Use the other match source for the preliminary engineering phase [includes construction documents and environmental documentation],
- Apply for the EEM funds during the preliminary engineering phase of the transportation enhancement project,
- If the EEM grant is awarded, after Federal environmental document approval for the transportation enhancement project, request an allocation of EEM funds from the California Transportation Commission in which the EEM funds are substituted for the other committed match source for the right of way and construction phases.

When EEM funds are used to match a transportation enhancement project, the administering agency is still required to build the EEM portion of the project as scoped in the EEM application, invoice separately, submit separate expenditure reports and reports of completion for the EEM funds. Changes in scope must go to the Commission for approval prior to proceeding. Every EEM project will be audited.

In the second option, applicants follow these steps:

- Complete preliminary engineering phase without transportation enhancement activities funds and obtain environmental document approvals up to the Federal environmental approval,
- Apply for transportation enhancement activities funds in this 1996 STIP cycle (do not include preliminary engineering phase in application),
- Commit own funds for the match for the right-of-way and construction phases,
- Apply for EEM funds (after environmental document is approved).

If major environmental documentation is required and the applicant wants to use Federal funds to prepare documentation, include preliminary engineering in the transportation enhancement activities application. If no extensive environmental studies will be required, the applicant may want to prepare documentation with non-Federal funds.

If the transportation enhancement project is for acquisition only, applicants may have success applying in the autumn of 1995 for both the transportation enhancement activities and EEM programs.

Transportation enhancement activities funds are Federal-aid dollars, subject to extensive legal compliance requirements, which should be considered when identifying project costs. These funds come to the administering agency with greater responsibilities and higher administrative costs than State EEM funds.

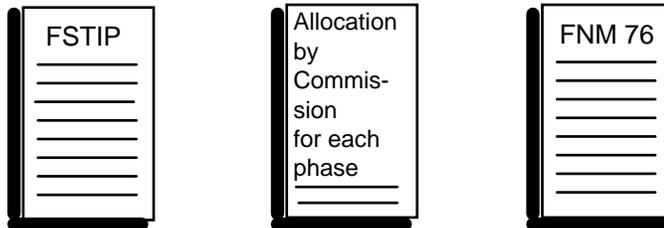
To receive the EEM Guidelines, contact the Resources Agency at (916) 653-5672. The Resources Agency receives and ranks EEM applications and submits them to the California Transportation Commission for adoption. Public comment may be made on selections at the California Transportation Commission meeting. Caltrans is responsible for project implementation and reimbursement.

It is imperative for applicants to work with the Caltrans Local Assistance staff if transportation enhancement activities funds may be matched with EEM funds.

**When Eligible Costs Can Be Incurred/
Authorization to Proceed**

An administering agency may proceed to incur reimbursable costs for a given phase (preliminary engineering, right of way [acquisition], construction) only after it receives written notification to start from the Caltrans District Local Assistance Engineer. This occurs after: 1) Federal approval of the project in the FSTIP (Federal State Transportation Improvement Program), and 2) execution of the Federal form FNM76. Even though the project may proceed to *incur* costs, it may not be *reimbursed* until the agreements between Caltrans and the administering agency are executed and the Commission has voted funds into the blanket allocation for all enhancement projects' preliminary engineering.

Eligible costs can be incurred *after* the project is included in these documents:



Each phase of work requires approval to proceed by execution of a Federal form, the FNM 76. The ratio of Federal funds to non-Federal match remains the same in each phase of the project.

FNM 76

	Federal \$	Match \$
1st Authorization: Preliminary Engineering	\$	\$
2nd Authorization: Right of Way (Acquisition)	\$	\$
3rd Authorization: Construction	\$	\$

If the project begins with a preliminary engineering phase, the 'blanket' FNM 76 covering the preliminary engineering phase for all transportation enhancement activities is put in place as of July 1 of each year. Therefore, reimbursable work usually can proceed as soon as the FSTIP is approved. (The Caltrans District Local Assistance Engineer informs the Project Administrator in writing.) The Project Administrator can begin *incurring* reimbursable expenses for the preliminary engineering phase only once the FNM76 and FSTIP are in place. *Reimbursement* requires execution of the agreements between Caltrans and the Administering Agency. (See page D-3.)

Once the project is ready to incur capital outlay costs (acquisition phase and construction phase), a second vote by the Commission is required prior to the authorization to proceed, the E-76.

Application Submittal

No costs incurred before Caltrans' written approval date can be reimbursed. Therefore, application preparation costs are not eligible for reimbursement.

Preliminary Engineering - What is included/ What is excluded

The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents. Preliminary right of way work to provide data for environmental documentation may also be reimbursed from preliminary engineering phase moneys.

No costs beyond project-related costs are eligible. To be eligible for reimbursement, all project support costs, such as preliminary engineering, must be included in the project cost approved in the State Transportation Improvement Program (STIP). Costs can be shifted between phases. Mitigation costs, which arise in the course of the project, are covered up to the limit of the project cost approved in the STIP.

The administering agency may use its own workforce to do preliminary engineering work. It may also retain consultants after satisfying Caltrans' requirements for selecting consultants. Agreements between administering agencies and consultants must be approved by Caltrans. (See Implementation Section D.)

Some applicants prefer to pay for preliminary engineering themselves. They prefer to hire their own local design consultants, thereby avoiding the cost and time required to meet federal requirements for contracting services (three to six months for the Request for Proposal, interviews and selection process). Following this path makes preliminary engineering non-reimbursable.

Proposed projects must comply with the National Environmental Policy Act (NEPA) and other federal regulations. This process can be more costly and take longer than State clearance under the California Environmental Quality Act (CEQA). If the proposed project includes a railroad, historic properties, archaeological sites, parkland, endangered species, wetlands, or if public controversy is involved, additional time could be involved in the process. Projects utilizing State funds for match must comply with requirements of both NEPA and CEQA.

One of the federal environmental regulations is Section 4(f) of the Department of Transportation Act of 1966. It requires preservation of publicly owned parks, recreation areas, wildlife and waterfowl refuges, and historic sites of national, State, or local significance (see Implementation Section, page D-8). Projects affecting these types of resources are subject to Section 4(f).

All projects are subject to Section 106 of the National Historic Preservation Act of 1966, even though not all will have cultural resources. For example, a pedestrian facilities project under construction could find historic or cultural artifacts during the process of grading.

When development is part of the project, starting the preliminary engineering phase obligates the agency to begin construction within ten years of federal approval. Regardless of the source of funds used to construct, federal funds used for preliminary engineering must be returned if construction does not start.

Right of Way (Acquisition) - What is included/What is excluded

Generally, the right of way phase is included when: utilities will be relocated; a purchase, easement, or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved (see Appendix for Right of Way Checklist).

Environmental analysis and public hearing requirements must be completed before starting most right of way activities. Acquisition projects often require special environmental studies, even when no development will occur on the site. For example, these might include archaeological resources or endangered species database searches. Federal authorization to begin work must be obtained in advance when federal funds are to be used for reimbursement of right of way costs.

All right of way activities must be performed in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended, and in conformance with Caltrans Right of Way procedures for local federal-aid projects. Funds may be used for costs such as appraisals, surveys, legal matters, purchase, relocation assistance, or utilities relocation.

An offer to acquire property must be written and may be made only after appraisal(s) are approved and funding is authorized by a vote of the Commission. Commencement of negotiations with property owners prior to Federal approval may jeopardize reimbursement eligibility.

Agreements between local agencies and right of way consultants, private negotiators, and private relocation assistance service personnel must be approved by Caltrans. Federal funds may be used only for costs incurred after Caltrans approves the consultant agreements and the authorization to proceed (E-76).

Obtaining an option to purchase property is not considered to be an offer to purchase. Therefore, the requirement that no offer be made until after receiving environmental clearance and project approval will not be violated by obtaining an option.

Obtaining an appraisal, at an early stage, for the purpose of estimating the capital cost of a project will not bar FHWA participation in project costs. Such an appraisal generally serves the same functions as the project estimates Caltrans prepares, providing cost projections used in planning, applying for funding, etc.

- However, FHWA will not participate in the cost of an appraisal prepared prior to Environmental Clearance, Project Approval and Federal Authorization.
- Any appraisal used as the basis for an offer must be current. This means that if the original appraisal used for estimating purposes is so old as to be suspect as to its timeliness, it must be reviewed to determine if it is still current and if not, a new or revised appraisal must be obtained.

Private, not-for-profit organizations are not barred from receiving reimbursement of transportation enhancement activities funds for the purpose of acquiring real property rights. In addition, private not-for-profit organizations may take title to real property purchased with transportation enhancement activities funds, providing binding language in an appropriate document: a) requires continued use of the property as was proposed in the approved application; and b) provides for appropriate reversion of the property or repayment of public funds in the event that such use ceases.

Property purchased with transportation enhancement activities funds may be vested in an agency of the Federal government to accomplish the purpose of the project, and this will not bar FHWA participation.

Situations where real property rights are purchased by a private not-for-profit agency first and then re-sold to a public agency with transportation enhancement activities reimbursement do not automatically disqualify the transactions from FHWA participation. There should be some assurance in these cases that the serial transaction format was not undertaken in collusion between the two agencies to circumvent the requirements of the Uniform Act. Short of evidence of collusion or circumvention these transactions will not be barred from FHWA participation.

In the event that a) the private, not-for-profit agency purchased the property rights prior to the award of enhancement funds, b) seems to be making a financial gain on the property or c) has been using the property for some period of time for the same use as is proposed in the transportation enhancement activities application, the facts should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

Situations where there is a coordinated plan for more than one agency to acquire substantially all of the properties contained in an area should be reviewed as early as possible with the Caltrans District, Local Assistance Engineer and Right of Way Agent.

If the proposed project is for a scenic viewshed or other type of land preservation purpose, the issue of possible dollar savings should be investigated. Sometimes the proposed project can be satisfactorily carried out if a scenic easement is acquired rather than full fee title. The amount of cost savings should be justified. For example, the continuation of livestock grazing land use may be compatible with the preservation of a scenic viewshed. Thus acquiring development rights from the property owner in the form of restrictive easement deed clauses, while allowing the owner to retain ownership rights with permitted continuation of the existing limited agricultural usage is a proper application of the scenic easement concept.

When development will occur in the project, starting the right of way phase obligates the agency to begin construction within ten years of the Federal approval date.

Agencies are encouraged to obtain the Local Street and Roads booklet, Right of Way: Procedures for Developing Local Federal-Aid Highway Projects from the Publications Unit of Caltrans.

Construction - What is included/What is excluded

The construction phase includes advertising the project, awarding the contract and performing construction.

Before advertising a project for bidding, funding must be allocated by a vote of the Commission; the FNM 76 must be executed, the right of way must be certified, utility clearance and railroad clearance must be obtained (if required); and Caltrans must approve the plans, specifications and estimate, and authorize advertising.

The local agency must inspect project work to ensure compliance with the contract, and must provide a Resident Engineer who is a full-time public employee. A consultant on retainer as City or County Engineer is considered to be a full-time public employee.

Convict labor is not an eligible cost.

Involving other organizations in the construction does not absolve administering agencies from complying with Federal regulations such as for sole source contracts, prevailing wage, or disadvantaged business enterprise.

For construction, the contractor is to be chosen through a competitive bidding process. Otherwise, the administering agency must justify using its own workforce or doing the work by "sole source". Caltrans makes a "Finding of Public Interest" on the justification.

Agencies are encouraged to obtain the Local Streets and Roads booklet, Process Guide: Procedures for Developing Federal-Aid Highway Projects on Local Streets and Roads from the Publications Unit of Caltrans or on the Internet. The California Conservation Corps (CCC) and local corps certified by the CCC have expressed an interest in being involved in the implementation of transportation enhancement activities projects.

Section C

STAGED COMPETITION AND APPROVAL PROCESS

Staged Process

Projects go through *two stages of competition* – at the regional level (Regional Transportation Planning Agency) and at the State level (Commission). In this way, the program balances local priorities and statewide considerations. The projects also go through *two stages of approval*: the Commission programs the projects [in the State Transportation Improvement Program], and the Metropolitan Planning Organizations, the Federal Highway Administration and the Federal Transit Administration approve each project [in the Federal State Transportation Improvement Program].

Timeline

The sequence of the funding and approval process begins with application for funding of the enhancement activity by an eligible public agency:

- An application is submitted from that agency to the Regional Transportation Planning Agency (RTPA).
- The RTPA screens for eligibility and scores for prioritization in the Regional Transportation Improvement Program (RTIP). The RTIP lists are limited in dollar amount by bid targets set by the Commission.
- Ranked projects proceed to the Commission where they are competitively selected and programmed in the State Transportation Improvement Program (STIP).
- STIP projects in urban areas proceed to the Metropolitan Planning Organizations (MPOs) for inclusion on the Federal Transportation Improvement Program (FTIP). In non-urban areas, Caltrans includes the STIP projects on the Federal-State Transportation Improvement Program (FSTIP).

- The FTIPs and FSTIP proceed to the FHWA and FTA for approval. Administering agencies and RTPAs/MPOs are notified by Caltrans of inclusion in the FSTIP.

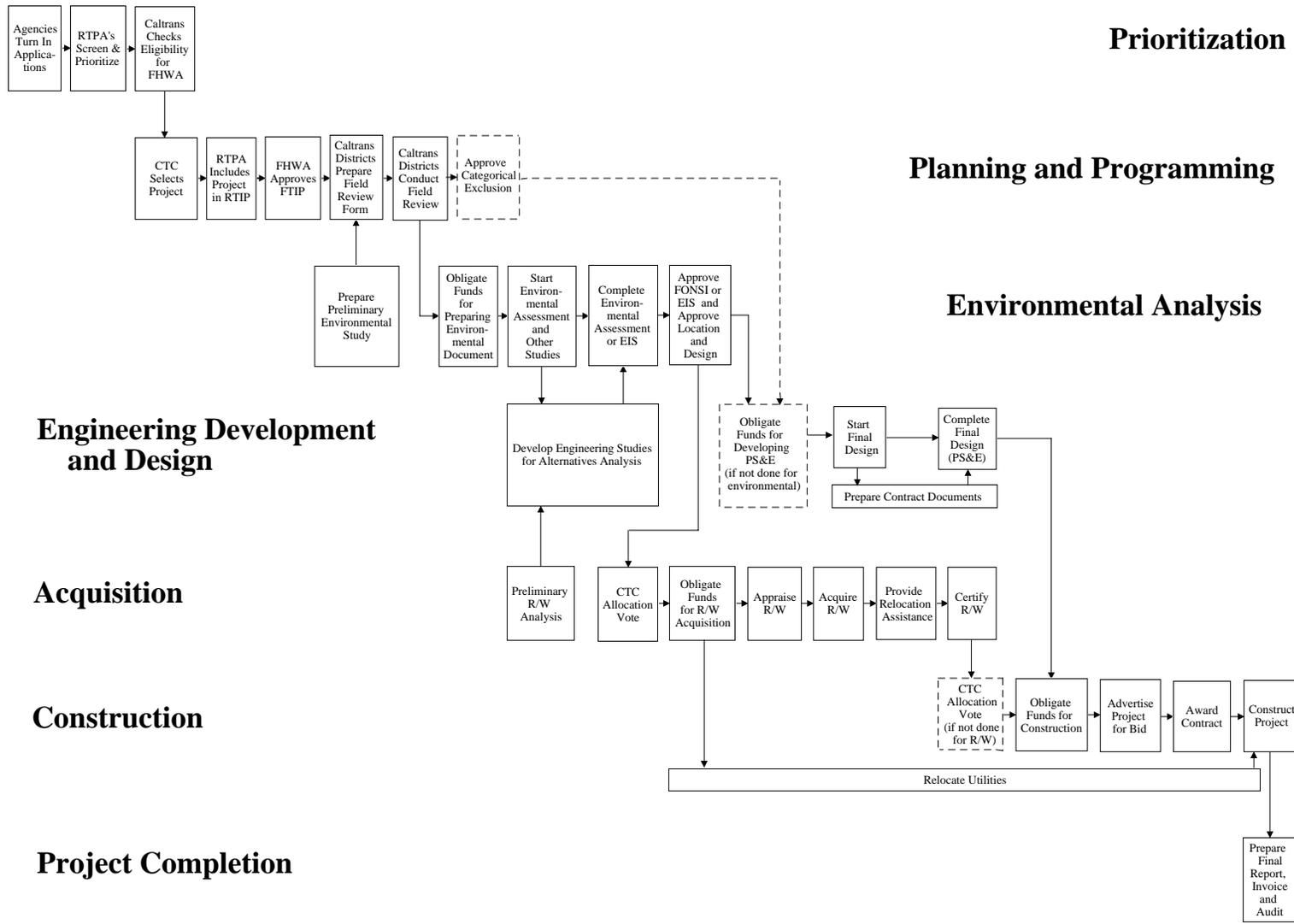
Projects will be scheduled to begin in the first year of the STIP. (See page A-6.)

Statewide Projects Competition

Statewide projects (see page B-11) have a somewhat different path to the Commission. Applications are submitted to Caltrans, where they are screened for eligibility and scored for prioritization in the Proposed State Transportation Improvement Program (the State equivalent of the Regional Transportation Improvement Program). Statewide projects are scored with the same scoring criteria used by the regions. Caltrans utilizes a scoring committee of technical experts from within the Department and from other State and Federal agencies. Ranked projects are routed through the Resources Agency and the Business, Transportation and Housing Agency, then sent to the Commission.

Any applications received by Caltrans for processing as a statewide project which should be ranked as a local project by the RTPAs will be forwarded to them. Caltrans will screen and rank transportation enhancement activities on the basis of the statewide criteria. Caltrans will submit the prioritized statewide transportation enhancement activities list to the Commission as part of the Proposed State Transportation Improvement Plan (PSTIP).

FLOW CHART FOR TYPICAL TEA PROJECT DEVELOPMENT



Local Projects Competition at the Region

The RTPAs screen and rank transportation enhancement activities on the basis of statewide criteria. The RTPAs submit the prioritized transportation enhancement activities list to the Commission as part of the recommended Regional Transportation Improvement Program (RTIP). Only projects nominated by RTPAs in the RTIP will be considered by the Commission; those not nominated will not be considered.

Screening Criteria

Transportation enhancement activities applications are screened before they are scored. They must meet the screening criteria described below.

All of the following screening requirements must be met, where applicable. If a proposal meets all of the applicable criteria within these requirements, it is eligible for ranking; if not, it will be dropped at this point. The screening requirements fall into seven groups:

1. Transportation Enhancement
2. Consistency
3. Financial
4. Project-Specific
5. Air Quality
6. Americans with Disabilities Act (ADA), and
7. Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation *and* Secretary of the Interior's Standards for Treatment of Historic Properties.

1. Transportation Enhancement Requirements

- What is the direct relationship to the intermodal transportation system?"
- Is this over and above a normal project?"
- "Which category or categories encompass the transportation enhancement activities?"

Transportation enhancement activities are public funds. They are to be used for facilities that are in public ownership for public use. Improvements to private property and commercial facilities are not eligible. Example: Cafe seating, childcare center and offices will in most cases be considered improvements for non-public benefit, and will not be eligible.

Enhancements development must be for capital improvement; it cannot be a maintenance expenditure, project with a life of less than 5 years, or a one-time temporary improvement.

2. Consistency Requirements

- a. The proposed activities must be consistent or “not inconsistent” with the regional transportation plan. Projects must be consistent with the policy direction of this plan if the plan does not go into a level of detail that specifically lists the activities. Applicants are encouraged to contact their Regional Transportation Planning Agency to review a copy of their regional transportation plan.
- b. Proposed activities are to be either included in, or consistent with, an applicable adopted State, regional, or local plan. Activities must be consistent with the policy direction of the relevant local plan, if the plan does not go into a level of detail that specifically lists them. If possible, refer to relevant sections of the local plans in support of the proposed activity.
- c. All proposed activities must be consistent with local land use plans. Proof of consistency, where the local land use plans do not provide a sufficient level of detail, is acceptable.

3. Financial Requirements

- a. The administering agency must have the ability to meet financial processing requirements within a realistic time frame for project completion, level of funding, and experience of project personnel. Normally, an agency with an existing master agreement can meet this requirement. (See Section D.)
- b. The proposed project must have reasonable cost estimates and be supported by an adequate financial plan. Adequate financial plans include the identification of all sources of funding to build the project; a logical cash flow, given that these are reimbursable funds; and sensible project phasing. All facilities that require an ongoing operating budget to be useful must demonstrate that such financial capability exists as part of this requirement. (See page D-14, Over-Expenditures and Under-Expenditures.) The proposed project must request a minimum of \$100,000 in Federal funds. Projects below this amount may be "bundled" by the Regional Transportation Planning Agency. Projects of unusual merit requesting Federal funds of \$50,000 to \$100,000 may be considered on a case-by-case basis.

Agencies that are unfamiliar with the costs of constructing to the design standards required for Federal-aid projects are encouraged to read the Project Administration/Implementation (Section D) of these guidelines and consult with their Caltrans District Local Assistance Engineer.

- c. As required by the Federal Highway Administration and Caltrans, all local contributions to the activity must be affirmed by a formal action of a policy board with the authority to commit funds. Such a formal action must have occurred prior to the inclusion of a project in the adopted State Transportation Improvement Program. State agencies must submit a letter from the individual with the administering authority to commit funds instead. A financial officer typically fulfills this role.

- d. The applicant agency must have a commitment to provide the local funding share (match) from non-Federal public sources.
- e. Project applicant must demonstrate the ability and commitment to maintain the resultant improvement. (Title 23, U.S. Code) Application should indicate source of maintenance funds. For projects on State highway right of way, applicant must have Caltrans' signatures on application.

4. *Project-Specific Requirements*

- a. The proposed activities must have the required number of completed, signed application forms, including all attachments, and should be submitted in accordance with established deadlines. Incomplete applications may be removed from consideration without prejudice.
- b. The proposed activities must be well-defined. They must have clear project limits, intended scope of work, and project concept. If the applicant agency does not have a master agreement with Caltrans, the application must show that project costs include contracting out administration of the project to another agency. The agency must also show that costs for Federal environmental documentation have been considered (risk assessment).
- c. The proposed activities must be well-justified. Wherever possible, this justification should include the results of quantitative analysis. Adequate information must be submitted so that evaluation can be made of what the activities will accomplish.
- d. Where applicable, the proposed project must have appropriate phasing and must result in usable segments, functional facilities, or protection of resources, such as vital right of way.
- e. For the 1996 STIP, project should begin in the Federal fiscal year for which it is funded.
- f. The nomination must demonstrate a reasonable schedule for National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) clearances. (Environmental clearance must be complete by the time the Commission votes for allocation of capital funds. See Flowchart, page D-10.)

See Eligible Costs, Section B, for a brief list of elements that may extend the timeline for environmental clearance, such as parklands, endangered species, wetlands, historic or cultural resources, railroad sites, right of way acquisition, or public controversy.

- g. The applicant is a public agency having or capable of obtaining a master agreement and supplemental agreement with Caltrans (page D-1). It is the agency that will take responsibility to administer and maintain the project.
- h. The proposed activity (development) is done on *publicly-owned facilities*, or on other facilities with the appropriate legal assurance of *public access* for the intended use, protection of the public investment, and maintenance for the life of the project.

For any facility funded under this program, the “spirit” of the use of the funds for public benefit should be that the project maximize the use of the facility by the public. If a private vendor is to occupy a facility – regardless of whether the particular portion of the facility being occupied was the subject of enhancement-funded work or not – the type of operation being conducted by the vendor should be directed toward the greatest number of people, AND toward the people who will otherwise be benefiting from the transportation enhancement-related activities that regularly will take place at the facility.

5. *Air Quality Requirements*

Usually, transportation enhancement activities will not create air quality problems.

- a. Proposed activities located in air quality non-attainment areas and which will result in air quality impacts must be consistent with the regional project review requirements, that is, there can be no significant unmitigated negative impacts to the region’s air quality shown and, if possible, adequate transportation control measures must be included.
- b. In Transportation Management Areas (generally, urbanized areas) Federal funds may not be programmed for any highway project that will result in a significant increase in carrying capacity for single occupant vehicles unless the project is part of an approved congestion management system. (In the Metropolitan Transportation Commission (MTC) region, all projects, if programmed, will be required to comply with MTC Resolution No. 2270.)

6. *Americans with Disabilities Act (ADA) Requirements*

All proposed projects must meet applicable ADA requirements, including those incorporated into the California Building Code.

7. Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation

Proposed historic preservation projects must meet applicable Secretary of the Interior's Standards for the Treatment of Historic Properties, the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, and State Historical Building Code, or Executive Order W-26-92. Transportation enhancement activities must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36, CFR, Part 61.

Lists of most eligible and listed historic resources are available from Caltrans Districts. Archaeology information must be obtained from the Archaeology Information Centers. Their current fees are \$90 per hour or any portion thereof. A typical search takes one to three hours. (See Archaeology Information Centers in the Appendix.)

Scoring Criteria (Ranking by RTPA)

Design quality can distinguish a good project from an excellent project. Applicants are encouraged to work with their Regional Transportation Planning Agency (RTPA) to best meet regional planning objectives through the scoping of their proposed projects.

Each project nomination can receive a maximum of 100 points: up to 60 points in general scoring and up to 40 points in activity-specific scoring. In the general scoring process, all applications are scored by the same point system. For the specific-activity scoring, the 10 transportation enhancement activity categories are grouped into four divisions of commonality, then a proposal is scored within the applicable division. The 10 categories are grouped only for this purpose.

Scoring is applied to the activities on which the enhancement funds will be spent and on the immediate and direct effects of these activities. For example, future or suspected benefit of the project, not directly a part of the project, should not be subject to scoring.

Projects will be scored by the RTPA and prioritized in the RTIPs. Individual RTPAs may differ in interpretation and implementation of scoring criteria due to varying local conditions throughout the State. *To honor regional priorities, no rescoring will occur at the State level.*

These are the scoring values for the general merit criteria, and the possible points in each area:

Regional and Community Enhancement	50 points
Cost Effectiveness/Reasonable Cost	<u>10 points</u>
Total Possible General Score	60 points

These are the activity-specific divisions and the possible points in each area. A project can score in only one of the specific divisions.

- | | | |
|----|--|-----------|
| 1. | Bicycle, Pedestrian, Abandoned Rail Right of way | 40 points |
| 2. | Historic/Archaeological | 40 points |
| 3. | Transportation Aesthetics and Scenic Values | 40 points |
| 4. | Water Pollution Due to Highway Runoff | 40 points |
| | Total Possible Specific Score (1 Division only) | 40 points |

General Merit Criteria

Each application will be evaluated on the following general merit criteria:

1. *Regional and Community Enhancement* (50 points)

The project score in this area is derived from the project's primary effects – its intent and purpose – on the following elements.

- | | | |
|----|--|-------------|
| a. | Benefit to quality-of-life, community, environment. Examples might include provision of safe, aesthetic pedestrian facility at a rail station, removal of billboards on a rural scenic highway, provision for wildlife corridors or migration areas. | 0-10 points |
| b. | Increases access to activity centers, such as businesses, schools, recreational areas and shopping areas. Connects transportation modes, has multimodal aspects. Reinforces, complements the regional transportation system, fills deficiency in the system. | 0-8 points |
| c. | Implements goals in the regional transportation plan, or other adopted Federal, State, or local plans. Examples might include water quality plans or elements of general plans. | 0-8 points |

- d. Increases availability, awareness or protection of historic, community, visual or natural resources. 0-8 points
- e. Degree of regional or community support. For example, letters of support from local interest groups and public bodies, additional match. 0-8 points
- f. Encompasses more than one of the four activity-specific divisions. That is, the project has aspects of other activity-specific division(s) which would score meritoriously in and of themselves. There will be direct and intended public benefit from these merits; the benefits are not remotely related by function and proximity to the main project activity, or only suspected to occur by the main activity. 0-8 points

2. Cost-effectiveness/Reasonable Cost (10 points)

The project score in this area is a function of improved performance or productivity of the project as it relates to the annualized total project cost. Where the project does not lend itself to this type of analysis, the reasonableness of the cost should be established. How many people will use the enhancement? What is the length of the life cycle? For example, a bikeway that takes advantage of existing public land may be considered more cost-effective than one that purchases private property. In the same way, a project that has large preliminary engineering costs proportionate to the resultant enhancement may be considered less cost-effective, depending on the resulting use. Scarcity values, too, can enter into a “reasonable cost”, for instance, if a unique and valuable viewshed may be lost to pending development.

No preference will be given to overmatched projects.

Highly cost-effective	10 points
Reasonable cost or moderately cost-effective	6 points
Low cost-effectiveness	2 points
Not cost-effective/Not applicable	0 points

Activity-Specific Criteria

The Activity-Specific Criteria are groupings of the 10 activity categories into four divisions with similar characteristics. This is done for the convenience of those who score the proposals. *The four groups are not intended to affect the distribution of funds*, nor to be anything other than a convenience to the RTPAs in the scoring process. Scores are for ranking at the regional level only. The scores are not used by the Commission to compare projects between RTPAs on a statewide level, because each RTPA will be considering its own local priorities, which differ throughout the State.

A proposal can score in only one of Divisions 1 through 4.

The project score in each activity-specific division is designed to compensate for inability to score in other specific groups. It is not a way to double count benefits.

1. *Bicycle, Pedestrian, Abandoned Rail Right of Way Specific Division (40 points)*

This division encompasses:

Category 1: Provision of facilities for pedestrians and bicycles

Category 7: Preservation of abandoned railway corridors (including the conversion of use thereof for pedestrian or bicycle trails)

Need for proposed facilities: shortage of bicycle or pedestrian facilities; missing link in connecting the intermodal system, importance of link; Necessity of proposed facilities to serve the system:

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

Degree proposed project meets needs or addresses opportunities for bicycle or pedestrian facilities:

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

2. *Historic/Archaeological Specific Division (40 points)*

This division encompasses:

Category 2: Acquisition of historic sites

Category 3: Historic highway programs

Category 5: Historic preservation

Category 6: Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals)

Category 9: Archaeological planning and research.

Current recognized level of historic significance (Federal, State, or local):

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

Degree project activity will enhance, preserve, or protect the historic/archaeological resource:

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

3. *Transportation Aesthetics and Scenic Values Specific Division (40 points)*

This division encompasses:

Category 2: Acquisition of scenic easements and scenic sites

Category 3: Scenic highway programs

Category 4: Landscaping and other scenic beautification

Category 8: Control and removal of outdoor advertising.

Degree to which scenic or aesthetic resources are rare, unique, or significant; degree to which potential for enhancement exists for landscaping or scenic beautification; current degree of visual blight:

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

Degree to which project will preserve, rehabilitate or develop scenic or aesthetic resource:

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

4. *Water Pollution Due to Highway Runoff Specific Division (40 points)*

This division encompasses:

Category 10: Mitigation of water pollution due to highway runoff.

Magnitude of environmental problem:

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

Degree to which activity solves this problem:

High	10 - 20 points	
Medium		5 - 10 points
Low		0 - 5 points

Regional Bid Targets

The California Transportation Commission has established policies for programming transportation enhancement activities by its Resolution No. G93-03. The Commission takes the total dollars available, splits the amount according to the legally required north/south county split, and divides these amounts into bid targets for each Regional Transportation Planning Agency (RTPA).

The Streets and Highways Code Section 188 divides the State into two groups of counties, 13 south counties and 45 north counties. The dividing line runs so that San Luis Obispo, Kern, Tulare, Inyo, and Mono Counties and all counties further south make up the south group.

Each RTPA is instructed to prepare a ranked project list that costs an amount equivalent to the bid target. Bid targets are dollar figures each RTPA aims for in putting together its list of projects. Targets are not a guarantee of programming funds, nor an indication. Each RTPA will have the option of bidding three projects, or bidding any number of projects up to their target. Caltrans receives a bid target of up to 10 percent of the total program target for projects of a statewide nature. Caltrans' recommended statewide projects compete on an equal footing with those from the RTPAs.

Projects which do not rank high enough to be in the RTIP will not be considered by the California Transportation Commission.

Regional Transportation Planning Agencies send their RTIPs to:

California Transportation Commission
ATTN: TEA Projects
1120 N Street, Room 2200
Sacramento, CA 95814

(See page A-7 for schedule.)

County Minimums

Transportation enhancement activities funds do count toward county minimums, but with rare exceptions determined by the Commission, will not supplant normal transportation projects to meet these minimums. (The enhancement program accounts for only about two percent of a county minimum.)

Competition & Approval at the State Level

The Commission has responsibility for selecting projects for funding. Projects will not be rescored and ranked at this level. Projects come to the Commission from the Regional Transportation Planning Agencies in prioritized lists. The projects are not rescored at the State level. The Commission follows the regional priorities in the top part of the regions' lists, then selects from the bottom part of the lists according to its selection criteria.

Selection Criteria

Commission staff takes into account the following factors when recommending enhancement projects to the Commission:

- Regional priorities
- Statewide, national, recreational, and historic importance, as identified by a Resources Agency review.
- Program balance, geographically and by type of project.
- One-time opportunities that might be lost by the next STIP (every 2 years).
- Potential economic stimulus from project construction work.
- Project uniqueness, including the ability to stretch the frontiers of program eligibility.
- Ancillary transportation value, in addition to enhancement values.
- Project merit and cost-effectiveness.
- Degree and nature of support from the community and elected officials.
- Linkage with Proposition 116 and Environmental Enhancement and Mitigation program recommendations.

Approval at the Federal Level

After the projects are programmed in the State Transportation Improvement Program (STIP), they are amended by each Regional Transportation Planning Agency into the Region's Federal Transportation Improvement Program (FTIP). Caltrans recommends that transportation enhancement activities have TIP amendments separate from other TIP amendments. Subsequently, they are approved by the Federal Highway Administration and the Federal Transit Administration in the Federal State Transportation Improvement Program (FSTIP).

Section D

PROJECT ADMINISTRATION/ IMPLEMENTATION

Administration of the transportation enhancement activity project occurs after it is approved for inclusion in the Federal State Transportation Improvement Program (FSTIP). Inclusion into the FSTIP occurs after the Commission votes the project into the State Transportation Improvement Program (STIP). The following procedures reflect both Federal and State requirements for subsequent implementation of a project.

Important Note: The guidance contained in this section will be changed in an addendum to the Guidelines, to be published in the fall of 1995. The changes will reflect Caltrans' streamlined "re-engineering" efforts, which will turn over much of the responsibility for project implementation to the administering agencies. Caltrans District Local Assistance involvement will be less than before. Nevertheless, this section should provide sufficient information to give applicants a reasonable idea of the processes and the costs involved in executing a Federal-aid project. Administering agencies can expect somewhat increased costs tied to increased responsibilities during implementation.

Agencies That May Administer Projects (Administering Agencies)

Agencies with Master Agreements

Agencies with a Local Agency-State Agreement (master agreement) and determined to be capable by the Caltrans District Local Assistance Engineer may administer projects.

Agencies that have not secured a master agreement are encouraged to work diligently with their Local Assistance Engineer to ensure compliance with Title 23 Federal requirements to secure a master agreement.

Caltrans suggests that agencies having minimal staff to be able to administer Federal-aid projects should work closely with their county and their Regional Transportation Planning Agency to partner with an agency that has adequate staff and a master agreement in place.

Agencies with master agreements may do the preliminary engineering work themselves, or contract it out.

State Agencies

State agencies may administer transportation enhancement activities projects under a master agreement and a supplemental agreement with Caltrans. These agreements will ensure compliance with the Title 23 Federal requirements. The agency must have statutory authority to charge on a reimbursable basis. State agencies are included as "local agencies" in this Implementation Section of the Guidelines.

Federal Agencies

Federal agencies may administer transportation enhancement activities projects under a master agreement and supplemental agreement with Caltrans. The agency must have statutory authority to charge on a reimbursable basis. This agreement will ensure compliance with the Title 23 Federal requirements.

Caltrans

Caltrans districts may administer transportation enhancement activities, using the same procedures as other projects using reimbursable Federal-aid funds.

As a last resort, Caltrans may be available to administer projects for agencies having no master agreement as 'reimbursed work for others'. Administering agencies must pay 100 percent of Caltrans overhead charges, which are not eligible for Federal reimbursement. Caltrans encourages agencies to seek project administration through other means. Even though Caltrans may administer a project, it does not mean that Caltrans will take responsibility for maintaining it when the project is completed.

Match from the partner will be an up-front cost (advance deposit) for each phase, when Caltrans administers the project. Agencies should work closely with their Caltrans' district to negotiate agreements.

Implementation – A Phased Process

Implementation of a transportation enhancement project is a phased process, where approval must be received before reimbursable work can begin in each phase. Enhancement projects have up to three phases: 1) preliminary engineering, 2) right of way, and 3) construction. Not all projects go through all three phases; some are only one- or two-phase projects. The chart on page D-18 shows the process.

The administering agency will have *one primary contact* at Caltrans, a Local Assistance Engineer at the district where the project resides.

Briefly, the administering agency works with the Local Assistance Engineer to fulfill the following responsibilities:

- Request and conduct field review
- Negotiate and execute agreements with Caltrans
- Comply with all applicable Federal, State and local laws, rules and regulations, including environmental requirements in executing the project
- Request allocation vote (second vote) from Commission (right of way or construction phase)
- Submit invoices
- Submit final project report.

The Regional Transportation Planning Agencies may attend the field reviews and – in cooperation with Caltrans – approve project scope and cost changes (see discussion of Under-Expenditures and Over-Expenditures, this section).

Use of Metric System

Transportation enhancement activities must comply with the Federal mandate to utilize the metric system for all federally financed projects, effective February 13, 1995. Specific guidelines will be published in July 1995. All projects that utilize Federal funds are under the same Federal mandate and will be subject to loss of Federal funding eligibility for noncompliance.

The metric symbol must be used on any document where metric units are used, such as agreements, maps, property description, and plans. Projects advertised for construction after September 30, 1996 must be entirely in metric units. For questions about metric guidelines, contact Alan Glen, Caltrans Headquarters, (916) 653-1776.

Master Agreement

Before funds can be reimbursed, a master agreement and program supplemental agreement must be signed by Caltrans and the administering agency.

In the master agreement (Local Agency - State Agreement), the administering agency agrees to conform to all State and Federal laws, regulations, policies, procedures, and instructional memoranda. Administering agency agrees to provide or arrange for adequate supervision and inspection of each improvement.

The agreement describes fiscal provisions, including non-Federal match, billing frequency, and administering agency responsibility for charges not financed with Federal funds. The administering agency agrees to give access and assistance to State and Federal auditors.

The administering agency agrees to ensure work performed under the master agreement conforms to Federal and State employment practices. In the event of consultant contracted work, the selection process and the terms of the agreement will be approved by the State. Consultants must agree to give access and assistance to State and Federal auditors. In the event of right of way action, rigorous Federal and State rules apply (see page D-11). Record retention periods are described in the agreement.

The master agreement contains 'hold harmless' indemnity provisions.

The administering agency agrees to provide long-term maintenance to maintain and protect the completed Federal-aid project in a manner satisfactory to the State and Federal government.

The master agreement describes clauses that must be inserted into any and all deeds, licenses, leases, permits, contracts, and contract specifications.

The master agreement is a "blanket agreement" under which program supplemental agreements are executed specifically for each project.

Master agreements and program supplemental agreements are to ensure that administering agencies and projects are in compliance with Federal requirements. The master agreement includes the mechanisms whereby the administering agency refunds Federal moneys to the State, should the agency not be in compliance with these Federal regulations and maintenance provisions.

Design self-certification by administering agencies is encouraged. Contact the Caltrans District Local Assistance staff for more information.

Field Review

To start project implementation, the Project Administrator from the administering agency asks the Local Assistance Engineer to hold a field review. (Caltrans District Local Assistance contact people are listed on page E-8.) The administering agency may invite key funding partners to the field review. The Local Assistance Engineer invites the Regional Transportation Planning Agency, Caltrans District Landscape Architect, Environmental Planner, Right of Way Agent, Art Coordinator, Area Engineer, FHWA representative, and others as appropriate.

The field review (project review) is intended to provide the administering agency the opportunity to explain the project scope and to determine the Federal and State requirements that must be satisfied. At the discretion of the District Local Assistance Engineer and the administering agency, potentially involved Federal, State, and local representatives and permitting agencies are invited to explain their requirements and time frames.

The administering agency requests a field review to be scheduled by submitting the field review form to the Local Assistance Engineer.

The basic project description, funding, administration and environmental portions of the field review form should be filled out for submittal. For other than roadway-related projects, much of the remaining data requested on the form may not apply.

For some projects, the field review may be an office meeting or even handled by correspondence, rather than actually meeting at the project site. The procedure used should be agreed upon between the Project Administrator and the District Local Assistance Engineer. In most cases the field review serves a very important function, especially to inform the Project Administrator of the process to comply with the Federal requirements, to ensure maximum Federal funding eligibility.

Generally, field reviews are scheduled for projects after they are in a Federal-approved Federal State Transportation Improvement Program (FSTIP). Since the date of Federal eligibility is often established by the FSTIP approval, all costs, including the field review, will then be eligible for reimbursement. (See page B-17.)

Field reviews may be held prior to the project being on an approved FSTIP to expedite the process if the Project Administrator and the District agree. In this case the field review will not be a reimbursable cost.

Even if the field review is itself an eligible cost, reimbursement can only occur after execution of the master agreement and supplemental agreement. The supplemental agreement is usually executed *after* the field review.

The administering agency should take a copy of the transportation enhancement activities application and a field review form to the field review and be prepared to discuss the following:

- Project scope and cost
- System identified (on or off the State Highway system)
- Proposed funding, strategy for meeting requirements for each funding program
- Environmental studies and management plans previously conducted
- Environmental document and studies required
- Right of way and utility requirements
- Permit requirements
- Project timelines
- Maintenance responsibilities.

Allocation of Funds for Capital Outlay – The Second Vote

Projects voted into the State Transportation Improvement Program (STIP) proceed through the preliminary engineering phase before returning to the Commission for their “second vote”. Once a project has environmental approval, but prior to acquisition or construction contract advertisement, a Commission “second vote” for funding is scheduled. Generally, the vote is scheduled 60 days in advance of the Commission meeting. Allocation requests are for the capital phases of the project (right of way and/or construction), which will be initiated within six months. The District Local Assistance Engineer will coordinate this process with the Project Administrator.

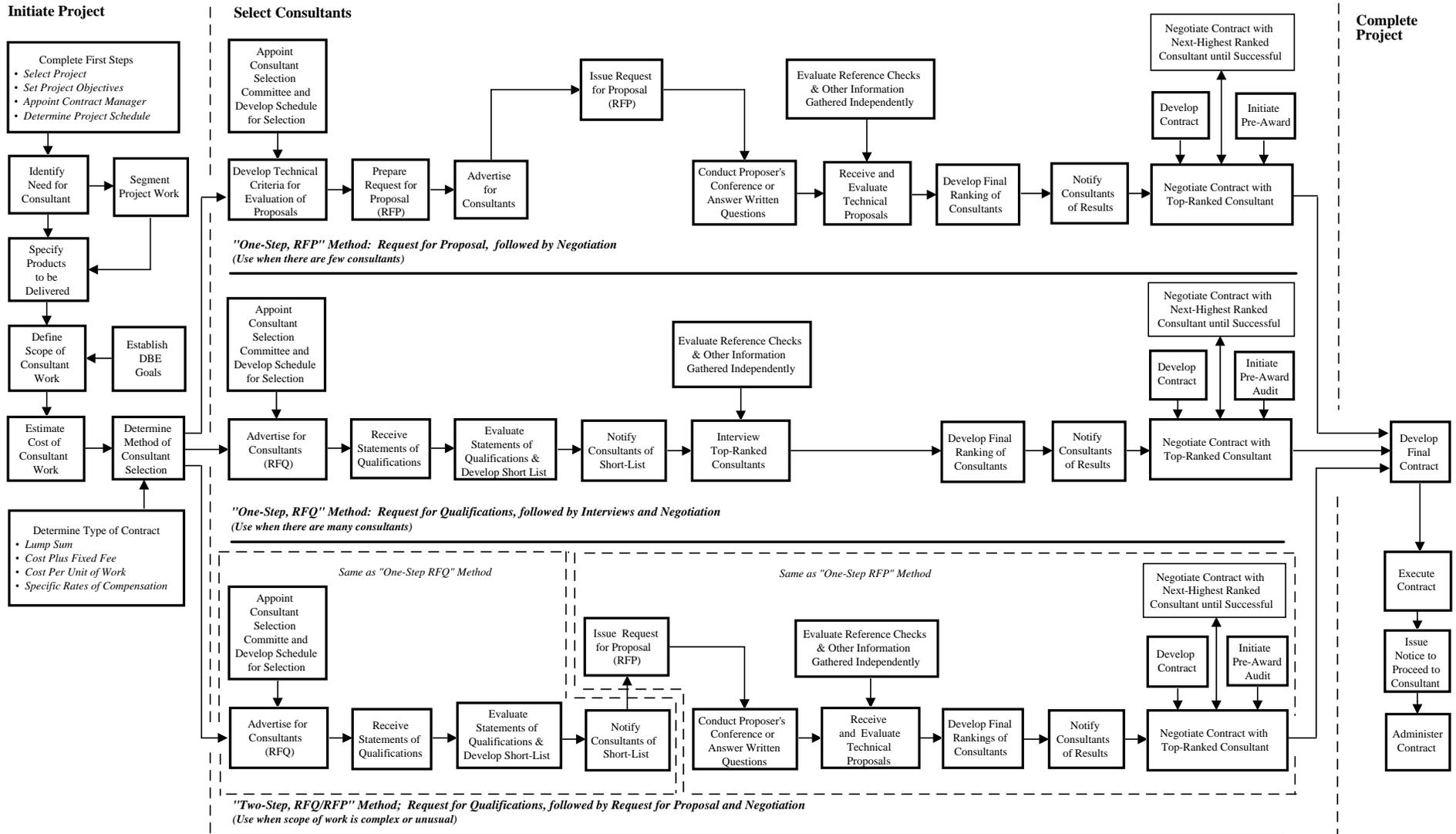
The Commission releases funds through the State budget system, but expenditure of funds is still subject to obtaining Federal authorization and execution of the master and supplemental agreements. In addition, State transportation funding shortfalls may require projects to be put on "hold" when they are ready for their second vote.

Consultant Selection for All Phases

To ensure eligibility for reimbursement, consultant selection should occur *after* the authorization to proceed for the preliminary engineering phase and *after* the District Local Assistance Engineer has approved the consultant selection process and consultant agreement. Consultant selection must conform to Federal requirements, including participation by disadvantaged business enterprises (DBEs).

Consultant contracts for design-related services must result from negotiations which utilize qualifications-based selection procedures. Qualifications-based procedures do not allow for price to be used as a factor in the selection process. (See Caltrans Local Programs Manual, Volume 1 and the booklet, “Consultant Selection: Procedures for Selecting Consultants for Federal-aid Highway Projects on Local Streets and Roads”, available from Local Assistance.) See flow chart on the following page.

SELECTING CONSULTANTS



Preliminary Engineering Phase

Eligible costs for preliminary engineering usually may be incurred beginning on the date the Federal Highway Administration and Federal Transit Administration approve the Federal State Transportation Improvement Program (FSTIP) or FSTIP amendments that include the project. The District Local Assistance Engineer will notify administering agency of this date. (See page B-17.)

Environmental Documentation

Transportation enhancement projects must meet the requirements of the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and all other relevant federal environmental requirements. (See Chapter 6, “Environmental Procedures,” of the LAPM).

To the fullest extent possible, all environmental investigations, reviews, and consultations will be coordinated as a single process, and compliance with all applicable environmental requirements will be reflected in the environmental document and the conditions of the environmental document approval.

The District Local Assistance Engineer will coordinate the administering agency’s early and ongoing contact with the District Environmental Branch.

The administering agency, under agreement with Caltrans, is the lead agency responsible for complying with the provisions of the CEQA. Where a State Highway is involved, Caltrans reviews the CEQA document.

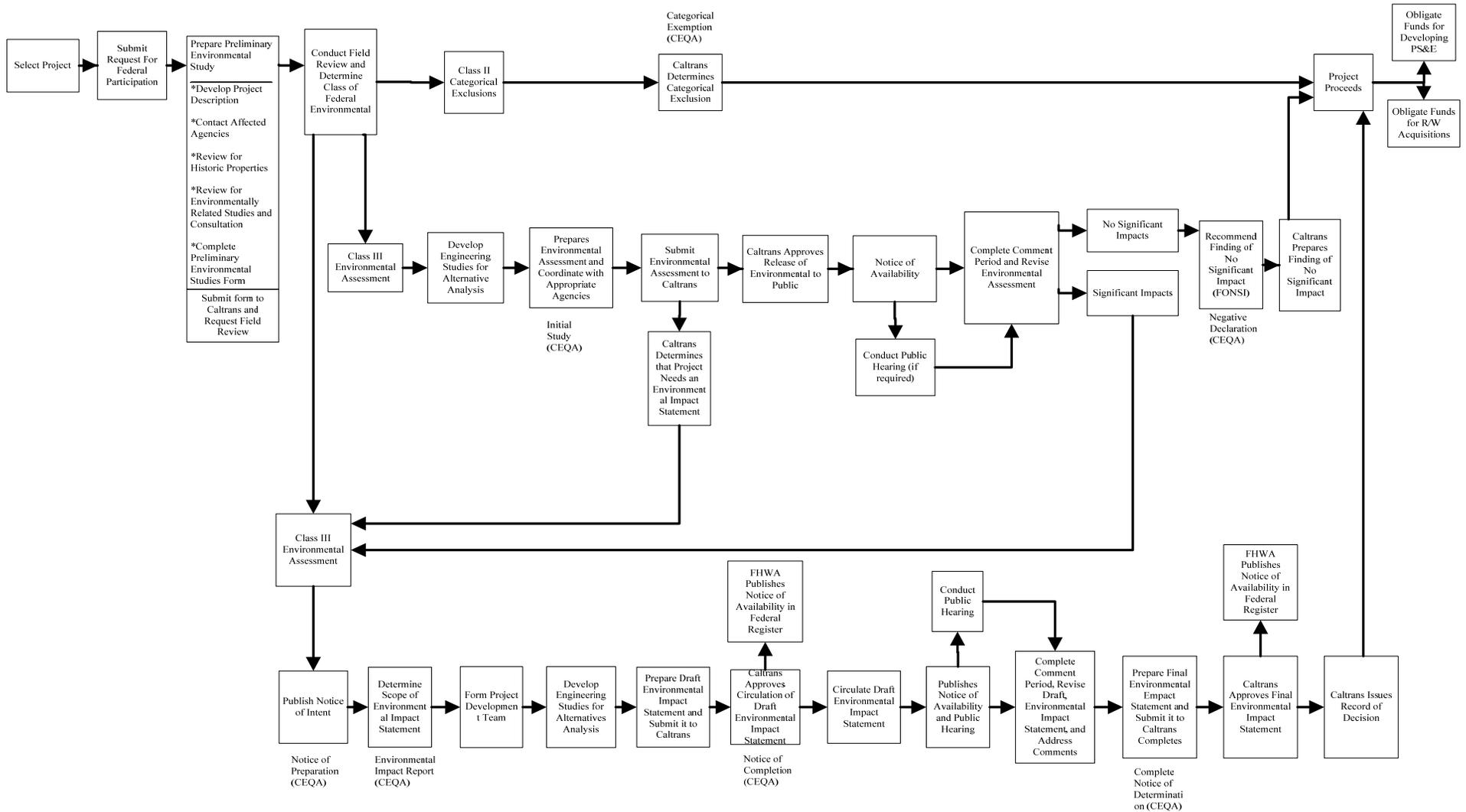
Caltrans ensures compliance with NEPA and the other federal environmental requirements for all federal-aid projects. The other requirements include:

- Section 4(f) of the Department of Transportation Act of 1966 applies when a proposed project will result in the use of land in a publicly owned park, recreation area, or wildlife and waterfowl refuge, or any significant historic site. Such a use may not occur unless there is adequate documentation that there is no prudent and feasible alternative to the use of the land in the property, and the action includes all possible planning to minimize harm to the property resulting from such use. Each enhancement project must be evaluated to determine if Section 4(f) applies. Specific documentation and procedural requirements involving FHWA and other federal agencies must be followed.
- Section 7 of the Endangered Species Act of 1973 requires federal agencies to consult with the U. S. Fish and Wildlife Service (National Marine Fisheries Service, if applicable) if a federally-funded project may affect a listed endangered species or critical habitat of an endangered species. The administering agency will be responsible for assessing the potential for impact.

- Section 106 of the National Historic Act of 1966 provides authority for the protection of historic and cultural properties. Section 106 requires Federal agencies to take into account the effects of any federally-funded project on National Register listed or eligible properties and consult with the State Historic Preservation Officer and the Advisory Council on Historic Preservation as appropriate pursuant to Title 36 Code of Federal Regulations 800. The administering agency will be responsible for preparing any documentation necessary to fulfill these requirements. The “106” process can be completed in two months to two years or more, depending on the type of project, impact on the historic property and mitigation measures required to protect the historic property.
- Executive Order 11990, May 24, 1977, “Protection of Wetlands” requires federal agencies to make a wetlands finding which determines whether or not there is a practicable alternative to construction located in wetlands, whether all practicable measures to minimize harm to the wetlands have been included in the federal action, taking into account all economic, environmental, and other pertinent factors that have a bearing on practicability. The administering agency is required to delineate wetlands, identify impacts and evaluate avoidance alternatives in the environmental phase of project development. The administering agency is required to obtain a 404 permit prior to advertisement for construction. This law and the Section 404 permit program of the Clean Water Act of 1977 play an important part in the preliminary engineering phase. Timing of the field review should be arranged usually in late winter, spring, or early summer to identify wetlands plant species.
- Other federal environmental laws. The administering agency will be required to prepare any other studies necessary to comply with any other Federal Statutes or Executive Orders commensurate with the anticipated impacts of the project.
- Executive Order 11991, Floodplain Management, May 24, 1977 applies to projects in the floodplain. It requires that FHWA make a “Only Practicable Alternative Finding” if a federally funded project will encroach upon the base (100-year) floodplain. The administering agency is responsible for any studies necessary to support such finding, if necessary.

Required mitigation and permits will be incorporated into the final construction documents (plans, specifications and estimate).

ENVIRONMENT PROCESS



D-10

Construction Documents – Design Standards & Reviews

Instructions for preparing project plans, specifications and estimates are contained in the Caltrans Local Programs Manual, Volume 1.

As a minimum, transportation enhancement activities will use American Association of State Highway and Transportation Officials (AASHTO) standards where applicable, Caltrans standards for bikeways or when an encroachment permit is required on a Caltrans facility, and the California Uniform Building Code whenever it is applicable.

Design standard exceptions must be approved by the Caltrans District Local Assistance Engineer, or the Local Agency Director of Public Works prior to the project proceeding. While safety is of paramount concern, design solutions are encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes and coastal areas, wetlands and other environmental, scenic and aesthetic resources.

If the administering agency has design certification acceptance, it will send one set of draft construction documents (plans, specifications, cost estimate) to the District Local Assistance office prior to advertisement for review and approval of significant changes in scope and the following:

- Safety concerns
- Design exceptions approved and incorporated into documents
- Environmental reevaluation if changes occur.

Whenever applicable, the Americans with Disabilities Act must be met.

Right of Way (Acquisition) Phase

Local agencies must comply with Federal acquisition regulations if transportation enhancement activities funds are used for either acquisition or construction. Prior to any right of way activities, the administering agency should be in contact with the Caltrans District Local Assistance office. Violation of right of way provisions could jeopardize Federal funds for acquisition and construction. (See page B-19 for eligible costs.)

The Commission votes to allocate funds for capital outlay (see Allocation of Funds for Capital Funds – The Second Vote, page D-6) before the Right of Way phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the right of way phase allocation vote.

Whenever Federal funds will ultimately be used for the project, the acquisition of real property for the project is subject to the provisions of the Uniform Act, no matter if carried out by private parties or by Federal, State or local agencies.

When the acquisition of the real property qualifies for the voluntary sale provisions of the Act, no relocation assistance payments are to be provided to the grantor(s) being displaced from the property because of the project.

Tenants being displaced because of the project are entitled to all relocation assistance benefits under the Act. Grantor(s) being displaced from the property due to the project are entitled to all relocation assistance benefits under the Act, when the acquisition does not meet the requirements for a voluntary sale.

When a transportation enhancement project involves acquisition of land and the administering agency desires to have transportation enhancement activities funds deposited into an escrow account, step-by-step procedures for this exception to the usual process are as follows:

- FNM 76 is executed for Right of Way phase
- Program Supplemental Agreement includes clauses so warrants can be payable to an escrow agent and so that different funding sources are clearly identified with their pro-rata share of costs
- Caltrans executes PR2/Finance Letter
- Escrow opens
- Administering agency prepares invoice
- Administering agency signs agreement declaring restrictive covenant, for example, on a scenic viewshed
- Administering agency submits invoice, grant deed (not recorded) and agreement declaring restrictive covenant (not recorded) to Caltrans District Local Assistance
- Caltrans District Right of Way approves invoice and drafts further instructions to escrow
- Caltrans pays escrow (a memo explaining the expedite to the State Controller's Office may be required. Expedite requests cost \$18.50 for a five day turn-around and \$50.00 for a three day turn-around.)
- Escrow closes
- Escrow records grant deed and agreement declaring restrictive covenant and sends recorded documents to Caltrans District Local Assistance
- Copies are distributed
- Final detailed estimate is made
- Final audit is performed.

Construction Phase

The construction phase steps generally include project advertising, bid opening, award, daily reporting, labor compliance, contract change orders and project completion. In order to ensure Federal fund eligibility, projects must not be advertised for construction until authorized by the District Local Assistance Engineer. (See page B-21 for eligible costs.) (For more information see the Local Programs Manual, Volume II.)

The Commission votes for allocation of capital funds and the administering agency receives authorization to proceed before the construction phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the construction phase allocation vote. (See "Second Vote", page D-6.)

To initiate the construction phase, the administering agency provides the following information to Caltrans District Local Assistance:

- Request for allocation vote to Caltrans District Local Assistance
- Verification that project is in the Federal-approved State Transportation Improvement Program (FSTIP), available from the RTPA
- Right of Way Certification Letter
- Construction documents (4 sets of plans, specifications, estimates)
- Design exception(s) identified and approved by the local agency Public Works Director or Caltrans Headquarters Office of Local Programs.

Prior to advertising the construction project, the District Local Assistance Engineer will review the construction documents for:

- Safety concerns
- Environmental mitigation requirements incorporated
- Minimum design standards or approved design exceptions incorporated into plans
- Disadvantaged Business Enterprise goals
- Federal/State wage rates
- Section 14 (Federal requirements) in special provisions
- Federal fund eligibility.

Prior to awarding the construction contract, the administering agency requests District Local Assistance concurrence that the agency's bidding process and selection of the lowest bidder conforms to Federal regulations. As part of this request, the agency also provides the following information:

- Letter requesting concurrence, including a) date and time of bid opening and b) name and address of responsible low bidder and amount of bid
- Disadvantaged Business Enterprise/Woman-Owned Business Enterprise (DBE/WBE) information (3 copies, format in Local Programs Manual, Volume II, Exhibit 4-2)
- Good Faith Effort statement of DBE/WBE participation if DBE/WBE goals are not met
- List of all bidders in order of ranking from lowest to highest bid and the total of each bid (3 copies)
- Tabulated list showing the engineer's cost estimate and at least the three lowest bidders plus the successful low bidder (if not one of the three low bidders) in an item-by-item breakdown (3 copies)
- Engineer's estimate and the percentage the successful bid is over or under this estimate (if award amount is different than the engineer's estimate by more than ten percent, justification is required) (3 copies)
- Responsible low bidder's proposal (1 copy).

Prior to reimbursement for the construction phase, the administering agency provides this information to Caltrans District Local Assistance:

- Detailed estimate - 3 copies (Format, see Local Programs Manual, Vol. I)
- Date and time of pre-construction conference
- Project advisory letter (Local Programs Manual, Volume II).
- Progress and final billing invoices.

For project completion, Caltrans District Local Assistance completes the final inspection. The administering agency provides a Report of Expenditures to Local Assistance within six months of project completion. This report includes:

- Final invoice
- Final detail estimate
- Change order summary
- Liquidated damages/contractor's claims
- Date of project completion
- DBE/WBE final report
- Project certification.

In addition, the District Local Assistance inspects and gives final approval to the project. Final Reports are prepared consistent with the Local Programs Manual, Volume II.

Project Completion Timeline

Caltrans expects Project Administrators to start their projects by holding the field review, executing the agreements and beginning preliminary engineering during the fiscal year they are programmed in the STIP, either 1997/98 or 1998/99. Projects should be ready for the second vote within four years and completed within five years from July 1 of their programmed year. An accelerated schedule of implementation will be required if the Federal act reauthorizing ISTEA of 1991 does not include the enhancement program; in that case all projects must receive their allocation of funds for capital outlay before September 2000.

Under-Expenditures and Over-Expenditures

The Federal cost programmed into the State Transportation Improvement Program (STIP) is a fixed amount. In general, cost increases must be covered with local funds.

Project cost changes can be expected due to environmental or design decisions, from contractor's bidding, or during construction. The administering agency should plan to work with its Caltrans District Local Assistance staff to identify accurate and reasonable costs before the project application is submitted.

If the cost of the project exceeds the amount identified in the STIP, the local agency has at least one of the following options:

- Fund the additional cost with available local resources;
- Change the scope of the project to fit within the funding programmed (subject to the Federal Highway Administration, Regional Transportation Planning Agency and/or Commission and Caltrans approval);
- Fund the additional cost in one project phase with identified savings from another project phase;
- Re-advertise the project for new contractor bids;
- Request additional funding from the Commission, even though Commission policy does not allow additional funding; or
- Drop the project as no longer cost effective.

Caltrans must approve a change in project scope or shift of funding between project phases. The Regional Transportation Planning Agency and the Commission must approve any additional State funding or substantive change in project scope.

The Commission encourages cost savings on projects, to conserve funding so that more future projects can be funded in the program. The Commission will retain cost savings on any project within the same program for future programming.

Audits and Records Retention

Caltrans performs financial and compliance audits on agencies receiving Federal funds. Audits are mandatory for any project involving over \$100,000 in Federal funds. Audits can establish that dollars must be paid back by the administering agency.

Audits are also performed on nonprofit institutions receiving Federal funds from an administering agency to carry out a project.

The final audit for most projects is satisfied by the Single Audit Process. If an administering agency is not subject to single audit, the State Controller's Office may be requested to perform the audit. Project records must be kept for three years after the final audit. Agencies receiving Federal-aid funds will be audited for compliance with the following:

- Title 23 and Title 49 Requirements

- Political Activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended) These acts specify that Federal funds cannot be used for political activity of any kind.
- Construction contracts (Davis-Bacon Act): For construction phase, laborers and mechanics employed by contractors of federally funded projects must be paid at wages not less than those established by the Secretary of Labor as the prevailing regional wage rate.
- Civil Rights: No person shall be excluded from participation in, or be subjected to discrimination in, any program funded in whole or part by Federal funds because of race, color, national origin, sex, age, or physical impairment. (Includes Disadvantaged Business Enterprise (DBE) requirements.)
- Cash Management (Cash Management Act of 1989): Many recipients receive funds through a letter of credit arrangement with Caltrans. Cash should be withdrawn only in amounts necessary to meet immediate needs or to cover program disbursements already made.
- Relocation assistance and real property acquisition: When property is acquired by a public agency and subsequently displaces households and businesses, the agency must carry out certain actions in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.

The audit can determine whether: the financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; the organization has internal accounting and other control systems; and the organization has complied with laws and regulations that may affect its financial statements and the enhancement project.

Invoicing

For reimbursement, the administering agency submits monthly progress payment invoices for work completed on its letterhead to Caltrans Headquarters Local Assistance. As an option, the agency may wait and request full payment with a Final Invoice upon notification of project completion.

Transportation enhancement work that combines bicycle or pedestrian facilities (80 percent Federal share) with other activities (88 percent Federal share) must have segregated billings for the different match ratios.

The administering agency is required to submit separate billings or invoices for work completed and separate final reports of completion for each funding source. For example, a transportation enhancement project that uses Environmental Enhancement and Mitigation funds as a match will be invoiced so that the two funds and their respective reimbursement items are accounted for separately. The administering agency may not bill for donated labor or materials.

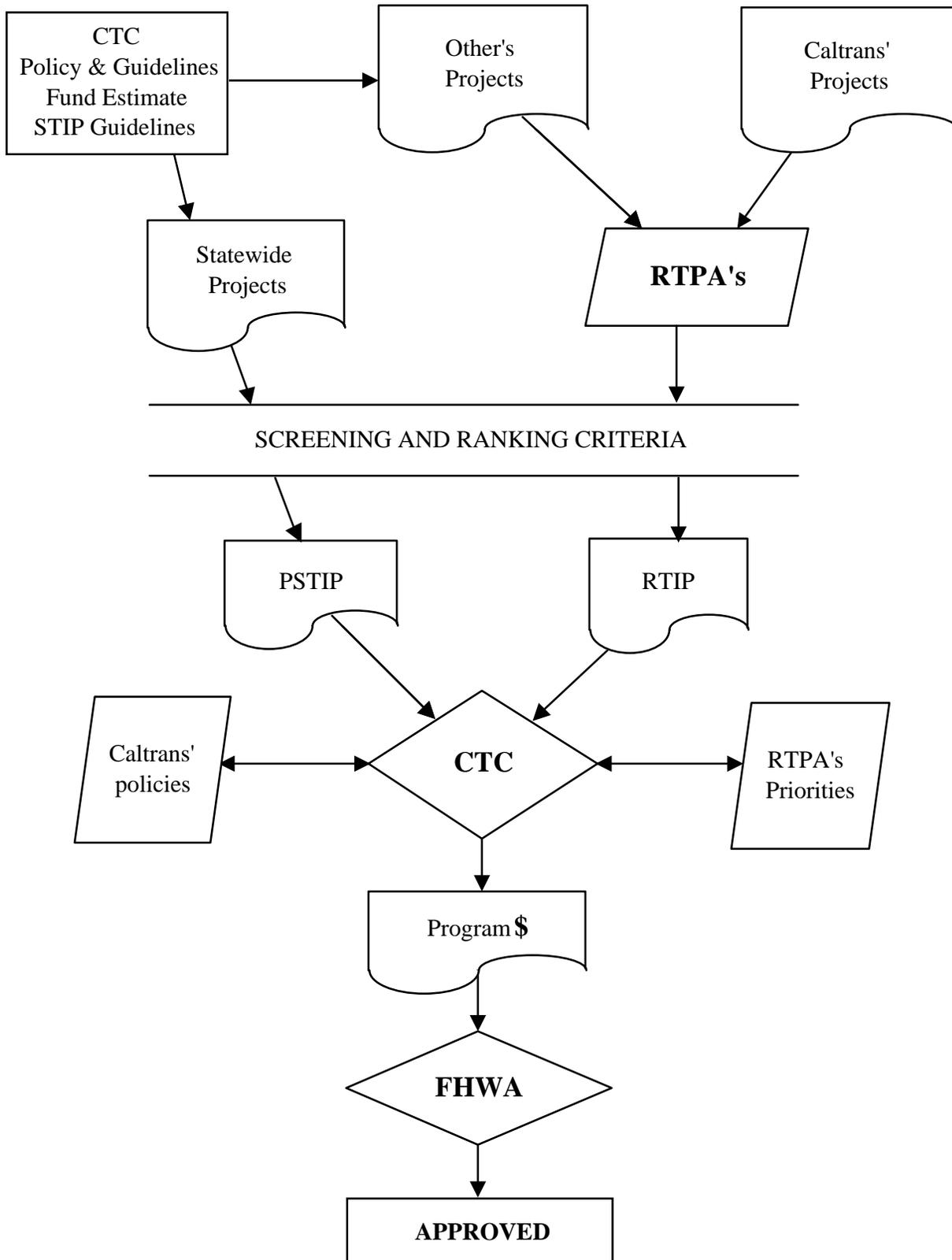
Federal Transit Administration (FTA) Transfers

Administering agencies which are transit agencies may request transfer of their transit-related enhancement project from Federal Highway Administration (FHWA) to Federal Transit Administration (FTA). This decision rests with these two agencies. Every project is reviewed by the Federal Highway Administration and the Federal Transit Administration prior to the start of the project. Requests may be made during the field review or before. Transfer is limited to agencies (mostly transit) prequalified by FTA.

Maintenance and Monitoring

Administering agencies are generally responsible for maintaining projects into the future. The agency pays for the maintenance effort unless subsequent agreement specifies otherwise. Maintenance costs are not eligible for enhancement funding. The effort is monitored by the Caltrans headquarters' Transportation Enhancement Activities Branch with input from Caltrans District Local Assistance.

Transportation Enhancement Activities **FUNDING & APPROVAL PROCESS**



Section E

INSTRUCTIONS FOR NOMINATING PROJECTS

General Instructions

Getting Started - Who To Contact

The administering agency should decide which programming path its project will go through on its way to the Commission, either the local/regional process (RTIP) or the statewide project process (PSTIP). (See discussion on page C-1, Staged Competition and Approval Process.)

At least one month before the applications are due, the administering agency must meet with the Caltrans District Local Assistance Engineer, who will include the District Local Assistance Environmental Planner and District Local Assistance Right of Way Agent (acquisition), District Landscape Architect (plantings, pedestrian or bicycle facilities, aesthetic treatments), District Art Coordinator (art), as required, for pre-application assistance with project scope, cost, and implementation procedures. This meeting will be coordinated through the Local Assistance Engineer. Applicants for statewide projects should confer with the Headquarters Area Engineer.

About the Application Form

The application form is under separate cover. The application has several parts for the administering agency to fill out: parts One through Four. "Part Five - Early Coordination with Caltrans" sheets are filled out by Caltrans District staff during the pre-application meeting between the administering agency and Caltrans. In addition to this application package, each Regional Transportation Planning Agency fills out a Commission Fact Sheet (not included in these Guidelines) on each prioritized project. It summarizes the application information in a consistent way for the California Transportation Commission review.

The application passes through many hands. First, the application is the standardized form used by the administering agency to nominate projects to the Regional Transportation Planning Agency. Second, the Caltrans Transportation Enhancement Activities Branch and the Federal Highway Administration use it to check project eligibility. Third, it conveys information to the California Transportation Commission about projects ranked in the Regional Transportation Improvement Programs (RTIPs). Fourth, it is used by the Caltrans District Local Assistance Engineers to oversee project implementation.

All pages in the application will be 8-1/2 x 11 inches, vertical format. All pages should be consecutively numbered. (Foldouts are acceptable.) Pages may be stapled, clipped or bound, preferably so that the application lies flat when opened. Administering agencies are encouraged to keep their applications brief.

Applicants are encouraged to present projects in defined, usable stages (See Commission Policy 10 in Appendix.)

Where to Send The Application - Local/Regional Projects

The administering agency applicant will complete four (4) copies of the application and send them to two (2) places.

Send three (3) copies to the Regional Transportation Planning Agency. (See Who To Contact in the Appendix.) (For projects that are selected by the RTPA, one of these will be sent by the RTPA to the Commission, and another to the Caltrans District Local Assistance office.)

Send one (1) copy to the Caltrans Transportation Enhancement Activities Program. The address is:

Caltrans
TEA Program
Office of Landscape Architecture
1120 N Street, M.S. 28
Sacramento, California 95814.

Where to Send The Application - Statewide Projects

(For Statewide projects, the administering agency applicant completes and sends four (4) copies of the application to the Caltrans Transportation Enhancement Activities Program (One of these will go the Commission.) The address is the same as above.

Deadlines for Submittal

Regional Transportation Planning Agencies (RTPAs)

Applications will be submitted to the RTPA having jurisdiction on or before the RTPA's deadline, usually October 13, 1995. This should be verified with each RTPA.

Statewide Projects

Applications will be submitted to the Caltrans Transportation Enhancement Activities Program on or before November 3, 1995.

Both the regional prioritized lists and the statewide project prioritized list will be sent to the Commission staff by March 15, 1996.

APPENDIX

See Chapter 1, Exhibit 1-A page 1-13 for CALTRANS DISTRICTS LOCAL ASSISTANCE OFFICES

Appendix 1
Page 3

See Chapter 1, Exhibit 1-A page 1-13 for CALTRANS DISTRICTS LOCAL ASSISTANCE OFFICES

Appendix 1
Page 4

See Chapter 1, Exhibit 1-C page 1-11 for California MPOs and RTPAs

Regional Transportation Planning Agencies

ALPINE COUNTY TRANSPORTATION COMMISSION
50 Diamond Valley Rd.
Markleeville, CA 96120
Mr. Leonard Turnbeaugh, Executive Secretary

Alpine
(916) 694-2255
FAX: (916) 694-2214

AMADOR COUNTY LOCAL TRANSPORTATION COMMISSION
135 Summit Ave., Suite 5
Jackson, CA 95642-2313
Mr. Eric Outfleet, Executive Director

Amador
(209) 223-0973
FAX: (209) 223-2065

BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
1849 Robinson St.
Oroville, CA 95965
Mr. Jon A. Clark, Executive Director

Butte
(916) 538-6866
FAX: (916) 538-6868

CALAVERAS COUNTY TRANSPORTATION COMMISSION
Department of Public Works
Government Center
891 Mountain Ranch Rd.
San Andreas, CA 95249
Mr. Donald MacVicar, Executive Director

Calaveras
(209) 754-6402
FAX: (209) 754-6566

COLUSA COUNTY TRANSPORTATION COMMISSION
1215 Market Street
Colusa, CA 95932
Mr. Russell Gum, Executive Director

Colusa
(916) 458-5186
FAX: (916) 458-2035

COUNCIL OF FRESNO COUNTY OF GOVERNMENTS
2100 Tulare Street, Suite 619
Fresno, CA 93721
Ms. Barbara Goodwin, Executive Director

Fresno
(209) 233-4148
FAX: (209) 233-9645

DEL NORTE LOCAL TRANSPORTATION COMMISSION
983 Third Street, Suite E
Crescent City, CA 95531
Ms. Kathryn Mathews, Transportation Coordinator

Del Norte
(707) 465-3878
FAX: Same

EL DORADO COUNTY TRANSPORTATION COMMISSION
166 Broadway, Suite E
Placerville, CA 95667
Mr. Matt Boyer, Executive Director

El Dorado (excluding
the Tahoe Basin)
(916) 642-5260
FAX: (916) 642-5266

GLENN COUNTY TRANSPORTATION COMMISSION
777 North Colusa Street
Willows, CA 95988
Mr. John Joyce, Executive Director

Glenn
(916) 934-6530
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HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS
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FAX: (707) 444-8319

IMPERIAL VALLEY ASSOCIATION OF GOVERNMENTS
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Independence, CA 93526
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KERN COUNCIL OF GOVERNMENTS
1401 - 19th Street, Suite 200
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Kings County Government Center
1400 W. Lacey Boulevard
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Extension 2670
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Lakeport, CA 95453
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FAX: (707) 263-1826

LASSEN COUNTY TRANSPORTATION COMMISSION
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Mr. Franklin E. White, Chief Executive Director

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FAX: (213) 244-6014

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MENDOCINO COUNCIL OF GOVERNMENTS
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METROPOLITAN TRANSPORTATION COMMISSION (MTC)
Metro Center
101 8th Street
Oakland, CA 94607-4700
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Alameda, Contra Costa,
Marin, Napa, San Francisco
San Mateo, Santa Clara,
Solano and Sonoma
(510) 464-7700
FAX: (510) 464-7848

MODOC COUNTY TRANSPORTATION COMMISSION
202 West 4th Street
Alturas, CA 96101
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MONO COUNTY LOCAL TRANSPORTATION COMMISSION
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Mono
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TRANSPORTATION AGENCY FOR MONTEREY COUNTY
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Monterey
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PLACER COUNTY TRANSPORTATION PLANNING AGENCY
Public Works Administration
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3220 Southside Road
Hollister, CA 95023
Mr. Max Bridges, Executive Director

San Benito
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FAX: (408) 636-8746

SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION
c/o San Bernardino Associated Governments
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FAX: (805) 568-2947

SANTA CRUZ COUNTY REGIONAL
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Santa Cruz, CA 95060-4071
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SHASTA COUNTY REGIONAL
TRANSPORTATION PLANNING AGENCY
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SIERRA COUNTY LOCAL TRANSPORTATION COMMISSION
Courthouse Annex, Courthouse Square
(P.O. Box 98)
Downieville, CA 95936
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Sierra
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SISKIYOU COUNTY TRANSPORTATION COMMISSION
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Transportation Planning Agency
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References to Authority

In late 1991, Congress drafted and the President signed into law the Intermodal Surface Transportation Efficiency Act (ISTEA). A component of ISTEA is the Transportation Enhancement Activities Program, a 10 percent set-aside from the Surface Transportation Program funding category. Section 1007(a) of this Act defines the 10 categories of activities which qualify.

ISTEA has become part of Title 23 of the United States Code. Section 101 says, “The term *‘transportation enhancement activities’* means, with respect to any project or the area to be served by the project, provision of facilities for pedestrians and bicycles, acquisition of scenic easements and scenic or historic sites, scenic or historic highway programs, landscaping and other scenic beautification, historic preservation, rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals), preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails), control and removal of outdoor advertising, archaeological planning and research, and mitigation of water pollution due to highway runoff.”

Section 133(d)(2) sets aside 10 percent of Surface Transportation Program funds: “*FOR TRANSPORTATION ENHANCEMENT ACTIVITIES.--10 percent of the funds apportioned to a State under section 104(b)(3) for a fiscal year shall only be available for transportation enhancement activities.*”

Senate Bill 1435, passed by California’s legislature and signed by the Governor in 1992, establishes the process and responsibility for ISTEA programs in California.

Draft-Revised
Commission Program Policies

1. Program basis: The Commission establishes, **linked to the STIP**, ~~within the STIP~~ a Transportation Enhancement Activities (TEA) program, programmed with Federal funds from the 10 percent share required for transportation enhancement activities within the Surface Transportation Program under ISTEA plus required State or local match funds.

2. Regional and Caltrans' roles: The Commission programs projects into the STIP only from Regional Transportation Improvement Programs (RTIPs) or Caltrans' Proposed STIP (PSTIP). In general, most projects should come to the Commission through a regional agency and its RTIP.

The Commission will accept and consider nominations for projects of a statewide nature from Caltrans through its PSTIP. Projects of a statewide nature can be accepted from an agency with jurisdiction and facilities or activities across more than one region, and can include a grouping of related or like projects as long as the grouping is an integral element of a broader program, master plan, or interregional system. Neither statewide interest nor broad visitor use alone are grounds to define a project of statewide nature if the project is located within a single region.

3. Project relationship: Transportation enhancement activities projects must be related by proximity, function, or impact to the State's intermodal transportation system. The Commission may decide to give priority to projects which have a relationship to a State highway, local street or road, rail line, or other transportation facility eligible for funding under the Federal surface transportation program, **or to projects which can be linked to transportation improvements being funded under that program.**

4. Eligibility and evaluation: Projects must be found eligible under screening criteria in the guidelines for the transportation enhancement activities program, and must be **rated and compared** ~~evaluated~~ at the regional level using statewide ranking criteria from the guidelines for the transportation enhancement activities program.

5. Priority: Projects must be nominated to the Commission in priority order. Regional agencies shall determine priority order for projects in Regional TIPs, and Caltrans in consultation with other State and Federal agencies shall determine priority order for projects of a statewide nature nominated through the PSTIP, using statewide ranking criteria from the guidelines for the transportation enhancement activities program.

6. Available funding: The Commission identifies funding levels available for the transportation enhancement activities program, including State match funding, through the Fund Estimate adopted by the Commission for the next STIP.

Funding for the transportation enhancement activities program must be distributed according to the south/north split and county minimums. Accordingly, funding for new projects must be divided 60% south and 40% north, as specified in Streets & Highways Code Section 188, in effect making two separate programs.

7. Program schedule: The transportation enhancement activities program **ideally should extend three years ahead**, ~~typically will cover three years~~, with new programming biennially adding projects in the second and third year. Because initial programming had to be done in arrears, for years prior, the Commission expects to catch up to this schedule **no earlier than** ~~by~~ the 1998 STIP.

Program Nomination Policies

8. Limits on nominations: To keep the number of projects nominated to a realistic number that might be competitive for funding, the Commission makes available the following bid targets for regional agencies and Caltrans:

- for regional agencies, a dollar target of 1.5 times the region's county minimum percentage share among all counties south or north multiplied by the total south or north programming amount,
or
a total of three projects regardless of cost;
- for Caltrans, a total of 1.5 times 10% of the total statewide programming amount, or three projects of a statewide nature.

Bid targets define the amount of project nominations that the Commission will accept and consider. They are neither ~~not~~ an indication nor a guarantee of funding levels, since the total of all bid targets statewide considerably exceeds the funding available. Projects considered by regional agencies or Caltrans which fall beyond the bid targets **may will** be displayed to the Commission for informational purposes on a list, not necessarily in priority order, but are not available for programming by the Commission.

9. Use of bid targets: A region or Caltrans may bid any combination of projects up to its bid target dollar total, in priority order, and may exceed the target if necessary to nominate full funding for the lowest priority project.

~~10. Grandfathered projects: Existing projects in the State program and existing activities in Caltrans' budget that are eligible under the transportation enhancement activities program are to be grandfathered into the program, unless the applicant agency desires to withdraw the project. Existing project or activity funding shall be credited against and deducted from the funds available for programming.~~

~~11.~~ **10. Project size and stages:** The Commission sets no maximum project size or cost , but suggests that regions propose projects with a realistic cost compared to their county minimum share. The Commission **suggests a sets no** minimum project size or cost **of \$100,000, but will consider**

projects of unusual merit between \$50,000 and \$100,000 ~~advises regions that small projects (probably below a cost of about \$100,000), because experience has shown may not be worth the administrative overhead cost, which includes Federal review, Federal project standards, and record keeping for a post-project audit, generally to be too burdensome for projects of less than \$100,000 size.~~

Although the Commission generally prefers to program entire projects, the Commission strongly encourages project applicants to present projects in defined usable stages, in case an increment of funding is available only for less than a full project, or for other reasons such as ineligibility or urgency of particular project elements.

~~12.~~ **11. Regional review of statewide projects:** The Commission expects Caltrans to obtain an expression of regional position on all statewide projects, from all regional agencies affected by a statewide project, and attach the position(s) to the project applications submitted through the PSTIP.

~~13.~~ **12. Nomination schedule:** Project nominations, **in the form of amended Regional TIPs** [and Caltrans' PSTIP] are due to the Commission by ~~March~~ **December 15** of ~~even~~ **odd**-numbered years, **except that regional agencies must submit to Caltrans by January 10 any applications that contain projects or project features of unknown or questionable eligibility under these program guidelines, to allow time for review and determination of the extent of eligibility before the Commission considers the project.** ~~by State law.~~ Project applications are due **to regional agencies by a date specified by each regional agency (generally around October 15, except typically earlier in urban metropolitan regions), and to Caltrans by November 10 for statewide projects, by August 15** (or later if specifically permitted by the regional agency or Caltrans), to allow time for evaluation, ranking, and public review.

13. Partnership Cooperation: This program must involve cooperation among project applicants, local, regional, State, and Federal agencies. The Commission may refuse without prejudice to program or fund projects that bypass requirements of any partner agencies as spelled out in these guidelines.

Commission Programming Policies

14. **Commission process:** The Commission will follow the following process:
- receive project nominations;
 - receive letters and other communications supporting (or opposing) nominated projects;
 - hold a public hearing on the program, to hear testimony from those agencies nominating projects;

- receive programming recommendations from its staff consisting of a slate of projects that match the amount of money available for programming; and
- consider information presented and heard, and adopt a program.

15. Program balance: The Commission states its intent to distribute programming geographically around the State and to seek balance among various types of projects that are eligible, consistent with cost effectiveness of projects.

16. Priorities in programming: The Commission intends to follow regional priorities if the region chooses to bid by its county minimum share dollar bid target, insofar as it may program projects in that region, up to the region's percentage share among south or north counties, except that the Commission may skip over a high cost project if it cannot afford that level of programming in the region. Beyond this guideline, the Commission may choose any project lower on a regional priority list, based on statewide interest or importance.

The Commission must examine and consider Caltrans' statewide priorities, but may choose any project(s) on the statewide program list based on statewide or regional interest or importance.

17. County minimums: Although transportation enhancement activities projects count against county minimums, the Commission intends that no region get a disproportionate share of its county minimum as enhancement projects, at the expense of transportation improvements. The Commission will not remove transportation projects from the STIP in favor of transportation enhancement activities projects, except by request of the region.

18. Other programming factors: The Commission will consider other factors in its programming decisions, including project justification, relative merit and cost effectiveness, potential economic stimulus, ancillary value for transportation, one-time opportunity, project uniqueness, Federal eligibility risks, statewide interest, linkage with other programs, and project commitment and support. The Commission does not intend to recalculate to a State norm the statewide ranking criteria that were used at the regional level, but may use any of the information used in the regional ranking in its examination and programming of projects.

19. Partial programming: The Commission may provide partial funding of projects that can result in usable work, and the Commission may consider the availability of other funding in its decisions.

20. Application form: The Commission requires all projects to be submitted by regional agencies or Caltrans with an application form prescribed in the guidelines for the transportation enhancement activities program, to provide a common base of information for Commission evaluation. On the application form, the Commission expects and needs a clear description of the project (project development, right of way, construction, equipment, or activities for which the funds will be spent), clear identification of the source and commitment of matching funds, and a commitment to maintain and operate the project as appropriate.

21. Additional information: The Commission may ask project applicants for further information to help evaluate projects before programming, but may drop from consideration without prejudice projects with seriously incomplete or unclear applications.
22. Matching funds: **Project applicants must identify a source(s) of match for the Federal funds committed to the project.** ~~The Commission shall use existing match funds for any project grandfathered into the initial program.~~ The Commission can program State match funds for projects related to State transportation facilities, expects local match funds to be nominated for projects related to local transportation facilities, and may approve a mix of State and local match funds for projects that are related to both State highways and local streets or roads, to an amount agreed between Caltrans and the regional agency.

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Lake, Marin, Mendocino,
Monterey, Napa, San Benito,
San Francisco, San Mateo,
Santa Clara, Santa Cruz,
Solano, Sonoma, Yolo

Butte, Glenn, Lassen, Modoc,
Plumas, Shasta, Sierra,
Siskiyou, Sutter, Tehama,
Trinity

Amador, El Dorado, Nevada,
Placer, Sacramento, Yuba

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Right of Way Checklist

Any project can have a right of way issue. Sometimes, the question of whether or not right of way needs to be acquired is answered at the field review or during the preliminary engineering phase.

What is right of way? Generally, it is the right to pass over another's land. More specifically, it is real property needed for a public project. The right to pass over another's land for the public project must be "acquired" or transferred to the public agency in some manner.

The need for property can be permanent or temporary, in fee (control of all rights) or in easement (use of some of the rights), and be a direct or indirect result of the project.

Some right of way issues are created when the need for real property is affected by the following:

- Design requires all or a portion of property for the construction of the project (acquisition).
- Project design eliminates access to or from an individual's real property.
- Need for a temporary right to cross the property during construction of the project (temporary construction easement).
- Need to relocate utility service lines or facility outside of the project area (utility relocation).
- Need to purchase or build a replacement structure for an occupant being displaced by the project (relocation assistance).
- Owners want to privately develop their own property and the local jurisdiction requires some part of the property be dedicated for future right of way.
- Owner wants to assist the local jurisdiction by providing property for the public project and is willing to do so for little or no payment (donation).
- Environmental process requires the investigation of possible Native American burial sites, hazardous wastes, endangered animals on private property (permit).
- Need to construct driveways or other approaches onto the property of adjoining owners (permit to enter).
- Need to investigate and or remove hazardous materials and waste.
- Operating railroad facility needs to be moved or crossed or modified.

- Need to enter onto property for a limited period of time (right of entry).
- Project as determined by a court ruling only after an occupant filed an inverse condemnation or a relocation assistance appeal.

Project applicants are encouraged to contact their Caltrans District for additional information about the Right of Way phase of a transportation enhancement activities project.

Transportation Enhancement Activities Advisory Council

Advisory Council's Purpose

The purpose of the advisory council is twofold. The first is to identify issues from the perspective of the respective agencies, groups and organizations they represent for the Caltrans Transportation Enhancement Activities Program Manager to consider, such as "Was the previous cycle effective? Second, the council communicates changes in program direction and new information generated at council meetings to their respective agencies, groups and organizations. The council is not involved in evaluating specific project applications or selecting projects, but recommends standards, criteria, and guidelines for project selection.

Council Membership

The Transportation Enhancement Activities Advisory Council has 40 seats total with approximately 20 members representing private interest groups and the remaining members from public agencies (Federal, State, regional, county, city, special districts). Initially, terms of office were from one to three years; thereafter, new member terms are two years. Members may serve consecutive terms. Nominations for the advisory council are accepted on April 1 of each year.

Final selection of council members is determined by the Director of the Department of Transportation from the applications received. Members are selected based on their:

- experience in the field they represent
- scope of representation
- support of their agency or organization, and
- number of people the member will represent.

Mode of Operations

The Transportation Enhancement Activities Advisory Council meets as necessary to fulfill the above functions, approximately three or four times a year. Meetings are usually held in Sacramento.

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Definition of Terms

This glossary provides definitions for the major terms used in the program. Although its contents are explained in a variety of other Caltrans documents, this document constitutes a convenient reference, since it brings them together in one place.

Acquisition - the act or process of acquiring fee title or interest other than fee title of real property (including the acquisition of development rights or remainder interest).(From Sec of Interior's Standards for Historic Preservation Projects)

Administering agency - The public agency responsible under agreement with Caltrans for implementing the project in accordance with Federal and State laws and regulations. The administering agency is responsible for the long-term maintenance of the project.

Americans with Disabilities Act of 1990 (ADA) - Public Law 101-336; The ADA is a comprehensive law prohibiting discrimination against people with disabilities in employment, public transportation, telecommunications and public accommodations. It extends to persons with disabilities similar comprehensive civil rights protections provided to persons on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. In regard to physical accessibility, ADA extends the intent of the Architectural Barriers Act to cover all public facilities regardless of Federal funding.

Applicant - The administering agency may apply for and receive reimbursement from this program.

California Environmental Quality Act (CEQA) - To qualify for State funds projects must comply with requirements of the California Environmental Quality Act (CEQA), which are somewhat different than the corresponding Federal law, the National Environmental Policy Act.

California Register of Historical Resources - Authoritative inventory guide of important historical resources in California, used to identify the State's historical resources and to indicate what properties are to be protected, to the extent prudent and feasible, from substantial adverse change. (See Information Center of the California Historical Resources File System in Appendix.)

Commission - California Transportation Commission - A commission which advises and assists the Secretary of Business, Transportation, and Housing Agency and the Legislature in formulating and evaluating State policies and plans for transportation programs in the State. The Commission is the ultimate decision-maker in the transportation enhancement activities program. It approves projects in the program, and adopts the State Transportation Improvement Program (STIP).

Construction Phase - The construction phase includes advertising the project, awarding the contract and performing construction.

Executive Order W-26-92 - Directs each state agency to ensure that the protection of significant heritage resources are given full consideration in all of its land use and capital outlay decisions.

FNM 76 - "Federal Approval and Authorization to Proceed", a form through which Caltrans secures the Federal project approval and authorization from the Federal Highway Administration. The document does two things: obligates funds and authorizes expenditures on a given phase of a Federal-aid project.

FSTIP - Federal State Transportation Improvement Program - A document listing of those improvement projects from the transportation plan to be federally funded.

Fund Estimate - Document from the Commission that defines the size of the program.

FY - Fiscal year, July 1 through June 30. The State follows this fiscal year.

Historic Preservation- see "Preservation".

In-kind contributions - Refers to the portion of allowable project costs that are contributed by other government agencies or private parties. See page B-13.) Intermodal Transportation System - All forms of transportation in a unified, interconnected manner.

Master Agreement - The Local Agency - State Master Agreement is a formal document between these two entities covering the general requirement of all Federal-aid projects relative to the prosecution of the project and to the maintenance of the completed facilities. It is accompanied by a Program Supplemental Agreement.

Metropolitan Planning Organization (MPO)- To carry out the transportation planning process required by ISTEA, an MPO is designated for each urbanized area of more than a 50,000 population.

Mode - A single method of transportation, such as bicycle, pedestrian, or motorized vehicle.

National Environmental Policy Act - The National Environmental Policy Act (NEPA) requires environmental clearance of Federal-aid projects, which may take one of three forms: Categorical Exclusion; Finding of No Significant Impact; or Environmental Impact Statement. The corresponding State Act is the California Environmental Quality Act.

National Historic Preservation Act of 1966, as amended - (Public Law 102 - 575) - The Act establishes the National Register of Historic Places and requires Federal agencies, including FHWA, to ensure compliance with Section 106 of the Act.

National Register of Historic Places - Authorized under the National Historic Preservation Act of 1966, the National Register is the official Federal listing of the nation's cultural resources worthy of recognition and preservation.

Overmatch - A greater percentage than required of non-Federal funds is used to match Federal dollars within the transportation enhancement activities total cost.

Preliminary Engineering Phase - The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents (plans, specifications, and cost estimate). Preliminary right of way work, appraisal maps and estimates may also be reimbursed from preliminary engineering phase moneys.

Preservation - The act or process of applying measures to sustain the existing form, integrity, and material of a building or structure, and the existing form and vegetative cover of a site. It may include initial stabilization work, where necessary, as well as ongoing maintenance of the historic building materials. (Secretary of the Interior's Standards for Historic Preservation Projects)

Proposition 116 - In June 1990, the voters approved proposition 116, the State's Clean Air and Transportation Improvement Act, which has five grant programs:

1. Rail
2. Non-urban County Transit
3. Waterborne ferry
4. Bicycle
5. State Rail Technology Museum

The intent is to reduce traffic congestion and air pollution and provide better transportation options for all Californians through feasible, cost-effective capital programs.

Program Supplemental Agreement - The Supplemental Agreement is a formal document which supplements the Master Agreement and includes special covenants to provide for specific requirements for the project that are not included in the Master Agreement.

Protection - The act or process of applying measures designed to affect the physical condition of a property by defending or guarding it from deterioration, loss or attack, or to cover or shield the property from danger or injury. In the case of buildings and structures, such treatment is generally of a temporary nature and anticipates future historic preservation treatment; in the case of archeological sites, the protective measure may be temporary or permanent. (Secretary of the Interior's Standards for Historic Preservation Projects)

PSTIP - Proposed State Improvement Program - For transportation enhancement activities, a document listing those projects of statewide interest having no geographic 'home'. The PSTIP is prioritized by Caltrans and submitted to the Commission as candidates for inclusion in the STIP.

Rehabilitation - The act or process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural, and cultural values. (Secretary of the Interior's Standards for Historic Preservation Projects)

Restoration - The act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacement of missing earlier work. (Secretary of the Interior's Standards for Historic Preservation Projects)

Right of Way Phase - The right of way phase is included when: utilities will be relocated; a purchase, easement or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved

RTIP - Regional Transportation Improvement Program - A document listing those projects adopted by regional agencies and submitted to the Commission as candidates for inclusion in the STIP, representing all areas of the State, including rural areas.

RTPA - Regional Transportation Planning Agency - Transportation planning agencies and county transportation commissions. The RTPA with authority for activity screening and scoring shall be the same agency established for other ISTEA funds in Senate Bill 1435 (1992).

"Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation" - Document providing technical advice about archaeological and historic preservation activities and methods, prepared under the authority of the National Historic Preservation Act of 1966 (Federal Register, September 29, 1983 - 48 FR 44716).

"Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Properties" - Standards developed by the National Park Service for use in the treatment of exteriors and interiors, landscape features, objects, sites, and districts listed on or determined eligible for the National Register.

Soft match - Refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share of project.

Stabilization - The act or process of applying measures designed to reestablish a weather-resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists at present. (From Sec of the Interior's Standards for Historic Preservation Projects)

STIP - State Transportation Improvement Program - A document listing of all major capital outlay projects as determined by the California Transportation Commission to be funded from State transportation funds allocated by the Commission. A biennial seven-year programming document adopted by the Commission. The STIP is a schedule for project delivery which specifies the year of delivery as well as the current and escalated cost. The Commission must adopt and submit the STIP to Legislature no later than April 1 of each even-numbered year.

Title 23, U.S. Code - The United States Code, Title 23, is the volume of Code of Federal Regulations whose purpose is to implement and carry out the provisions of Federal law relating to the administration of Federal aid for highways. It is the legislative foundation supporting the process for developing local projects with Federal funds.

Uniform Act - The Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended-the Federal act covering acquisition processes. See pages B-18 and D-12.

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Section A

PROGRAM BACKGROUND

Note: The following chapter has been revised because the new Local Programs Manual has replaced most of the guidelines that were published earlier. Changes are noted with strikethru of the old and new wording initialized. Please revise your copy of the guidelines as noted.

About the Program(page A-2)

California may receive more than \$200 million over a 6 year period (which started with the 1992 Federal fiscal year) for transportation enhancement activities from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This represents a 10 percent set-aside of one of the ISTEA programs, the Surface Transportation Program funds. This money is available only for transportation enhancement activities.

Administering agencies (those receiving Federal-aid funds for transportation enhancement activities) have found it to be in their best interest to be aware of the procedures and requirements for developing Federal-aid projects. These are substantially more involved in time and money than the requirements for claiming State funds. Agencies unfamiliar with the requirements of Title 23, United States Code are encouraged to obtain and review copies of Caltrans' Local Streets and Roads booklets, which are summaries of detailed processes in the Local Programs Manual, a 3-volume set:

- ~~Process Guide: Procedures for Developing Federal Aid Highway Projects on Local Streets and Roads,~~
- ~~Environmental Analysis: Procedures for Developing Local Federal Aid Highway Projects,~~
- ~~Right of Way: Procedures for Developing Local Federal Aid Highway Projects, and~~
- ~~Consultant Selection: Procedures for Selecting Consultants for Federal Aid Highway Projects on Local Streets and Roads.~~ *review the Local Assistance Procedures Manual.*

~~A new Local Programs Manual will be published in summer 1995. It will be important for administering agencies to become familiar with implementation changes contained in it. The booklets, for a nominal fee, and Manual, for a more expensive fee, can be obtained from:~~

~~———— PUBLICATIONS UNIT
———— 1900 Royal Oaks Drive
———— SACRAMENTO CALIFORNIA 95815.~~

Also, the Manual, the Federal Highway Administration's Draft Cross-Cutting Federal Requirements August 1994, these guidelines and the application forms will be available electronically through the Internet at the Caltrans Home Page (www.dot.ca.gov) in August 1995.

Section B

ELIGIBILITY

Note: Certain chapters in Section B have been revised to reflect the reengineered local assistance procedures. Changes are noted with strikethru of the old and new wording initialized. Please revise your copy of the guidelines as noted.

Eligible Costs (page B-11)

The applicant must prepare an accurate cost estimate for proposed transportation enhancement activities. Agencies unfamiliar with the kinds of costs incurred on Title 23 Federal-aid projects that are eligible for reimbursement should refer to the Local ~~Streets and Roads~~ *booklets Programs Manual* and must confer with their Caltrans District prior to the application deadline (see page E-1.)

Transportation enhancement activities funds are reimbursable Federal-aid moneys, subject to all the requirements of Title 23 *and other applicable*, United States Code. They are for capital improvements. Feasibility study projects are ineligible, which of themselves provide no enhancement to the public. If a study shows the project to be feasible and a financial plan shows a credible source of operating funds, capital phases may be eligible for enhancement funds. These include preliminary engineering (including environmental studies), real property acquisition, and construction costs associated with conducting an eligible activity. These funds are not to be used for program planning; however, they may be used for archaeological planning projects.

Improvements to private property and commercial facilities are not eligible, but may include properties for public use, owned by a public not-for-profit corporation.

Many projects are a mix of elements, some on the list of 10 categories and some not. Those project elements which are on the list may be counted as transportation enhancement activities. For example, a rest area might include an adjacent historic site purchased and developed as an interpretive site illustrating local history. The historic site purchase and development qualifies as a transportation enhancement activity.

Activities which are not explicitly on the list might qualify if they are an integral part of a larger qualifying activity. For example, if the rehabilitation of a historic railroad station required the construction of new drainage facilities, the entire project could be considered a transportation enhancement activity. Similarly, environmental analysis, project planning, design, land acquisition, and construction activities necessary for implementing qualifying transportation enhancement activities are eligible for funding. For example, costs for environmental mitigation required for the enhancement project itself are reimbursable.

Transportation enhancement activities may not in themselves be routine or customary elements of transportation projects or mitigation for project impacts in compliance with the requirements of environmental, or other Federal, State, or local laws, even if those aspects will otherwise constitute a specified transportation enhancement.

Project funding under the transportation enhancement program is not available for a non-applicant agency to perform its normal required review and permit functions.

Convict labor is not a reimbursable cost.

Costs involved in applying for funds are not eligible. Any costs incurred prior to ~~written approval to proceed by receiving a "Authorization to Proceed" from~~ Caltrans are not eligible. (See page B-17.)

Local Funding Share (Match) (page B-12)

Transportation Enhancement Activities are reimbursable projects. Applicants are expected to finance the project as it proceeds. Up to 88 percent of the actual eligible expenditures – up to the ceiling of the Federal funding share – will be reimbursed with each invoice. The amount programmed into the State Transportation Improvement Program (STIP), based on the original estimate of the project costs, will determine the Federal funding ceiling. Local funding share must be used in each phase.

Where the applicant chooses to use Federal funds, a match of approximately 12 match dollars to each 88 Federal dollars for a total of 100 dollars is required in each enhancement project phase. Administering agencies may "overmatch" enhancement projects; that is, additional match dollars may be used in the transportation enhancement activity beyond the match requirement. Because of Federal policies and the possibility of cost overruns, administering agencies are encouraged to use the full extent of Federal funds in the project. Agencies are discouraged from including more than 49 percent non-Federal dollars in the total enhancement project cost. The Federal Highway Administration authorizes expenditures on a project phase by phase (preliminary engineering, right of way, construction).

~~The exception to the 12 percent match is for bicycle and pedestrian facilities. "For purposes of this title, construction of a pedestrian walkway and a bicycle transportation facility shall be deemed to be a highway project and the Federal share payable on account of such construction shall be 80 percent." (Section 217(f) of Title 23). A 20 percent match will be required on bicycle and pedestrian facilities; that is, 20 match dollars to each 80 Federal dollars for a total of 100 dollars is required in each enhancement project phase.~~

Match may be provided from Caltrans State Highway Account funds for projects directly related to the State Highway System. Each Caltrans District Director has responsibility for recommending use of these funds to the Commission. Project applicants are encouraged to have an alternate funding source when requesting State Highway Account funds, as there is no guarantee they will be approved by the Commission. (See Application, part Five.) State Highway Account match may only be requested during the application process; it may not be requested after a project is programmed.

Under the Federal Highway Administration's new innovative financing test and evaluation project, a nationwide project has been established to allow greater flexibility for matching funds; for example,

match may now be other Federal dollars or private cash. Administering agencies may contact their Caltrans District Local Assistance Engineer for details.

Section 323 of Title 23 allows certain right of way donations to count towards the local funding share of a project. Donations must be from private ownership to public ownership for project purposes. Acquired right of way is not eligible as the match. Land that has been acquired previously and is already intended or available for use by the public does not qualify for donation credit.

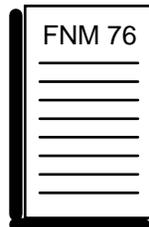
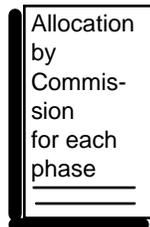
“Soft match” refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share (match) of the project. An example of this is the toll credit provisions of Section 1044 of the ISTEA. Soft match generally is not eligible under current Federal rules.

Occasionally, an administering agency’s partner seeks to provide labor or materials to design or construct a given project. Or sometimes an administering agency wants to use its own forces to do part or all of the work. In both of these cases, a competitive bidding process is precluded. When this is desired, the administering agency must ~~give justification for~~ *justify* not utilizing contracting by competitive bid; a comparison must be made between a) doing work by the agency’s own forces [or sole-sourcing the work to the partner] and b) by contracting out. When justifying the use of the partner as a sole source, the administering agency also must show that these are the only people who can do the work, and that services are available only from this single source. ~~Caltrans will make a “Finding of Public Interest” on the justification. In addition, some agencies’ regulations may limit work by methods other than contracting out.~~ *Public Works Director, or head of the administering agency, must approve the justification.*

When Eligible Costs Can Be Incurred/ Authorization to Proceed (page B-16)

An administering agency may proceed to incur reimbursable costs for a given phase (preliminary engineering, right of way [acquisition], construction) only after it receives ~~written notification to start a~~ “*Authorization to Proceed*” from the Caltrans District Local Assistance Engineer. This occurs after: 1) Federal approval of the project in the FSTIP (Federal State Transportation Improvement Program), and 2) ~~execution of the Federal form FNM76 Submittal of the “Request for Authorization” by the administering agency to the DLAE~~ . Even though the project may proceed to incur costs, it may not be reimbursed until the agreements between Caltrans, ~~and the~~ administering agency *and FHWA* are executed and the Commission has voted funds into the blanket allocation for all enhancement projects' preliminary engineering.

Eligible costs can be incurred after the project is included in these documents:



Each phase of work requires approval to proceed by execution of a Federal form, the FNM 76 a "Authorization to Proceed". The ratio of Federal funds to non-Federal match remains the same in each phase of the project.

FNM 76 "Authorization to Proceed"

	Federal \$	Match \$
1st Authorization: Preliminary Engineering	\$	\$
2nd Authorization: Right of Way (Acquisition)	\$	\$
3rd Authorization: Construction	\$	\$

If the project begins with a preliminary engineering phase, the 'blanket' FNM 76 "Authorization to Proceed" covering the preliminary engineering phase for all transportation enhancement activities is put in place as of July 1 of each year. Therefore, reimbursable work usually can proceed as soon as the FSTIP is approved. *When the Administering Agency is ready to begin the preliminary engineering phase they should contact their (The Caltrans District Local Assistance Engineer informs the Project Administrator in writing.) to find out if the blanket has been approved and should contact their MPO/RTPA to see if their project in a approve FSTIP.* The Project Administrator can begin incurring reimbursable expenses for the preliminary engineering phase only once the blanket "Authorization to Proceed" FNM 76 and FSTIP are in place. Reimbursement requires execution of the agreements between Caltrans and the Administering Agency. (See page D-3.)

Once the project is ready to incur capital outlay costs (acquisition phase and construction phase), a second vote by the Commission is required prior to the "Authorization to Proceed", the FNM 76.

Application Submittal(page B-17)

No costs incurred before Caltrans' written approval "Authorization to Proceed" date can be reimbursed. Therefore, application preparation costs are not eligible for reimbursement.

Preliminary Engineering - What is included/ What is excluded(page B-17)

The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents. Preliminary right of way work to provide data for environmental documentation may also be reimbursed from preliminary engineering phase moneys.

No costs beyond project-related costs are eligible. To be eligible for reimbursement, all project support costs, such as preliminary engineering, must be included in the project cost approved in the State Transportation Improvement Program (STIP). Costs can be shifted between phases. Mitigation costs, which arise in the course of the project, are covered up to the limit of the project cost approved in the STIP.

The administering agency may use its own workforce to do preliminary engineering work. It may also retain consultants after satisfying Caltrans' requirements for selecting consultants. ~~Agreements~~

~~between administering agencies and consultants must be approved by Caltrans. (See Implementation Section D.)~~

Some applicants prefer to pay for preliminary engineering themselves. They prefer to hire their own local design consultants, thereby avoiding the cost and time required to meet Federal requirements for contracting services (three to six months for the Request for Proposal, interviews and selection process). Following this path makes preliminary engineering non-reimbursable.

Proposed projects must comply with the National Environmental Policy Act (NEPA) and other federal regulations. This process can be more costly and take longer than State clearance under the California Environmental Quality Act (CEQA). If the proposed project includes a railroad, historic properties, archaeological sites, parkland, endangered species, wetlands, or if public controversy is involved, additional time could be involved in the process. Projects utilizing State funds for match must comply with requirements of both NEPA and CEQA.

One of the Federal environmental regulations is Section 4(f) of the Department of Transportation Act of 1966. It requires preservation of publicly-owned parks, recreation areas, wildlife and waterfowl refuges, and historic sites of national, State, or local significance (see Implementation Section, page D-8). Projects affecting these types of resources are subject to Section 4(f).

All projects are subject to Section 106 of the National Historic Preservation Act of 1966, even though not all will have cultural resources. For example, a pedestrian facilities project under construction could find historic or cultural artifacts during the process of grading.

~~Agencies are encouraged to obtain the Local Streets and Roads booklets, Process Guide: Procedures for Developing Federal Aid Highway Projects on Local Streets and Roads, Environmental Analysis: Procedures for Developing Local Federal Aid Highway Projects from the Publications Unit of Caltrans.~~

When development is part of the project, starting the preliminary engineering phase obligates the agency to begin construction within ten years of Federal approval. Regardless of the source of funds used to construct, Federal funds used for preliminary engineering must be returned if construction does not start.

Right of Way (Acquisition) - What is included/What is excluded (page B-18)

Generally, the right of way phase is included when: utilities will be relocated; a purchase, easement, or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved (see Appendix for Right of Way Checklist).

Environmental analysis and public hearing requirements must be completed before starting most right of way activities. Acquisition projects often require special environmental studies, even when no development will occur on the site. For example, these might include archaeological resources or endangered species database searches. Federal authorization to begin work, "*Authorization to Proceed*", must be obtained in advance when Federal funds are to be used for reimbursement of right of way costs.

All right of way activities must be performed in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended, and in conformance with Caltrans Right of Way procedures for local Federal-aid projects *even if the administering agency uses their own funds to obtain the right of way*. Funds may be used for costs such as appraisals, surveys, legal matters, purchase, relocation assistance, or utilities relocation.

An offer to acquire property must be written and may be made only after appraisals are approved and funding is authorized by a vote of the Commission. Commencement of negotiations with property owners prior to Federal approval, "*Authorization to Proceed* ", may jeopardize reimbursement eligibility.

~~Agreements between local agencies and right of way consultants, private negotiators, and private relocation assistance service personnel must be approved by Caltrans. Federal funds may be used only for costs incurred after Caltrans approves the consultant agreements and the authorization to proceed (ENM 76).~~

Obtaining an option to purchase property is not considered to be an offer to purchase. Therefore, the requirement that no offer be made until after receiving environmental clearance and project approval will not be violated by obtaining an option.

Obtaining an appraisal, at an early stage, for the purpose of estimating the capital cost of a project will not bar FHWA participation in project costs. Such an appraisal generally serves the same functions as the project estimates Caltrans prepares, providing cost projections used in planning, applying for funding, etc.

- However, FHWA will not participate in the cost of an appraisal prepared prior to Environmental Clearance, Project Approval and Federal Authorization.
- Any appraisal used as the basis for an offer must be current. This means that if the original appraisal used for estimating purposes is so old as to be suspect as to its timeliness, it must be reviewed to determine if it is still current and if not, a new or revised appraisal must be obtained.

Private, not-for-profit organizations are not barred from receiving reimbursement of transportation enhancement activities funds for the purpose of acquiring real property rights. In addition, private not-for-profit organizations may take title to real property purchased with transportation enhancement activities funds, providing binding language in an appropriate document: a) requires continued use of the property as was proposed in the approved application; and b) provides for appropriate reversion of the property or repayment of public funds in the event that such use ceases.

Property purchased with transportation enhancement activities funds may be vested in an agency of the Federal government to accomplish the purpose of the project, and this will not bar FHWA participation.

Situations where real property rights are purchased by a private not-for-profit agency first and then re-sold to a public agency with transportation enhancement activities reimbursement do not automatically disqualify the transactions from FHWA participation. There should be some assurance in these cases that the serial transaction format was not undertaken in collusion between the two agencies

to circumvent the requirements of the Uniform Act. Short of evidence of collusion or circumvention these transactions will not be barred from FHWA participation.

In the event that a) the private, not-for-profit agency purchased the property rights prior to the award of enhancement funds, b) seems to be making a financial gain on the property or c) has been using the property for some period of time for the same use as is proposed in the transportation enhancement activities application, the facts should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

Situations where there is a coordinated plan for more than one agency to acquire substantially all of the properties contained in an area should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

If the proposed project is for a scenic viewshed or other type of land preservation purpose, the issue of possible dollar savings should be investigated. Sometimes the proposed project can be satisfactorily carried out if a scenic easement is acquired rather than full fee title. The amount of cost savings should be justified. For example, the continuation of livestock grazing land use may be compatible with the preservation of a scenic viewshed. Thus acquiring development rights from the property owner in the form of restrictive easement deed clauses, while allowing the owner to retain ownership rights with permitted continuation of the existing limited agricultural usage is a proper application of the scenic easement concept.

When development will occur in the project, starting the right of way phase obligates the agency to begin construction within ten years of the Federal approval date.

Construction - What is included/What is excluded

The construction phase includes advertising the project, awarding the contract and performing construction.

Before advertising a project for bidding, funding must be allocated by a vote of the Commission; ~~the FNM 76 must be executed~~ *Submittal of the "Request for Authorization" by the administering agency and receipt "Authorization to Proceed" from the DLAE*, the right of way must be certified, utility clearance and railroad clearance must be obtained (if required); ~~and Caltrans must approve the plans, specifications and estimate, and authorize advertising.~~

The local agency must inspect project work to ensure compliance with the contract, and must provide a Resident Engineer who is a full-time public employee. A consultant on retainer as City or County Engineer is considered to be a full-time public employee.

Convict labor shall not be used on ant Federal-aid project..

Involving other organizations in the construction does not absolve administering agencies from complying with Federal regulations such as for sole source contracts, prevailing wage, or disadvantaged business enterprise.

For construction, the contractor is to be chosen through a competitive bidding process. Otherwise, the administrating agency must justify using its own workforce or doing the work by "sole source".
~~Caltrans makes a "Finding of Public Interest" on the justification.~~

~~Agencies are encouraged to obtain the Local Streets and Roads booklet, Process Guide: Procedures for Developing Federal Aid Highway Projects on Local Streets and Roads from the Publications Unit of Caltrans or on the Internet.~~ The California Conservation Corps (CCC) and local corps certified by the CCC, and Urban Youth Core have expressed an interest in being involved in the implementation of transportation enhancement activities projects.

Section D

PROJECT ADMINISTRATION/ IMPLEMENTATION

Note: This Section has been comply revised to conform to Caltrans Office of Local Programs Reengineering procedures. Please discard your old Section D and replace it with this new Section D.

Administration of the transportation enhancement activity project occurs after it is approved for inclusion in the Federal State Transportation Improvement Program (FSTIP). Inclusion into the FSTIP occurs after the Commission votes the project into the State Transportation Improvement Program (STIP). The following procedures reflect both Federal and State requirements for subsequent implementation of a project.

(Administering Agencies)

Agencies with Master Agreements

Agencies with the November 29, 1995 Local Agency-State Agreement (new Master Agreement) and determined to be capable by the Caltrans District Local Assistance Engineer (DLAE) may administer projects.

Agencies that have not secured the new Master Agreement are encouraged to work diligently with their DLAE to secure a new Master Agreement. Or, Caltrans suggests that agencies having minimal staff and background in Federal-aid projects and therefore unable to administer Federal-aid projects should work closely with a city, county or Regional Transportation Planning Agency to partner with an agency that has adequate staff and a master agreement in place.

Agencies with Master Agreements may do the preliminary engineering work themselves, or contract it out.

State Agencies

State agencies may administer transportation enhancement activities projects under a Master Agreement and a supplemental agreement with Caltrans. These agreements will ensure compliance with Federal requirements. The agency must have statutory authority to charge on a reimbursable basis. State agencies are included as "local agencies" in this Implementation Section of the Guidelines.

Federal Agencies

Federal agencies may administer transportation enhancement activities projects under a master agreement and supplemental agreement with Caltrans. The agency must have statutory authority to charge on a reimbursable basis. This agreement will ensure compliance with Federal requirements.

Caltrans

Caltrans districts may administer transportation enhancement activities, using the same procedures as other projects using reimbursable Federal-aid funds.

As a last resort, Caltrans may be available to administer projects for agencies having no Master Agreement as 'reimbursed work for others'. Administering agencies must enter into a cooperative agreement with Caltrans and must pay 100 percent of Caltrans overhead charges, which are not eligible for Federal reimbursement. Caltrans encourages agencies to seek project administration through other means.

Even though Caltrans may administer a project, it does not mean that Caltrans will take responsibility for maintaining it when the project is completed.

Match from the partner will be an up-front cost (advance deposit) for each phase, when Caltrans administers the project. Agencies should work closely with their Caltrans' district to negotiate agreements.

Implementation – A Phased Process

Implementation of a transportation enhancement project is a phased process, where authorization must be received before reimbursable work can begin in each phase. Enhancement projects have up to three phases: 1) preliminary engineering, 2) right of way, and 3) construction. Not all projects go through all three phases; some are only one- or two-phase projects. Refer to Chapter 1 of the *Local Assistance Procedures Manual* for flow charts that show the process.

The administering agency will have one primary contact at Caltrans, the DLAE at the district where the project resides.

Briefly, the administering agency works with the DLAE to fulfill the following responsibilities:

- Discuss field review
- Submitting "Request for Authorization" and receiving "Authorization to Proceed"
- Request agreements with Caltrans
- Comply with all applicable Federal and State laws, rules and regulations, including environmental requirements in executing the project
- Request allocation vote (second vote) from Commission (for right of way or construction phases)
- Submit final invoice and final project report.

Use of Metric System

Transportation enhancement activities shall comply with the Federal mandate to utilize the metric system for all federally financed projects that will begin construction after October 1, 2000. All projects that utilize Federal funds are under the same Federal mandate and will be subject to loss of Federal funding eligibility for noncompliance.

Master Agreement

Before funds can be reimbursed, a new master agreement and program supplemental agreement must be executed by Caltrans and the administering agency.

In the new master agreement (Local Agency - State Agreement), the administering agency agrees to conform to all State and Federal laws, regulations, policies, procedures, and instructional memoranda. Administering agency agrees to provide or arrange for adequate supervision and inspection of each improvement.

The agreement describes fiscal provisions, including non-Federal match and administering agency responsibility for charges not financed with Federal funds. The administering agency agrees to give access and assistance to State and Federal auditors.

The administering agency agrees to ensure work performed under the new master agreement conforms to Federal and State employment practices. In the event of consultant contracted work, the Administering Agency will certify that they conformed to the Federal-aid consultant selection process. Consultants must agree to give access and assistance to State and Federal auditors. In the event of right of way action, rigorous Federal and State rules apply. Record retention periods are described in the agreement.

The administering agency agrees to provide long-term maintenance to maintain and protect the completed Federal-aid project in a manner satisfactory to the State and Federal government.

The new master agreement describes clauses that must be inserted into any and all deeds, licenses, leases, permits, contracts, and contract specifications.

The new master agreement is a "blanket agreement" under which program supplemental agreements are executed specifically for each project.

The new Master agreement and program supplemental agreements are to ensure that administering agencies and projects are in compliance with Federal requirements. The master agreement includes the mechanisms whereby the administering agency refunds Federal moneys to the State, should the agency not be in compliance with these Federal regulations and maintenance provisions.

Field Review

To start project implementation, the Project Administrator from the administering agency holds a field review or just completes the field review form. The administering agency may invite key funding partners to the field review. The Project Administrator invites the DLAE, Regional Transportation Planning Agency, Caltrans District Landscape Architect, Environmental Planner, Right of Way Agent, Art Coordinator, Office of Local Programs Area Engineer, FHWA representative, and others as

appropriate. Caltrans attendance will be optional due to cut backs in local assistance staff. Caltrans staff will try to attend the field review on those projects where major issues need to be addressed. Therefore, it is important to give Caltrans staff as much advance notice on those projects you wish Caltrans to attend.

The field review is intended to provide the administering agency the opportunity to explain the project scope and to determine the Federal and State requirements that must be satisfied. At the discretion of the administering agency, potentially involved federal, State, and local representatives and permitting agencies are invited to explain their requirements and time frames.

The Regional Transportation Planning Agencies may attend the field review to approve and project scope and cost changes (see discussion of Under-Expenditures and Over-Expenditures, in this section).

If Caltrans staff can attend the field review, the administering agency should submit a filled out copy of the field review form to the DLAE and other Caltrans personnel that will be attending prior to the meeting.

The basic project description, funding, administration and environmental portions of the field review form should be filled out for submittal. For other than roadway-related projects, much of the remaining data requested on the form may not apply.

For some projects, the field review may be an office meeting or even handled by phone conversation to discuss how to fill out the form. The procedure used should be agreed upon between the Project Administrator and the DLAE. In most cases the field review serves a very important function, especially to inform the Project Administrator of the process to comply with the federal requirements, to ensure maximum federal funding eligibility.

Generally, field reviews are scheduled for projects after they are in a federal-approved Federal State Transportation Improvement Program (FSTIP). Since the date of Federal eligibility is established by the FSTIP approval and the "Authorization to Proceed", all costs, including the field review, will then be eligible for reimbursement.

Field reviews may be held prior to the project being on an approved FSTIP to expedite the process. In this case the field review will not be a reimbursable cost.

Even if the field review is itself an eligible cost, reimbursement can only occur after execution of the new master agreement and supplemental agreement. The supplemental agreement is usually executed after the field review.

The administering agency should take a copy of the transportation enhancement activities application and a filled out field review form to the field review and be prepared to discuss the following:

- Project scope and cost
- System identified (on or off the State Highway System)
- Proposed funding, strategy for meeting requirements for each funding program
- Environmental studies and management plans previously conducted
- Environmental document and studies required

- Right of way and utility requirements
- Permit requirements
- Project timelines
- Maintenance responsibilities.

Allocation of Funds for Capital Outlay – The Second Vote

Projects voted into the State Transportation Improvement Program (STIP) proceed through the preliminary engineering phase before returning to the Commission for their “second vote”. Once a project has environmental approval, but prior to acquisition or construction contract advertisement, a Commission “second vote” for funding is scheduled. Generally, the vote is scheduled 60 days in advance of the Commission meeting. Allocation requests are for the capital phases of the project (right of way and/or construction), which will be initiated within six months. The Project Administrator will coordinate this process with the DLAE.

The Commission releases funds through the State budget system, but expenditure of funds is still subject to obtaining Federal “Authorization to Proceed” and execution of the master and supplemental agreements. In addition, State transportation funding shortfalls may require projects to be put on "hold" when they are ready for their second vote.

Consultant Selection for All Phases

To ensure eligibility for reimbursement, consultant selection should occur after receiving the “Authorization to Proceed” for the preliminary engineering phase. Consultant selection must conform to federal requirements, including participation by disadvantaged business enterprises (DBEs). Administering Agency is required to certify that they complied with those requirements.

Consultant contracts for design-related services must result from negotiations which utilize qualifications-based selection procedures. Qualifications-based procedures do not allow for price to be used as a factor in the selection process. See Chapter 14 “Consultant Selection in LAPM.

Preliminary Engineering Phase

Eligible costs for preliminary engineering usually may be incurred beginning on the date the Federal Highway Administration and Federal Transit Administration approve the Federal State Transportation Improvement Program (FSTIP) or FSTIP amendments that include the project, and issuance of the blanket “Authorization to Proceed”. The administering agency should contact their RTPA for the FSTIP date and their District Local Assistance Engineer to see if the blanket “Authorization to Proceed” has been approved.

Environmental Documentation

Transportation enhancement projects must meet the requirements of the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and all other relevant federal environmental requirements. See Chapter 6, “Environmental Procedures,” in the LAPM.

All environmental investigations, reviews, and consultations will be administering agency responsibility, and compliance with all applicable environmental requirements will be reflected in the environmental document and the conditions of the environmental document approval.

The DLAE will review the environmental document for completeness before sending it to Caltrans District Environmental Senior Environmental Planner (SEP) for approval.

The administering agency is the lead agency responsible for complying with the provisions of the CEQA. Where a State Highway is involved, Caltrans reviews the CEQA document.

Under SAFETEA-LU, Sections 6004 and Section 6005 and the CE Assignment and NEPA Delegation Assignment MOUs, Caltrans reviews and approves for compliance with NEPA and the other federal environmental requirements for all federal-aid projects. The other requirements include:

- Section 4(f) of the Department of Transportation Act of 1966 applies when a proposed project will result in the use of land in a publicly owned park, recreation area, or wildlife and waterfowl refuge, or any significant historic site. Such a use may not occur unless there is adequate documentation that there is no prudent and feasible alternative to the use of the land in the property, and the action includes all possible planning to minimize harm to the property resulting from such use. Each enhancement project must be evaluated to determine if Section 4(f) applies. Specific documentation and procedural requirements involving FHWA and other Federal agencies must be followed.
- Section 7 of the Endangered Species Act of 1973 requires Federal agencies to consult with the U. S. Fish and Wildlife Service (National Marine Fisheries Service, if applicable) if a federally-funded project may affect a listed endangered species or critical habitat of an endangered species. The administering agency will be responsible for assessing the potential for impact.
- Section 106 of the National Historic Act of 1966 provides authority for the protection of historic and cultural properties. Section 106 requires Federal agencies to take into account the effects of any federally-funded project on National Register listed or eligible properties and consult with the State Historic Preservation Officer and the Advisory Council on Historic Preservation as appropriate pursuant to Title 36 Code of Federal Regulations 800. The administering agency will be responsible for preparing any documentation necessary to fulfill these requirements. The “106” process can be completed in two months to two years or more, depending on the type of project, impact on the historic property and mitigation measures required to protect the historic property.
- Executive Order 11990, May 24, 1977, “Protection of Wetlands” requires federal agencies to make a wetlands finding which determines whether or not there is a practicable alternative to construction located in wetlands, whether all practicable measures to minimize harm to the wetlands have been included in the federal action, taking into account all economic, environmental, and other pertinent factors that have a bearing on practicability. The administering agency is required to delineate wetlands, identify impacts and evaluate avoidance alternatives in the environmental phase of project development. The administering agency is required to obtain a 404 permit prior to advertisement for construction. This law and the Section 404 permit program of the Clean Water Act of 1977 play an important part in the Preliminary Engineering Phase. Timing of the field review should be arranged usually in late winter, spring, or early summer to identify wetlands plant species.

- Other federal environmental laws. The administering agency will be required to prepare any other studies necessary to comply with any other Federal Statutes or Executive Orders commensurate with the anticipated impacts of the project.
- Executive Order 11991, Floodplain Management, May 24, 1977 applies to projects in the flood plain. It requires that FHWA make a “Only Practicable Alternative Finding” if a federally funded project will encroach upon the base (100-year) flood plain. The administering agency is responsible for any studies necessary to support such finding, if necessary.

Required mitigation and permits will be incorporated into the final construction documents (plans, specifications and estimate).

Construction Documents – Design Standards & Reviews

Instructions for preparing project plans, specifications and estimates are contained in Chapter 11 “Design Standards” and 12 “Plans, Specifications & Estimate” of the LAPM.

As a minimum, transportation enhancement activities will use American Association of State Highway and Transportation Officials (AASHTO) standards or Local Agency’s Standards on local roads, Caltrans standards for bikeways or when an encroachment permit is required on a Caltrans facility, and the California Uniform Building Code whenever it is applicable.

Exceptions to design standards must be approved by the Local Agency’s Director of Public Works prior to the project proceeding to construction. While safety is of paramount concern, design solutions are encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes and coastal areas, wetlands and other environmental, scenic and aesthetic resources.

The administering agency will certify compliance with the above requirement and the environmental document.

Whenever applicable, the Americans with Disabilities Act must be met.

Right of Way (Acquisition) Phase

Local agencies must comply with federal acquisition regulations if transportation enhancement activities funds are used for either acquisition or construction. Violation of right of way provisions could jeopardize federal funds for acquisition and construction.

The Commission votes to allocate funds for capital outlay before the Right of Way phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the right of way phase allocation vote.

Whenever federal funds will ultimately be used for the project, the acquisition of real property for the project is subject to the provisions of the Uniform Act, no matter if carried out by private parties or by federal, state or local agencies.

When the acquisition of the real property qualifies for the voluntary sale provisions of the Act, no relocation assistance payments are to be provided to the grantor(s) being displaced from the property because of the project.

Tenants being displaced because of the project are entitled to all relocation assistance benefits under the Act. Grantor(s) being displaced from the property due to the project are entitled to all relocation assistance benefits under the Act, when the acquisition does not meet the requirements for a voluntary sale.

When a transportation enhancement project involves acquisition of land and the administering agency desires to have transportation enhancement activities funds deposited into an escrow account, step-by-step procedures for this exception to the usual process are as follows:

- “Authorization to Proceed” is received for Right of Way phase for state share of TEA and EEM
- Program Supplemental Agreement includes clauses so warrants can be payable to an escrow agent and so that different funding sources are clearly identified with their pro-rata share of costs
- Caltrans executes E-76 with FHWA, required before invoices can be paid. Finance letter required from the administering agency to begin the process.
- Escrow opens
- Administering agency prepares invoice
- Administering agency signs agreement declaring restrictive covenant, for example, on a scenic view shed
- Administering agency submits invoice, grant deed (not recorded) and agreement declaring restrictive covenant (not recorded) to Caltrans District Local Assistance
- Caltrans District Right of Way approves invoice and drafts further instructions to escrow
- Caltrans pays escrow (a memo explaining the expedite to the State Controller's Office may be required. Expedite requests cost \$18.50 for a five-day turn-around and \$50.00 for a three-day turn-around costs to be paid by administering agency.)
- Escrow closes
- Escrow records grant deed and agreement declaring restrictive covenant and sends recorded documents to DLAE
- Copies are distributed
- Final detailed estimate is made
- Final audit is performed.

Construction Phase

The construction phase steps generally include project advertising, bid opening, award, daily reporting, labor compliance, contract change orders and project completion. In order to ensure Federal fund eligibility, projects shall not be advertised for construction until receipt of “Authorization to Proceed”, see Chapter 15 “Advertise/Award Project” in the *Local Assistance Procedures Manual*.

The CTC’s allocation of construction capital funds and the administering agency receipt of “Authorization to Proceed” are required before the construction phase is eligible for reimbursement. CEQA and NEPA approvals are required prior to the construction phase CTC allocation vote.

To initiate the construction phase, the administering agency provides the following information to Caltrans District Local Assistance:

- Request for allocation vote to Caltrans District Local Assistance
- Verification that project is in the Federal-approved State Transportation Improvement Program (FSTIP), available from the RTPA
- Right of Way Certification
- PS&E certification and complete PS&E.
- Copy of the approved environmental document (if not sent earlier)
- Completed “Request for Authorization”

Note: all of the above are part of Local Agency PS&E Certification, see Chapter 12, “PS&E” in the *Local Assistance Procedures Manual*.

After awarding the construction contract, the administering agency submits the Award Package and requests for a revised E-76 to reflect award information. The E-76 request should be sent along with Award Package, which includes the following information:

- Disadvantaged Business Enterprise/Woman-Owned Business Enterprise (DBE/WBE) information
- Good Faith Effort statement of DBE/WBE participation if DBE/WBE goals are not met
- List of all bidders in order of ranking from lowest to highest bid and the total of each bid
- Tabulated list showing the engineer’s cost estimate and at least the three lowest bidders plus the successful low bidder in an item-by-item breakdown
- Engineer’s estimate and the percentage the successful bid is over or under this estimate
- Responsible low bidder’s proposal
- Finance letter
- Detailed estimate

Note: all of the above are part of Local Agency Contract Award Checklist, see Chapter 16, “Administer Contract” in the *Local Assistance Procedures Manual*.

For project completion, before the Caltrans District Local Assistance does a project completion review. The administering agency provides a Report of Expenditures to Local Assistance within six months of project completion. This report includes:

- Final invoice
- Final detail estimate
- Change order summary
- Liquidated damages/contractor’s claims
- Date of project completion
- DBE/WBE final report
- Project certification.

Project Completion Timeline

Caltrans expects Project Administrators to start their projects by holding the field review, executing the agreements and beginning preliminary engineering during the fiscal year they are programmed in the STIP, either 1997/98 or 1998/99. Projects should be ready for the second vote within four years and completed within five years from July 1 of their programmed year. An accelerated

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schedule of implementation will be required if the Federal act reauthorizing ISTEA of 1991 does not include the enhancement program; in that case all projects must receive their allocation of funds for capital outlay before September 30, 2000.

Under-Expenditures and Over-Expenditures

The Federal cost programmed into the State Transportation Improvement Program (STIP) is a fixed amount. In general, cost increases must be covered with local funds.

Project cost changes can be expected due to environmental or design decisions, from contractor's bidding, or during construction. The administering agency should plan to work with its DLAE staff to identify accurate and reasonable costs before the project application is submitted.

If the cost of the project exceeds the amount identified in the STIP, the local agency has at least one of the following options:

- Fund the additional cost with available local resources;
- Change the scope of the project to fit within the funding programmed (subject to the Federal Highway Administration, Regional Transportation Planning Agency, Commission and Caltrans approval);
- Fund the additional cost in one project phase with identified savings from another project phase;
- Re-advertise the project for new contractor bids;
- Request additional funding from the Commission, even though Commission policy does not allow additional funding; or
- Drop the project as no longer cost effective and repay FHWA for any reimbursements received for preliminary engineering and right of way.

Caltrans must approve a change in project scope or shift of funding between project phases. The Regional Transportation Planning Agency and the Commission must approve any additional State funding or substantive change in project scope.

The Commission encourages cost savings on projects, to conserve funding so that more future projects can be funded in the program. The Commission will retain cost savings on any project within the same program for future programming.

Audits and Records Retention

Caltrans performs financial and compliance audits on agencies receiving Federal funds. Audits are mandatory for any project involving over \$100,000 in Federal funds. Audits can establish that dollars must be paid back by the administering agency.

Audits are also performed on nonprofit institutions receiving Federal funds from an administering agency to carry out a project.

The final audit for most projects is satisfied by the Single Audit Process. If an administering agency is not subject to single audit, the State Controller's Office may be requested to perform the audit. Project records must be kept for three years after the final audit. Agencies receiving Federal-aid funds will be audited for compliance with the following:

- Title 23 and Title 49 Requirements
- Political Activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended) These acts specify that Federal funds cannot be used for political activity of any kind.
- Construction contracts (Davis-Bacon Act): For construction phase, laborers and mechanics employed by contractors on Federal-aid highway projects must be paid at wages not less than those established by the Secretary of Labor as the prevailing regional wage rate. Davis-Bacon Act does not apply to TEA projects that are not linked to Federal-aid highways.
- Civil Rights: No person shall be excluded from participation in, or be subjected to discrimination in, any program funded in whole or part by Federal funds because of race, color, national origin, sex, age, or physical impairment. (Includes Disadvantaged Business Enterprise (DBE) requirements.)
- Cash Management (Cash Management Act of 1989): Many recipients receive funds through a letter of credit arrangement with Caltrans. Cash should be withdrawn only in amounts necessary to meet immediate needs or to cover program disbursements already made.
- Relocation assistance and real property acquisition: When property is acquired by a public agency and subsequently displaces households and businesses, the agency must carry out certain actions in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.

The audit can determine whether: the financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; the organization has internal accounting and other control systems; and the organization has complied with laws and regulations that may affect its financial statements and the enhancement project.

Invoicing

For reimbursement, the administering agency may submit monthly progress (not final) payment invoices for work completed on its letterhead to Caltrans Headquarters Local Programs Accounting. As an option, the agency may wait and request full payment with a Final Invoice upon notification of project completion to DLAE.

The administering agency is required to submit separate billings or invoices for work completed and separate final reports of completion for each funding source. For example, a transportation enhancement project that uses Environmental Enhancement and Mitigation funds as a match will be invoiced so that the two funds and their respective reimbursement items are accounted for separately. The administering agency may not bill for donated labor or materials.

Federal Transit Administration (FTA) Transfers

Administering agencies which are transit agencies may request transfer of their transit-related enhancement project from Federal Highway Administration (FHWA) to Federal Transit Administration (FTA). This decision rests with these two agencies. Every project is reviewed by the Federal Highway Administration and the Federal Transit Administration prior to the start of the project. Requests may be made during the field review or before. Transfer is limited to agencies (mostly transit) prequalified by FTA.

Maintenance and Monitoring

Administering agencies are generally responsible for maintaining projects into the future. The agency pays for the maintenance effort unless subsequent agreement specifies otherwise. Maintenance costs are not eligible for enhancement funding. The effort is monitored by the Caltrans Headquarters' Transportation Enhancement Activities Branch with input from Caltrans District Local Assistance.

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CHAPTER 9 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

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CHAPTER 9 HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

9.1 INTRODUCTION

The Highway Safety Improvement Program (HSIP), codified as Section 148 of Title 23, United States Code (23 U.S.C. §148) was elevated to a core program as a result of the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The HSIP replaces the Hazard Elimination Safety (HES) Program under 23 U.S.C. §152. Under this core program, two set aside fundings are made for the Highway-Rail Grade Crossings Program (23 U.S.C. §130) and the new High Risk Rural Roads Program (HR3). Both programs are funded components of HSIP.

To fully obligate HSIP funds for safety projects, each state is required to develop a Strategic Highway Safety Plan (SHSP) and an annual Five Percent (5%) Report showing locations with the highest number of fatalities and severe injuries. The SHSP and the Five Percent (5%) Report are being used to develop California's Strategic Highway Safety Implementation Plan (SHSIP), which is scheduled to be completed in Spring 2008. HSIP funds alone are insufficient to address California's large safety needs. HSIP is only one funding source among many that will be needed to meet the ultimate goal of SAFETEA-LU. That is, to significantly reduce fatalities and severe injuries by focusing resources to the greatest needs that are data and strategically driven.

While the SHSIP is under development, the HSIP administered by the Division of Local Assistance (DLA) has three project categories consisting of **Safety Index**, **Work Type**, and **Traffic Data**. The major category for HSIP funds is Safety Index (SI). The intention of the Work Type Category is to give consideration for projects that are not yet data supported, and the intention of the Traffic Data Category is to improve traffic data collection. Improved traffic data collection will help identify safety opportunities and help fund important safety projects under the SI Category. For clarity, "traffic data" includes all public road and highway users such as automobiles, motorcycles, trucks, buses, bicycles, and pedestrians.

9.2 ELIGIBLE APPLICANTS

The applicant for HSIP funds is an agency that assumes responsibility and accountability for the use and expenditure of federal-aid highway funds. The applicant must be a city or a county within the State of California. Exceptions to this requirement will be reviewed by Headquarters DLA on a case-by-case basis.

9.3 PROJECT ELIGIBILITY

It is the intent of the HSIP that federal funds be expended on important safety projects that can be designed and constructed expeditiously. Projects should not require the acquisition of significant rights of way that are more than ten percent (10%) of construction cost, nor should they typically require extensive environmental review and mitigation beyond the Categorical Exclusion (CE) determination.

HSIP funds are available for expenditure on any highway safety improvement project on any public road, publicly owned bicycle, pedestrian pathway, or trail.

For a construction project to be eligible for HSIP funding, a specific safety problem must be identified for correction, and the project must correct or substantially improve the condition.

Caltrans-initiated safety projects on a state highway that require financial participation by a local agency are eligible for funding. Typically, these types of projects involve new or upgraded traffic signals at an intersection. The number of intersection legs owned by each agency determines the cost-sharing ratio. For example, if a traffic signal is proposed at a 4-legged intersection, 2-legs being a state highway and 2-legs being a local road, the project cost sharing ratio for each agency would be fifty percent (50%). For other special financial arrangements, see Section 4B.104 (CA), Financing, of the *California Manual on Uniform Traffic Control Devices* (California MUTCD) or go to the Caltrans Traffic Operation web site at:

<http://www.dot.ca.gov/hqtraffops/signtech/mutcdsupp/>.

For a Traffic Data Project to be eligible, it must directly support the gathering and management of traffic data. Projects may consist of traffic counting and detection devices, consultant services, and computer software and hardware equipment. The goals are to assist local agencies to identify safety improvement locations and to help secure HSIP funds under the SI Project Category. Priority will be given to agencies with the greatest need for data collection and management improvement.

9.4 PROJECT CATEGORIES

Described below are the three HSIP Funding Categories.

CATEGORY 1 – SAFETY INDEX PROJECTS

Projects may qualify for HSIP funding based on a calculated SI. If the applicant wishes to compete for funds under the SI Category, additional data will be required as noted on the application form, Exhibit 9-A “Application for Highway Safety Improvement Program Funds,” in this chapter. Use the most current available traffic data containing three continuous years of data. Caltrans Headquarters (HQ) staff will calculate the SI for all applications competing under this category.

There are some categories of work that are **ineligible** for the SI funding due to the lack of accident reduction factors and life cycles. Examples include:

- Emergency vehicle priority systems
- Bicycle and pedestrian improvements
- Public transportation facilities
- Traffic calming

Projects will be prioritized statewide by SI. If the SI project fails to get funded under the SI Category, it will automatically be moved into the Work Type Category and re-compete for funding with other Work Type Projects.

CATEGORY 2 - WORK TYPE PROJECTS

The Work Type Category is used to fund projects that cannot be quantified by the SI calculation due to the lack of data. Projects providing evidence of some accident history or accident potential will compete better than projects that do not.

Examples of eligible construction and operational improvements may include, but are not limited to, the twenty-one project categories in the order as listed under 23 U.S.C. §148(a)(3)(B) shown below. There is no funding priority assigned to the list.

- (i) An intersection safety improvement.
- (ii) Pavement and shoulder widening (including addition of a passing lane to remedy an unsafe condition).
- (iii) Installation of rumble strips or other warning devices, if the rumble strips or other devices do not adversely affect the safety or mobility of bicyclists, pedestrians, and the disabled.
- (iv) Installation of a skid-resistant surface at an intersection, or other location with a high frequency of accidents.
- (v) An improvement for pedestrian, bicyclist safety or safety of the disabled.
- (vi) Construction of any project for the elimination of hazards at a railway-highway crossing that is eligible for funding under Section 130, including the separation of protection of grades at railway-highway crossings.
- (vii) Construction of railway crossing safety features, including installation of protective devices.
- (viii) The conduct of a model traffic enforcement activity at a railway-highway crossing.
- (ix) Construction of a traffic-calming feature.
- (x) Elimination of a roadside obstacle.
- (xi) Improvement of highway signage and pavement markings.
- (xii) Installation of a priority control system for emergency vehicles at signalized intersections.
- (xiii) Installation of traffic control or other warning devices at a location with high accident potential.
- (xiv) Safety-conscious planning.
- (xv) Improvement in the collection and analysis of crash data. (*Note: Eligible under Category 3*)
- (xvi) Planning integrated interoperable emergency communications equipment, operational activities, or traffic enforcement activities (including police assistance) relating to work zone safety. (*Note: Not eligible under HSIP as a stand alone project unless it is part of a Construction Project for a Construction Zone Enhancement Enforcement Program.*)
- (xvii) Installation of guardrails, barriers (including barriers between construction work zones and traffic lanes for the safety of motorists and workers), and crash attenuators. (*Note: Includes barrier rail and guardrail on structure or its approaches.*)
- (xviii) The addition of retrofitting of structures or other measures, to eliminate or reduce accidents involving vehicles and wildlife.
- (xix) Installation and maintenance of signs (including fluorescent, yellow-green signs) at pedestrian-bicycle crossings and in school zones.
- (xx) Construction and yellow-green signs at pedestrian-bicycle crossings and in school zones.

(xxi) Construction and operational improvements on high risk rural roads.

Some of the Work Type Categories are broad in nature. Consult the District Local Assistance Engineer (DLAE) for clarifications or questions on project categories and/or eligibility.

CATEGORY 3 – TRAFFIC DATA PROJECTS

This category is eligible under 23 U.S.C. §148(a)(3)(B) (xv) for “Improvement in the Collection and Analysis of Crash Data.” The new category gives local agencies an opportunity to install “traffic data collection and analysis systems” (for vehicles, bicyclists and/or pedestrians) to identify locations with the greatest safety needs.

Eligible projects include elements to improve traffic data collection and the analysis of crash data that will lead to better identification of safety improvement locations and effective implementation of countermeasures.

Projects may be minor construction work such as installation of detector loops and poles for electronic devices. Right of way acquisition cost will not be allowed for reimbursement under the Traffic Data Category. This cost, if needed, will be at agency’s expense.

Examples of eligible traffic data collection work may include the following:

- Detector loops for traffic counting
- Video cameras
- Controller cards and cabinets for traffic data collection
- Traffic counting equipment
- Computer software and hardware to store, retrieve, and analyze traffic data
- Geographic Code Mapping
- Consultant Services to develop a comprehensive or a systematic process to improve data collection and crash analysis
- Emergency Medical Service database link for traffic data collection and analysis
- Special traffic data collection for bicycles and pedestrians or others

Project call for this category will be separate from Categories 1 and 2.

A new project application with instructions is being developed and will soon be available on our web site at:

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

Be sure to check periodically for announcements, updates, and project application information.

9.5 FUNDING

The approximate amounts of federal-aid highway safety funds available for the local HSIP program in Federal Fiscal Year (FFY) 2007/2008 and 2008/2009 are \$32 million and \$54 million, respectively.

Approximately fifty percent (50%) to seventy percent (70%) will be targeted for SI Projects, twenty percent (20%) to thirty percent (30%) for Work Type Projects, and up to twenty percent (20%) maximum for Traffic Data Projects.

Actual percentages to each project category are contingent upon the amount of federal funds requested under each category. However, the SI Category will continue to receive the majority of HSIP funds.

Under the SI and Work Type Categories, project costs eligible for federal reimbursement include:

- **Preliminary Engineering**
 - Environmental Studies (NEPA Clearance required)
 - Preparation of Plans, Specifications and Estimates (PS&E)
- **Right of Way**
 - Engineering
 - Appraisal and Acquisition
 - Utilities
- **Construction**
 - Construction Engineering
 - Construction

Under the Traffic Data Category, right of way costs are ineligible.

The maximum federal reimbursement ratio for all HSIP projects will be ninety percent (90%) or up to a maximum federal reimbursement amount of \$900,000 for any one project. All project expenses incurred over the \$900,000 maximum will be the responsibility of the project sponsor and will not be eligible for reimbursement. The actual project reimbursement ratio will be determined when the “Authorization to Proceed” is approved. Requests for additional federal funds that exceed the original amount shown in the agency’s application will not be granted except in unusual circumstances and are subject to the availability of funds. Poor planning and deficient preliminary engineering work are not considered unusual circumstances.

An HSIP candidate project submitted by a local agency that identifies financial participation by Caltrans must include a letter of support from Caltrans. The financial and project administration responsibilities of each agency must be detailed in a future executed Cooperative Agreement. The HSIP Application Form should contain a reasonable estimate of all cost-sharing ratios and amounts.

9.6 AGENCY APPLICATION

The “Application Form for Highway Safety Improvement Program Funds,” Exhibit 9-A, in this chapter must be completed in its entirety and accompany all application submittals.

Instructions for completing the form are shown in Exhibit 9-B “Application Form Instructions For HSIP Funds,” in this chapter. *Note: Some data fields do not require an entry for a Work Type Project, but are required for the SI Project.*

The local agency should consult with the DLAE on planned and/or programmed state highway safety projects that will require financial participation by a local agency. If Caltrans will be delivering a safety project that requires financial participation by a local agency, then the local agency must submit the HSIP application for the project in order to be eligible for federal reimbursement of its share of project costs. Submittal of a project application does

not guarantee that the project will be approved for funding; however, Caltrans will make every effort to fund these types of cooperative projects. In the HSIP application, the local agency should only include cost estimates for the local agency's share.

A local agency must submit candidate projects to its respective Caltrans District Office, directed to the attention of the DLAE, by the designated deadline. An original application, plus two copies, is required. Any maps, schematics, drawings, figures, or photographs that are attached to the application should be made on 8-1/2 x 11-inch paper.

Candidate projects must include cost estimates for all phases of the project.

Candidate projects must include estimated dates when various project milestones will be completed.

SI Projects must contain supportive documentation on accident histories. Work Type Projects should contain some information on accident histories or a description of the potential for accidents. Collision diagrams should be submitted when available. Photographs to better illustrate the problem are encouraged.

Schematic drawings or plans showing the general nature and location of the proposed improvements should be submitted for all projects.

A local agency submitting two or more candidate projects must prioritize them within the category each project is under.

9.7 APPLICATION REVIEW AND PROJECT SELECTION PROCESS

Projects competing for funding under the SI Category will be prioritized in descending order, statewide, by the calculated SI. Caltrans HQ DLA staff will calculate the SI for all projects competing under the SI Category. For informational purposes, the SI calculation worksheet and instructions are posted on the DLA web site at: www.dot.ca.gov/hq/LocalPrograms/hsip.htm.

SI Projects that fail to receive funding under the SI Category will re-compete for funding under the Work Type Category.

Work Type candidate projects will be rated on the following list of factors:

- Identification and demonstration of needs.
- Potential for proposed improvements to correct or improve the problem.
- Potential for timely implementation of the project.
- Urgency of project.
- Agency's past performance of HES project delivery.
- Project site is within a listed location in the Five Percent (5%) Report.
- Project implements a prioritized safety action item in the SHSIP report (this factor will only be used after the release of the SHSIP report, which is anticipated to be in spring).

Candidate projects that are ready to submit a Request for Authorization to Proceed with Construction will compete more favorably.

The DLAE may establish a District Review Committee to prioritize and rank all Work Type Projects. The composition of this committee may vary from district to district. It may be comprised in various combinations of representatives from Caltrans, FHWA, local governmental agencies, state or local law enforcement officials, health service agencies, and community based organizations.

The DLAE will submit a prioritized list of Work Type Projects to HQ DLA.

HQ DLA staff will review and rank all projects on a statewide basis and post an approved list of projects on the HSIP web site at: www.dot.ca.gov/hq/LocalPrograms/hsip.htm.

The DLAE will inform all applicants of the results.

9.8 PROJECT PROGRAMMING AND IMPLEMENTATION

Caltrans HQ DLA will send the Metropolitan Planning Organizations (MPOs) the list of projects approved for funding and will request the MPOs to amend their Federal Transportation Improvement Program (FTIP) and program the projects under the Lump Sum-Safety Project. Caltrans, acting as MPO for the rural Regional Transportation Planning Agencies (RTPA), will amend the Federal Statewide Transportation Improvement Program (FSTIP) accordingly. Projects cannot proceed with any phase of implementation unless the projects are included in the approved FSTIP.

Once programmed into FSTIP, projects must be processed and implemented in accordance with the federal procedures contained in the *Local Assistance Procedures Manual* (LAPM).

Federal funds are considered obligated to each project phase when the FHWA approves the "Request for Authorization" (see Chapter 3, "Project Authorization," of the LAPM).

Projects cannot proceed with any phase of reimbursable work (Preliminary Engineering, Right of Way, or Construction) until the DLAE provides the local agency with the written "Authorization to Proceed" for each project phase.

All costs associated with any phase of work performed prior to receiving written "Authorization to Proceed" from Caltrans will not be eligible for reimbursement.

9.9 DESIGN STANDARDS

Chapter 11, "Design Standards" of the LAPM describes statewide design standards, specifications, procedures, guides, and references that are acceptable in the geometric, drainage, and structural design of local assistance projects. The chapter also describes design exception approval procedures. These standards and procedures shall be used for all HSIP projects on the local road system.

If a project contains a bikeway component, it shall be designed in accordance with the *Caltrans Highway Design Manual* and the California MUTCD. Exceptions to using these standards will be handled in accordance with the exception approval process described in the appropriate manual.

All projects must meet the requirements of the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act of 1973. For more information on ADA compliance, please refer to Chapter 11, "Design Standards," of the LAPM, or go to the DLA web site at:

http://www.dot.ca.gov/hq/LocalPrograms/DBE_CRLC/DBE_CRLC.html#ADA

All projects must upgrade nonstandard safety features to the appropriate standard when those features are within the scope and work area of the project. Requests for exceptions to this requirement will follow appropriate procedures.

A local agency that proposes to install an experimental traffic control device on a public roadway shall follow the process prescribed in Section 1A.10 of the California MUTCD. The California MUTCD is available at the following web link:

<http://www.dot.ca.gov/hq/traffops/signtech/mutcdsupp/>.

The local agency shall also comply with the experimental process of the California Traffic Control Devices Committee. For more information on that process, go to:

<http://www.dot.ca.gov/hq/traffops/signtech/newtech/others/guidelines-exp.pdf>

All projects containing Intelligent Transportation System (ITS) components shall comply with federal ITS regulations. See Chapter 12.6, Intelligent Transportation Systems, of the *Local Assistance Program Guidelines* (LAPG). This manual is available at the following web link:

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

9.10 GENERAL RULES AND POLICIES

To ensure the integrity of the HSIP and the expeditious expenditure of program funds for needed safety projects, general rules and policies under this section are to be followed. Additionally, current and future statewide policies and guidelines for project delivery are also included as part of this section.

A successful candidate project should be federally programmed by its governing MPO within six (6) months after the award notification date. Programming delays may result in actions to re-award funds to another project.

MILESTONES

Inactive projects tie up limited program funds that can be used by other local agencies for their safety needs. To ensure that all programmed projects are delivered in a timely manner, each project will be monitored with the following six target milestones starting from its programmed date in the FSTIP:

- 1) Request Authorization to Proceed with PE (**30 days** after federal approval of the FSTIP)
- 2) Obtain Environmental Clearance (NEPA) (**1 year** after receipt of Authorization to Proceed with PE)
- 3) Request Authorization to Proceed with Right of Way (**60 days** after Environmental Clearance)
- 4) Request Authorization to Proceed with Construction (**7 months** after receipt of Authorization to Proceed with Right of Way)
- 5) Complete Construction of Project (**12 months** after receipt of Authorization to Proceed with Construction)
- 6) Complete Formal Project Close out (**6 months** after complete construction of project)

Projects should be able to start and be constructed within thirty-six (36) months after the federal approval date of the FSTIP. The project should be closed out formally within 180 days after the completion of the construction.

For nonconstruction Traffic Data Projects, the target milestone for Environmental Clearance and Right of Way Authorization to Proceed are not applicable. The following two target milestones for these Traffic Data Projects:

- 1) Request Authorization to Proceed with PE (**30 days** after federal approval of FSTIP)
- 2) Complete formal project close out **6 months** after project completion

Failure to complete or to proceed to the next milestone of a project would be justifiable ground to drop that project from the program and initiate the de-obligation of federal funds process. Requests for time extension beyond thirty-six (36) months after the federal approval date of the FSTIP will not be automatic and will be evaluated on a case-by-case basis by HQ DLA. Requests for extension must include a commitment to a timely project completion date and a revised work plan

STATUS REPORTS

Local agencies are required to provide an update of project schedules and costs on July 1 of each year for all projects that have not received “Authorization to Proceed” with the construction phase of the project. A local agency that fails to provide this annual update may have their project dropped from the program. The report should be mailed or e-mailed to the appropriate DLAE. A sample “Project Status Report” is included in our web site and can be downloaded from the HSIP web site at: www.dot.ca.gov/hq/LocalPrograms/hsip.htm.

EXPENDITURE ACTIVITY

A project is subject to be dropped from the HSIP if the recipient agency does not submit an invoice within the first nine (9) months after the authorization date of project and at least once every six months thereafter.

9.11 PROJECT EVALUATIONS

Federal directives require that improvements constructed with federal safety funds be evaluated after the project is completed. Applicants that receive funding for a project may be asked to collect and submit data to Caltrans. Typically, two years of “**before**” data and two years of “**after**” data are sufficient for analysis. Positive safety benefits documented on constructed projects will help justify continued funding at or above current funding levels.

9.12 FEDERAL PROGRAM CODES AND PROJECT PREFIXES

The federal program code for the HSIP is **LS30**.

The project prefix to be used with HSIP Projects is **HSIPL**.

For additional information on program codes and project prefixes, see Exhibit 3-M of the LAPM.

REFERENCES

Title 23, United States Code, Section 148

California Streets and Highways Code, Sections 2330-2334

Caltrans *Local Assistance Program Guidelines* (LAPG)

Caltrans *Local Assistance Procedures Manual* (LAPM)

Caltrans *Highway Design Manual*

California Manual on Uniform Traffic Control Devices (California MUTCD)

EXHIBIT 9-A APPLICATION FOR HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) FUNDS

Applicants seeking Highway Safety Improvement Program (HSIP) funds must use this form. Failure to provide information that is required, or failure to prepare the application in accordance with general formatting instructions may result in your application being disqualified. See Exhibit 9-B “Application Form Instructions for HSIP Funds” for assistance in completing this form.

This entire Application Form must be submitted. Applicants should download the Application Form from the Division of Local Assistance HSIP web site at: www.dot.ca.gov/hq/LocalPrograms/hsip.htm.

Limit the application to eight (8) pages plus attachments. Do not provide brochures and samples of materials unless they are directly related to a response.

Agency: _____

Date: _____

Total number of applications being submitted by your agency: _____

Rank of this project (Note: Each project application must have a different rank): _____

Name of Contact Person: _____

Telephone: _____

E-mail: _____

Mailing Address:

Street: _____ **City:** _____ **Zip:** _____

County: _____

Caltrans District: _____

MPO: _____

Project Location:

Description of Proposed Improvement(s):

Does proposed improvement(s) include Intelligent Transportation System components as defined in Chapter 12.6, Intelligent Transportation Systems, of the LAPG? _____ **YES** _____ **NO**

Type of Improvement (See Exhibit 9-B: Application Form Instructions for HSIP Funds):

*(Item 1 to 20: Select from the first box; Item 21 to 34: Select from the second box. Select one only.)

Intersection or Road Section (Select one. If it is a road section, indicate section length.):

Intersection

Road Section Section Length (Miles): _____

Speed Limit (mph): _____

Number of Lanes: _____

Functional Classification (select one): _____

Visit <http://web1.dot.ca.gov/hq/hpms/Page1.php> to verify the functional classification.

Average Daily Traffic (ADT) (Current, all directions) (required for Safety Index Project): _____

Traffic Collision Information (required for Safety Index Project):

**If "1. Roadway Illumination (where no lighting exists)" is selected as Type of Improvement, enter only night-time collisions.*

Time Period	_____ to _____		
Collision Type	Fatal	Injury	Property Damage Only (PDO)
Number of Collisions (NOT Number of Victims)	_____	_____	_____

Project Cost Estimate

Complete the following “Project Costs Estimate” section. Include only those costs that are being requested for this project. For the three (3) primary headings, identify the Federal Fiscal Year in which funds should be programmed.

PROJECT COST ESTIMATE: (REQUIRED)

	\$	Federal Fiscal Year
Preliminary Engineering		
Environmental	\$ _____	_____
PS&E	\$ _____	
Right of Way		
Engineering	\$ _____	_____
Acquisition	\$ _____	
Construction		
Construction Engineering	\$ _____	_____
Construction	\$ _____	
Subtotal	\$ _____	
Contingency (10% of Subtotal; max)	\$ _____	
Total Project Cost	\$ _____	
Federal Funds Requested	\$ _____	

The following parts of this Application Form request specific project-related information. Sections 1 and 2 request the applicant to provide a detailed narrative description related to a specific topic. If pictures, maps, exhibits, data, diagrams, etc., are submitted in response to questions or statements in the application, they must be attached to the application.

1. IDENTIFICATION AND DEMONSTRATION OF NEED

This section requires the applicant to demonstrate the need for the project. Using the following questions and statements as a guide, provide a detailed narrative description of the problem.

Provide some background information about the problem. How was the problem identified? How long has the problem existed? Describe the primary cause(s) of the collisions that have occurred at the location. Given that other problems may exist within the applicant’s jurisdiction, explain why this problem was chosen for improvement. Use whatever collision data, traffic data, community surveys, reports, plans, and other environmental conditions that may apply. Describe the urgency of project and the agency’s commitment to deliver project regardless of HSIP funds.

If available, provide photographs to illustrate the problem or deficiency. Include these photographs as attachments.

2. POTENTIAL FOR PROPOSED IMPROVEMENT TO CORRECT OR IMPROVE THE PROBLEM

This section requires the applicant to describe how the proposed solution will improve the safety of the public. The applicant must clearly demonstrate the connection between the problem and the proposed solution.

Describe how the proposed project corrects, or improves the traffic safety at or near the project site.

Describe options, or alternatives that were considered.

3. IMPLEMENTATION SCHEDULE

Applicants must estimate dates for the following milestones:

Request Authorization to Proceed with Preliminary Engineering	_____
Obtain Environmental Clearance (NEPA)	_____
Request Authorization to Proceed with Right of Way (if applicable)	_____
Obtain Right of Way Clearance	_____
Request Authorization to Proceed with Construction	_____
Complete Construction of Project	_____

4. PROJECT SITE IS A LISTED LOCATION IN THE CURRENT CALIFORNIA FIVE PERCENT (5%) REPORT

_____ Yes, _____ LOCATION IDENTIFICATION NUMBER
(See Five Percent (5%) Report, Appendix B)

For web site access to the Five Percent (5%) Report, go to: <http://safety.fhwa.dot.gov/fivepercent/index.htm>
or contact your District Local Assistance Engineer for assistance.

5. APPLICATION SIGNATURES

An agency official representing the applicant must sign the application. The undersigned affirms that the statements contained in the application package are true and complete to the best of the applicant's knowledge. The undersigned also affirms that the applicant's agency owns, operates and maintains the facility upon which the proposed improvements will be constructed. If portions of the improvements extend into areas where the applicant has no jurisdictional authority, a notation must be made that officials representing the affected local agencies support the project. In the notation, provide names and telephone numbers of whom to contact for corroboration. Only one agency official needs to sign the application. "Agency Official" means Director, Assistant Director, Executive Director, Assistant Executive Director, or their respective designated administrators, engineers, or planners.

Agency Official: _____ (Name)

Signature

Date

Title: _____

Phone Number: _____

E-mail: _____ (*If available*)

Notation: (*If applicable*)

Distribution: Original and two copies – DLAE

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EXHIBIT 9-B APPLICATION FORM INSTRUCTIONS FOR HSIP FUNDS

Applicants should submit the original application and two copies to the respective Caltrans District Offices, directed to the attention of the District Local Assistance Engineer (DLAE), by the designated deadline.

Download the Application Form from the Division of Local Assistance HSIP web site at: www.dot.ca.gov/hq/LocalPrograms/hsip.htm. Limit the application to eight (8) pages plus attachments. Do not provide brochures and samples of materials unless they are directly related to a response. Any maps, schematics, drawings, figures and/or photographs attached to the application should be made on 8-1/2 x 11-inch paper.

For projects that involve multiple locations, a separate form must be submitted for each spot location.

For projects that involve roadway segments that exceed 1 mile in length, a single application may be submitted if the Average Daily Traffic (ADT) throughout the project's limits does not vary by more than 20%.

The application form contains the following fields:

Agency: Provide the name of your agency.

Date: Indicate the Application Date.

Total number of applications being submitted by your agency: Provide the total number of applications being submitted by your agency for HSIP Funds, including this application.

Rank of this project: Rank of this project among all the applications submitted by your agency. "1" means the highest priority. Each project application must have a different rank.

Name of Contact Person: Name of the contact person for this application.

Telephone: Telephone number of the contact person.

E-mail: E-mail address of the contact person.

Mailing Address: Mailing address of the contact person for this application.

County: Name of the County where the proposed project will be constructed.

Caltrans District: From the drop-down list, select the Caltrans District (1 to 12) where the proposed project will be constructed.

MPO: From the drop-down list, select the MPO (Metropolitan Planning Organization) that will be involved with the programming of the project in the FTIP. Select "Other" if not applicable. The following 18 MPOs are available from the drop-down list:

AMBAG: Association of Monterey Bay Area Governments
BCAG: Butte County Association of Governments
COFCG: Council of Fresno County Governments
KCAG: Kings County Association of Governments
KCOG: Kern Council of Governments
MCAG: Merced County Association of Governments
MCTC: Madera County Transportation Commission
MTC: Metropolitan Transportation Commission
SACOG: Sacramento Area Council of Governments
SANDAG: San Diego Association of Governments
SJCOG: San Joaquin Council of Governments
SLOCOG: San Luis Obispo Council of Governments
SBCAG: Santa Barbara County Area of Governments
SCRTPA: Shasta County Regional Transportation Planning Agency
SCAG: Southern California Association of Governments

STANCOG: Stanislaus Council of Governments
TCAG: Tulare County Association of Governments
TMPO: Tahoe Metropolitan Planning Organization

Project Location: Provide road name and/or geographical references to project location.

Description of Proposed Improvement(s): Describe the proposed improvements.

Intelligent Transportation Systems Component: Answer “yes” or “no.” If the reply is “yes,” Chapter 12.6 of the LAPG shall be followed.

Type of Improvement: Proposed type of improvement. Select one (and only one) from the predefined list (see below).

Type of Improvements

1. Roadway Illumination (where no lighting exists)
2. Relocation or Breakaway Utility Poles
3. Traffic Signs (General)
4. Curve Warning Arrows
5. Advance Curve Warning with Advisory Speed
6. 4-Way Stop
7. Upgrade with Breakaway Supports
8. Upgrade Median Barrier (includes new median barrier)
9. Remove Obstacles
10. New Traffic Signals
11. Upgrade Guardrail (include new guardrail)
12. Impact Attenuators
13. Upgrade Traffic Signals (includes interconnection)
14. Sight Distance Improvement
15. Construct Raised Median for Traffic Separation
16. Groove Pavement for Skid Treatment
17. Turning Lanes (except for new left-turn lane) and Traffic Channelization
18. New left-turn lane at signalized intersection (with no left-turn phase)
19. New left-turn lane at signalized intersection (with left-turn phase)
20. New left-turn lane at nonsignalized intersection
21. Two-way left-turn lane
22. Pavement Markings and Delineation
23. Widen or Improve Shoulder
24. Flatten Side Slopes
25. Realign Roadway
26. Overlay for Skid Treatment
27. Reconstruction (combinations & miscellaneous)
28. Emergency Vehicle Priority Systems
29. Bicycle/Pedestrian Improvements
30. Public Transportation Facility
31. Traffic Calming
32. Red Light Running Detection System
33. In-pavement Crosswalk Lights
34. Other

Item 28, 29, 30, 31, 32 and 33 are eligible improvements for Work Type projects, but not for Safety Index projects.

Intersection or Road Section: Check the appropriate description. If it is for a road section, indicate the length of the road section in miles.

Speed Limit (mph): Indicate the speed limit.

Number of Lanes: Indicate the total number of travel lanes of the road (both directions). Do not include left-turn lanes, right-turn lanes or two-way turn lanes. If it is an intersection, use the average number of lanes of the roads approaching the intersection. For example, if 2 approaches have 2 lanes each, and 2 other approaches have 1 lane each, the average number of lanes is 1.5.

Functional Classification: Select one from the following twelve categories:

- 01-Rural Principal Arterial Interstate
- 02-Rural Other Principal Arterial
- 06-Rural Minor Arterial
- 07-Rural Major Collector
- 08-Rural Minor Collector
- 09-Rural Local
- 11-Urban Principal Arterial Interstate
- 12-Urban Principal Arterial - Other Fwys or Expwys
- 14-Urban Other Principal Arterial
- 16-Urban Minor Arterial
- 17- Urban Collector
- 19- Urban Local

Visit <http://web1.dot.ca.gov/hq/hpms/Page1.php> to verify the functional classification.

Average Daily Traffic (ADT):

Indicate the existing (or most current) ADT volume of the proposed location. The ADT is required to qualify as a Safety Index project.

If the proposed improvement is at an intersection, add the existing (or most current) ADT volumes approaching the intersection from all directions. The ADT is the combined traffic volume of all approaches to the intersection on an average day.

If the proposed improvement is not at an intersection, the ADT is the number of vehicles that use the section of roadway proposed for improvement in both directions on an average day.

Traffic Collision Information:

The information to be provided in the table is required to qualify as a Safety Index project.

Do not include unreported collisions since the evaluation formula has already been adjusted to account for this anomaly. Collision summary reports that corroborate the values must be attached to the application. Do not attach the law enforcement collision reports.

For spot improvements, collisions that occurred within 1/10 mile may be included.

For corridor or linear improvements, collisions that occurred within the corridor plus collisions that occurred within 1/10 mile of the ends of the project limits may be included.

For intersection improvements, collisions that occurred within 300 feet of the intersection in all directions may be used. If the distance to the nearest intersection is less than 600 feet, only those collisions that occurred from midblock may be used.

If "1. Roadway Illumination (where no lighting exists)" is selected as Type of Improvement, enter only night-time collisions.

Time Period: The time period of the collision data provided. Data should be provided for at least the last three years.

Number of Collisions: The number of the collision occurrences (**not number of victims**) in the time period per three severities: Fatal, Injury and Property Damage Only (PDO).

Project Cost Estimate: See the Application Form.

Identification and Demonstration of Need: See the Application Form.

Potential for Proposed Improvement to Correct or Improve the Problem: See the Application Form.

Implementation Schedule: Estimated dates of the project implementation milestones.

Project Site is a Listed Location in the Current California Five Percent (5%) Report: See the Application Form.

Application Signatures: See the Application Form.

EXHIBIT 9-C PROJECT STATUS REPORT

PROJECT STATUS REPORT

Due July 1 each year

(Required only if a Construction Contract has not been awarded by July 1)

Agency: _____ **Date:** _____

Project Number: *(to be completed by Caltrans District)*

Project Location: _____

Work Description: _____

Original Project Award Date: _____

Current Project Award Date: _____

If “current project award date” is not within the same federal fiscal year as the “original projected award date,” attach letter requesting time extension.

Original Cost Estimate: _____

Current Cost Estimate: _____

Reason for Difference (increase or decrease): _____

Other Comments: _____

Prepared by: _____

E-mail: _____

Telephone: _____

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CHAPTER 10 HIGH RISK RURAL ROADS (HR3) PROGRAM

10.1 INTRODUCTION

The purpose of this program is to reduce the frequency and severity of collisions on rural roads by correcting or improving hazardous roadway locations or features. Approximately 60 percent of fatalities nationwide occur on rural roads. The Highway Safety Improvement Program (HSIP), codified as Section 148 of Title 23, United States Code (23 U.S.C. §148) was elevated to a core program as a result of the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Additionally, SAFETEA-LU introduced a new set-aside provision known as the High Risk Rural Roads Program, codified as 23 U.S.C. §148(f). This program is a component of the HSIP and is set-aside after HSIP funds have been apportioned to the states.

23 U.S.C. §148(a)(1) defines the High Risk Rural Roads Program:

“The term ‘high risk rural road’ means any roadway functionally classified as a rural major or minor collector, or rural local road –

- (A) on which the accident rate for fatalities and incapacitating injuries exceeds the statewide average for those functional classes of roadways; or*
- (B) that will likely have increases in traffic volume that are likely to create an accident rate for fatalities and incapacitating injuries that exceeds the statewide average for those functional classes of roadway.”*

10.2 ELIGIBLE APPLICANTS

The applicant for HR3 Program funds is an agency that assumes responsibility and accountability for the use and expenditure of federal-aid highway funds. The applicant must be a city or a county within the State of California. Exceptions to this requirement will be reviewed on a case-by-case basis.

10.3 PROJECT ELIGIBILITY

For a project to be eligible for HR3 funds, the project location must be on a roadway functionally classified as a rural major or minor collector, or a rural local road. Visit http://www.dot.ca.gov/hq/tsip/hseb/crs_maps/ to search and verify the functional classification of a roadway. The roadway location targeted for improvement must have a collision rate for fatalities and incapacitating injuries that exceeds the statewide average for those functional classes of roadways.

Examples of eligible construction and operational improvements may include, but are not limited to, the list of twenty-one project categories identified under 23 U.S.C. §148(a)(3)(B). Three of those categories are ineligible for funding under the HR3 Program. All 21 categories are shown below. Numerals (viii), (xiv) and (xv) are denoted as ineligible.

- (i) An intersection safety improvement.
- (ii) Pavement and shoulder widening (including addition of a passing lane to remedy an unsafe condition).
- (iii) Installation of rumble strips or other warning devices, if the rumble strips or other devices do not adversely affect the safety or mobility of bicyclists, pedestrians, and the disabled.
- (iv) Installation of skid-resistant surface at an intersection, or other location with a high frequency of accidents.
- (v) An improvement for pedestrian or bicyclist safety or safety of the disabled.
- (vi) Construction of any project for the elimination of hazards at a railway-highway crossing that is eligible for funding under Section 130, including the separation or protection of grades at railway-highway crossings.
- (vii) Construction of railway-highway crossing safety features, including installation of protective devices.
- (viii) The conduct of a model traffic enforcement activity at a railway-highway crossing. **(NOT eligible under HR3)**
- (ix) Construction of a traffic-calming feature.
- (x) Elimination of a roadside obstacle.
- (xi) Improvement of highway signage and pavement markings.
- (xii) Installation of a priority control system for emergency vehicles at signalized intersections.
- (xiii) Installation of traffic control or other warning devices at a location with high accident potential.
- (xiv) Safety-conscious planning. **(NOT eligible under HR3)**
- (xv) Improvement in the collection and analysis of crash data. **(NOT eligible under HR3)**
- (xvi) Operational activities relating to work zone safety. (Planning integrated interoperable emergency communications equipment and traffic enforcement activities relating to work zone safety are NOT eligible under HR3.)
- (xvii) Installation of guardrails, barriers (including barriers between construction work zones and traffic lanes for the safety of motorists and workers), and crash attenuators.
- (xviii) The addition of retrofitting of structures or other measures, to eliminate or reduce accidents involving vehicles and wildlife.
- (xix) Installation and maintenance of signs (including fluorescent, yellow-green signs) at pedestrian-bicycle crossings and in school zones.
- (xx) Construction and yellow-green signs at pedestrian-bicycle crossings and in school zones.
- (xxi) Construction and operational improvements on high risk rural roads.

10.4 FUNDING

The Federal Highway Administration (FHWA) establishes the amount of annual funds apportioned to the HR3 Program. California's annual share of these funds will be approximately \$8.25 million and should remain at or near this level throughout the duration of SAFETEA-LU.

Eligible project costs that the local agency is entitled to federal reimbursement include:

- Preliminary Engineering
 - Environmental Studies
 - Preparation of Plans, Specifications and Estimates (PS&E)
- Right of Way
 - Engineering
 - Appraisal and Acquisition
 - Utilities
- Construction
 - Construction Engineering
 - Construction

The maximum federal reimbursement ratio for any HR3 project will be 90 percent and the maximum federal reimbursement amount for any project will be \$900,000. Projects that exceed \$1,000,000 in total costs will be eligible for funding, but the maximum federal reimbursement will remain at \$900,000. Requests for additional HR3 federal funds that exceed the original amount shown in the application will not be granted except in unusual circumstances and subject to the availability of funds.

10.5 AGENCY APPLICATION

The "Application Form" for HR3 Program Funds (see Exhibit 10-A in this chapter) must be completed in its entirety and accompany all application submittals. It is available on the HR3 website at: <http://www.dot.ca.gov/hq/LocalPrograms/HR3.htm> and can be downloaded for use by applicants. See "Application Form Instructions," Exhibit 10-B in this chapter for assistance.

The applicant is not required to calculate the Safety Index (SI) for the project. Caltrans staff will calculate the SI for all applications to maintain consistency and accuracy. Caltrans will share the results of the SI calculations with each applicant.

The applicant must submit the original application (and one copy) to its respective Caltrans District Local Assistance Office, directed to the attention of the District Local Assistance Engineer (DLAE).

Applications submitted after the deadline will not be accepted.

Applications must include cost estimates for all phases of the project.

Applications must include estimated dates when various project milestones will be completed.

Applications must contain supportive documentation on collision histories and their respective collision diagrams.

Schematic drawings or plans showing the general nature and location of the proposed improvements should be submitted for all projects. Photographs to better illustrate the problem are encouraged.

Any maps, schematics drawings, figures, or photographs that are attached to the application should be made on 8-1/2 x 11 inch paper.

10.6 APPLICATION REVIEW AND PROJECT SELECTION PROCESS

The Caltrans District Local Assistance staff will check the eligibility, accuracy, and completeness of all applications.

After the district review, the DLAE will send one (1) copy of each application to Headquarters Division of Local Assistance (DLA).

Headquarters DLA staff will calculate the SI for all applications. Projects will be ranked in descending order, based upon the calculated SI.

All projects above the funding cut-off line will be double-checked for eligibility and accuracy.

Headquarters DLA will release an approved list of projects and post it on the HR3 website at: <http://www.dot.ca.gov/hq/LocalPrograms/HR3.htm> . All applicants will be notified of the results by the DLAE.

10.7 PROJECT IMPLEMENTATION

Caltrans Headquarters DLA will send the Metropolitan Planning Organizations (MPOs) the list of projects approved for funding and will request the MPO to amend their Federal Transportation Improvement Program (FTIP) and program the projects under the Lump Sum-Safety Project. Caltrans, acting as the MPO for the rural Regional Transportation Planning Agencies (RTPA), will amend the Federal Statewide Transportation Improvement Program (FSTIP) accordingly. Projects cannot proceed with any phase of implementation unless the projects are included in the approved FSTIP.

Once programmed into the FSTIP, projects must be processed and implemented in accordance with the federal procedures contained in the *Local Assistance Procedures Manual* (LAPM).

Federal funds are considered obligated to each project phase when the Caltrans Headquarters DLA Area Engineer authorizes the work through the FHWA delegated authorization process. See Chapter 3, "Project Authorization" of the LAPM.

Projects cannot proceed with any phase of reimbursable work (Preliminary Engineering, Right of Way, or Construction) until the DLAE provides the local agency with the written "Authorization to Proceed" for each project phase.

All costs associated with any phase of work performed prior to receiving written "Authorization to Proceed" from Caltrans will not be eligible for reimbursement.

10.8 DESIGN STANDARDS

Chapter 11, “Design Standards” of the LAPM describes statewide design standards, specifications, procedures, guides, and references that are acceptable in the geometric, drainage, and structural design of local assistance projects. The chapter also describes design exception approval procedures. These standards and procedures shall be used for all HR3 projects.

All projects will be subject to meeting the requirements of the Americans with Disabilities Act of 1990 (ADA). For more information on ADA compliance, please refer to Chapter 11, “Design Standards,” of the LAPM, or go to the DLA website at:

http://www.dot.ca.gov/hq/LocalPrograms/DBE_CRLC/DBE_CRLC.html#ADA

All projects must upgrade nonstandard safety features to the appropriate standard when those features are within the scope and work area of the project. Requests for exceptions to this requirement will follow appropriate procedures.

A local agency that proposes to install an experimental traffic control device on a public roadway shall follow the process prescribed in Section 1A.10 of the *California Manual on Uniform Traffic Control Devices* (MUTCD). The California MUTCD is available at the following web link: <http://www.dot.ca.gov/hq/traffops/signtech/mutcdsupp/>. The local agency shall also comply with the experimental process of the California Traffic Control Devices Committee. For more information on that process, go to:

<http://www.dot.ca.gov/hq/traffops/signtech/newtech/others/guidelines-exp.pdf>

10.9 DEADLINES

It is the intent of the HR3 Program that federal funds be expended on safety projects that can be designed and constructed expeditiously. Projects should not require the acquisition of significant rights of way, nor should they require extensive environmental review and mitigation.

Federal funds for the construction phase should be obligated by August 31 of the year in which the project was originally programmed for delivery. A local agency that fails to secure the obligation of federal funds for the construction of a project within the Federal Fiscal Year (FFY) for which it is programmed must request a time extension from the DLAE prior to September 1 of that year. If the DLAE does not approve the time extension, the project will be dropped from the program. If the DLAE approves the time extension, the local agency must secure federal funds for the construction of the project during the subsequent FFY, or risk having the project dropped from the program. In rare cases, a project may be given a second time extension with the approval from Headquarters DLA. Extension requests will not be granted for delays attributed to staffing issues.

Projects that are dropped from the program may re-apply when a future “call for projects” is announced by Caltrans.

10.10 STATUS REPORTS

Local agencies are required to provide an update of project schedules and costs on July 1 of each year for all projects that have not received “Authorization to Proceed” with the construction phase of the project. A local agency that fails to provide this annual update may have their project dropped from the program. The report should be mailed or e-mailed to the appropriate DLAE. A sample “Project Status Report” is included as Exhibit 10-F in this chapter, and can be downloaded from the HR3 website at:

<http://www.dot.ca.gov/hq/LocalPrograms/HR3.htm>.

10.11 PROJECT EVALUATIONS

Federal directives require that improvements constructed with federal safety funds be evaluated after the project is completed. Applicants that receive funding for a project may be asked to collect and submit data to Caltrans. Typically, two years of “before” data and two years of “after” data are sufficient for analysis. Positive safety benefits documented on constructed projects will help justify continued funding at or above current funding levels.

10.12 FEDERAL AND STATE PROGRAM CODES AND PROJECT PREFIXES

The federal program code is LS20.

The project prefix is HRRRL.

The state accounting program code is 20.30.010.560.

(Refer to Exhibit 3-M, “Federal Highway Transportation Program” in Chapter 3, “Project Authorization,” of the LAPM.)

10.13 REFERENCES

- Title 23, United States Code, Section 148
- Caltrans *Local Assistance Program Guidelines* (LAPG)
- Caltrans *Local Assistance Procedures Manual* (LAPM)
- Caltrans *Highway Design Manual*
- *Manual on Uniform Traffic Control Devices* (MUTCD)
- Caltrans *Highway Safety Improvement Program Guidelines*

EXHIBIT 10-A APPLICATION FORM FOR HIGH RISK RURAL ROAD PROGRAM FUNDS

Applicants seeking High Risk Rural Road (HR3) Program funds must use this form. Failure to provide information that is required or to prepare the application in accordance with general formatting instructions may result in your application being disqualified. See Exhibit 10-B for the “Application Form Instructions.”

This entire Application Form must be submitted, including this introductory page. Applicants should download the Application Form from the Internet. It can be found on the Division of Local Assistance Home Page at: <http://www.dot.ca.gov/hq/LocalPrograms/HR3.htm>. Limit the application to eight (8) pages plus attachments. Do not provide brochures and samples of materials unless they are directly related to a response.

Information provided with this Application Form will be used to calculate the Safety Index. Exhibit 10-C contains the “Safety Index Calculation Procedure and Instructions.” **Applicants are NOT required to either complete Exhibit 10-C or calculate the Safety Index.**

Note: All yellow fields are required (after data is entered, the background will change to white).

Agency: Date

Caltrans District:

MPO/RTPA:

Project Location:

Description of Proposed Improvement(s):

Type(s) of Improvement(s) (See Exhibit 10-E, “Collision Reduction Factor and Improvement Life”)

First, select from:

Then, click to add to the below list.

Selected Types (minimum 1, maximum 3)

	Remove
	Remove
	Remove

Intersection or Road Section. (Select one. If it is a road section, indicate section length.)

Intersection

Road Section Section Length (Miles):

Speed Limit (mph):

Number of Lanes:

Functional Classification (select one):

Rural Major Collector Rural Minor Collector Rural Local Road

Visit http://www.dot.ca.gov/hq/tsip/hseb/crs_maps/ to verify functional classification.

Terrain (select one):

Flat Rolling Mountainous

Average Daily Traffic (ADT) (Current, all directions):

Traffic Collision Information

Time Period	<input style="width: 150px;" type="text"/> to <input style="width: 100px;" type="text"/>		
Collision Type	Fatal	Injury	Property Damage Only (PDO)
All Collisions	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>

Other Traffic Collision Information

Please provide some additional traffic collision data if certain improvement types are proposed (see below).

Type of Improvement	Additional Traffic Collision Data Required
Roadway Illumination (where no lighting exists)	Nighttime collisions
Rumble Strip	Drift-off-the-road collisions
Superelevation Improvement	Run-off-the-road collisions
Truck Escape Ramp	Run-away truck collisions

Time Period	[] to []		
Collision Type	Fatal	Injury	PDO
Nighttime Collisions	[]	[]	[]
Drift-off-the-road Collisions	[]	[]	[]
Run-off-the-road Collisions	[]	[]	[]
Run-away Truck Collisions	[]	[]	[]

Project Cost Estimate

Complete the following “Project Costs Estimate” section. Include only those costs that are being requested for this project. For the three (3) primary headings, identify the Federal Fiscal Year in which funds should be programmed.

PROJECT COST ESTIMATE: (REQUIRED)

		Federal Fiscal Year
Preliminary Engineering		[]
Environmental.....	\$ []	
PS&E.....	\$ []	
Right of Way.....		[]
Engineering.....	\$ []	
Acquisition.....	\$ []	
Construction.....		[]
Construction Engineering.....	\$ []	
Construction.....	\$ []	
Subtotal.....	\$ []	
Contingency... (10% of Subtotal; max)	\$ []	
Total Project Cost.....	\$ []	
Federal Funds Requested.....	\$ []	

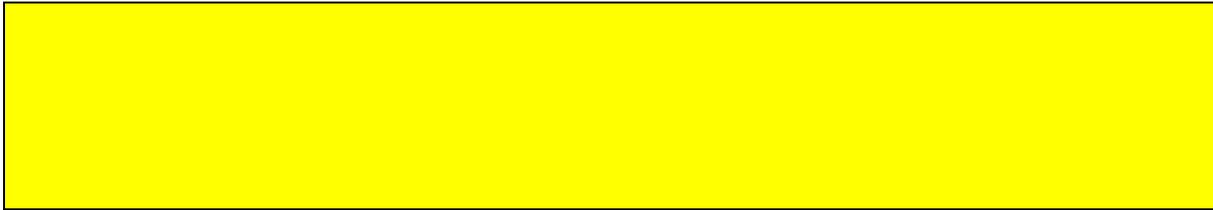
The following parts of this Application Form request specific project-related information. Sections 1 and 2 request the applicant to provide a narration related to a specific topic. If pictures, maps, exhibits, data, diagrams, etc., are submitted in response to questions or statements in the application, they must be attached to the application.

1. IDENTIFICATION AND DEMONSTRATION OF NEED

This section requires the applicant to demonstrate the need for the project. Using the following questions and statements as a guide, provide a detailed narrative description of the problem.

Provide some background information about the problem. How was the problem identified? How long has the problem existed? Describe the primary cause(s) of the collisions that have occurred at the location. Given that other problems may exist within the applicant's jurisdiction, explain why this problem was chosen for improvement. Use whatever collision data, traffic data, community surveys, reports, plans, and other environmental conditions that may apply.

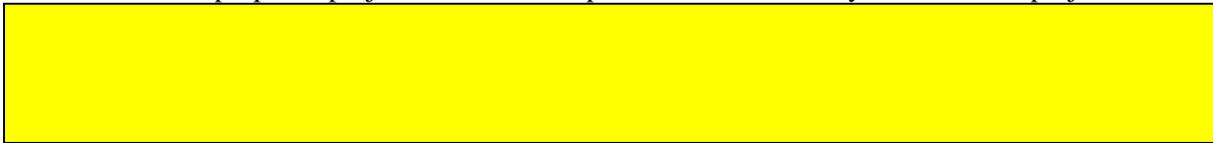
If available, provide photographs to illustrate the problem or deficiency. Include these photographs as attachments.



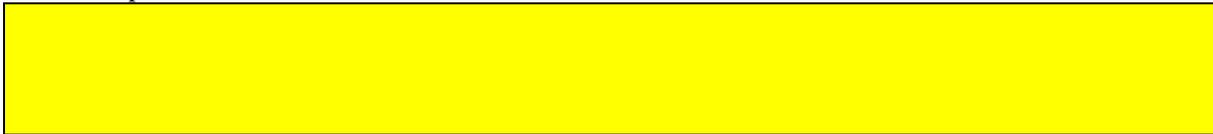
2. POTENTIAL FOR PROPOSED IMPROVEMENT TO CORRECT OR IMPROVE THE PROBLEM

This section requires the applicant to describe how the proposed solution will improve the safety of the public. The applicant must clearly demonstrate the connection between the problem and the proposed solution.

Describe how the proposed project corrects, or improves the traffic safety at or near the project site.



Describe options or alternatives that were considered.



3. IMPLEMENTATION SCHEDULE

Applicants must estimate dates for the following milestones:

- Request Authorization to Proceed with Preliminary Engineering
- Obtain Environmental Clearance (NEPA).....
- Request Authorization to Proceed with Right of Way (if applicable).....
- Obtain Right of Way Clearance.....
- Request Authorization to Proceed with Construction... ..
- Complete Construction of Project.....

4. APPLICATION SIGNATURES

An agency official representing the applicant must sign the application. The undersigned affirms that the statements contained in the application package are true and complete to the best of the applicant’s knowledge. The undersigned also affirms that the applicant's agency owns, operates and maintains the facility upon which the proposed improvements will be constructed. If portions of the improvements extend into areas where the applicant has no jurisdictional authority, a notation must be made that officials representing the affected local agencies support the project. In the notation, provide names and telephone numbers of whom to contact for corroboration. Only one agency official needs to sign the application. “Agency Official” means Director, Assistant Director, Executive Director, Assistant Executive Director, or their respective designated administrators, engineers, or planners.

Agency Official:
Name

Signature

Title:

Phone Number:

E-mail:
(If available)

Notation: (If applicable)

Distribution: 1) Original & one copy - DLAE
2) One copy - HQ DLA

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EXHIBIT 10-B APPLICATION FORM INSTRUCTIONS

For projects that involve multiple locations, a separate form must be submitted for each spot location.

For projects that involve roads of more than 1 mile and if Average Daily Traffic (ADT) varies, a separate form must be submitted for each 1-mile segment. The evaluation of the entire project will be based on the average of the segments in the project.

The application form contains the following fields:

Agency: Provide the name of your agency

Date: Indicate the Application Date

Caltrans District: From the drop-down list, select Caltrans District (1 to 12) that the proposed project belongs to. Select "Other" if not applicable.

MPO/RTPA: From the drop-down list, select the MPO/RTPA (Metropolitan Planning Organization/Regional Transportation Planning Agency) that the proposed project belongs to. Select "Other" if not applicable. The following 18 MPOs/RTPAs are available from the drop-down list:

AMBAG: Association of Monterey Bay Area Governments
BCAG: Butte County Association of Governments
COFCG: Council of Fresno County Governments
KCAG: Kings County Association of Governments
KCOG: Kern Council of Governments
MCAG: Merced County Association of Governments
MCTC: Madera County Transportation Commission
MTC: Metropolitan Transportation Commission
SACOG: Sacramento Area Council of Governments
SANDAG: San Diego Association of Governments
SJCOG: San Joaquin Council of Governments
SLOCOG: San Luis Obispo Council of Governments
SBCAG: Santa Barbara County Area of Governments
SCRTPA: Shasta County Regional Transportation Planning Agency
SCAG: Southern California Association of Governments
STANCOG: Stanislaus Council of Governments
TCAG: Tulare County Association of Governments
TMPO: Tahoe Metropolitan Planning Organization

Project Location: Provide road name or geographical references to project location.

Description of Proposed Improvement(s): Describe the proposed improvements.

Type(s) of Improvement(s): List type(s) of improvement(s) proposed. Select from the predefined list (see Exhibit 10-E, "Collision Reduction Factor and Improvement Life"). Then click "Add." Usually only one (1) item needs to be selected. If multiple items apply, a maximum of three (3) items can be selected.

Intersection or Road Section: Check the project if it is for an intersection or a road section. If it is for a road section, indicate the length of the road section in miles.

Speed Limit (mph): Indicate the speed limit of the proposed road or location(s).

Number of Lanes: Indicate the total number of travel lanes of the current road (both directions). Do not include left-turn lanes, right-turn lanes or two-way turn lanes. If it is an intersection, use the average number of lanes of the roads approaching the intersection.

Functional Classification: Select one from the following three eligible categories: 1) Rural Major Collector; 2) Rural Minor Collector, and 3) Rural Local Road.

Terrain: Indicate the terrain: Flat, Rolling or Mountainous.

Average Daily Traffic (ADT): Indicate the existing (or most current) ADT volume of the proposed location (in thousands).

If the proposed improvement is at an intersection, add the existing (or most current) ADT volumes approaching the intersection from all directions and divide by 1,000. The ADT is the combined traffic volume of all approaches to the intersection on an average day.

If the proposed improvement is not at an intersection, the ADT is the number of vehicles that use the section of roadway proposed for improvement in both directions on an average day.

Traffic Collision Information: Do not include unreported collisions since the evaluation formula has already been adjusted to account for this anomaly. Collision summary reports that corroborate the values must be attached to the application. Do not attach the law enforcement field reports.

For spot improvements, collisions that occurred within 1/10 mile may be included.

For corridor or linear improvements, collisions that occurred within the corridor plus collisions that occurred within 1/10 mile of the ends of the project limits may be included.

For intersection improvements, collisions that occurred within 300 feet of the intersection in all directions may be used. If the distance to the nearest intersection is less than 600 feet, only those collisions that occurred from midblock may be used.

Time Period: The time period of the collision data provided. Data should be provided for at least the last three years.

All Collisions: The occurrences of all collisions (**not number of victims**) in the time period per three severities: Fatal, Injury and Property Damage Only (PDO).

Other Traffic Collision Information: Please provide some additional traffic collision data if certain improvement types are proposed (see below). Each of the below four types of improvements only reduces its corresponding collisions.

Type of Improvement	Additional Traffic Collision Data Required
Roadway Illumination (where no lighting exists)	Nighttime collisions
Rumble Strip	Drift-off-the-road collisions
Superelevation Improvement	Run-off-the-road collisions
Truck Escape Ramp	Run-away truck collisions

Project Cost Estimate: See the Application Form.

Identification and Demonstration of Need: See the Application Form.

Potential for Proposed Improvement to Correct or Improve the Problem: See the Application Form.

Implementation Schedule: See the Application Form.

Application Signatures: See the Application Form.

EXHIBIT 10-C SAFETY INDEX CALCULATION PROCEDURE AND INSTRUCTIONS

(This Exhibit is for information only. Applicants do NOT need to fill in this form.)

Local Agency: _____

Date: _____

Calculated By: _____

Checked By: _____

Project Location: _____

Description of Proposed Improvement(s):

Total Project Cost (in \$1000s): _____

ADT (existing, all directions, in 1000s): _____

STEP 1: SIGNIFICANCE TEST ON THE SEVERITY DISTRIBUTION OF EXISTING COLLISION DATA

Before estimating collisions that would occur on the existing facilities with no improvements and collisions that would occur after the proposed improvements, a statistical Significance Test needs to be performed on the severity distribution of the collisions occurring over the past several years on the existing road. If the distribution is normal or approximately so, the state average cost of collisions for that road type is used. If, however, the collisions are more severe than normal, a higher collision cost is used to reflect the higher costs of fatal and injury collisions. Conversely, if the collisions are less severe than usual, a lower cost is used. In this manner, considerably more weight is given to the fatal and injury collisions than to the “fender benders.”

The Table below is used to perform the Severity Distribution of Existing Collision Data.

TABLE 1: SIGNIFICANCE TEST

Item	Description	Formula/Source	Total	F*	I*	F+I*	PDO*
A	No. of Collisions	(From Application Form)	(A1)				
B	% Severity	(From Exhibit 10-D)	100				
C	Average No. of Collisions	(A1) x B					
D	Difference	A – C					
E	Maximum Expected Deviations	$\sqrt{2.072xC} + 0.5$					
F	Significant	If (absolute value of D) >E, Yes. Otherwise, No.		(Yes +/- /No)**	(Yes +/- /No)**	(Yes +/- /No)**	

* F: Fatal; I: Injury; F+I: Fatal + Injury; PDO: Property Damage Only.

** Yes (+) when D is positive; Yes (-) when D is negative.

STEP 2: COLLISION REDUCTION FACTOR (CRF)

In order to estimate the collisions that may still occur after the proposed improvements are completed, a Collision Reduction Factor (CRF) will be applied to the number of collisions. In Exhibit 10-E “Collision Reduction Factor and Improvement Life,” a standard (or average) CRF can be found for each type of the improvements. However, this CRF may be too large, because it may result in a collision rate less than the Average Base Rate (ABR), which is available in Exhibit 10-D “Average Collision Rate and Collision Cost Table.” In this case, a lesser CRF, or adjusted CRF, should be used.

The following table is used to calculate the CRF of collisions.

TABLE 2: DETERMINATION OF COLLISION REDUCTION FACTOR

Item	Description	Formula/Source	Value
1	No. Of Collisions (all severities)	(From Application Form)	
2	Time Period (years)	(From Application Form)	
3	ADT (in 1000s)	(From Application Form)	
4	N*	(From Application Form)	
5	Initial Collision Rate	$(1) \div ((2) \times (3) \times (4) \times 0.365)$	
6	Standard RF (see the instruction)	(From Exhibit 10-E)	
7	Collisions Reduced	$(5) \times (6)$	
8	Reduced Collision Rate	$(5) - (7)$	
9	Average Base Rate	(From Exhibit 10-D)	
10	Differential Rate	$(5) - (\text{the larger of } (8) \text{ and } (9))$	
11	Adjusted RF	$(10) \div (5)$	

*N: 1 if the project is for an intersection; length in miles (rounded to an integer, minimum 1) if the project is for a road section.

If the project includes more than one type of improvement, adjust the CRF in accordance with the relative percentages of the work category (see example below).

Example: A project consists of constructing a left-turn pocket at an unsignalized intersection and installing new safety lighting. From Exhibit 10-E, “Collision Reduction Factor and Improvement Life,” a 35 percent reduction can be applied to the left-turn pocket improvement, and a 15 percent reduction of nighttime collisions can be applied to the safety lighting. If there was an average of 20 collisions/year at this location with an average of 12 nighttime collisions/year, then the combined CRF is calculated as follows:

Lighting: $(12 \text{ nighttime collisions}) \times 15\% = 1.8 \text{ collisions reduced}$
 Channelization: $[(20 \text{ total collisions}) - 1.8 \text{ collisions}] \times 35\% = 18.2 \times 35\% = 6.4 \text{ collisions reduced}$
 Combined: $1.8 + 6.4 = 8.2 \text{ total collisions reduced}$
 Combined CRF: $8.2 \div 20 = 0.41 \text{ or } 41\%$

STEP 3: PER COLLISION COST

If all three Significance Tests result in “No,” which indicates that the actual collision experience is not statistically higher or lower than normal, skip this step. The collision costs used would be the state average collision cost for the identified existing and proposed rate groups.

If Significance Test result is “Yes” for “Fatal,” use Table 3.1 to calculate per collision cost, and then go to Step 4.

If Significance Test result is “No” for “Fatal,” but “Yes” for “Injury” and/or “Fatal + Injury,” use Table 3.2 to calculate per collision cost, and then go to Step 4.

TABLE 3.1 PER-COLLISION COST CALCULATION TABLE WHEN THE SIGNIFICANCE TEST IS “YES” FOR FATAL

	Collision Severity	F*	I*	PDO*	All Collisions
A	Collisions Per Year	(A1) (From Application Form)	(A2) (From Application Form)	(A3) (From Application Form)	(A4) = (A1)+(A2)+(A3)
B	Per Collision Cost – before (\$1000s)	\$3,900	\$77.4	\$4	(B4) (From Exhibit 10-D)
C	Total Collision Cost – before (\$1000s)	(C1) =(A1) × \$3,900	(C2) =(A2) × \$77.4	(C3) =(A3) × \$4	(C4) = (C1)+(C2)+(C3)
D	Per Collision Cost – before (all collisions) (\$1000s)				(D4) = (C4)÷(A4)
E	Per Collision Cost – after (all collisions) (\$1000s)**				(B4) or (D4) (See notes **)

* F: Fatal; I: Injury; F+I: Fatal + Injury; PDO: Property Damage Only.

** Per Collision Cost – After is:

- (B4) if the Significance Test for “Fatal” is Yes (+);
- (D4) (Per Collision Cost – Before) if the Significance Test for “Fatal” is Yes (-).

TABLE 3.2 PER-COLLISION COST CALCULATION TABLE WHEN SIGNIFICANCE TEST IS “YES” FOR “I” AND/OR “F+I”

	Collision Severity	F+I*	PDO*	All Collisions
A	Collisions Per Year	(A1) (From Application Form)	(A2) (From Application Form)	(A3) = (A1)+(A2)
B	Per Collision Cost – before (\$1000s)	(B1) (From Exhibit 10-D)	\$4	(B3) (From Exhibit 10-D)
C	Total Collision Cost – Before (\$1000s)	(C1) =(A1) × (B1)	(C2) =(A2) × \$4	(C3) = (C1)+(C2)
D	Per Collision Cost – before (all collisions) (\$1000s)			(D3) = (C3)÷(A3)
E	Per Collision Cost – after (all collisions) (\$1000s)**			(B3) or (D3) (See notes **)

* F+I: Fatal + Injury; PDO: Property Damage Only.

** Per Collision Cost – After is:

- (B3) if the Significance Test for “Injury” and/or “Fatal + Injury” is Yes (+);
- (D3) (Per Collision Cost – Before) if the Significance Test for “Injury” and/or “Fatal + Injury” is Yes (-).

STEP 4: SAFETY INDEX CALCULATION

Use the Table 4 below to calculate the estimated collision costs both before the improvement and after the proposed improvement.

TABLE 4: COLLISION COSTS BEFORE AND AFTER THE IMPROVEMENT

Item	Description	Formula/Source	Value
1	No. Of Collisions	(From Application Form)	
2	Time Period (Years)	(From Application Form)	
3	Initial Collisions per Year	$(1) \div (2)$	
4	Per Collision Cost – Before (All collisions)	(From Step 3, if any “yes” in Significance Test, else from Exhibit 10-D)	
5	Per Collision Cost – After (All collisions)	(From Step 3, if any “yes” in Significance Test, else from Exhibit 10-D)	
6	Improvement Life (Years)	(From Exhibit 10-E)	
7	Adjusted RF	(From Step 2)	
8	Expected Collisions per Year after Improvement	$(3) \times (1.0 - (7))$	
9	Total Collision Cost – Before (\$1000)	$(3) \times (4) \times (6)$	
10	Total Collision Cost – After (\$1000)	$(5) \times (6) \times (8)$	

Then, Safety Index (SI) can be obtained by using the below formula:

Safety Index = $100 \times ((9) - (10)) \div \text{Project Total Cost (in \$1000s)}$

EXHIBIT 10-D AVERAGE COLLISION RATE AND COLLISION COST TABLE

Rate Group	Area	Terrain	Speed Limit	Base Rate	ADT Factor	Percentage of Collisions (%)			Per Collision Costs (\$1000) ³	
						F ¹	I ¹	F+I ¹	F + I	All
H01	Rural	Flat	≤55 mph	1.15	0.35	3.4	45.1	48.5	345.4	169.6
H02	Rural	Flat	>55 mph	0.90	0.35	3.8	44.6	48.5	376.7	184.8
H03	Rural	Roll	≤55 mph	1.30	0.35	2.2	46.0	48.2	251.9	123.5
H04	Rural	Roll	>55 mph	0.80	0.35	3.7	46.2	49.9	360.8	182.1
H05	Rural	Mountain	≤55 mph	1.65	0.40	2.1	48.2	50.3	237.0	121.2
H06	Rural	Mountain	>55 mph	1.25	0.40	2.7	44.8	47.5	294.7	142.1

Source: 2002 Caltrans Highway Safety Improvement Program.

1. F: Fatal; I: Injury; F+I: Fatal and Injury.
2. Average Base Rate (ABR) can be obtained by the following 2 steps:
 - a. Use Area, Terrain and Speed Limit to identify the Rate Group;
 - b. Average Base Rate = Base Rate + ADT Factor ÷ ADT (in thousands).
3. For rural roads, the statewide per collision costs are \$3,900,000, \$77,400 and \$4,000 for fatal, injury and Property Damage Only (PDO) collisions respectively.

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EXHIBIT 10-E COLLISION REDUCTION FACTOR AND IMPROVEMENT LIFE

Collision Reduction Factor and Improvement Life

Type Of Improvement	Collision Reduction Factor (CRF)	Improvement Life (Years)
Roadway Illumination (where no lighting exists)	0.15 ⁽¹⁾	15
Relocation or Breakaway Utility Poles	0.2	10
Traffic Signs (General)	0.05	6
Curve Warning Arrows	0.2	6
Advance Curve Warning with Advisory Speed	0.2	6
4-Way Stop	0.5	6
Upgrade with Breakaway Supports	0.2	10
Upgrade Median Barrier (includes new median barrier)	0.2	15
Remove Obstacles	0.2	20
New Traffic Signals	0.2	15
Upgrade Guardrail (include new guardrail)	0.2	10
Impact Attenuators	0.2	10
Upgrade Traffic Signals (includes interconnection)	0.2	15
Sight Distance Improvement	0.2	10
Construct Raised Median for Traffic Separation	0.2	20
Groove Pavement for Skid Treatment	0.1	10
Turning Lanes (except for new left-turn lane) and Traffic Channelization	0.15	15
New left-turn lane at signalized intersection (with no left-turn phase)	0.15	15
New left-turn lane at signalized intersection (with left-turn phase)	0.35	15
New left-turn lane at nonsignalized intersection	0.35	15
Two-way left-turn lane	0.25	15
Pavement Markings and Delineation	0.05	2
Widen or Improve Shoulder	0.2	20
Flatten Side Slopes	0.2	20
Realign Roadway	0.5	10
Overlay for Skid Treatment	0.1	10
Rumble Strip	0.5 ⁽²⁾	10
Superelevation Improvement	0.5 ⁽³⁾	15
Truck Escape Ramp	0.75 ⁽⁴⁾	20
Reconstruction (combinations & miscellaneous)	0.2	10

Source: 2001 Hazard Elimination Safety Program Guidelines supplemented by 2002 Caltrans Highway Safety Improvement Program.

- (1) Applies to nighttime collisions only.
- (2) Applies to drift-off-the-road collisions only.
- (3) Applies to run-off-the-road collisions only.
- (4) Applies to run-away truck collisions only.

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EXHIBIT 10-F PROJECT STATUS REPORT

PROJECT STATUS REPORT

Due July 1 each year

(Required only if a construction contract has not been awarded by July 1.)

Agency: _____ Date: _____

Project Number: _____ *(to be completed by Caltrans District)*

Project Location: _____

Work Description: _____

Original Projected Award Date: _____

Current Projected Award Date: _____

If “current projected award date” is not within the same Federal Fiscal Year as the “original projected award date,” attach letter requesting a time extension.

Original Cost Estimate: _____

Current Cost Estimate: _____

Reason for difference (increase or decrease): _____

Other comments: _____

Prepared by: _____

E-mail: _____

Telephone: _____

Distribution: 1) Mail to DLAE by July 1 of each year.

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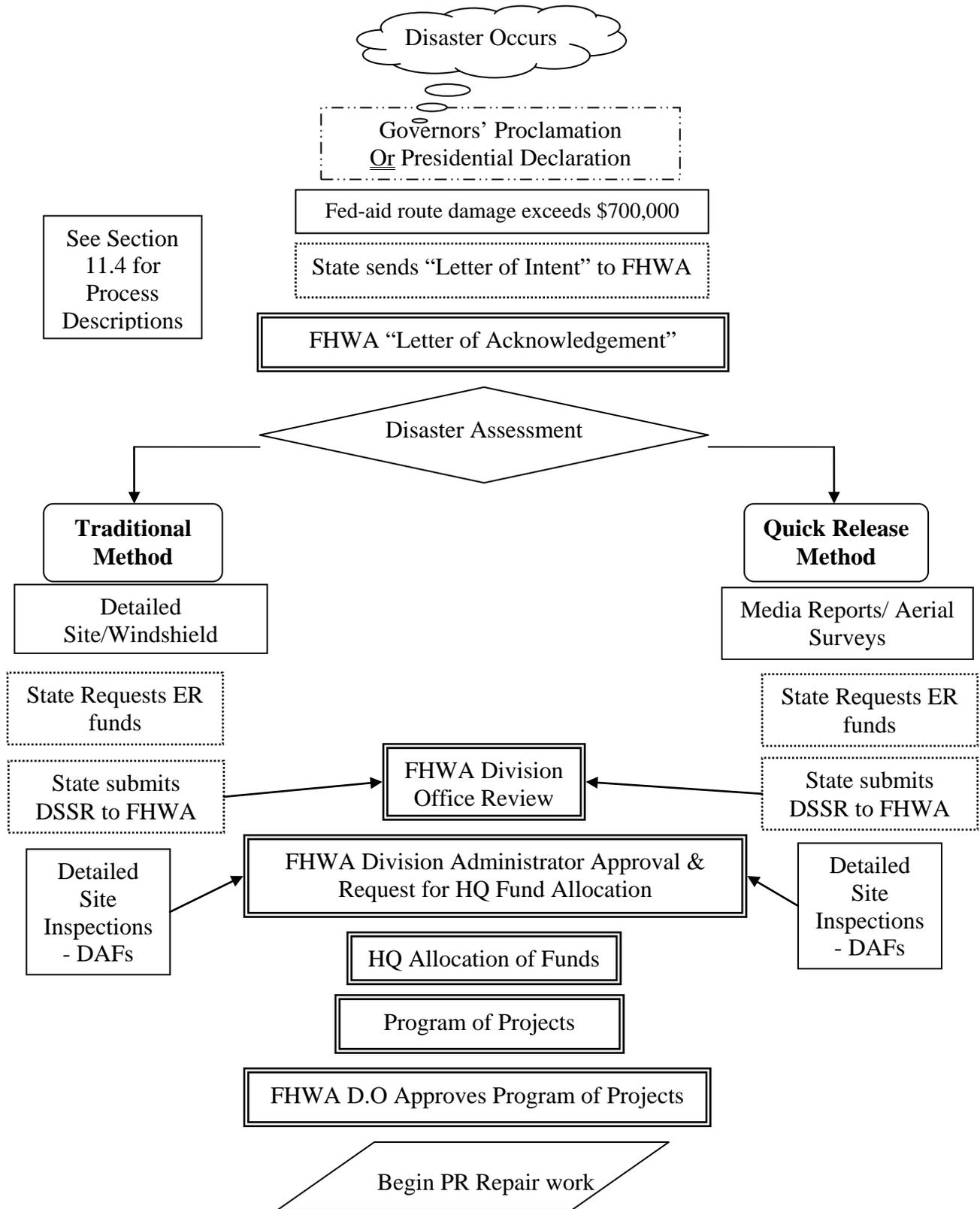
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FIGURE 11-1 EMERGENCY RELIEF PROGRAM FLOW CHART



CHAPTER 11 EMERGENCY RELIEF PROGRAM

11.1 INTRODUCTION

The Federal Highway Administration's (FHWA) Emergency Relief (ER) Program was created to repair or reconstruct federal-aid routes that have suffered serious damage as a direct result of a declared event. Federal-aid routes are defined as all roadways which are functionally classified as urban collectors and higher. In other words, local roads and rural minor collectors are not federal-aid routes. Federal-aid routes also include forest highways, park roads and trails, public lands highways, public lands development roads and trails, and Indian reservation roads.

There are two different types of FHWA recognized disasters. The first type is a **natural disaster**; this category includes storms, earthquakes, and hurricanes. In order for natural disaster damage to qualify for FHWA reimbursement the federal-aid roadway damage must cover a widespread area and repair costs must exceed seven hundred thousand dollars (\$700,000). The second type is a **catastrophic failure**; a failure caused by an external source; such as a barge or tall trailer striking a bridge. A collapse caused by lack of maintenance is not a catastrophic failure. In order for catastrophic damage to be reimbursed by FHWA the failure must have occurred on a major transportation segment, and the repair costs must exceed seven hundred thousand dollars (\$700,000).

The primary public agency responsible for coordinating California disaster assistance is the California Emergency Management Agency (Cal EMA). Cal EMA, in turn, depends upon various state agencies to furnish detailed disaster information within each Agency's area of expertise. A Governor's Executive Order requires state agencies to respond to Cal EMA's request for assistance by providing engineering personnel, furnishing damage estimates, and/or other services to lessen the effects of a disaster. Caltrans is one of three primary state agencies that Cal EMA relies upon for disaster services.

There are three separate disaster assistance programs that provide financial aid for local agencies to reconstruct disaster-damaged transportation facilities. They are discussed below.

- **Emergency Relief - Title 23, Code of Federal Regulations (CFR), Section 668 - FHWA**
This FHWA program provides disaster assistance to local agencies for repair and reconstruction of damaged transportation facilities located on federal-aid highways or bridges (i.e. all functionally classified roads except those classified as local roads or rural minor collectors). This program requires either a Governor's Proclamation of Emergency or a Presidential Declaration. Eligibility determinations can begin when the FHWA Administrator acknowledges the State's request for disaster funding.
- **Robert T. Stafford Disaster Relief and Emergency Assistance Act - Federal Emergency Management Agency (FEMA)**
Public Law 100-797, the "Robert T. Stafford Disaster Relief and Emergency Assistance Act" or the Stafford Act, provides emergency funds for damage to public transportation facilities not on a federal-aid highway when such damage occurs during a declared disaster. The President activates the program with a Declaration that a major disaster has occurred over a specific geographical area of the United States.
- **California Disaster Assistance Act (CDAA) – Cal EMA**
CDAA is a state-funded program that provides state financial assistance to local agencies affected by a natural disaster. CDAA may also provide local agencies

with assistance toward meeting the federal matching share requirement when federal disaster programs are authorized. State agencies are not eligible for assistance under CDAA. Cal EMA administers all provisions of the Act, and may request that Caltrans and other state agencies provide engineering personnel and services to assist it in implementing the Act.

11.2 ROLES AND RESPONSIBILITIES

Local Agencies

1. Declare a State of Emergency to Cal EMA
2. Identify all damage sites
3. Identify damage sites on federal-aid routes
4. Complete Emergency Opening (EO) repairs
5. Coordinate damage response with Caltrans District contact
6. Participate on Damage Assessment Teams
7. Submit funding requests to Caltrans District contact
8. Process revised Damage Assessment Forms (DAFs) for cost and scope changes (Access the DAF at: <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>)
9. Administer Permanent Restoration (PR) contract
10. Process Program Supplement Agreements
11. Invoice for reimbursement
12. Project closeout

If an agency is not contacted by their Caltrans District Local Assistance Engineer (DLAE) or Storm Damage Coordinator, after they have sustained disaster damage; then the agency should notify their Caltrans District.

Caltrans District

1. Identify and contact agencies with possible eligible damage
2. Gather damage estimates from impacted agencies
3. Confirm the damage is on a federal-aid route
4. Participate on Damage Assessment Teams
 - Contact FHWA engineer for damage sites requiring FHWA approval
 - Assist local agencies with filling out their DAFs
5. Coordinate local projects
6. Acts as NEPA lead agency
7. Transmit funding (E-76) requests to Caltrans Headquarters (HQ)
8. Coordinate Time Extension justifications

Each District Local Assistance Storm Damage Coordinator should immediately contact affected local agencies after any serious disaster event for information regarding all damaged transportation facilities. This information is needed by Cal EMA to determine if sufficient damage has occurred to warrant requesting participation of Federal Disaster Agencies. Cal EMA may request that FEMA, FHWA, and/or Caltrans dispatch one or more Preliminary Damage Assessment (PDA) teams to determine if a Governor's Proclamation is warranted.

Once the HQ Division of Local Assistance (DLA) ER Coordinator has been notified that there may be ER related damage, a spreadsheet will be e-mailed to each impacted DLAE and District Storm Damage Coordinator. The District should either e-mail the spreadsheet to all of its agencies; that may have ER damage, or call their agencies and fill in the spreadsheet with the requested information (District, County, estimate of federal-aid route damage, estimate of non-federal-aid route damage). Once the spreadsheet is filled out it should be e-mailed back to the ER Coordinator.

Caltrans HQ ER Coordinator

1. Gather damage estimates from each impacted district
2. Report damage estimates to FHWA California Division (FHWA-CA)
3. Review agency DAFs and send copies to FHWA-CA
4. Send funding requests to FHWA-CA
5. Process Program Supplement Agreements
6. Give program training to District and agency staff
7. Coordinate Cal EMA kick-off meeting presentations
8. Submit Revised DAF requests to FHWA-CA
9. Submit Time Extension requests to FHWA-CA
10. Notify FHWA-CA of ER program issues

FHWA-CA

1. Report disaster to FHWA Headquarters (FHWA-HQ)
2. Administer ER program
3. Implement policy & procedures
4. Assist in developing the ER Program Application
5. Provide technical assistance and training
6. Process Revised DAF requests
7. Process Time-extension requests
8. Get funding for the CA ER program from FHWA-HQ

Functional Classification

The determination of federal-aid routes and non-federal-aid routes is called Functional Classification (FC). A set of FC maps is accessible online at: http://www.dot.ca.gov/hq/tsip/hseb/crs_maps/ Local roads and rural minor collectors are non-federal-aid routes, all others are federal-aid routes. These maps are the legal FC document.

All initial reports of damage to state highways and local roads on-system and off-system, (see Chapter 3, “Federal-Aid Routes & Functional Classifications,” of the Local Assistance Program Guidelines) are made available to Cal EMA. Cal EMA has the responsibility for reporting the total estimated cost to mitigate the effects of a disaster to the Governor.

Cal EMA will submit a recommendation based upon the results of the spreadsheet information and PDA teams to the Governor. The Governor will assess the cost impact upon the State's resources, and, if warranted, will declare the affected area to be in a “State of Emergency.” The Governor will also determine whether or not to request the President of the United States to declare the affected area to be a “Disaster Area.” The resulting actions of the Governor and/or the President makes some Federal and State disaster relief programs available to the local agencies.

11.3 PREREQUISITES FOR ALL DISASTER PROGRAMS

ACTIONS REQUIRED BY LOCAL AGENCY

The governing body of a local agency should declare that a “local emergency” exists within its jurisdictional boundaries. **The Declaration must be received at either a regional Cal EMA office or the Headquarters Cal EMA office within ten (10) calendar days of the actual disaster occurrence to preserve eligibility under the CDAA.**

If the local agency knows that their transportation system has suffered from ER related damage, they should contact their DLAE or District Engineer, and notify them of the damage.

The following are essential when processing ER projects:

- Check the FC of each site.
- Photographs taken of the damage **PRIOR** to commencing any repairs or clean-up
- Field notes indicating agreed upon scope of work and detours
- Invoices for labor, equipment and materials used at **EACH** site
- Timesheets that clearly indicate the location and type of work performed, for Force Account work. Force Account work is defined as work done by the agency's staff.
- Diagrams of the scope of work; and
- Thorough documentation, including permits, Right of Way (R/W) Certification and NEPA approval

ACTIONS REQUIRED BY CALTRANS

During the early stages of a disaster, Cal EMA may request damage estimates on a weekly basis, if not more frequently. Each disaster impacted District will be contacting their agencies to determine if they have any transportation facility damage; assisting impacted agencies with processing their damage estimates, and returning them to the ER Coordinator.

11.4 ER PROGRAM

Section 125 of Title 23 of the United States Code (23 U.S.C. 125) provides for a continuing ER fund. Currently, the annual ER funding set-aside is one hundred million dollars (\$100,000,000). Also the maximum amount available to a single State cannot exceed one hundred million dollars (\$100,000,000) per disaster. The Secretary of Transportation may increase any State's allocation, when their federal-aid route damage exceeds the cap \$100,000,000. The funds are to be used for the reconstruction of roads, streets, trails and bridges on the federal-aid system, that were damaged by floods, earthquakes, hurricanes or other catastrophes. Federal-aid highways are defined as all functionally classified roads except those roads functionally classified as local roads or rural minor collectors. For damage to roads not on a federal-aid highway local agencies should seek disaster assistance from Cal EMA and FEMA. ER funds become available when the damage is extensive and the emergency is formally declared by the Governor, or the President, and approved by the FHWA.

FHWA ER PROCESS

State Letter of Intent and Letter of Acknowledgement

Once the federal-aid damage estimate has reached seven hundred thousand dollars (\$700,000), and a Proclamation or Declaration has been made; Caltrans will submit a "Letter of Intent" to the FHWA Division Office. The "Letter of Intent," which covers both Caltrans and local agency damage, states that Caltrans intends to request emergency assistance under Title 23. The FHWA Division Administrator, upon receipt of Caltrans' letter of intent, will respond with a "Letter of Acknowledgement." Caltrans' receipt of the "Letter of Acknowledgement" signals local agencies to begin filling out DAFs, (Access the DAF at: <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>) and scheduling field reviews with their DLAE for all damaged roads, streets and bridges on federal-aid highways. When planning for DAF field reviews, local agencies and the District should keep in mind that District staff has the authority to approve all DAFs except in three cases. For the three exceptions, please see the following Detailed Site Inspections section under Method 1.

DISASTER ASSESSMENT

There are two different FHWA ER Disaster Assessment options. Generally Caltrans applies for the “Quick Release” method. With the Quick Release, the FHWA Division Administrator will make an eligibility determination based on the spreadsheet estimates and readily available damage information, such as media reports. Caltrans will submit an abbreviated Damage Survey Summary Report (DSSR) to the FHWA Division office. The DSSR covers both Caltrans and local agency damage, the information is broken out by County; and has a photo of at least one damage site, per County.

METHOD 1- TRADITIONAL

Detailed Site Inspections- These inspections are conducted on many, if not all sites, to determine the extent of damage, scope of repair, preliminary estimate of repair cost, environmental issues, ER funding eligibility, and completion of the site DAF (Access the DAF at <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>). The FHWA/Caltrans Stewardship Agreement states; For Local Agency ER projects FHWA is generally not required to sign/approve the DAF, or attend the site field review. There are three instances when FHWA is required to approve the original DAF. Those instances are:

1. If there are any R/W property takes.
2. If the paving costs exceed 50% of the total site repair costs; and
3. If there are any Betterments proposed for the site.

State Request for ER funding- The state request to FHWA for ER funding is based on the detailed damage inspections. When there is only a Governor’s Proclamation; the FHWA Administrator’s concurrence will indicate that there is a finding of an extraordinary natural disaster condition, or that a catastrophic failure occurred, and the disaster is eligible for ER funding.

When the President has issued a major disaster declaration, the FHWA Administrator does not need to concur that a disaster has occurred, but must make a finding, based on the state’s submission, that the damage is eligible for ER funding.

DSSR- The FHWA Division office assists Caltrans in preparing a DSSR based on the state and local agency assessments. The DSSR provides the Division Administrator with a basis to make a finding that the disaster is eligible for funding under the FHWA ER Program. The report describes the general nature and extent of the resulting damage and delineates the limits of damage. The sudden and unusual nature of the disaster should be documented or evidence of external cause should be included for a catastrophic failure.

FHWA Division Office Review- The state’s request, along with the information from the detailed inspections and the FHWA’s Division office’s recommendations, are submitted to the FHWA Division Administrator, for a finding.

Length of time to Develop Application- Typically, these steps would take around six to ten weeks.

METHOD 2- QUICK RELEASE

The Quick Release method is not appropriate for all disasters. In general, it is used for larger disasters where extensive damage is readily evident and where there is a desire, both by FHWA and a state, to have ER resources flowing quickly to the state.

Media Reports/Aerial Survey- These reviews are conducted to verify the extent of damage and to collect damage information to determine disaster eligibility for ER funding.

State Request for ER funding- The state requests ER funding based on preliminary assessments of the extent of damage.

DSSR- The state DOT prepares and submits an abbreviated DSSR to the FHWA Division Office, after most of the detailed damage assessments have been completed.

Length of time to Develop Application- Typically, these steps would take around one to two days.

LIMITATIONS

Extraordinary flooding is considered a natural disaster. However, ER funds are not authorized where flooding occurs with regularity and results in little or no damage. Similarly, damage classified as “heavy maintenance” is not eligible for reimbursement with ER funds.

Heavy maintenance is defined as normal localized damage that may consist of eroded shoulders, filled ditches and culverts, pavement settlement, mud and debris deposits, slope sloughing, minor slides, and slipouts of cut and fill slopes that do not extend to or affect the traveled way. FHWA has determined that heavy maintenance is defined as any site where the repair costs are \$5,000 or less. Most sites that are under the \$5,000 threshold are eligible for Cal EMA/FEMA reimbursement. In order to capture Cal EMA/FEMA reimbursement the site must be within the Cal EMA recognized declared disaster area; and a FHWA DAF must be filled out for the site and marked ineligible by the State Engineer.

ER funds may not be used for replacement or repair of a damaged facility when a failure is caused by gradual and progressive deterioration or lack of proper maintenance (i.e., pavement surfaces, slipouts, etc.).

Diligent efforts shall be made to recover losses from legally responsible parties whenever damage occurs to transportation facilities resulting from external causes such as from aggregate/sand mining, collisions by ships, barge tows or highway vehicles.

FEDERAL SHARE REIMBURSEMENT

Match Ratio: The federal reimbursement share of an eligible ER project is the normal reimbursement ratio for the highway facility on which the ER project is located (88.53% on local highways).

Eligibility: EO work is defined as work that 1) is necessary to restore essential traffic, or 2) protects the remaining facility, or 3) prevents further damage to an existing facility.

EO work completed during the first one hundred eighty (180) calendar days following start of the incident period is reimbursed at a 100 percent ratio. All EO work done after the first 180 days is reimbursed at the pro-rata share. All work that does not meet any of the three EO criteria is considered PR. PR work other than work that is “incidental” (generally less than 10%) to EO work, requires prior FHWA authorization. **Any PR work that is done prior to FHWA authorization except Preliminary Engineering (PE) is ineligible for reimbursement.** PR work is reimbursed at the pro-rata share. The use of “incidental” PR work will mostly happen at sites where FHWA has signing authority.

ER projects located on federal-owned lands (forest highways, forest development roads and trails, National Park roads and trails, parkways, public lands highways, public lands development roads and trails, and roads serving Indian Reservations) are designated Emergency Relief Federally Owned or “ERFO” projects and are funded 100 percent with ER funds. They are normally designed, repaired and reconstructed by the Central Federal Lands Division of FHWA in Denver, Colorado.

ELIGIBILITY AND PROGRAMMING REQUIREMENTS

Eligibility of all proposed ER projects is contingent upon approval by the FHWA Division Administrator of the state application for ER; and inclusion of the DAF (Access the DAF at <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>) in an approved program of projects. Each ER site must be included in the Damage Estimate spreadsheet prior to being submitted to the FHWA. Following the approval of the work described by individual DAFs similar DAFs may be combined to form a project.

ER projects (except those involving substantial functional, location or capacity changes) are not required to be included in an approved Federal State Transportation Improvement Program (FSTIP).

ELIGIBILITY CRITERIA

The following criteria are applicable to work reimbursed from the ER Program. For more in-depth eligibility information please see the FHWA ER manual at <http://www.fhwa.dot.gov/reports/erm/index.cfm>

Prior FHWA approval or “Authorization to Proceed” is not required for EO repairs or PE, but an eligibility determination is necessary, prior to reimbursement.

PR construction must have prior approval and authorization to proceed unless the work was accomplished as part of the EO repairs. Note: Documentation is required if PR work is part of EO repair

Typical damage may include, but is not limited to, damage occurring to pavement or other surface courses, shoulders, embankments, cut slopes, roadside development, and stream channels, whether man-made or natural. Pavement repairs or reconstruction may also include rock slope protection, cribbing, or other stream bank control features, bridges, retaining walls, culverts and debris removal, including other deposits from roadway drainage channels and the traveled way.

1) Work outside the R/W*

Emergency funds may participate in repairs or reconstruction of damaged facilities within the R/W limits. Generally, work done outside the R/W is not eligible for ER funding. The exceptions are: 1) the work is directly related to the protection of the highway facility, 2) the work is not eligible for funds from any other agency, 3) no other agency has the responsibility for the work, and 4) the applicant agrees to accept the future maintenance of all work performed.

2) Pavement Repairs*

a. Traffic Damage- Pavement repairs due to traffic damage, even if damage is aggravated by saturated conditions are not eligible for ER funds. However there are three exceptions:

- i) Any public road damage caused by vehicles making repairs to damaged federal-aid routes.
- ii) Any public road that is officially designated as a detour that experiences damage by traffic using the detour. A pre-detour pavement survey or photos is recommended.
- iii) Any federal-aid route that is damaged by vehicles responding to a disaster.

b. Overlays- Where entire sections of roadways are damaged, new surfacing is eligible. In addition, where several nearby sites have had surfacing repair, resurfacing of the entire section between and including the sites is eligible.

- 3) **Engineering and R/W**
Preliminary and construction engineering, and R/W costs associated with approved projects are eligible for federal reimbursement.
- 4) **Betterments**
Betterments; such as upgrading, adding features or changes in capacity or character (including relocation) to a facility from its pre-disaster condition, are considered betterments and generally are not eligible for ER funding unless they can be economically justified. Economic justification must weigh the cost of the betterment against the risk of recurring damage and the costs of future repairs. **All betterments MUST have FHWA approval.**
- 5) **Raising Grades**
 - a. **Traditional Flooding**
Temporary work to raise roadway grades to maintain essential traffic service during flooding is eligible. If a roadway has suffered no significant damage; work to permanently raise the roadway grade is not eligible for ER funding on roadways that have been temporarily elevated during flooding.
 - b. **Basin Flooding**
Basin flooding is the flooding of a large depression with no natural drainage. Raising the grade where basin flooding occurs may be considered eligible if the work is restorative rather than preventive, and if the flooding will cause a long term loss of use of a critical federal-aid route.
- 6) **Slides**
The removal of rock and mud slides is eligible. Stabilizing slide areas to protect a facility from future damage is a betterment, and is eligible **only if** the repairs are determined by FHWA to be cost effective. If relocating the road is proposed, instead of correcting the slide; the cost of relocation may be eligible if the cost is justified and approved by FHWA.
- 7) **Work on an Active Construction Site & Stockpiling**
Most Agencies require their contractor's to have insurance against damage. Before considering ER funding to repair an active construction site, it must be established that the work is not the responsibility of the contractor. Stockpiled items, or any item that has not been incorporated into the construction project is not eligible for FHWA reimbursement.
- 8) **Toll Facilities**
ER funds may participate in repair of federal-aid toll facilities when the provisions of Section 129 of Title 23, U.S.C. are met. Loss of toll revenue is not eligible for reimbursement.
- 9) **Traffic Control Devices**
The cost of repair or replacement of traffic control devices, including traffic signals, directional and informational signs, and railroad-highway crossing warning devices, are eligible for ER reimbursement.
- 10) **Landscaping**
The replacement of damaged highway landscaping is eligible only if it represents an incidental portion of the total ER site repair costs.
- 11) **Roadside Appurtenances**
The repair or replacement of damaged guardrails, bridge rails, impact attenuators, R/W fences, etc., is eligible

12) Timber and Debris Removal

The cost of stockpiling, transporting, and disposing of debris, as well as the cost of removing marketable timber from acceptable clearing limits is eligible. However, hauling costs to sawmills or to locations beyond the vicinity of a damaged site is not eligible.

13) Transportation System Management (TSM) Strategies

TSM strategies to monitor, control and restore traffic during and after a disaster are eligible for ER reimbursement. TSM elements may include Highway Advisory Radio (HAR), closed circuit television, video image process surveillance, changeable message signs, public awareness programs, etc.

ER funds are eligible to provide emergency traffic management services by police during and following a disaster under the following conditions: 1) the service is on a federal-aid route, and is directly related to the disaster 2) the reimbursement is for added costs above and beyond costs related to normal day-to-day responsibilities, i.e., overtime costs or additional shift costs. The added costs should be itemized and documented to support any use of ER funds for this activity.

14) NEPA Process

Repair projects under the ER Program must comply with the requirements of the National Environmental Policy Act (NEPA) of 1969.

EO components of work are normally classified as categorical exclusions under 23 CFR 771.117(c)(9). Under the NEPA Pilot Program, the FHWA **DAF NO LONGER serves as the Categorical Exclusion**. It is necessary to complete a Categorical Exclusion/Categorical Exemption form and CE/CE checklist either simultaneously or a reasonable time after the DAF (Access the DAF at <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>). Note: In the event consultation with the USFWS or NOAA during the EO project results in the need to incorporate added features to mitigation impacts from the EO repairs on the environment, these features are eligible and are not considered betterments for the purposes of the ER program.

Permanent Restoration (PR) repairs, especially betterments or work in new locations, must go through the standard environmental processes in compliance with all applicable laws, regulations and executive orders. Local agencies may not proceed with the final design of a permanent restoration project or request "Authorization to Proceed with Construction" until Caltrans has signed a Categorical Exclusion (CE), a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD). Failure to follow this requirement will make the PR project ineligible for FHWA reimbursement. See Chapter 6, "Environmental Procedures," of the Local Assistance Procedures Manual (LAPM).

15) Administrative Expenses

a. Regular and Extra Employees

Regular salaries and overtime wages for all regular and extra employees directly engaged in the performance of ER work are eligible for reimbursement.

b. Payroll Additives

Labor surcharges, over and above the total direct labor costs charged to an ER project are eligible for ER funds.

c. Other Expenses

Expenditures for organization, maintenance, general administration, supervisory overhead, and other overhead costs are not eligible for ER reimbursement. However, personnel whose activities normally place them in

an overhead category may be assigned to a specific ER project. During such periods, salaries of these individuals would be eligible for participation, provided their time is identified on source documents with ER projects.

16) Supplies and Materials

Engineering and general office supplies, of an expendable nature are eligible for reimbursement.

*Items listed with an asterisk may OR may not be eligible. Read the information carefully.

INELIGIBLE ER ITEMS

The following items are not eligible for FHWA ER reimbursement. For more in-depth eligibility information please see the FHWA ER manual at <http://www.fhwa.dot.gov/reports/erm/index.cfm>

Repair of damage not directly related to the disaster or repair or reconstruction of facilities affected by pre-existing conditions such as damage from slow moving unstable cut or fill slopes is not eligible.

Repairs of previously identified deficient bridges on federal-aid highways and other scheduled construction projects with other funds are not ER eligible. "Scheduled" is defined as being included in the current TIP. However EO work to keep the facility functioning is eligible.

1) Work outside the R/W*

Generally, work done outside the R/W is not eligible for ER funding; unless the work meets one of the four exceptions outlined in 1) Work outside the R/W, in the Eligibility Criteria section.

2) Pavement Repairs*

Repair of surface damage resulting from traffic, whether or not the damage was aggravated by saturated sub-grade or inundation, is not eligible for ER reimbursement unless the damage meets one of the three criteria covered under 2) Pavement Repairs a) Traffic Damage in the Eligibility Criteria section.

3) Heavy Maintenance

Heavy maintenance; or site repairs that cost less than \$5,000 per location, are not eligible for FHWA reimbursement; but generally less costly repairs are eligible for CAL EMA/FEMA reimbursement.

4) Betterments

Betterments; such as upgrading, adding features or changes in capacity or character (including relocation) to a facility from its pre-disaster condition, are considered betterments and generally are not eligible for ER funding unless they can be economically justified. Economic justification must weigh the cost of the betterment against the risk of recurring damage and the costs of future repairs. **All betterments MUST have FHWA approval**

5) Raising Grades

a. Traditional Flooding

If a roadway has suffered no significant damage; work to permanently raise the roadway grade is not eligible for ER funding.

b. Basin Flooding

Raising the grade where basin flooding occurs is not eligible if the work is considered preventive.

6) Slides

Stabilizing slide areas to protect a facility from future damage is a betterment, and is not eligible unless the repairs are determined by FHWA to be cost effective. If relocating the road is proposed, instead of correcting the slide; the cost of relocation is not eligible unless the cost is justified, and approved by FHWA.

7) Work on an Active Construction Site & Stockpiling

Most agencies require their contractor's to have insurance against damage. Before considering ER funding to repair an active construction site, it must be established that the work is not the responsibility of the contractor. Stockpiled items, or any item that has not been incorporated into the construction project is not eligible for FHWA reimbursement

8) Toll Facilities

Loss of toll revenue is not eligible for reimbursement.

9) Landscaping

The replacement of damaged highway landscaping is not eligible, unless it only represents an incidental portion of the total ER site repair costs.

10) Timber and Debris Removal

Hauling costs to sawmills or to locations beyond the vicinity of a damaged site is not eligible.

11) Transportation System Management (TSM) Strategies

ER funds are not eligible to provide emergency traffic management services by police during and following a disaster under the following conditions: 1) the service is not on a federal-aid route, and 2) the reimbursement is for regular wages and equipment.

12) Administrative Expenses

a. Other Expenses

Expenditures for organization, maintenance, general administration, supervisory overhead, and other overhead costs are not eligible for ER reimbursement. However, personnel whose activities normally place them in an overhead category may be assigned to a specific ER project. During such periods, salaries of these individuals would be eligible for participation, provided their time is identified on source documents with ER projects.

13) Frost Heaving

Damage to roadway base and subbase materials due to inundations or because of freezing, even if the roadbed has been saturated by flood waters, is not eligible for repairs.

14) Mine/Underground Subsidence

Repair work to prevent mine subsidence damage to a roadway is not eligible for ER funding.

15) Snow and/or Ice Removal

ER funds are not eligible for snow and ice removal, as snow and ice generally do not cause damage to the roadway. Although ER funds are not available, FEMA may assist in limited snow clearance on federal-aid highways during extreme snowfalls.

16) Emergency/Medical Transportation Services

Emergency/Medical transportation services, such as ambulances or helicopters, are not eligible for ER funding.

* Items listed with an asterisk may OR may not be eligible. Read the information carefully.

Replacing highway facilities is considered appropriate when it is not technically or economically feasible to repair or restore a seriously damaged roadway element to its pre-disaster condition. ER reimbursement will be limited to the cost of a new facility constructed to current standards and codes conforming to the former facilities capacity and character.

The total project cost eligible for ER funding may not exceed the cost of repair or reconstruction of a comparable facility. Proposed projects that include unsupported betterment features shall be restricted in the use of ER funds to the cost of repair or reconstruction of the comparable facility.

REVISED DAF CRITERIA

The scope of work eligible under the ER Program is established during the initial damage inspection and is shown on the DAF. Significant quantity deviations and/or change in scope of work from the approved DAF report must be approved by a FHWA Engineer. The agency must prepare a revised DAF requesting the increased cost and/or scope of work. (Access the DAF at <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>)

“Significant Quantity Deviations” are:

- For projects between \$5,000.00 and up to \$100,000.00 where the dollar figure is in excess of \$10,000.00 and 25% of the original DAF.
- For projects between \$100,000.00 and up to \$1,000,000.00 where the dollar figure is in excess of 15% of the original DAF.
- For projects over 1,000,000.00 where the dollar figure is in excess of 10% of the original DAF.

When a revision is being proposed to EO work after the first 180 days; and no work has been started, that request should be classified as PR work.

PROCESSING OF ER PROJECTS

Following program approval by the FHWA Administrator, expenditures for emergency measures, temporary repairs, establishment of detours and PE are generally eligible for reimbursement. Reimbursement of funds to a local agency, however, is not permitted until the work described in a DAF is programmed and approved by FHWA. Permanent restoration work must conform to the same basic procedures used for any other federal-aid highway construction. The planning requirements, however, have been simplified for ER projects. All ER projects, except those involving substantial functional, location, or capacity changes, are exempt from the FTIP process. An “Authorization to Proceed,” must be approved by the FHWA before any permanent restoration project may be advertised for contract, see Chapter 3, “Project Authorization,” of the LAPM.

ER PROJECT NUMBERS

ER project numbers **do not use the agency LOCODE**. For each disaster, the HQ ER Coordinator will set up different CODEs for each County and Cities within each county. The LP2000 database is used by the district to create the project number for each EO and PR project. DAFs with similar EO and/or PR work can be combined onto the same projects.

Because of the need to track and report on environmental work required by the Caltrans NEPA Assignment, EO and PR work shown on the same DAF might have separate project numbers. This determination will be made by the Environmental Branch.

R/W CERTIFICATION PROCEDURES

EO Phase: A R/W Certification is **not** required prior to starting EO construction; but may be required in order to process an EO construction funds request. Projects conducted solely for the purpose of emergency opening of transportation facilities are exempt from the formal R/W Certification processes if no Plans, Specifications & Estimates (PS&E) are prepared. The R/W Certification is a formal document to confirm that no individuals or business entities were denied the use of their property during the emergency repair activities and that no personal property was moved. The R/W certificate is filled out by the agency and submitted to the district R/W department, where it is signed by a District R/W Agent. See Chapter 13, "Right of Way," of the LAPM.

If either persons or properties were affected during the emergency repair phase, even temporarily, the actions must be reviewed to determine if anyone has a right to be compensated for their loss. If warranted, an appraisal should be prepared followed by the acquisition and relocation assistance. A R/W Certification should be prepared by the agency and sent to the District R/W Agent describing the rights acquired and ensuring that any relocation assistance complies with the Federal Uniform Act.

PR Phase: This phase is to be treated like a regular federal-aid project and all R/W activities will have to be certified **PRIOR** to advertising, obtaining bids, awarding and administering the contract.

ENVIRONMENTAL COMPLIANCE PROCEDURES

EO Phase: Repair projects under the ER program must comply with the requirements of the National Environmental Policy Act (NEPA) of 1969. EO repairs to restore essential travel, minimize the extent of damage, or protect the remaining facilities are normally classified as categorical exclusions under 23 CFR 771.117(c)(9). **Under the NEPA Pilot Program and MOUs, for emergency repairs (a.k.a. emergency openings), the FHWA DAF NO LONGER serves as the Categorical Exclusion. It is necessary to complete a Categorical Exclusion/Categorical Exemption form and CE/CE checklist for emergency openings either simultaneously or a reasonable time after the DAF.** However, if impacts to protected or otherwise sensitive or high-value resources are possible, advance coordination with the appropriate local, State, and Federal resource agencies should be closely considered to avoid or minimize project delays or shutdowns.

There is no exemption from consultation with the U.S. Fish and Wildlife Service, but there is a process for emergencies, 50 CFR Part 402.05- (a) Where emergency circumstances mandate the need to consult in an expedited manner, consultations may be conducted informally through alternative procedures that the Director of U.S. Fish and Wildlife determines to be consistent with the requirements of sections 7(a)-(d) of the Act. This provision applies to situations involving acts of God, disasters, casualties national defense or security emergencies, etc. (b) Formal consultations shall be initiated as soon as practicable after the emergency is under control. The Federal Agency (Caltrans, under NEPA Delegation) shall submit information of the nature of the emergency action(s), the justification for the expedited consultation, and the impacts to endangered or threatened species and their habitats. The service will evaluate such information and issue a biological opinion including the information and recommendations given during the emergency consultation. Contact U.S. Fish and Wildlife Service as soon as possible (usually within 48 hours) by telephone or facsimile followed by written correspondence. Once the emergency is under control, formal consultation will be initiated if necessary.

The same procedures apply to emergency consultation with NOAA Fisheries, as well.

Informal consultation and further environmental studies may need to be initiated with applicable resource agencies, such as the U.S. Fish and Wildlife Service, U.S. Army

Corps of Engineers, U.S. Coast Guard, California Coastal Commission, park officials, U.S. Department of Interior/National Parks Service, Advisory Council on Historic Preservation, and State Historic Preservation Office to obtain agreement on expedited environmental processes to address the requirements of other federal environmental processes to address the requirements of other federal environmental laws.

Environmental staff should be invited to and should attend the initial field review of the emergency repair site.

EO work completed within the R/W will generally not require use of the PES form. The use of the PES form is ultimately an environmental staff decision.

State and local transportation agencies are empowered to begin EO repairs immediately. EO repairs are repairs made during and immediately following a disaster, to restore essential travel, to minimize the extent of damage, to protect the remaining facility, and to ensure public safety where there is imminent danger. As soon as possible and concurrent with the repair, the environmental document and any needed permits and approvals are prepared and/or obtained.

EO work cannot be used solely to avoid the requirements of NEPA and other federal environmental laws, regulations, and executive orders.

PR Phase: Permanent repairs, especially betterments or work in new locations, must go through the regular federal-aid process and the standard environmental processes in compliance with all applicable laws, regulations and executive orders. Local agencies may not proceed with the final design of a project or request “Authorization to Proceed with Construction” of the permanent restoration project until Caltrans has signed a CE, a FONSI, or a ROD. Failure to follow this requirement will make the project ineligible for FHWA reimbursement. See Chapter 6, “Environmental Procedures,” of the LAPM.

Additional information regarding the legal requirements associated with emergency repairs to historic structures and/or emergency work in rivers and streams is available at http://www.dot.ca.gov/ser/downloads/general/Emergency_Projects.pdf

Copies of the current Categorical Exclusion/Exemption (CE/CE) Form and the Categorical Exemption Checklist are available at: http://www.dot.ca.gov/ser/forms_instruction.htm

CONTRACTING METHODS

A Governor’s Proclamation of Emergency usually triggers suspension of the State Contract Act thereby permitting soliciting of informal bids from qualified contractors. This will permit an immediate start of emergency repair work. A local agency should always consult with its legal counsel prior to soliciting informal bids for an emergency type project.

The force account method (use of the agency’s staff and equipment) may be used to perform emergency opening and temporary operations required to minimize the extent of damage, protect remaining facilities, and reestablish essential travel.

Typically, repair work designated as “permanent restoration” is performed by contract following a two-to-three week advertising period. Permanent restoration, while usually performed by the contract method, may on occasion be performed by local agency forces using force account procedures (see Chapter 12, “PS&E,” of the LAPM). Performing permanent work by force account is reserved for unusual situations such as encountering a lack of bidders, projects with scattered and remote locations, and where there is a need for specialized personnel.

PUBLIC INTEREST FINDING (PIF) CRITERIA

Title 23 CFR 635 Subpart B allows for "rare" circumstances which may justify the use of force account, negotiated contract, or other unusual methods of construction. The regulations indicate that, in the absence of an emergency situation, (such as PR work) circumstances are unlikely to justify the use of other methods of construction. Therefore, the consideration of any non-competitive construction contract method requires a cost effectiveness determination as well as an evaluation which demonstrates that the circumstances are unusual and unlikely to recur.

Cost Effectiveness Finding

A cost effectiveness finding is required for any non-competitive method of contracting. Title 23 CFR 635.205 cites the following situations as possible reasons for undertaking a construction project by force account:

1. When "the rights or responsibilities of the community at large are so affected as to require some special course of action, including situations where there is a lack of bids or the bids received are unreasonable," and
2. When by reason of the inherent nature of the operation, it is deemed cost-effective to do minor adjustments of railroad and utility facilities (major work still to be accomplished by competitive bidding) by force account.

Under the first circumstance the use of force account may be found cost-effective when properly documented. Under the second circumstance, FHWA has determined that the use of force account is *always* cost-effective, and therefore, no Cost Effectiveness Finding is required.

Requests to undertake such work using the force account method must be fully justified and approved by the DLAE or District staff before construction begins (see Chapter 12, PS&E," of the LAPM and Exhibit 12-F "Request for Approval of Cost-Effectiveness/Public Interest Finding").

EXPEDITING ER PROJECTS

Local agencies are expected to maintain safe roadways during disasters. Emergency repairs necessary to protect life and property should be undertaken immediately. Such repairs do not require prior authorization from a Federal/State inspection team, however, keeping good records for each site (i.e., **mandatory pre-repair pictures**, diagrams, diaries, etc.) is essential to support later reimbursement. The inspection team will later review and authorize work resulting from the disaster that was repaired prior to the inspection team's review. The inspection team will also authorize emergency work remaining to be performed, and work designated as PR. Work so designated should be undertaken as soon as possible after DAF approval. (Access the DAF at <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>). A local agency is responsible for the preparation of project PS&E, permits, environmental and R/W certifications, and construction engineering.

Emergency Relief reimbursement eligibility for work that has not progressed to the construction stage by the end of the "second fiscal year" following the "federal fiscal year" of the disaster may be terminated. Local agency costs incurred and reimbursed (PE, R/W, etc.) for terminated projects may need to be refunded to the federal government. For projects where PE work was done; and it was determined not to proceed with construction; the agency may send a "letter requesting PE forgiveness" through their DLAE and ER coordinator, to FHWA for approval. In cases where this deadline is not met, the local agency may request a time extension through their DLAE and ER Coordinator. With proper justification the request will be forwarded to FHWA for approval/disapproval.

Caltrans will process necessary project documents on an expedited basis to permit prompt reimbursement of local agency funds.

ADVANCE CONSTRUCTION FOR ER PROJECTS

When an agency is ready to advertise their PR contract, and FHWA ER funds are not available; an Advance Construction (AC) E-76 has to be processed. Per ER regulations, PR construction work done prior to E-76 authorization is not eligible for reimbursement. If ER funds are not available, the agency can request an AC E-76 and start the contract using local funds. Once ER funds are made available the AC E-76 is converted to an ER E-76.

SEQUENCE OF ER ACTIONS TO BE PERFORMED

The following checklist indicates the sequence that ER actions are performed, and the related documents submitted to the DLA for review and transmitted to FHWA. **Note:** See flow chart at the beginning of this chapter.

1. The **local agency photographs damage, performs and prepares records of EO repairs** to minimize the extent of damage, protect remaining facilities, and restore essential travel.
2. The **local agency identifies damaged locations**, that are federal-aid highways, work performed and the associated cost for EO repairs to date for each location, and prepares a listing. Note: See Section 2.3, *State-Authorized Projects*, and 2.4, *Stewardship-Letters of Agreement*, in the LAPM for Stewardship-FHWA Oversight project classification.
3. The **local agency** coordinates with Caltrans DLAE to **arrange for the federal/state review team**. The local agency provides personnel familiar with the locations and history of work performed to date. The local agency representative is expected to be an active team member. See “Detailed Site Inspections” in Section 11.4 for directions on when a FHWA signature is required on a DAF. (Access the DAF at: <http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>)
4. **State/local agency** team reviews sites and **prepares DAF for EO and/or PR as applicable**. **Note: All PR work follows regular federal-aid procedures**. See “Detailed Site Inspections” in Section 11.4 for directions on when a FHWA signature is required on a DAF.
5. **The district** assigns separate EAs and Project numbers to the DAFs. Several DAFs can be combined onto the same project. For example if several DAFs have EO work which consists of debris removal, these DAFs could be combined onto a single project. If the PR work is similar on some or all of the DAF; then the similar PR DAFs can be combined, also. If the PR component of these DAFs are very different, they should not be combined. Instead they should remain as individual projects.
6. **Caltrans HQ prepares and submits Program of Proposed ER Projects** to FHWA for approval.
7. The **local agency submits a Request for Authorization for EO work**, along with the applicable Environmental and R/W documentation (see Chapter 3, “Project Authorization,” of the LAPM) to Caltrans - DLAE.
8. **Caltrans submits the Authorization to Proceed (E-76)** to FHWA and receives funding approval.

9. **Caltrans HQ sends the local agency two copies of a Program Supplement Agreement for each project.**
10. **Local agency signs the Program Supplement Agreements** and sends them back to Caltrans HQ. Caltrans HQ executes the agreements, and sends one copy back to the agency. Once the agency has received their copy, the local agency submits invoices for work completed.
11. **The local agency completes the identified EO work.**
12. For the EO portion of the project **the local agency** completes the Final Inspection Form (Exhibit 17-C of the LAPM) and submits it to the DLAE. Caltrans then verifies project completion.

Additional steps for DAFs with Permanent Restoration

1. **The local agency submits the Request for PE authorization.** (see Chapter 3, "Project Authorization," of the LAPM) to Caltrans - DLAE.
2. **The local agency obtains NEPA approval and completes the R/W Certification process** (see Chapter 6, "Environmental Procedures" and Chapter 13, "Right of Way," of the LAPM).
3. **The local agency develops PS&E for the permanent restoration work.** (see Chapter 12, "Plans, Specifications, and Estimate," of the LAPM)
4. **The local agency submits PS&E Certification, R/W Certification to Caltrans and Request for Authorization** for identified items of permanent restoration work.
5. **Caltrans:**
 - **DLAE submits Request for Authorization** to Caltrans HQ;
 - Receives FHWA's Authorization to Proceed; and
 - **DLAE sends copy of Authorization to Proceed to local agency.**
 - **Caltrans HQ sends two copies of the Supplement Agreement to the local agency for signature**
6. **The local agency advertises project** and opens bids (see Chapter 15, "Advertise and Award Project," of the LAPM).
7. **Local agency signs Program Supplement Agreement** and returns it to Caltrans HQ.
8. **The local agency awards contract, submits Contract Award Checklist to DLAE,** proceeds with construction contract and submits invoices.
9. Upon completion of projects, local agency completes Final Inspection Form, (Exhibit 17-C of the LAPM) and submits to Caltrans. Caltrans then verifies project completion. See Chapter 17, "Project Completion," of the LAPM for complete details on final inspections.
10. **The local agency prepares final billing** and submits it to Caltrans.

REPORTING OF FINAL COSTS

A local agency must promptly notify the DLAE when each ER project is completed. The local agency will also submit a Final Detail Estimate of cost, together with a Final Invoice in the form specified in Chapter 17, "Project Completion," of the LAPM

The DLAE will prepare a “Report of Completion” (Form 1446C) for each ER project. The Form 1446C is required for both emergency repair and permanent restoration projects. The original and one copy are to be submitted by the DLAE to DLA.

REFERENCES

Title 23 US Code, Section 120(e), Federal Share Payable Title 23 US Code, Section 125, Emergency Relief Title 23 US Code, Section 133(c), Surface Transportation Program 23 CFR 688, Emergency Relief Program FHWA - Emergency Relief Manual – 2009

11.5 FHWA ON-LINE ER TRAINING

FHWA has developed seven ER training modules that can be taken at any computer, at any time. The user can choose to go through all the modules at one time; which should take about four hours, or pick certain modules to focus on. The modules do have audio, so you will need to adjust your computer volume.

Module Name	Module Web link
• Pre-training Quiz	http://fhwa.adobeconnect.com/erquiz
• Program Overview	http://fhwa.adobeconnect.com/caeroverview
• Application Process	http://fhwa.adobeconnect.com/caerapplicationprocess
• EO vs. PR	http://fhwa.adobeconnect.com/caereovspr
• Eligibility	http://fhwa.adobeconnect.com/caereligibility
• DAF	http://fhwa.adobeconnect.com/caerdaf
• ER Specifics	http://fhwa.adobeconnect.com/caerspecifics
• ER Examples	http://fhwa.adobeconnect.com/caerexamples

Once or twice annually FHWA will host a web conference, if you have logged on to use any module during the past year, you should be e-mailed a web conference notification.

11.6 FHWA ER APPEAL PROCESS

FHWA has developed an ER appeal process. The appeal process is to be used whenever a local agency does not agree with an ER related FHWA decision. With each sequential step listed below, the previously involved parties may be included in the next step of the appeal process. It is expected that the next step can be requested by any party, if resolution is not achieved at the present level.

Step 1

Caltrans district staff and the local agency meet to determine if an appeal should be made.

Step 2

The Caltrans staff who signed the DAF will request a meeting with the FHWA Engineer that has responsibility for the impacted area. FHWA may ask for additional information, in order to assist in making an eligibility decision.

Step 3

Caltrans DLAE or District ER Coordinator will meet with the FHWA Team Leader, HQ ER Coordinator and/or applicable specialists

Step 4

Caltrans HQ ER Coordinator will meet with the FHWA Field Operations Director

Step 5

Caltrans Director will meet with the FHWA Division Administrator

Any time the appeals process appears to have stalled; Caltrans or the local agency may request that political representatives take the issue to FHWA HQ. It needs to be recognized that the FHWA Division Administrator is responsible for the federal-aid program in California and has the ultimate decision for any appeal.

11.7 ROBERT R. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT, FEMA

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, administered by the FEMA, is a comprehensive federal program providing disaster assistance to both the public and private sectors. The Act can provide disaster assistance funding to both Caltrans (State Highway System) and local agencies for eligible disaster damage occurring to transportation facilities not on a federal-aid highway.

This Act, in the event of a declared natural disaster, can provide for debris removal from the R/W of federal-aid highways whenever the FHWA determines a Title 23 area-wide declaration is not warranted.

All state involvement under the Act is coordinated by Cal EMA. The information required by Cal EMA to implement this Act is described in Section 11.2 “Initial Departmental Actions” of the Act. The documentation used by Cal EMA to support the request for a Presidential Declaration is submitted to FEMA. FEMA assesses the disaster's total impact upon the state's economy and makes a recommendation to the President of the United States. The President, upon reaching a positive decision, will announce the details governing the “Disaster Area(s).”

Administrative procedures for both the federal (Robert T. Stafford Disaster Relief and Emergency Assistance Act) and the state (California Disaster Assistance Act) - discussed below - are similar.

For more Stafford Act information go to the FEMA website at <http://www.fema.gov/about/stafact.shtm>

REFERENCES

FEMA - Handbook for Applicants Pursuant to Public Law 93-288
44 CFR Section 206
FEMA Website: <http://www.fema.gov/news/disasters.fema>

11.8 CALIFORNIA DISASTER ASSISTANCE ACT (CDAA), CAL EMA

The CDAA is a state-funded program that assists disaster impacted local agencies. CDAA helps mitigate the effects of disasters that are not of sufficient magnitude to receive federal assistance. CDAA also provides assistance to local agencies in meeting the remaining federal matching share requirement when federal disaster programs are authorized.

State agencies are not eligible for assistance under CDAA. Cal EMA administers all provisions of the Act. And they may request Caltrans, as well as other State Agencies, to provide personnel and services to assist in implementing the Act. This request is made to Caltrans HQ ER Coordinator for local agency projects.

Detailed information for local agencies seeking assistance under the Act may be found in the Cal EMA publication entitled “CDAA - Eligibility Guidelines and Claiming Instructions,” or by going to the Cal EMA website at <http://www.oes.ca.gov> then clicking on “Recovery,” then search for CDAA on “Public Assistance (PA).”

DLA’s Disaster Assistance Coordinator will advise each disaster-impacted District ER Coordinator what services are to be provided to the Cal EMA and the local agencies.

Localized disasters that do not impact large areas or populations of the state usually do not receive consideration for a federal disaster program; however, such affected areas will probably be eligible for assistance under CDAA. Cal EMA, in such cases, will notify Caltrans when it is required to assist Cal EMA to mitigate the effects of the disaster. Each affected District ER Coordinator will subsequently be contacted by DLA's Disaster Assistance Coordinator, who will provide instructions for complying with the Cal EMA directive.

REFERENCES

Cal EMA - Natural Disaster Assistance Act as Amended, 1988

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EXHIBIT 11-A DAMAGE ASSESSMENT FORM INSTRUCTIONS

To access a fillable PDF version of the DAF, click on the following link:

<http://www.dot.ca.gov/hq/LocalPrograms/erp/erp.html>

U.S. Department of Transportation Federal Highway Administration- California Division- Title 23 Damage Assessment Form (DAF)		DAF No. [1A] - [1B] - [1C] - D	
Sheet # 1 of [2]		Federal Project # EO ER - [3] ()	
Disaster No. CA [4] - []		PR ER - [3] ()	
Applicant [5]	County [6]	Incident (mm/dd/yyyy) [7]	Inspection [8]
Location of Damage: [9]	Per Site <input type="checkbox"/> or <input type="checkbox"/> Per Mile	Federal-aid Highway? [10]	
Name of Road/Bridge: [11]		Y for yes, if no, ineligible for ER funds <input type="checkbox"/>	
PM Begin: [12]	PM Length: [13]	Map No []	
PM End: [12]	(in feet)	Functional Classification Type:	
Road/Bridge Data:	Bridge No [14] Type: [15]	Route # [16]	
Traveled Way: Width [17] Type: PCC <input type="checkbox"/> AC <input type="checkbox"/> Gravel <input type="checkbox"/>		Forest Hwy? Y/N <input type="checkbox"/> [19] Interstate? Y/N <input type="checkbox"/>	
Shoulder: Width [18] Type: PCC <input type="checkbox"/> AC <input type="checkbox"/> Gravel <input type="checkbox"/>		Existing ADT: [20]	
Description of Damage:	[21]		

COST ESTIMATE				
Emergency Opening (EO)	Type of Repair	Description of Work	Cost Summary	
	EO- AGENCY FORCES CT Work Order #(s): _____ EA(s): _____		[22]	PE
		CE	[24]	
		Construction	[25]	
EO- CONTRACT EO EA(s): _____	[26]	PE	[27]	
		CE	[28]	
		Construction	[29]	
NOTE: Environmental documentation for EO is required. It is generally started after work has begun.			R/W	[30]
			Subtotal Emergency Opening	[31]
Permanent Restoration (PR)	PR- CONSTRUCTION FA requires an approved PIF	[32]	PE	[33]
	Contract _____ FA _____		CE	[34]
	PR EAs _____		Construction	[35]
NOTE: PRIOR AUTHORIZATION (APPROVED E-76) IS REQUIRED TO PROCEED WITH PERMANENT RESTORATION R/W & CONSTRUCTION			R/W	[36]
NOTE: Environmental clearance for permanent restoration is conducted through normal Federal-aid procedures			Subtotal Permanent Restoration	[37]
Eligible	Signature	Date	PE Total	[38]
<input type="checkbox"/> Yes <input type="checkbox"/> No	Local Agency (if applicable): [39]		CE Total	[40]
<input type="checkbox"/> Yes <input type="checkbox"/> No	Caltrans: [41]		Construction Total	[42]
<input type="checkbox"/> Yes <input type="checkbox"/> No	FHWA*: [43]		R/W Total	[44]
TOTAL ESTIMATE				[45]

Agency sig. Name (print): _____ [46] FHWA Sig. Name (print): _____ [47]
 CT signature Name (print): _____ [48] DAF Prepared by (print): _____ [49]

Original: Caltrans District **Copies:** FHWA, Division of Local Assistance(local roads), Federal Resources (state hwy), HQ Major Damage Engineer (state hwy)
 *Write "N/A" in FHWA signature block if the project has no Federal ER funding or Federal ER funding delegated to the State.
FHWA Signature: REQUIRED for all Federal Funded State projects. REQUIRED for any Local Agency projects with 1) any BETTERMENT, 2) more than 2 ROW takes or 3) when paving is more than 50% of the Total Estimated Cost. **Reminder:** This DAF must be accompanied by photos of the damage.

FHWA CA Form (CA Rev 12/10)

Damage Assessment Form Instructions

The New DAF format- the Emergency Relief (ER) Damage Assessment Form (DAF) has been recreated in Adobe Acrobat Professional v.9 to streamline processing data. Also, users must have Acrobat Reader in order to fill in the form on their computer. Users will be able to save the data in the application form with Reader 8.0 or later and send the file as an attachment to an email. Download free software: <http://get.adobe.com/reader/>

You can tab from field to field; but if you are not sure exactly what type of data is needed in a particular field you can manually move your cursor over a field, and “hover”, and a tool tip will appear, that will explain what information is needed.

The scope of work eligible for ER funds is established on the DAF. After the DAF is completed and signed, the Caltrans District representative is responsible for assuring that copies of the DAF are distributed as indicated at the bottom of the DAF and that the DAF data is entered into the FADS 2.0 database.

A **revised DAF** must be prepared if significant deviations from the prior approved DAF scope are proposed or if a significant quantity change is made. Generally, a significant quantity change is considered for:

- DAF amount is \$100,000 or less and the change is greater than \$10,000 and 25%.
- DAF amount is between \$100,000 and \$1,000,000 and the change is greater than 15%.
- DAF amount is greater than \$1,000,000 and the change is greater than 10%.

Revised DAF requests will be reviewed every two months. The revised DAF paperwork should be submitted to the ER Coordinator two weeks prior to the review meeting.

[1] DAF Number: The DAF number uses the format:

AAA-BBBBBB-123-0.

FHWA and Caltrans have agreed to standardize the DAF numbering format as follows:

For State ER Projects:

- **[1A]** The first three spaces (“AAA”) are for the FHWA representative’s first, middle and last initials (or something similar). All three spaces must be filled in using alpha characters only. The letter “O” should be replaced with an “X”. No empty spaces!
- **[1B]** The next six spaces (“BBBBBB”) are used to indicate the agency (abbreviated) which is administering the ER project at the damaged site. Not all spaces are required to be filled in. However, no internal spaces are permitted between characters. For State Highway sites, enter CT followed by the district number as CT01, CT02, (not CT 01) and so on.
- **[1C]** The next three spaces (“123”) are used to designate the site or location number. All three spaces must be filled in with numeric characters only. The entry for the first site for an agency will be “001”. The next DAF for a different site will be “002”, and so on.
- **[1D]** The last single space entry is to show the DAF revision number. The initial DAF must show a “0” (zero) in this space. If major changes are made to the existing DAF, fill out a revised DAF with the new information, get the DAF signed by FHWA, and change this entry from “0” to “1”.
- The following is an example of the first revision to the 18th DAF for a State Highway site in District 2: **ABC-CT02__-018-1** (State Hwy. DAF).

Damage Assessment Form Instructions**Local Agency Projects:**

- [1A] The first three spaces (“AAA”) are for the FHWA representative’s first, middle and last initials. If the FHWA representative does not attend the site visit for a local agency site, enter the initials of the Caltrans District Local Assistance Engineer who attended, or the Caltrans representative who will be signing the DAF. All three spaces must be filled in using alpha characters only. The letter “O” should be replaced with an “X”. No empty spaces!
- [1B] The next six spaces (“BBBBBB”) are used to indicate the agency (abbreviated) which is administering the ER project at the damaged site. Not all spaces are required to be filled in. Start on the left and work to the right, no empty spaces between characters. If an agency doesn’t know their abbreviation, District staff can look it up in LP2000, on the first page in the Route box. Counties use their standard abbreviation followed by CO. i.e. YUBCO (not YUB CO) is Yuba County and CND is Concord.
- [1C] The next three spaces (“123”) are used to designate the site number for a given agency. All three spaces must be filled in with numeric characters only. The entry for the site for an agency will be “001”. The next DAF for a different site will be “002”, and so on.
- [1D] The last single space entry is to show the DAF revision number. The initial DAF submitted to FHWA must show a “0” (zero) in this space. If major changes are made to the existing DAF, fill out a revised DAF with the new information and change this entry from “0” to “1”.
- The following is an example of the third DAF for a local site in the County of Yuba: **CBA-YUBCO_-003-0** (Local Agency DAF).

[2] Sheet number: Fill in total number of sheets.

[3] Project #s: Enter the seven-digit Federal Project Number (if known). The following is an example entry: 4321(004) for Emergency Opening (EO) and/or Permanent Restoration (PR) 4321(005). You may not have the project numbers by the time the DAF needs to be submitted to FHWA, these can be filled in later.

[4] Disaster #: Enter the three-digit Federal Disaster Number (required). The disaster number is CA for California, then the Federal Fiscal Year (which starts on October 1) followed by the event number, starting with 1. The following is an example entry: CA09-1, for the first event in California during FFY 2009.

[5] Applicant: Caltrans if State administered, or the name of the City, County or other local agency if locally administered.

[6] County: The name of the county where the damage is located.

[7] Incident Date: Usually the Governor’s Proclamation date; but it may be the date the damage occurred, or was first discovered. If the site is damaged in more than one proclaimed event, write additional incident dates in the Justification box at the bottom of the Cost Calculation sheet.

[8] Inspection Date: The date that FHWA or Caltrans (local agency sites) visited the damage site. If there was more than one group inspection, it is best to document the additional dates in the justification area at the bottom of the Cost Calculation sheet.

[9] Location of Damage: Check “Per Site” or “Per Mile”

Damage Assessment Form Instructions

For damage to be eligible for FHWA funding, the repair estimate must be greater than one of the following criteria:

	State	County	City
Per site	\$5,000	\$5,000	\$5,000
Per mile	\$15,000	\$9,000	\$5,000

[10] **Federal-aid Highway, Map Number, and Classification:** Enter Y for yes in the box next to “Y for yes...”if the damaged route is eligible.

- Go to the CSR maps at http://www.dot.ca.gov/hq/tsip/hseb/crs_maps/ to determine if the route is a federal-aid route. Local roads and rural minor collectors (grey or yellow) are not eligible for FHWA ER funds.

Fill in the Map Number from the lower right hand corner of the CRS map, and enter the functional classification type (i.e. major collector).

[11] Name of Road/Bridge: Enter the name of the road/bridge or route number.

[12] PM Begin and PM End: If the route has post mile markers enter that information; if not use a short description such as “.1 mile SO River Intersection.”

[13] PM Length: Enter the length of the site, in feet.

[14] Road/Bridge Data: Fill in bridge # if applicable.

[15] Type: Enter bridge type. (T-beam, PSPT)

[16] Identify State/Local Route Number: Enter route number if applicable.

[17] Traveled Way: Enter width of traveled way (two 12’ lanes= 24’), and check traveled way type- Portland Cement Concrete (PCC), Asphalt Concrete (AC) or Gravel.

[18] Shoulder: Enter width of the shoulder (two 8’ shoulders=8’), and check shoulder type- PCC, AC or Gravel.

[19] Forest Highway? Enter “Y” for Yes or “N” for No. If yes, the project may be eligible for - Emergency Relief Federally Owned (ERFO), for more information see publication number FLH-04-007 or go online at <http://www.efl.fhwa.dot.gov/programserfo.aspx> .

[19] Interstate? Enter “Y” for Yes or “N” for No, if the damage is on the Federal Interstate route system.

[20] Existing ADT: Enter the Average Daily Traffic (ADT). This number is useful in determining EO versus PR, in some instances.

[21] Description of Damage: Use general terms describing dimensions, and cause of damage, i.e. mudslide covering 75 feet of road, due to winter storms.

Damage Assessment Form Instructions

Emergency Opening (EO) versus Permanent Restoration (PR)- EO funding is for work that is needed for either 1) restoring essential travel, 2) minimizing the extent of damage, or 3) protecting the remaining facilities, ONLY.

[22] EO Agency Forces Description of Work: Write a general description of EO repairs made by agency forces, only. No contract work of any type. CT Work Order # is for State applicant work, and probably will not be known at the field review. EA # may not be known at FHWA submittal time.

[23], [27], and [33] PE (Preliminary Engineering) Costs: Round up to even dollars. Expenses must be justified in the Description of Work. If the PE estimate exceeds 10% of the construction cost, it needs a justification. The justification can be written in the Description of Work area, or on the Narrative page, or in the Justification area at the bottom of the Cost Calculation page.

[24], [28], and [34] CE (Construction Engineering) Costs: Round up to even dollars. Expenses must be justified in the Description of Work. If the CE estimate exceeds 15% of the construction cost it needs a justification. The justification can be written in the Description of Work area, or on the Narrative page, or in the Justification area at the bottom of the Cost Calculation page.

[25], [29], and [35] Construction Costs: Round up to even dollars. Write the estimate of the cost for repair work.

[26] EO- Contract Description of Work: Write a general description of EO repairs made by any type of contractor.

- For local agencies- Local Program Accounting wants an award package for any work done by a contractor. For shortlist or Force Account (FA) contracts- On a piece of paper state that the work is ER Force Account contract work. Show the date of the agreement, the type/quantity of work that has been agreed upon, and the agreed price. Show the name of the company and the persons who have entered into the agreement. Have both parties sign and date it.

[30] and [36] R/W (Right of Way): Fill in the estimated R/W acquisition expenses and support costs.

ER will only fund work outside of the R/W if the following four conditions are met:

- Directly related to the protection of the highway
- Not eligible for funds from another agency
- No other agency has responsibility
- Applicant agrees to accept all future maintenance

[31] Subtotal Emergency Opening: If you are filling in the DAF by computer, this will automatically be filled in. The sum of all EO estimated work. Round up to up to even dollars.

PR Type of Repair: PR work must follow federal contract requirements.

[32] Description of PR work and Summary Cost: Mark contract and/or FA. For FA, a PIF (Public Interest Finding) must be completed. For local agencies see “*Local Assistance Procedures Manual (LAPM)*” Chapter 12 PS&E, Exhibit 12-F.

Write a general description of the restoration work needed to repair the damaged facility. The EA# may not be known at FHWA submittal.

[37] Subtotal Permanent Restoration: If you are filling in the DAF by computer, this will automatically be filled in. The sum of all PR estimated work. Round to up to even dollars.

Damage Assessment Form Instructions

[38] PE total: If you are filling in the DAF by computer, this will automatically be filled in. Add up the three PE totals from above.

[39] Eligibility, Local Agency Signature and Date: If the applicant is a local agency, the agency will mark eligible and sign and date.

- For local sites that are less than \$5,000- mark the DAF as Ineligible, get a State representative's signature, and submit the DAF to Cal EMA for 75% reimbursement, for debris removal.

[40] CE total: If you are filling in the DAF by computer, this will automatically be filled in. Add up the three CE totals from above.

[41] Eligibility, Caltrans Signature and Date: The Caltrans representative marks Eligible or Ineligible, signs and dates the DAF.

[42] Construction Total: If you are filling in the DAF by computer, this will automatically be filled in. Add up the three Construction totals from above.

[43] Eligibility, FHWA Signature and Date: The FHWA representative marks Eligible or Ineligible, signs and dates the DAF. For local applicants- FHWA signature is only required if there are *any Betterments*, more than 2 R/W takes, or when paving is more than 50% of the total cost.

[44] R/W total: If you are filling in the DAF by computer, this will automatically be filled in. Add up the two R/W totals from above.

[45] Total Estimate: If you are filling in the DAF by computer, this will automatically be filled in. Add up all totals from above.

[46], [47] and [48] Local Agency Representative, Caltrans Representative & FHWA Representative: Print the name of the signatures above.

[49] DAF Prepared by: Print the name of the person who prepared the DAF.

Cost Calculation Page: Local agencies may provide their own spread sheet of calculations, in lieu of this page. Put the DAF # and page # in the upper right hand corner. Check if the calculation is for EO local forces, EO contract, or PR. Lump sum will generally only be accepted for non-biddable items such as mobilization. If you are filling in the DAF by computer- it will automatically multiply quantity by unit price, and add up all the items.

Justifications/Comments: Use this area to explain high PE and/or CE costs, additional site visit dates, and any other topics.

Photos, Sketches and/or Narrative Page: Photos are required with any DAF. Locals may submit photos without this page. Put the DAF# and page # in the upper right hand corner.

Local agencies- Do not include plans, time sheets, Proclamations, Resolutions, or bid packages as part of the DAF.

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CHAPTER 12 OTHER FEDERAL PROGRAMS

12.1 HIGH PRIORITY PROJECT PROGRAM

INTRODUCTION

A **High Priority Project (HPP)** (also known as a Demonstration or Demo Project) is an earmark that has been specifically established and funded through Federal law. HPP earmarks are generally provided as part of the **Annual Transportation Appropriations Act** or the **Multi-Year Surface Transportation Authorization Act**. Both acts provide a general project description and fund amount. HPP earmarks are not restricted to any specific project type. Interchange improvements, grade crossing improvements, safety projects, bridges, and park and ride projects are examples of projects funded with HPP funds. Over the life of the HPP Program in California, there have been nearly 1000 HPP earmarks set forth by legislation, including the Transportation Authorization Act of 1982, the Surface Transportation and Uniform Relocation Act of 1987 (STURA), the Intermodal Surface Transportation Equity Act of 1991 (ISTEA), the Transportation Equity Act for the Twenty-First Century (TEA-21), the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and multiple Annual Appropriations Acts. These projects account for nearly \$3 billion in Federal funds in California.

INITIATION OF HPPS

HPP earmarks are initiated by Congress at the request of constituents within a given Congressperson's district. The agency, special interest group or individual that requests the project through a Congressperson is known as the **Project Sponsor**. Once a project has been earmarked, the Project Sponsor should notify and provide the **District Local Assistance Engineer (DLAE)** with a copy of the application that was sent to their Congressperson. A copy is then forwarded to the Caltrans **HPP Program Coordinator** in the Headquarters (HQ) Division of Local Assistance (DLA). Caltrans' management has adopted a position of neutrality toward initiation of HPP earmarks. Caltrans' current policy is to cooperate with local interests seeking to establish meaningful HPP earmarks both on the State Highway System (SHS) and on the Local System. Caltrans will support the local agencies during the planning process for cost-effective projects. **Caltrans cannot sponsor HPPs and cannot accept transferred sponsorship of an HPP from a local agency.**

ELIGIBILITY

HPP funds are allocated to specific projects by law. The proposed project must therefore, match the **legislated project description** and fund amount. It is the responsibility of the Project Sponsor to assure the accuracy of the project description and fund amount. These funds can only be used for the project to which they were assigned by law. Any changes to the legislated project description or funding must be approved by Congressional action.

FUNDING

If the legislated project description has a typographical or technical error, the local agency or district should forward the correct information to the HPP Program Coordinator through the DLAE. The HPP Program Coordinator will then coordinate with **the Federal Highway Administration (FHWA)** Division Office to make the appropriate changes.

All funds dedicated to a specific HPP may be used on any project with a scope consistent with the original legislated description. The funds may be used for one project or several separate projects adding up to the available funding limit. If the Project Sponsor wishes to modify the legislated project description, the sponsor must coordinate with the appropriate Congressperson to pursue Congressional action. A copy of any formal request to change the project legislation should be transmitted to the DLAE and the HPP Program Coordinator.

The **annual allocations** for HPP earmarks are only available after passage of the respective annual acts. The annual allocations are subject to the limits set by Congress in the appropriations act. This means that even though a certain amount of funds are allocated, the appropriations act sets limits on how much can actually be spent. Local agencies may request **Advanced Construction (AC)** authorization for an HPP. This authorizes them to begin the work using their own funds in advance to pay for the work before Federal funds become available. The local agency must recognize that Federal reimbursement in this case is not guaranteed. In addition, AC may not be used for right-of-way acquisition except in the case of hardship or protection. The DLAE, Area Engineer and HPP Program Coordinator will approve AC on a project-by-project basis. **Requests for AC must be approved by FHWA through the E-76 process prior to any work being performed. Work performed prior to FHWA approval of the E-76 is not reimbursable.**

Obligation Authority (OA) is the Federal limitation placed on the amount of allocated Federal funds, which a state can obligate within a fiscal year. The HPP Program has its own special OA, which cannot be used for any other program. This special OA does not expire if not used by the end of the fiscal year and is available until expended or rescinded by legislation. However, it is subject to annual limits set by Congress in each annual appropriations act. The HPP Program Coordinator can be contacted for specific OA information.

SAFETEA-LU

Four hundred and twenty-six projects were authorized under SAFETEA-LU. Like all HPPs, the funds allocated under SAFETEA-LU are available until expended or rescinded by legislation. SAFETEA-LU allocates funds incrementally on a yearly basis over the life of the act. These allocations, which total approximately \$1 billion, are made available at 20% per year over five years and are subject to **obligation limitation**.

The obligation limitation for SAFETEA-LU projects were as follows:

Federal Fiscal Year	04/05	05/06	06/07	07/08	08/09
Obligation Limitation	85.55%	87.048%	90.55%	92.45%	93.65%

Since the obligation limitation for this program is less than 100% of the allocations, in order to fully utilize the allocations, regular OA available from other Federal-aid Highway programs may be used to make up the short fall. This requires approval from the Metropolitan Planning Organization (MPO) or the Regional Transportation Planning Agency (RTPA), the Department, and the Federal Highway Administration (FHWA). The Project Sponsor should notify the DLAE in writing with their request. After the information is received from the DLAE, the HPP Program Coordinator will then request that FHWA transfer the shortfall amount in appropriation code funds to the L930 account. Upon transfer of funds, the L930 funds are available for obligation.

The Federal share for SAFETEA-LU HPPs is 80%. The local agency is responsible for the 20% non-Federal match and any additional funds necessary to fully fund the project. The appropriation codes for SAFETEA LU HPP projects are as follows:

Projects with SAFETEA-LU HPP#s 1-3676:

Federal Fiscal Year	04/05	05/0-08/09
Appropriation Code	HY10	LY10

Projects with SAFETEA-LU HPP#s 3677-5173:

Federal Fiscal Year	04/05	05/0-08/09
Appropriation Code	HY10	LY10

Revenue Aligned Budget Authority (RABA) funds are also provided for the SAFETEA-LU HPPs. RABA funds reflect revised receipt estimates to the Federal Highway Trust Fund and can be zero, positive or negative. RABA funds were provided for Federal Fiscal Year 2006. RABA funds come with their own OA at 100% and use the same appropriation codes.

The FHWA SAFETEA-LU High Priority Projects Program Implementing Guidance dated October 2006, can be found at <http://www.fhwa.dot.gov/programadmin/103106att.cfm>. This guidance contains additional detail on SAFETEA-LU HPPs only.

PLANNING AND PROGRAMMING HPP FUNDS

The local agencies are responsible for submitting their projects to the MPO/RTPA for inclusion in the **Federal Approved State Transportation Improvement Program (FSTIP)**. The FHWA will not obligate Federal funds for the project unless the project is included in the FSTIP.

The process for obtaining Federal authorization to proceed and placing the project under agreement is the same as for other Federal-aid projects. Caltrans and local agency staff are advised to work closely with their FHWA representatives to ensure agreement as to the degree of FHWA involvement. See Chapter 3 “Project Authorization” in the Local Assistance Procedures Manual (LAPM).

FEDERAL FUND REQUESTS

Most HPP funds are processed (as outlined in Chapter 3, “Project Authorization” in the LAPM) through DLA. Project Managers handling HPP earmarks where the Department is the lead agency must also work with the DLA to obligate HPP funds for their project.

The local agency must request Federal funds from the DLAE. The DLAE will assure that the project for which the local agency is requesting funds fits the legislated project description. The DLAE then completes the E-76 and forwards it to the Implementation Engineer at Caltrans HQ DLA. When the DLAE fills out the E-76, both the Public Law Section and Legislated Project Number should be noted in the “State Remarks” section. The Demo ID field must also be populated. The Implementation Engineer approves the E-76 and forwards it to FHWA. Funds are not available until FHWA has fully approved the E-76. **Any work performed prior to FHWA approval of the E-76 is not reimbursable.**

For HPPs on the SHS, if a local agency has stepped forward with a contribution of its Federal-aid HPP funds, a “Local Assistance Contribution Authorization Agreement” (**Contribution Agreement**) needs to be processed. If a local agency will be doing any work, contributing its own funds, or requesting the state to perform the work for them, a Cooperative Agreement will need to be processed. The Contribution Agreement can be combined with the Cooperative Agreement.

HPP funds for projects on the SHS require a California Transportation Commission vote. When Caltrans is the administering agency of a locally sponsored HPP from SAFETEA-LU, TEA-21 or post-1998 Appropriation Acts, HPP funds are set up for **subvention reimbursement** through Caltrans Local Program Accounting. This allows Caltrans to be directly reimbursed by FHWA rather than having the funds pass through the local agency.

FEDERAL SHARE

In accordance with 23 U.S.C. Section 117(c), the Federal share for HPP funds is 80% unless otherwise specified in law. The 20% match must come from non-Federal sources, unless the source of Federal funds has specific legislative authority that allows the match to be other Federal funds, including Federal-aid highway funds.

HPPs earmarked under Annual Transportation Appropriation Acts are generally reimbursed at 100%, while HPPs earmarked under the Multi-Year Transportation Authorization Acts are reimbursed at 80%.

Contact the HPP Program Coordinator for specific project requirements.

CONSTRUCTION AND INVOICING

For construction and invoicing procedures, follow the standard procedure for Federal-aid projects as covered in Chapters 5, “Accounting/Invoices”, Chapter 15, “Advertise and Award Project”, Chapter 16, “Administer Construction Contracts” and Chapter 17, “Project Completion”, of the LAPM.

12.2 PUBLIC LANDS HIGHWAYS PROGRAM

INTRODUCTION

Section 204 of Title 23, United States Code (U.S.C.) establishes a Federal Lands Highways Program (FLHP), which consists of projects on Public Lands Highways, park roads, parkways, Indian Reservation roads and refuge roads. Caltrans involvement is limited to the Public Lands Highways (PLH) element of the FLHP.

To put this in perspective, the following is a breakdown of the elements in the FLHP:

Federal Lands Highways Program:

- Park Road & Parkways
- Indian Reservation Roads
- Public Lands Highways
 - a) Discretionary
 - b) Forest Highways
- Refuge Roads

The term PLH is not limited to highways on the federal-aid system. The term also includes: forest roads under the jurisdiction of and maintained by a public authority and open to public travel, any highway through unappropriated or unreserved public lands, nontaxable Indian lands, and other federal reservations under the jurisdiction of and maintained by a public which is open to public travel. Projects need not be bordered on both sides by federal lands to qualify for funding from the PLH program.

PLANNING

All PLH projects must be listed in the approved Federal Statewide Transportation Improvement Programs (FSTIP). Local agencies are urged to coordinate with their transportation planning agency and obtain their concurrence prior to project proposal submittal.

ADMINISTRATION

The administration of projects in the PLH Program is a cooperative effort between Caltrans and various federal agencies including the FHWA, United States Department of Agriculture (USDA) Forest Service, Bureau of Land Management (BLM), etc. Within Caltrans, the PLH Program Coordinator of the HQ DLA is responsible for coordinating and tracking the local element for PLH projects, and the Caltrans Districts are responsible for the state element. The state must concur in project selection and planning of PLH projects. After a project is selected and programmed, the Federal Lands Division of FHWA normally administers all phases of work.

FUNDING LEVELS

Under TEA-21, \$196 million was authorized nationwide for the 1998 FY and \$246 million annually nationwide thereafter for the PLH Program. Of this amount, 66 percent is allocated to the Forest Highways portion of the PLH, and the remaining 34 percent are allocated to the Discretionary portion of the PLH. After administrative and engineering costs are deducted, California's average allocation for construction under the Forest Highways portion of the PLH is approximately \$19 million per year. Typically, one to four projects per year are programmed in California with PLH Discretionary funds.

The federal share of the costs for any project eligible under this program is 100%. All FLHP funds are subject to obligation limitations under TEA-21 Section 1102(f). However, 100% OA is provided with the allocation of funds for the selected projects. Authorized funds (contract authority), which exceed the obligation limitation for fiscal years 1998-2003 is to be distributed to states as STIP funds. These STIP funds lose their identity as FLHP funds and are no longer available for obligation by Federal Land Management Agencies.

Under the RABA provisions in TEA-21, this available funding may also increase or decrease each year depending on the estimated receipts for the Highway Trust Fund. However, for fiscal years 2000 and 2001, Congress modified the TEA-21 provisions in the appropriations acts for those years and the RABA increases were not available for the PLH Program.

PROJECT ELIGIBILITY

PLH funds are available for planning, research, engineering and construction of any kind of eligible transportation project that is within, adjacent to, or provides access to public lands. The program emphasis is on reconstruction of substandard sections of road, which have a high percentage of use by traffic accessing Forest Service or BLM lands, to the appropriate standards. In addition to highway improvement and construction projects, other eligible project types include:

- Transportation planning for tourism and recreational travel including the National Forest Scenic Byways Program, BLM Back Country Byways Program, National Trail System Program, and other similar federal programs that benefit recreational development.
- Adjacent vehicular parking areas.
- Interpretive signing.
- Acquisition of necessary scenic easements and scenic or historic sites.
- Provision for pedestrians and bicycles.
- Construction and reconstruction of roadside rest areas including sanitary and water facilities.
- Other appropriate public road facilities such as visitor centers.

In accordance with 23 USC Sec 204(i), PLH funds are also available for administrative expenses and transportation planning costs of Federal Land Management Agencies.

SELECTION PROCESS FOR FOREST HIGHWAY FUNDS

Overall the USDA Forest Service Director of Engineering and the Caltrans Deputy Director of Project Delivery establish program direction for Forest Highway funds. Projects meeting the program direction are developed by the local agency in cooperation with the USDA Forest Service Engineer and the DLAE.

Local agencies must submit applications to the USDA Forest Service Engineer no later than October 30 for programming consideration for the following year. The USDA Forest Service Regional Transportation Engineer in conformance with FHWA eligibility requirements forwards the applications for review.

The Caltrans Chief, Office of Project Development Procedures and Quality Improvement FHWA Program Coordinator, and local agencies arrange a tour of candidate project sites, usually conducted each June. This tour facilitates discussion of project details among involved representatives. Following the tour, the representatives review and consider impacts of the candidate projects on the existing priority list. The list is reviewed and updated through the joint efforts of the USDA Forest Service, Caltrans, and the FHWA. Following Caltrans' concurrence with the list, this list is forwarded to FHWA for approval and implementation.

For project development, the FHWA uses procedures included in the Nationwide Action Plan written for Federal Highway projects. These procedures require that a Social, Economic, and Environmental (SEE) study team be established to provide guidance in the pertinent areas during project development process. The SEE team may include the DLAE and other members having decision authority in the project development process.

SELECTION PROCESS FOR DISCRETIONARY FUNDS

With the significant Congressional designation of PLH Discretionary funding in the annual appropriations act in the past few years, FHWA will not solicit candidate projects for funding until after passage of the annual appropriation act. FHWA will know the extent of the Congressional designating of funds and solicit applications for these designated projects and candidate projects for any discretionary funding that remains afterward.

The FHWA Division Office will solicit from Caltrans, who is the only agency that can submit candidates from California for this program under the provisions of 23 USC 202(b). Caltrans will coordinate with the local and federal agencies to develop viable candidate projects before submitting the candidate projects to the FHWA Division Office. After the FHWA Division Office has reviewed the submission and ensured that the submission is complete and all requirements are met, the application is forwarded to FHWA HQ, Office of Program Administration.

The solicitation memorandum is also posted on the FHWA web site at: www.fhwa.dot.gov/discretionary. The solicitation memorandum shows funding information, describes FHWA criteria for the selection of projects, format and content of required application and specifies the timetable for the solicitation process for a particular year.

12.3 SCENIC BYWAYS

INTRODUCTION

Section 1219 of TEA-21, enacted in 1998, continues the National Scenic Byways (NSB) Program, which was originally created by Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991. The NSB grant program provides funding each year for projects on National Scenic Byways, All-American Roads, or state designated scenic byways.

The program also recognizes highways that are outstanding examples of scenic, historic, recreational, cultural, archeological, and/or natural qualities, by designating them as either National Scenic Byways or All-American Roads. To be considered for national designation, a road must be either a state designated scenic highway or Federal Land Management scenic byway. The US Secretary of Transportation makes national designations.

ADMINISTRATION

The administration of projects in the NSB Program is a cooperative effort between Caltrans, federal agencies, FHWA, USDA Forest Service, local transportation agencies, and byway organizations. Within Caltrans, the Division of Landscape rather than the DLA, is responsible for coordinating and tracking the local element for scenic byway projects. The appropriate Caltrans district is responsible for coordinating and tracking the state element for scenic byway projects.

FUNDING LEVELS

Discretionary funds totaling \$148 million nationwide are authorized for the NSB Program. Previously under ISTEA, federal funding for this program affected the state's minimum allocation. Under TEA-21 this is no longer the case.

FHWA will fund up to 80 percent of the project cost. There must be a minimum 20 percent in matching funds available for the project when the grant application is submitted. This matching requirement can be satisfied in whole or in part with state, local government, private sector, or Federal Land Management Agency funds. Additionally, third party in-kind donations can be credited toward the matching share of the project cost. Third party in-kind donations can include services, property, materials, and equipment.

PROJECT IMPLEMENTATION

Once Scenic Byway grant projects are selected, they must be listed in FSTIP. Project sponsors are urged to coordinate with their local or regional transportation agency and obtain their concurrence prior to submittal of grant applications. Projects become eligible for reimbursement through the FHWA authorization and obligation process. Expenses incurred prior to authorization are not eligible for reimbursement (see Chapter 3, "Project Authorization," in the LAPM).

PROJECT ELIGIBILITY

National Scenic Byways, All-American Roads and Designated State Scenic Highways are eligible for funding. Federal Land Management Agency Byways (i.e., Forest Service Scenic Byways) are not eligible for funding until they receive state or national designation. Categories for funding projects under this program include:

1. Activity related to the planning, design, or development of a State Scenic Highway Program.

2. Development and implementation of a corridor management plan to maintain the scenic, historical, recreational, cultural, natural, and archeological characteristics of a byway corridor.
3. Safety improvements to a State Scenic Byway, National Scenic Byway, or All-American Road to the extent the improvements are necessary to accommodate increased traffic as a result of designation.
4. Construction along a scenic byway of a facility for pedestrians and bicyclists, rest area, turnout, overlook, or interpretive facility.
5. An improvement to a scenic byway that will enhance access to an area for the purpose of recreation, including water-related recreation.
6. Protection of scenic, historical, recreational, cultural, natural, and archeological resources in an area adjacent to a scenic byway.
7. Development and provision of tourist information to the public, including interpretive information about a scenic byway.
8. Development and implementation of a scenic byway-marketing program.

In addition, project sponsors must provide assurances for the 20 percent matching funds requirement and the ability to implement the proposal.

SELECTION PROCESS

Caltrans districts, federal and local agencies, and scenic byway groups must complete grant applications for each project by using the electronic form on the National Scenic Byways web site at: <http://www.byways.org/>. Applicants should coordinate proposals with the State Scenic Highway Coordinator to develop viable grant projects. The State Scenic Highway Coordinator shall ensure that all projects meet eligibility requirements and assign priority numbers to each project according to the FHWA funding criteria, quality of proposals, and level of local support. Applications are due to the State Scenic Highway Coordinator one month prior to the submission deadline to the FHWA Division Office (usually occurring in July/August).

In accordance with TEA-21, priority for funding will be given to:

- Eligible projects that are associated with highways designated as NSB or All-American Road and that are consistent with the corridor management plans for the byway.
- Projects along a State-designated scenic highway that are consistent with the corridor protection program for the highway or are intended to make the highway eligible or designation as a NSB or All-American Road.
- Eligible projects associated with the development of a State Scenic Highway Program

These three priorities are treated equally, they are not considered to be listed in priority order.

FHWA will select projects and give preference to project types in the following order:

- Development of state programs, development and implementation of corridor management plans and marketing plans, and interpretative information.
- Development of interpretive facilities, turnouts and overlooks, and scenic byway resource protection.
- Construction of rest areas, pedestrian and bicycle facilities.
- Improvements to a highway for safety, passing lanes, highway shoulders, or to enhance access to recreational facilities.

FHWA will consider the timely use of scenic byways funds as to how successful a state has been in meeting its project work plan. States showing greater progress toward the completion of prior approved projects are better positioned to initiate new projects and will increase their chances to receive additional scenic byway grant funds.

Because the annual request for funding far exceeds the available scenic byway funds, commitment of other funding sources to complement the requested funding is an important factor.

12.4 DISCRETIONARY BRIDGE PROGRAM

The Surface Transportation Assistance Act of 1978 established the Highway Bridge Replacement and Rehabilitation Program (HBRRP) to help the states improve the condition of the nation's bridges. The program is divided into two distinct categories: (1) Apportioned funds distributed according to relative state's needs (normally referred to as the HBRRP), and (2) Discretionary funds set-aside for use by the Secretary of Transportation to replace or rehabilitate deficient, high-cost highway bridges on federal-aid highways.

Appropriations for the Discretionary Bridge Program (DBP) fit into this second category and are described in Section 144(g) of 23 U.S.C. The program has been continued with each highway or transportation act since 1978. TEA-21 continued the program through 2003.

The annual appropriations nationwide are about \$100 million. DBP funds are not allocated to a state that has in a preceding year transferred HBRRP funds to other fund categories such as Surface Transportation Program (STP). In California, these transfers are used to fund the seismic retrofit of bridges not eligible under the HBRRP, the Bridge Barrier Railing Replacement Program, and the painting of bridges not on the HBRRP Eligible Bridge List.

When California is eligible to compete for Bridge Discretionary Funds, FHWA circulates an application package that collects information to determine rating factors to prioritize candidate projects. The rating factor formula is described in 23 CFR 650 Subpart (G).

Eligible projects under the DBP must meet the same requirements of the HBRRP and must cost more than \$10 million. Preliminary Engineering is not eligible for reimbursement using DBP funds.

Per FHWA requirements, only states' transportation departments may make application for funds. Caltrans reviews currently programmed state and local projects to determine which projects would be ready to advertise in the FY the funds will be available. Based on this review, Caltrans develops the applications and submits the packages to FHWA for consideration.

The federal share of the costs for projects funded under the DBP is 80%. OA is provided at 100%. All DBP funds may be obligated in the year allocated.

For local assistance, the DLAEs and the HBRR Program Coordinator will provide the coordination.

12.5 DEFENSE ACCESS ROADS (DAR)

INTRODUCTION

Defense Access Roads (DAR) program provides a means by which the federal government may pay its fair share of costs for:

- Highway improvement needed for adequate service to defense and defense-related installations.
- New transportation facilities to replace those, which must be closed to permit expansion of existing or establishment of a new defense installation.
- Repair of damage to roadways caused by major military maneuvers.
- Repair of damages due to the activities of contractors engaged in the construction of missile sites
- Missile-route to ensure their continued ability to support the missile-erector (TE) vehicle.

Definitions

Access Roads: An existing or proposed public highway, which is needed to provide essential highway transportation services to a defense installation. (This definition may include public highways through military installations only when right-of-way for such roads is dedicated to public use and the roads are maintained by a local agency.

Certification: The statement to the Secretary of Transportation by Secretary of Defense (or such other official as the President may designate) that certain roads are important to the national defense.

Defense Installation: A military reservation or installation, or defense-related industry, or source of raw materials.

Major Strategic Highway Network Connectors: These are highways, which provide access between major military installations, and part of the STRAHNET.

Maneuver Area Road: A public road in an area delineated by official orders for field maneuvers or exercises of military forces.

Military Traffic Management Command (MTMC): The military transportation agency with responsibilities assigned by the Secretary of Defense for maintaining liaison between FHWA and other agencies for the integration of defense needs into the nation's highway program.

National Highway System (NHS): It is approximately 160,000 miles of roadway important to the nation's economy, defense, and mobility. It includes all of the Interstate System, selected principal arterials, Strategic Highway Network (STRAHNET), major STRAHNET connectors and intermodal connectors. Congress approved the NHS in 1995. Since that time federal-aid funds have been specifically provided for it annually including the TEA-21 period. Federal-aid projects on the NHS must meet AASHTO design standards.

Replacement Road: A public road constructed to replace one closed by establishment of a new, or the expansion of an old defense installation.

Strategic Highway Network (STRAHNET): This is a network of highways, which are important to the United States' strategic defense policy and which provide access, continuity and emergency capabilities for defense purposes.

Transporter-erector route: A public road specifically designated for use by the TE vehicle for access to missile sites.

FEDERAL POLICY

- a) Federal government expects states and local agencies to assume the same responsibility for developing and maintaining adequate highways to permanent defense installations as they do for highways serving private industrial establishments or any other permanent traffic generators.

It is expected that highway improvements in the vicinity of defense installations will receive due consideration and treatment as states and local agencies develop their programs of improvements.

FHWA will provide assistance as requested by MTMC, to ascertain states' program plans for improvements to roads serving as access to defense installations.

Roads which serve permanent defense installations and which qualify under established criteria as federal-aid routes should be included in the appropriate federal-aid system.

- b) It is recognized that problems may arise in connection with the establishment, expansion, or operation of defense installations, which create an unanticipated impact upon the long-range requirements for the development of highways in the vicinity.

These problems can be resolved equitably only by federal assistance from other than normal federal-aid highway programs for part or all of the cost of improvements necessary for the functioning of the installation.

ELIGIBILITY

Local agencies that think their highways would be eligible for DAR funds should contact the base commander of the defense installation that will impact their highways. Sometimes base commanders will contact the local agency when they are planning modifications of their facilities. If after meeting with the local agency the base commander believes that access highway deficiencies are of such character as to justify relief through an improvement, the base commander will report the deficiencies to MTMC.

MTMC has the responsibility for determining the eligibility of proposed improvements for financing with DAR funds. MTMC will request the FHWA, California Division Office, to make an evaluation report of the access road needs of the installation. The evaluation report will include comments and recommendations by the base commander and the local agency. See Exhibit 12-A, "DAR Evaluation Report" in this chapter for information that is included in the report.

The evaluation report will be furnished to MTMC for its use in making the determination of eligibility and certification of importance to the national defense. The criteria upon which MTMC will base its determination of eligibility are included in Exhibit 12-B, "MTMC Eligibility Criteria" in this chapter.

If MTMC determines a project to be eligible for financing either in whole or in part with defense access road funds. MTMC will certify the project as important to the national defense and will authorize DAR funds for the project. The certification will indicate to FHWA the eligible project scope, funding amounts and appropriation code.

DESIGN STANDARDS

- a) Access roads to permanent defense installations and replacement roads shall be designed to conform to the same standards as the agency having jurisdiction is currently using for other comparable highways under similar conditions in the area, and in accordance with Chapter 11, "Design Standards" of the LAPM. Should local agencies desire higher standards than they are currently using for other comparable highways under similar conditions in the area, the local agencies shall finance the increases in cost.
- b) Access roads to temporary military establishments or for service to workers temporarily engaged in construction of defense installations should be designed to the minimum standards necessary to provide services for a limited period without intolerable congestion and hazard. As a guide, widening to more than two lanes generally will not be undertaken to accommodate anticipated one-way, or traffic of less than 1,200 vehicles per hour. The resurfacing or strengthening of existing pavements will be held to a minimum type having structural integrity to carry traffic for the short period of anticipated use.

PROJECT ADMINISTRATION

- a) Determination of the agency best able to accomplish the location, design, and construction of the DAR projects will be made by the FHWA California Division Office after consultation with Caltrans and/or local agency within whose jurisdiction the highway lies. When an agency other than Caltrans or the local agency (sometimes another federal agency has jurisdiction over the project area) is selected to administer the project, the FHWA Division Office will be responsible for any

necessary coordination between this agency and the other parties during the life of the project.

- b) DAR projects under the supervision of a local agency, whether “on” or “off” the federal-aid system, shall be administered in accordance with the procedures in the LAPM, as modified specifically, unless approval of other procedures has been obtained from Washington Headquarters Federal Lands Highway Office. DAR funds must be included in the FSTIP and project phases authorized by Caltrans prior to beginning work for which reimbursement will be sought, see Chapter 3 “Project Authorization,” of the LAPM.
- c) The FHWA Division Office shall have a firm commitment from Caltrans or local agency within whose jurisdiction the access road lies, that they will accept responsibility for the maintenance of the completed facility before authorization of acquisition of right-of-way or construction of the project.
- d) When DAR funds are available for a pro-rata portion of the total project cost, the remaining portion of the project may be funded as a federal-aid project if on a federal-aid route. DAR funds shall not be substituted for matching share of the federal-aid portion of a project.

MANEUVER AREA ROADS

- a) Claims by a local agency for costs incurred to restore to their former condition, roads damaged by maneuvers involving a military force at least equal in strength to a ground division or air wing will be paid from funds appropriated for the maneuver and transferred to FHWA by the Department of Defense (DOD) agency. DAR funds may be used to reimburse the local agency pending transfer of funds by the DOD agency.
- b) Cost incurred by the local agency while conducting a pre-or post-condition survey may be included in the claim to DOD for direct settlement or in the damage repair project as appropriate.

STRATEGIC HIGHWAY NETWORK (STRAHNET)

The STRAHNET system of public highways provides access, continuity, and emergency transportation of personnel and equipment in times of peace and war. The 61,000-mile system designated by the FHWA in partnership with the DOD, comprises about 45,000 miles of interstate and defense highways and 15,600 other public highways.

The STRAHNET is complimented by another 1,700 miles of connectors (additional highway routes) that link more than 200 military installations and ports to the network. While installations may have multiple access/egress routes, the STRAHNET connector is generally the most direct and highest functional class roadway.

As the designated agent for public highway matters, the DOD’s MTMC is the proponent for STRAHNET and STRAHNET Connectors. The MTMC identifies STRAHNET and STRAHNET Connectors in coordination with the FHWA, the states’ transportation departments, the military services and installations, and the ports.

The ISTEA of 1991 and the National Highway System Designation Act of 1995, provided for inclusion of STRAHNET and STRAHNET Connectors in the 160,955-mile NHS. Federal oversight will ensure optimum maintenance levels for the NHS, thus assuring that the roads can support an emergency deployment.

In addition, the MTMC is also concerned about the traffic safety issues associated with the STRAHNET and STRAHNET Connectors. It is imperative that the number of fatalities, injuries and personal property accidents affecting military personnel are reduced. Therefore, the local agencies, states and FHWA should be cognizant of the need to identify traffic safety issues on this system and program, and appropriate corrective measures.

For official STRAHNET and Update Procedures website:

<http://www.fhwa.dot.gov/hep10/nhs>

12.6 HIGHWAYS FOR LIFE PROGRAM

BACKGROUND

The Highways for Life (HfL) program was established in 2005 under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Sections 1101(a)(20) and 1502. The purpose of Highways for Life is to accelerate the rate of adoption of innovations and technologies, thereby, improving safety and highway quality while reducing congestion caused by construction.

The program provides funding to demonstrate and promote state-of-the-art technologies, elevated performance standards, and new business practices in the highway construction process that result in improved safety, faster construction, reduced congestion from construction, and improved quality and user satisfaction. For each proposed project the **State must be willing to consider making a standard practice of the innovation after a successful demonstration.**

POLICY

Funded by contract authority, funds remain available for four (4) years. Funds are subject to the overall Federal-aid obligation limitation. States are required to submit an application that includes a description of the proposed project(s). A proposed project shall be eligible for assistance under the pilot program if the project:

- Constructs, reconstructs, or rehabilitates a route or connection on a Federal-aid highway eligible for assistance under Chapter 1 of Title 23, United States Code (USC)
- Uses innovative technologies, manufacturing processes, financing, or contracting methods that improve safety, reduce congestion due to construction, and improve quality
- Will be ready for construction within one (1) year of approval of the project proposal
- The amount allocated for a HfL project may be up to 20% but not more than \$5 million, of the total project cost. HfL funds may be used as the 20% non-Federal match requirement of a project constructed under 23 USC. The Federal share for such a project would be 100%.
- Each local agency should be prepared to provide technical specifications for the proposed innovation, if requested

Historical national funding authorizations for each Federal Fiscal Year:

2005 = \$0 2006 = \$15 M 2007 = \$20 M 2008 = \$20 M 2009 = \$20 M

PROCEDURE

The District Local Assistance Engineer (DLAE) is the primary contact for local agencies. The Headquarters, Local Assistance HfL Program Coordinator (PC) is the direct contact for the DLAEs. The PC is notified by the Federal Highway Administration (FHWA) when there is a call for applications. The PC then forwards the application packet to the DLAEs. The DLAEs notify the local agencies of the call for projects and are sent an application packet. A local agency seeking HfL funding completes an application and submits it electronically to the DLAE. The DLAE coordinates with local agencies timeliness for submittal of the applications and provides quality control for completeness, and that program criteria are satisfied on all applications received and forwards them to the PC. The PC coordinates with the DLAEs the timeliness for submittal and provides quality assurance reviews on all applications before making a consolidated statewide submittal of all local agency applications to the Headquarters, Division of Budgets, Office of Federal Resources (OFR).

The applications are then forwarded to OFR and are reviewed and ranked according to the criteria. The OFR is Caltrans primary point of contact with the FHWA California Division. If OFR approves the application, it is forwarded to FHWA for review and evaluation for partial or complete HfL funding. The FHWA HfL review panel makes recommendations, and the Secretary of Transportation makes the final decision on which projects will be funded. Once the project awards are announced by FHWA, the PC notifies the DLAEs. The DLAEs inform the local agencies whether or not their project was awarded.

APPLICABILITY/IMPACTS

The HfL program applies to and impacts local agencies. This program applies to all local agencies that apply for HfL funding. Such funding will impact local agencies/communities by bringing innovative technologies to local roads and highways and will reduce congestion and improve safety by facilitating faster and safer construction processes.

Each year that HfL funds are available Caltrans will distribute the solicitation for project applications. There is normally a one-to-two month window to submit applications each Federal Fiscal Year, which begins each October 1. The time frame has varied from year to year since the program's inception. For the most recent Federal Fiscal Year, re-solicitation was started in July 2009 and FHWA accepted applications until December 2009. For more information on this program you may access the FHWA HfL web site at: <http://www.fhwa.dot.gov/hfl/>

The local agency points of contact for this program are the DLAEs in each district. A complete listing of DLAEs is located on the internet at: <http://www.dot.ca.gov/hq/LocalPrograms/dlae.htm>

EXHIBIT 12-A DEFENSE ACCESS ROADS EVALUATION REPORT

- a. The narrative report should include as appropriate, but not be restricted to information on:
- (1) volume and character of present and future traffic anticipated on the recommended project, as well as a peak-hour turning movement diagram for any major intersection involved,
 - (2) the percentage of installation traffic compared to total traffic,
 - (3) personnel strength,
 - (4) number of shifts worked or to be worked,
 - (5) a recommended project if warranted or, if no project is warranted, the report should so indicate,
 - (6) a description of the recommended improvement including a sketch map showing location,
 - (7) a realistic cost estimate updated to the year of anticipated construction,
 - (8) a statement to indicate whether similar designs are being used under similar conditions on regular federal-aid, state or local projects in the area. Highway engineering economic analysis should be used as appropriate in evaluating alternatives and justification of the recommended improvements,
 - (9) discussion of state and/or local plans for improvements in the area including:
 - (a) priority that the state or local agency has placed on a proposed improvement,
 - (b) appropriate comments relative to the priority rating furnished by the state or local highway agency,
 - (c) extent of state or local commitment for participation in need improvements,
 - (d) an estimate of the date when the work could be accomplished, providing funds were available, and
 - (e) an estimate of the time (in months) that may be required to accomplish each of the following phases of the recommended project: preliminary engineering, environmental clearance, final design, right-of-way acquisition, and construction including advertisement and award, and
 - (10) need for control of access to protect the project from obsolescence, especially where a four-lane facility is proposed or will be required at a later date. A determination should be based primarily on the economic justification and desirability of this type of design.
- b. Three copies of the narrative report and sketch map are to be submitted to MTMC. If the decision has been made that the project is to be handled by a Federal Lands Highway Division, two additional copies of the report should be furnished to the Federal Lands Highway Division.

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EXHIBIT 12-B MILITARY TRAFFIC MANAGEMENT COMMAND ELIGIBILITY CRITERIA1. Defense Access Roads

- a. Military Installations. The Department of Defense has the responsibility for determining the eligibility of proposed improvements for financing with defense access road funds. Generally, projects meeting the following requirements will be considered appropriate for such financing.
- (1) Access roads providing new connections between either old or new military installations and main highways may be considered eligible for 100 percent financing with defense access road funds, providing that in urban areas where a new entrance is established and access to a main thoroughfare is via existing city streets, the 100 percent defense access financing extends outward from the reservation only so far as the traffic generated by the installation is greater than other traffic.
 - (2) Urgently needed improvements of existing highways that are neither a part of nor qualified for inclusion in the federal-aid urban system, but upon which traffic is suddenly doubled (or more than doubled) by reason of the establishment or expansion of a permanent military installation may be considered eligible for financing in whole or in part with defense access road funds. One hundred percent defense access road financing will be considered only on the lightly traveled portion of these highways which are a part of the federal-aid rural system, or which are of insufficient importance to qualify for such designation. The more heavily traveled federal-aid rural highways (upon which traffic is suddenly doubled or more than doubled), generally regarded as being self-supporting from their earnings of road-user revenues, are eligible for only partial defense access road financing.
 - (3) Urgent improvements needed to avoid intolerable congestion or critical structural failure of any highway serving a temporary surge of defense-generated traffic (such as that which results from the establishment and operation of a temporary military installation, or from large-scale construction activity) may be considered eligible for financing to the extent necessary to provide the minimum essential facility to accommodate the temporary surge of traffic. A temporary surge of traffic is defined as one of several months duration, at least, but very short in duration as compared to the total life of a normal highway improvement.
 - (4) Alteration of a public road in the immediate vicinity of a military installation to accommodate regular and frequent movements of special military vehicles such as tank transporters or heavy ammunition carriers may be financed with defense access road funds, provided it is impractical or uneconomical to acquire right-of-way and develop such roads for exclusive military use. However, highway funds from other sources should finance any improvement that may be needed to bring the highway to a stage satisfactory for accommodation of all traffic except the special military vehicles.

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EXHIBIT 12-C HIGHWAYS FOR LIFE PROJECT APPLICATION PACKET

Burden Statement - This collection of information is voluntary and will be used to select projects for funding with Highways for LIFE program funds. Public reporting burden is estimated to average 8 hours per response, including the time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The purpose of HfL is to accelerate the rate of adoption of innovations and technologies, thereby, improving safety and highway quality while reducing congestion caused by construction. Please note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 2125-0607 with an expiration date May 31, 2012.

Highways for LIFE Application

Please provide complete descriptions and answers to the Highways for LIFE Project Application. If you have any questions, please feel free to contact your District Local Assistance Engineer.

NOTE: The application cannot exceed 10 pages.

The format of the application shall be as follows:

1. Applications shall be prepared on 8 ½ x 11 inch paper.
2. Text shall be printed using a font size no less than 12 cpi.
3. Page margins shall be a minimum of 1 inch top, bottom, and each side.

All applications from the State must be submitted to their FHWA Division Office. The division office is to forward the State's application and provide a recommendation memorandum to the HfL office with the following information:

- Identify the features in the application that are truly innovative in their State (not a standard practice);
- Determine if the project meets the minimum requirements of HfL;
- Identify the measurable HfL goals that will be met by the innovations;
- Determine if the innovations will make a significant improvement in the State's construction program;
- Provide a recommendation if this project should be selected as a HfL project; and
- Determine if the State is willing to consider making a standard practice of the innovation after a successful demonstration.

The application must address the following;

I. Applicant Information:

- Application for FY
- Application date
- Applicant name, title, phone, and e-mail
- State Highway Department

II. Project Information:

- Project description (location, purpose and scope)
- Anticipated FHWA construction authorization date
- Construction duration time
- Partnerships
- Anticipated total project cost

III. Highways for LIFE Incentives:

- Amount of grant requested
- Amount or percentage requested to be adjusted by increasing the Federal share by using other apportioned Federal-aid funds

IV. Innovative Features:

*An “innovation”, as defined here, must be one that the State has never before or rarely used. Innovations used on emergency or unique projects are exceptions. The proposed innovations must be available and ready for use. They should not require further development or test and evaluation. The innovations must have (as appropriate) standards, specifications, test procedures, training and operations guidance to support the application of the innovation in routine highway design and construction. Further, the innovations have been used successfully in the U.S. or internationally and documentation or sufficient evidence of the benefits must also be available. **Please provide sufficient information to support the feasibility of the proposed innovations.***

Safety

- Describe the proposed innovations that will be used in meeting the HfL performance goal of achieving a work zone crash rate equal to or less than the existing condition. If your goal is different from the HfL goal please provide an explanation of your goal. Include in your discussion the current crash data for the project location.
- Describe the proposed innovations that will be used in meeting the HfL performance goal of achieving an incident rate for worker injuries to be less than 4.0 based on the OSHA 300 rate. If your goal is different from the HfL goal please provide an explanation of your goal.
- Describe the proposed innovations that will contribute to a 20% reduction in fatalities and injuries as reflected in a 3-year average crash rate, using pre-construction rates as a baseline.

Construction Congestion

- Describe the proposed innovations that will be used in meeting the HfL performance goal of a 50% reduction, compared to traditional methods, in the duration that highway users are impacted. If your goal is different from the HfL goal please provide an explanation of your goal. Include in your discussion a baseline of how long the highway users would have been impacted if traditional methods were used.
- Describe the proposed innovations that will be used in meeting the HfL performance goal for trip time **or** queue length during construction.
 - The trip time goal is less than 10% increase in trip time during construction as compared to the average pre-construction time using 100% sampling.
 - The queue length goal is a moving queue length less than 1/2 mile (travel speed 20% less than posted speed) in a rural area OR a moving queue length less than 1 1/2 mile (travel speed 20% less than posted speed) in an urban area.

If your goal is different from the HfL goal, please provide an explanation of your goal. Include in your discussion a baseline on what the trip time or queue length would be if traditional methods were used.

Quality

- Does the project include the HfL performance goal of International Roughness Index (IRI) of less than 48 in/mi? If your goal is different from the HfL goal, please provide an explanation of your goal. Include in your discussion a baseline of what the existing minimum acceptable IRI is for the project and the method used in achieving the HfL goal.
- Does the project include the HfL performance goal of achieving tire-pavement noise measurement of less than 96.0 decibels using the On Board Sound Intensity (OBSI)* test method? This is the tire to pavement noise and not the noise measured for a noise sensitive area or receptor noise. If your goal is different from the HfL goal, please provide an explanation of your goal. Include in your discussion if this is a standard noise measurement for your State. (* This is a revision from the FY06 performance goal which identified using the Close Proximity (CPX) test method.)
- Describe any other proposed innovations that will improve the durability and quality of work performed in fabrication and construction.
- Describe any advanced material that will be used to prolong the life of the infrastructure (i.e. roadway and bridge). Provide justification for selecting its use.
- Identify equipment innovations that will improve quality and describe the functionality of the equipment.

User Satisfaction

- Does the project include the HfL performance goal of 4+ on the Likert scale for the following questions; (1) How satisfied the user is with the new facility, compared with its previous condition, and (2) How satisfied the user is with the approach used to construct the new facility in terms of minimizing disruption? Describe the process user satisfaction will be measured.

V. Summary:

Provide a brief summary on how this demonstration project can impact the future practices of the industry and the U.S. Department of Transportation. The potential for adopting the identified innovations as standard practice and the benefits to be derived for motorists and the program. Describe the techniques and tools your agency plans to use to communicate the various aspects of the project with highway users and community. (i.e. media relations, surveys, news releases, special events, newsletters, etc.)

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CHAPTER 13 INTELLIGENT TRANSPORTATION SYSTEMS (ITS) PROGRAM

13.1 INTRODUCTION

These guidelines, “Intelligent Transportation System (ITS) Program”, focus on federal-aid Intelligent Transportation Systems (ITS) project development procedures to ensure compliance with the federal ITS regulations, per Code of Federal Regulations (CFR), Chapter 23, Section 940 (23 CFR 940) entitled “Intelligent Transportation System Architecture and Standards.” In addition, these procedures establish the roles and responsibilities for all parties who are involved in the federal-aid ITS process.

13.1.1 GUIDELINES OVERVIEW - ROADMAP TO ITS COMPLIANCE

The application and oversight process for ITS projects is different in some significant ways from the traditional roadway construction process. Because of this difference, many ITS projects have **not** been successful. This is especially true of ITS projects that involve something **new**, which the lead agency has not done before. This might include new technology or new software or new communications, or joint efforts with new partners. Because of the high risk of failure for certain ITS projects, a special process is required to help **mitigate those risks** and to avoid the waste of taxpayer’s funds that occurs when ITS projects fall short.

The process is summarized immediately below and described in full detail in the following sections. The process varies depending upon degree of **risk** involved. As shown in Figure 13-1, there are three steps in the project funding and delivery process shown in Figure 13-1.

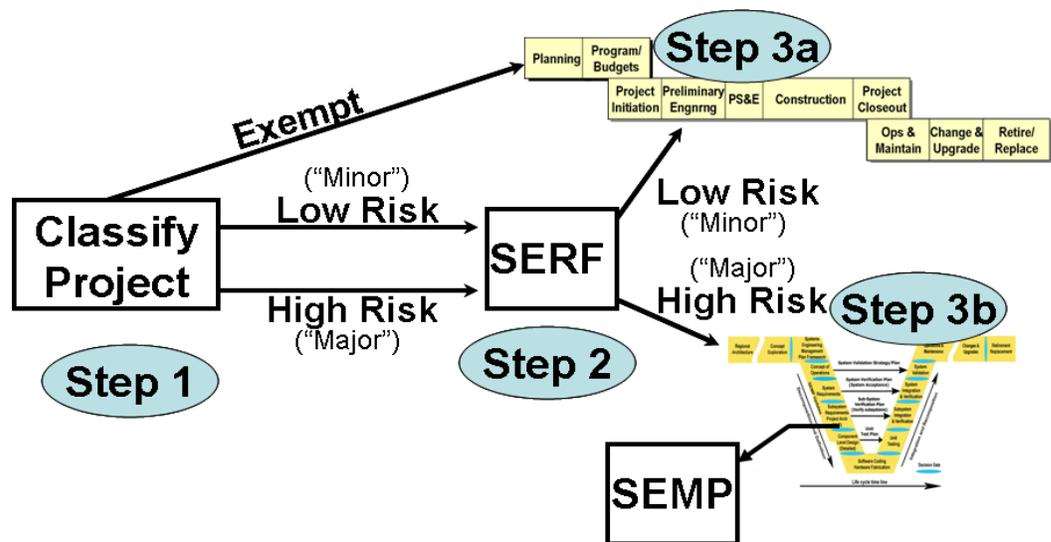


Figure 13-1: Steps to ITS Compliance

Step 1 occurs when the ITS project is added to the Transportation Improvement Program (TIP). The lead agency makes a **preliminary** classification of the project as **High-Risk**, **Low-Risk**, or **Exempt**. If the project is **Exempt**, then the remainder of the process is exactly the same as for a traditional road building project. **Low-Risk** and **High-Risk** projects proceed to Step 2.

Step 2 occurs when initial funding is requested. As part of the E-76 application package, the Project Manager must fill out a Systems Engineering Review Form (SERF), which consists of

seven questions. Based on the answers, the project is classified as **Low-Risk** or **High-Risk**, then proceeds accordingly.

Step 3a – For **Low-Risk** projects, the remainder of the process (after the E-76 is approved) is *exactly the same* as for a traditional road building project.

Step 3b – For **High-Risk** projects, the traditional road building process is **not** appropriate. Instead, the best approach is usually a Systems Engineering process. A Systems Engineering Management Plan (SEMP) must be completed early in the process to help manage the detailed system design, implementation, and testing.

13.1.2 HOW TO USE THESE GUIDELINES

The ITS Program Guidelines are written for a diverse set of audiences, including: MPO/RTPA planners, local-agency project implementers, Caltrans Division of Local Assistance (DLA), and FHWA ITS staff. Some readers have ITS experience, others none.

For those with experience in using the previous version of these ITS Program Guidelines, significant changes are included in this update. Emphasis is now placed on **management of risk**. This has introduced new definitions of types of ITS projects and associated examples. The approach to compliance with 23 CFR 940 now takes a closer look at characteristics of risk in addressing the SERF requirements. With the experience from implementation of the ITS Program Guidelines in 2004, the resultant approach is more clearly defined and has resulted in the “Roadmap” in Figure 13-1. A new section on Americans with Disabilities Act (ADA) Requirements has also been added. By no means do we suggest that the reader skip any section of these guidelines, but the significant changes will be found in the sections on “Types of ITS Projects,” “ITS Project Development and Funding,” and “ADA Requirements.”

Any new users of these ITS Program Guidelines should familiarize themselves with the entire chapter. Over time the users will likely return to specific sections. For example, to clarify which type category a project falls into, the user may want to revisit section 13.2 on “Types of ITS Projects.” To initiate project funding, the user may revisit section 13.5 on “Funding Process Step-By-Step Procedures.”

13.1.3 PURPOSE OF THESE GUIDELINES

The ITS Program Guidelines describe best professional practices for planning and implementing ITS projects. They also establish the roles and responsibilities for all parties who are involved in the federal-aid ITS process, as well as define the process required for all ITS projects that will utilize federal funds (in any amount). 23 CFR 940 requires that all federal-aid projects:

- be consistent with **the Regional ITS Architecture**,
- use applicable **ITS Standards**,
- perform a **Systems Engineering Analysis** that is commensurate with the scope of the project.

Designing and developing ITS projects represent a paradigm shift in the engineering mindset, compared to traditional highway projects. For example, ITS projects may not have a clear break between the preliminary engineering phase and construction phase. Furthermore, some ITS projects may not include a construction phase and will not be suitable for “low-bid” construction contracts. The nature of the engineering development for ITS projects also implies a greater risk and uncertainties to successful completion.

Although not a requirement, FHWA strongly encourages the use of the FHWA/Caltrans "*Systems Engineering Guidebook for ITS*" (<http://www.fhwa.dot.gov/cadiv/segb>) as a reference for organizing the ITS project tasks, defining work products, and managing the development. The terminology used in these ITS Program Guidelines is defined fully at the Systems Engineering guidebook website.

13.1.4 TARGET AUDIENCES

The ITS Program Guidelines will be used by several audiences:

- 1.) **Planning agencies**, who will program the funds in the TIP and maintain the regional ITS architecture.
- 2.) **Local agencies**, who will carry out the projects. This includes their consultants, who may provide assistance with project management, and/or provide systems engineering technical assistance.
- 3.) **Caltrans DLA**, who will be the contracting agency for federal funding.
- 4.) **FHWA Division Office**, who will obligate federal funding and oversee some aspect of High-Risk projects.

Some of these participants may have little or no expertise in ITS, therefore, every effort is made to simplify the definitions and language in this guideline. A point to make is that no individual is expected to understand everything there is to know about systems, telecommunications, electronics, etc. in order to manage ITS projects.

As a relatively new field for most public-sector transportation managers, the knowledge required to successfully implement these projects varies widely. In particular, highly complex and risky projects require special knowledge and skills, which are often not available with local agencies. A certain amount of education and training will be necessary to comprehend and assure compliance with ITS regulations. Periodic training may also be necessary in order to keep up with technological changes in ITS.

For more information on ITS and Systems Engineering training opportunities, please see the USDOT ITS Professional Capacity Building Program website: <http://www.pcb.its.dot.gov>.

13.1.5 DEFINITION OF ITS

The definition of ITS has changed dramatically over the past decades, and it continues to evolve. Several decades ago, most people considered a computerized traffic signal to be “state-of-the-art” ITS. Today, every traffic signal is computerized and most people do not call them “ITS” – they are just “hardware” now. As state and local agencies have installed more and more electronic equipment over the past two decades, the emphasis of ITS has shifted from **internal** operational improvements to **external** coordination with other agencies, which enable each agency to achieve their mission more effectively. This **inter-agency cooperation** is the major objective of the Regional ITS Architecture (RA).

In 2001, 23 CFR 940 defined ITS as “...*electronics, communications, or information technology, used singly or in combination, to improve the efficiency or safety of the surface transportation system.*” This is a broad definition, covering the range from small, simple devices up to large and complex systems. In addition to this legal definition, most people say that **ITS must include comprehensive management strategies and apply technologies in an integrated**

manner. The purpose of ITS integration is to share information and reduce redundant spending between jurisdictions. ITS Integration includes both **technical** and **inter-agency** aspects of system development.

The inter-agency (or “institutional”) challenge is to take advantage of the investment in infrastructure that has occurred over the years and use it to tackle **regional** mobility challenges. This means removing the institutional barriers that have existed in order to benefit a region as a whole. One example of institutional integration is sharing information between transit, arterial, and freeway agencies to improve flow for buses on the transportation network. Another type of integration is when agencies use technologies that are compatible with each other, such as traffic signals and emergency vehicle preemption to enable emergency vehicles to respond faster.

These ITS Program Guidelines reflect the latest ITS concepts by emphasizing “best professional practices” and requirements for ITS projects that are more complex and that include external cooperation. In contrast, procedural requirements for simple and Low-Risk projects have been simplified or eliminated.

To gain a basic understanding of ITS applications, please see the following USDOT website: <http://www.itsoverview.its.dot.gov>.

13.1.6 RISK MANAGEMENT

As said above, the application and oversight process for ITS projects is different in some significant ways from the traditional roadway construction process. This is because most ITS projects have **not** been successful. A successful ITS project is one which completes on schedule, within budget, and delivers all capabilities required. Studies of Information Technology (IT) application developments in the U.S. show 24% of projects are cancelled prior to completion. Further results indicate 44% were challenged (late, over budget, and/or with less than the required features and functions. This is especially true of ITS projects that involve something **new**, which the lead agency has not done before. This might include new technology or new software or new communications, or joint efforts with new partners. Because of the high risk of failure for certain ITS projects, special procedures are required to help **mitigate those risks** in order to avoid the waste of taxpayer’s funds that occurs when ITS projects fall short.

Project risk may be defined in terms of schedule, cost, quality, and requirements. These risks can increase or decrease significantly based on several identified factors associated with ITS projects. The factors are:

- 1.) Number of jurisdictions and modes
- 2.) Extent of software creation
- 3.) Extent of proven hardware and communications technology used
- 4.) Number and complexity of new interfaces to other systems
- 5.) Level of detail in requirements and documentation
- 6.) Level of detail in operating procedures and documentation
- 7.) Service life of technology applied to equipment and software

The following Section 13.2 will address the level of each of these risk factors for types of ITS projects. For more information on Risk Management, the reader is encouraged to access the FHWA/Caltrans *Systems Engineering Guidebook for ITS* website at: <http://www.fhwa.dot.gov/cadiv/segb/views/process/index.htm>.

13.2 TYPES OF ITS PROJECTS

13.2.1 SUMMARY – TYPES OF PROJECTS

For purposes of these Guidelines, ITS projects are divided into three types: **Exempt, Low-Risk, and High-Risk projects**. The planning and development process to be followed is different for these three types. **The previous version of this Guideline referred to Low-Risk projects as “Minor” ITS projects, and High-Risk projects as “Major” ITS projects.** As a transition for the reader, both terms will be noted in these ITS Program Guidelines.

The following attributes can often be used to classify ITS projects as exempt, low, or high risk.

Exempt ITS projects do not require a Systems Engineering Analysis (SEA) and are not covered under these ITS Program Guidelines. All activities of the traditional roadway project development life-cycle process will be followed. No further ITS-specific action is necessary. They can be *any* the following:

- 1.) Upgrades to an existing traffic signal – This may include, for example, adding or revising left-turn phasing or other phasing, adding pedestrian-crossing displays.
- 2.) Installing an “isolated” traffic signal – This is a signal not connected to any type of external signal-control system, nor likely to be in the future because of its isolation.
- 3.) Traffic signal timing projects – This includes all “studies” whose purpose is to change the coordination parameters for controlling a group of signals – but with *no* installation of new hardware or software.
- 4.) Studies, Plans, Analyses – This includes ITS Master Plans, Deployment Plans, Technology Studies, etc. whose product is only a document, with no new hardware or software installed.
- 5.) Routine Operations – This includes operating and maintaining any ITS elements or systems – again with no new hardware or software installed.

Low-Risk (formerly “Minor”) ITS projects are often referred to as ITS infrastructure expansion. Standard Plans, Standard Specification, and Standard Special Provisions are well documented. They will have *all* of the following characteristics:

- 1.) Single jurisdiction; single transportation mode (highway, transit or rail)
- 2.) No software creation; commercial-off-the-shelf (COTS) or proven software
- 3.) Proven COTS hardware & communications technology
- 4.) No new interfaces
- 5.) System requirements fully detailed in writing
- 6.) Operating procedures fully detailed in writing
- 7.) Project life-cycle not shortened by technology service life

High-Risk (formerly “Major”) ITS projects are often referred to as ITS “System Developments.” They have *one (or more)* of the following characteristics:

- 1.) Multi-Jurisdictional or Multi-modal
- 2.) Custom software is required
- 3.) Hardware and Communications are “cutting-edge” or not in common use
- 4.) New interfaces to other systems are required
- 5.) System requirements not detailed or not fully documented
- 6.) Operating procedures not detailed or not fully documented
- 7.) Technology service life shortens project life-cycle

These risk factors are discussed in more detail in Table 13-1.

Table 13-1 – Risk Assessment for ITS Projects

	<u>Low-Risk Project Attributes</u>	<u>High-Risk Project Attributes</u>	<u>Risk Factors</u>
1	Single jurisdiction and single transportation mode (highway, transit or rail)	Multi-Jurisdictional or Multi-modal	With multiple agencies, departments, and disciplines, disagreements can arise about roles, responsibilities, cost sharing, data sharing, schedules, changing priorities, etc. Detailed written agreements are crucial!
2	No software creation; uses commercial-off-the-shelf (COTS) or proven software	Custom software development is required	Custom software requires additional development, testing, training, documentation, maintenance, and product update procedures -- all unique to <u>one</u> installation. This is very expensive, so hidden short-cuts are often taken to keep costs low. Additionally, integration with existing software can be challenging, especially because documentation is often not complete and out-of-date.
3	Proven COTS hardware and communications technology	Hardware or communications technology are “cutting edge” or not in common use.	New technologies are not “proven” until they have been installed and operated in a substantial number of different environments. New environments often uncover unforeseen problems. New technologies or new businesses can sometimes fail completely. Multiple proven technologies combined in the same project would be high risk if there are new interfaces between them.
4	No new interfaces	New interfaces to other systems are required.	New interfaces require that documentation for the “other” system be complete and up-to-date . If not (and often they are not), building a new interface can become difficult or impossible. Duplication of existing interfaces reduces the risk. “Open Standard” interfaces are usually well-documented and low risk.
5	System requirements fully-detailed in writing	System Requirements not detailed or not fully documented	System Requirements are critical for an RFP. They must describe in detail all of the functions the system must perform, performance expected, plus the operating environment. Good requirements can be a dozen or more pages for a small system, and hundreds of pages for a large system. When existing systems are upgraded with new capabilities, requirements must be revised and rewritten.
6	Operating procedures fully-detailed in writing	Operating procedures not detailed or not fully documented	Standard Operating Procedures are required for training, operations, and maintenance. For existing systems, they are often out-of-date.
7	None of the technologies used are near end of service life	Some technologies included are near end of service life	Computer technology changes rapidly (e.g. PC’s and cell phones become obsolete in 2-4 years). Local area networks using internet standards have had a long life, but in contrast some mobile phones that use proprietary communications became obsolete quickly. Similarly, the useful life of ITS technology (hardware, software, and communications) is short. Whether your project is a new system or expanding an existing one, look carefully at all the technology elements to assess remaining cost-effective service life.

13.2.2 Examples of ITS Project Types

An example of an **Exempt** ITS project would be the installation of traffic signal hardware (traffic controller/software, cabinet, detectors, etc) to control an isolated intersection in City A. It meets the signal warrants found in Chapter 4 of the California MUTCD, but there is no current or foreseen need to interconnect to other signals. No software development is needed; merely adjusting programmable settings and parameters for control. Standard plans, specifications, identified special provisions have been well documented over the years for the design and construction of signal control field equipment. The traditional roadway project development process will be used. Typical of this kind of project is for plans, specifications, and estimate (PS&E) to be developed, and construction contracts handled through a low-bid selection.

An example of a **Low-Risk** ITS project is the addition of 30 full matrix changeable message signs to an existing system that has five identical signs already deployed. No changes are needed to the existing central or field equipment. The system was initially designed to accommodate these additional signs so no additional software is needed. Assumptions are: 1) the initial system has been completed and the system is working well, 2) the contractor will deploy the signs, poles and foundations, controllers, and wire the controllers into the signs, and 3) the agency will add configuration information about the signs at the central computer. Updates to the existing plans have been reviewed to ensure that the original design and implementation is not adversely affected as a result of adding the elements.

During the design process, it may be discovered that a number of changes to the existing system are needed in addition to adding the expansion elements. This need could arise because of new and better technologies (or the old hardware is no longer available), or because of the desire to improve or expand the functionality of the “previous” system, or because of the need to use the system in a different way (e.g. sharing control with another party). **Any of these instances would elevate the project to a High-Risk implementation.**

Additional examples of **Low-Risk** ITS projects include:

- Adding five identical CCTV cameras to the existing 20 – with no other changes to the system or how it’s used.
- Adding 50 identical new loops to the existing 200 – no other changes
- Installing an existing parking management system at 2 additional garages – with no changes
- Expanding the pre-existing system/network by adding several more XXXX units – with no changes. (XXXX can be almost any ITS element)
- Expanding existing communications systems – this consists of extending existing fiber-optic or wireless communications systems, using the same technology and specifications as the pre-existing system.
- Leasing turnkey services only (e.g., website-based information service) – with no hardware or software purchases.

High-Risk ITS projects are often referred to as ITS System developments. For example, a High-Risk ITS project will result from adding the following new requirement to the previously described Low-Risk project: “The changeable message signs will have shared control with a partner Agency B.” For this example, Agency B manages events at two activity centers. As part of the installation, Agency A will be installing six signs that would assist agency B for their event management. Agency B would use the CMS to divert traffic to get the attendees in and out of the event faster and more safely. To enable this shared control, new software may need to be developed and integrated into the existing system. With this requirement for new functionality (shared control), new risks and complexity are introduced. Although the traditional roadway

Design/development and construction process is needed for the signs and controllers at each location, there will be a need for systems engineering to address the software development and integration efforts. In this example, revisions to the existing “concept of operations” and development of agreements for interagency coordination will be especially important to clarify expectations and avoid future disputes.

Additional examples of **High-Risk** ITS projects include:

- Multi-jurisdictional or multi-modal system implementation -- Because of the external interfaces required, these projects generally include substantial software development. For example:
 - A traveler information system that collects data from multiple agencies or modes
 - A Bus Traffic Signal Priority system between City Traffic and Regional Transit, or one that crosses multiple jurisdictions.
- The first stage of an “umbrella” system implementation. During this first stage, the full system engineering process would be used to develop the overall system framework plus the first implementation of that framework. For example:
 - New Traffic Signal Coordination system design plus implementation at an initial number of signals, with more signals added in later project(s).
 - New Traffic Information System design plus the first implementation in Cities X and Y, with more cities added in later project(s).
 - New Electronic Fare-Payment System design and initial implementation on Metro buses, with other transit agencies added in later project(s).

If subsequent stages replicate the initial implementation, they would not be high risk. Instead, they fit the definition of a low risk ITS project, expanding the existing system with no new capabilities, and no new interfaces.

13.3 ITS PROJECT DEVELOPMENT AND FUNDING

The three types of ITS projects (Exempt, Low-Risk, and High-Risk) are linked to specific process by way of their risk characteristics. The traditional road building process as shown in Figure 13-2 has been used for many years. Design and installation is well documented. Over the years, requirements have become well defined, product performance is solid, and the technology is proven. As with roadway elements (pavement, drainage), ITS field elements (signals, CMS, CCTV, RWIS) are designed and constructed with Standard Plans, Standard Specifications, and Standard Special Provisions that are well documented. Risk of failure is low for these ITS projects, except when changing to new technology.

For **Exempt and Low-Risk** (formerly “Minor”) ITS projects, the traditional single-phase PE obligation and authorization process will be followed. Work will include all activities of the traditional roadway project development life-cycle process leading up to construction. Funding steps for Low-Risk ITS Projects can be seen in Figure 13-2.

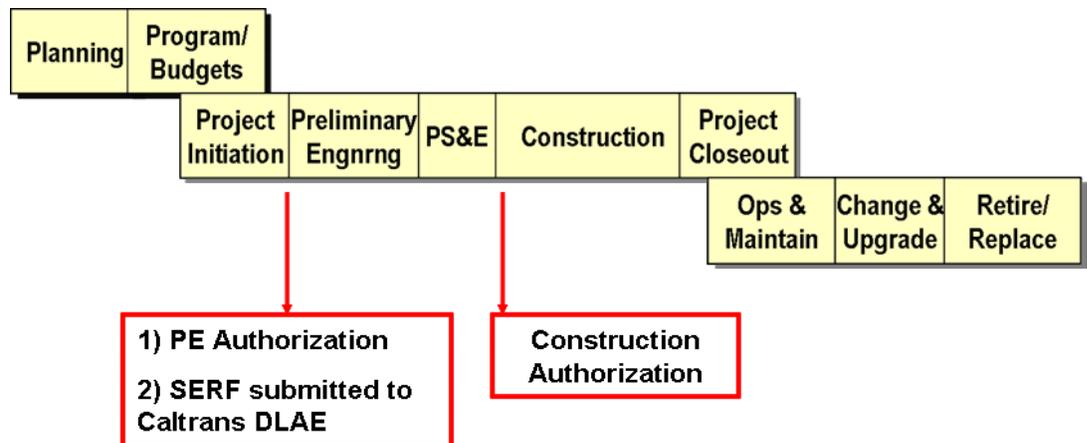


Figure 13-2: Process and Funding Steps for Low-Risk ITS Projects

More complex ITS projects lead to higher risk of failure (termination, time delays or cost increases). Additional elements are needed in the process of development to mitigate the higher risks. These additional elements can be thought of as extensions to the traditional road building process. The systems engineering approach is graphically depicted in Figure 13-3. To learn more about the Systems Engineering process, see the USDOT ITS Professional Capacity Building Program website: <http://www.pcb.its.dot.gov>, and FHWA/Caltrans “Systems Engineering Guidebook for ITS” at: <http://www.fhwa.dot.gov/cadiv/segb/views/process/index.htm>.

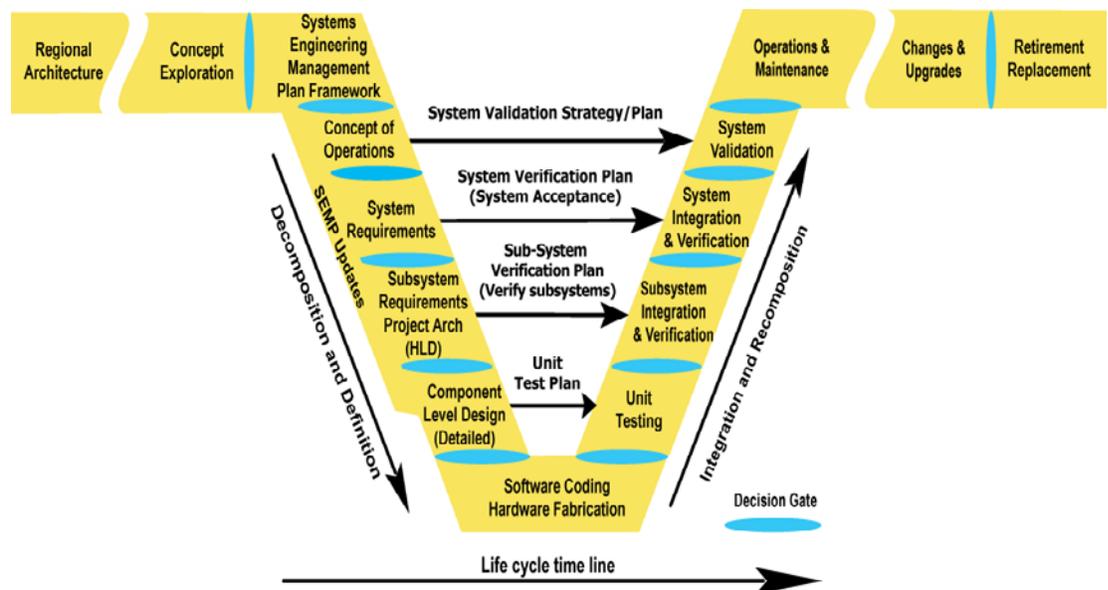


Figure 13-3: Systems Engineering Vee Life Cycle Process

For **High-Risk** (formerly “Major”) ITS PE obligation and authorization is followed by two approval actions for project development to proceed. Figure 13-4 pinpoints where each approval occurs. A separate construction obligation and authorization will be needed for traditional roadway (infrastructure) improvements that accompany system development. Figure 13-4 does not infer that work provided by the PE contractor ends with Construction authorization. As shown in Fig 13-6 in Section 13.9, the same PE contractor will often be involved in system engineering activities on the right side of the Vee Life Cycle Process supporting verification and validation.

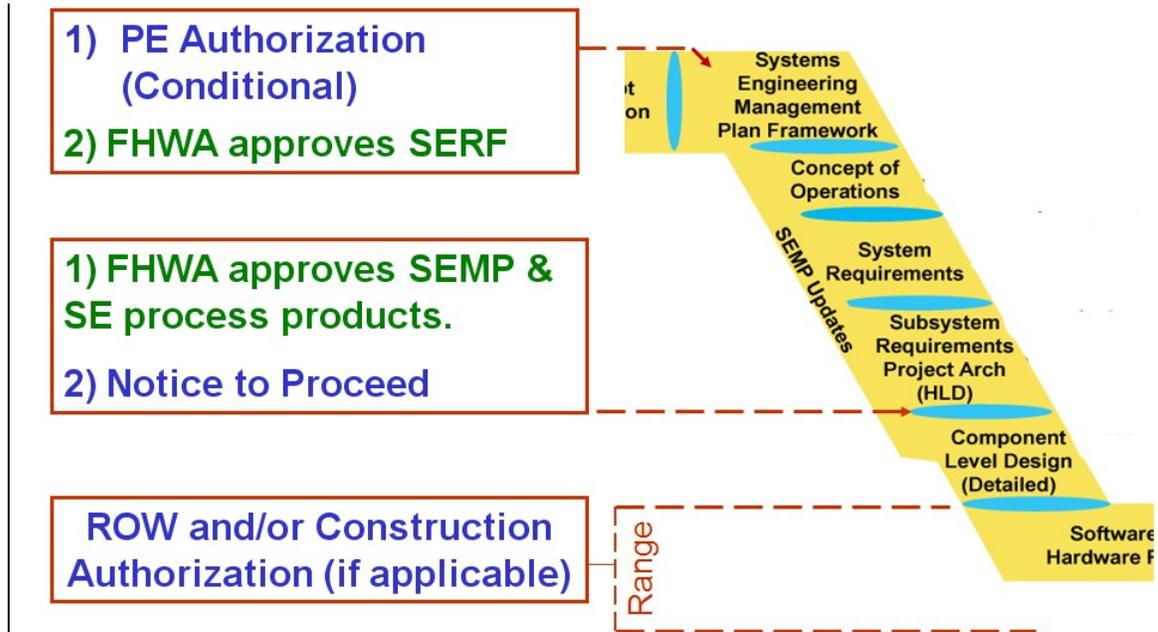


Figure 13-4: Funding Steps for Systems Engineering Process

Early determination of risk leads to early determination of type of ITS project, which leads to an early determination of budgeting approach. The systems engineering Vee process concentrates more time and cost on the up-front engineering activities relative to the traditional road building process that typically concentrates funding and scheduling priorities to the construction (back-end) phase.

For more information on Systems Engineering, the reader is encouraged to access the FHWA/Caltrans *Systems Engineering Guidebook for ITS* website at: <http://www.fhwa.dot.gov/cadiv/segb/views/process/index.htm>.

13.4 GENERAL ITS RESPONSIBILITIES

This section describes ITS responsibilities, during planning and implementation of the project, from the perspective of four different roles:

- 1.) Regional/Metropolitan Transportation Planning Agency (RTPA/MPO)
- 2.) Local agency (including their consultants in a project management role)
- 3.) Caltrans Division of Local Assistance
- 4.) FHWA Project Engineer
- 5.) Communities

The user *should* read the section that corresponds to their role. The other sections are optional. For each role, the responsibilities are described for each of the three steps in the Roadmap below in Figure 13-5, which can be briefly described as Planning, Funding, and Implementation.

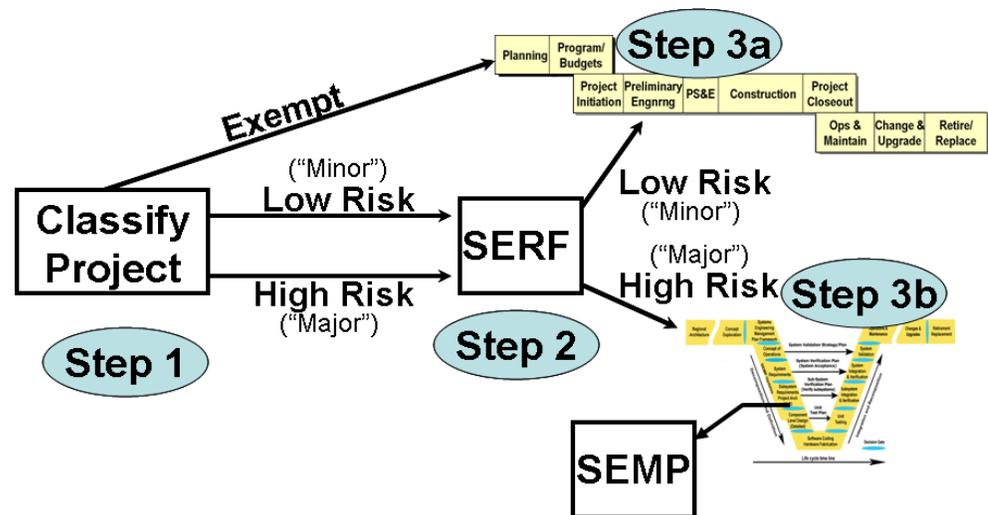


Figure 13-5: Steps to ITS Compliance

13.4.1 Regional/Metropolitan Transportation Planning Agency

Step 1 Roadmap Step 1

All ITS projects must be listed on the FTIP prior to obligation of funds. However, many ITS projects are not required to be listed individually, since they are classed as air quality exempt. Such projects may be lumped together in the FTIP. If a traditional roadway design project contains an ITS element, then the requirement for FTIP listing is determined by the overall project.

Because of this variation in project classification, projects with ITS elements may not be identified. For this reason, the MPO or RTPA is encouraged to coordinate with the local agencies (project sponsors) to “flag” ITS projects, or at least note the High-Risk (formerly “Major”) ITS projects, within their FTIP submittal to Caltrans/FHWA. This may be a symbol designation within the current FTIP format, a separate page listing, or some other reporting means.

By delineating operational improvements from the rest of the capital program, this gives FHWA ITS Engineers opportunity to make pre-authorization outreach visits to project sponsors to assess degree of education, technical assistance, and oversight that will be needed before the project reaches its funding year. This can reduce risk of project failure.

Step 2 Roadmap Step 2

The regional planning agency (RTPA or MPO), as owner/maintainer of the regional ITS architecture, will assist the ITS project sponsor (local agency) to address the architecture aspects of the Systems Engineering Review Form (SERF).

For more information on regional ITS architectures, the reader is encouraged to access USDOT ITS Architecture website at: <http://www.its.dot.gov/arch/index.htm>.

Step 3 Roadmap Step 3

As each ITS project is implemented, the regional ITS architecture will need to be updated to account for any expansion in ITS scope, and to allow for the evolution and incorporation of new ideas. When actually defined or implemented, a project may add, subtract or modify elements, interfaces, or information flows from the regional ITS architecture. Because the regional ITS architecture is meant to describe the current (as well as future) regional implementation of ITS, it must be updated to correctly reflect how the developed projects integrate into the region.

Updates will be submitted by the local agency project manager. This can occur at two points in time during project development process. The first time is upon documentation of the project architecture at completion of the High-Level (functional) Design. Additionally, during implementation, project architectures may change. If so, the project manager will submit those changes at project completion.

A regional ITS architecture maintenance process is documented in the region, and used to make any changes.

13.4.2 Local agency (include consultants in project management role)

Step 1 Roadmap Step 1

The local agency is responsible for submitting their projects to the MPO/RTPA for inclusion in the State Transportation Improvement Program for Federal approval (FTIP). For projects that include ITS elements, the local agency makes a **preliminary** classification of the project's risk as exempt, low, or high. It may take a number of months for the project to be added to the FTIP, so Step 1 should be performed well ahead of the expected project start date.

If the project is considered **Exempt**, then all activities of the traditional roadway project development life-cycle process will be followed. Exempt projects are not considered "ITS" for purposes of these procedures and no further ITS-specific action is necessary.

Step 2 Roadmap Step 2

To initiate federal funding of the ITS project, the local agency verifies that the project is listed in the FSTIP and submits to Caltrans District Local Assistance Engineer (DLAE) the "Request For Authorization To Proceed With Preliminary Engineering" (LAPM Exhibit 3-A and associated data sheets (LAPM Exhibit 3-E). This is often referred to as the "E-76 Package" and the process of submitting and approving it is often referred to as the "E-76 Process."

This PE request will often include the completed Field Review Form (LAPM Exhibit 7-B) and associated Data Sheets (LAPM Exhibit 3-C to 3-I). This Field Review Form will include ITS administrative and financial elements to be addressed when applicable. To accommodate agencies with limited staffing, the Field Review Form may be submitted separate from the request for authorization to proceed, but within four (4) months after the Federal PE authorization date. See Chapters 3, "Project Authorization" and Chapter 7, "Field Review," of the *LAPM* for more information.

The completed Field Review Form includes an ITS Systems Engineering Review Form (SERF) that is required for all ITS projects. The SERF (LAPM Exhibit 7-I) provides responses to the seven requirements for systems engineering analysis within 23 CFR 940 Part 11. The SERF will assist the local agency in determining if the project is Low-Risk or High-Risk. If the local agency does not have enough information to answer all seven questions, the project is probably high risk.

This determination of risk is delegated to the local agency (project sponsor). Completion of the SERF is an opportunity to verify (or perhaps change) the preliminary determination of risk made during project programming in the Roadmap Step 1.

If the ITS project is **Low-Risk** (formerly "Minor"), the response to the SERF will be complete and will document conformance to 23 CFR 940. If DLAE agrees that the project is Low-Risk, then the PE obligation and authorization process is used.

IF the ITS project is **High-Risk** (formerly “Major”), response to some of the seven questions in the SERF cannot be decided at this early stage. Responses in the SERF will identify the tasks when each question will be answered during the systems engineering process. PE is conditionally authorized after submittal of the initial request for authorization by the local agency. The condition specifies that a SEMP be approved and a Notice-to-Proceed (NTP) be granted by FHWA before the local agency may proceed with project implementation. Expenditures for such work prior to NTP are NOT eligible for reimbursement.

Step 3 Roadmap Step 3

Step 3a For **Low-Risk** ITS projects, the agency’s project development process used for regular roadway projects will be followed. These activities are denoted as Step 3a in the “Roadmap to ITS Compliance”. For purposes of these procedures, no further ITS-specific action is necessary. Refer to *Section 13.9 Procurement/Construction* for more information on procurement options.

Step 3b For **High-Risk** ITS projects, conformance to 23 CFR 940 will be completed in Step 3b of the “Roadmap of ITS Compliance” as the systems engineering tasks on the left side of the Vee process are undertaken (i.e., Concept of Operations thru High-Level Design).

If the project architecture - defined as part of the High-Level (functional) Design - adds, subtracts or modifies elements, interfaces, or information flows from the regional ITS architecture, these changes need to be submitted to the RTPA/MPO who maintains the regional ITS architecture. This can be done upon completion of the SEMP. In addition, if similar changes occur during implementation, the project manager should submit those changes at project completion.

Prior to the Component-Level Design task within the SE Vee process, the local agency submits to DLAE the Systems Engineering Management Plan (SEMP) and Systems Engineering process products. Upon receiving final SEMP approval and Notice-to-Proceed, the local agency may proceed with project implementation. Expenditures for such work prior to NTP are NOT eligible for reimbursement.

13.4.3 Caltrans Division of Local Assistance

13.4.3.1 District Local Assistance Engineer (DLAE) –

Step 1 Roadmap Step 1

The DLAE has no responsibilities during Step 1.

Step 2 Roadmap Step 2

The DLAE reviews the request from the local agency for PE authorization to assure satisfactory completion. For those local agencies that require additional time to process the Field Review Form, the DLAE will prepare and submit the E-76 for PE to Headquarters DLA Implementation.

Upon receipt of the Field Review Form, including the SERF, the DLAE verifies that the risk determination made by the local agency is correct. If the DLAE agrees that the project is **Low-Risk** (formerly “Minor”), the PE obligation and authorization process will be used and no further ITS-specific action is necessary.

If the project is determined to be **High-Risk** (formerly “Major”), the DLAE forwards the SERF to DLA Implementation and FHWA concurrently for review and approval. The DLAE verifies from the E-76 system that PE is conditionally authorized and that FHWA has obligated the funds before issuing authorization to proceed with PE. The condition specifies that a SEMP be approved and a Notice-to-Proceed (NTP) be granted by FHWA before the local agency may proceed with project implementation.

In the instance where the Field Review Form follows Federal PE authorization, further verification of the earlier determination of risk is performed. Where the information leads to a change in project type (Low to High or vice-versa), a corrected E-76 is submitted to DLA Implementation. In the instance of a Low- to High-Risk change, the corrected E-76 will either de-obligate the PE dollar amount for system design and implementation or will include a conditional statement that limits Notice-to-Proceed (NTP) to only the systems engineering tasks (Concept of Operations to High-Level Design) on the left side of the SE Vee.

Step 3 Roadmap Step 3

Step 3a For **Low-Risk** ITS projects, the project development process used for regular roadway projects will be followed by DLAE, noted as Step 3a in the “Roadmap to ITS Compliance.” Refer to *Section 13.9 Procurement/Construction* for more information on procurement options.

Step 3b For **High-Risk** ITS projects, the systems engineering tasks on the left side of the Vee process are undertaken (i.e., Concept of Operations thru High-Level Design). The Systems Engineering Management Plan (SEMP) is sent to DLA Implementation and FHWA concurrently for review and approval. The DLAE transmits the SEMP approval and Notice-to-Proceed from FHWA to the local agency. System implementation can begin with receipt of the Notice-to-Proceed. Expenditures for such work prior to NTP are NOT eligible for reimbursement.

13.4.3.2 Headquarters DLA Implementation –

Step 1 HQ DLA Implementation has no responsibilities during Step 1.

Step 2 For High-Risk ITS projects, DLA Implementation forwards the SERF to the FHWA ITS Engineer for review and approval. Upon notification of FHWA approval, DLA Implementation notifies DLAE, and PE may be authorized.

Step 3b DLA Implementation forwards the SEMP to FHWA for review and approval. Upon notification of FHWA approval and NTP granted, DLA Implementation notifies DLAE, who in turn notifies the local agency.

13.4.4 FHWA ITS Engineer

Step 1 Roadmap Step 1

The FHWA Project Engineer has no responsibilities during Step 1.

Step 2 Roadmap Step 2

If the project is a **High-Risk** (formerly “Major”) ITS project, the SERF is submitted to FHWA for review and determination of level of federal oversight of the systems engineering process.

The following information defines the FHWA oversight of the Systems Engineering (SE) process for **High-Risk** ITS projects. Please note that **this oversight is limited to the ITS portions of the project only**. General oversight for all other aspects of the federal aid process will continue to be handled through the *Caltrans/FHWA Joint Stewardship & Oversight Agreement*.

The FHWA oversight process is built upon the common SE practice of using "control gates" as a project-management tool. It assumes that implementation of the ITS project (or the ITS elements within a larger construction project) will follow a pre-determined sequence of steps, with each step (or "milestone") being judged by the project manager to be satisfactorily completed before substantive work begins on the next step.

FHWA will exercise its oversight responsibilities primarily via review of deliverable(s) produced at each of the milestones in the SE process (e.g. Concept of Operations, Acceptance Tests, etc.). They will do this in a manner that avoids unnecessary delays to the project. The action at each step will take ONE of the following forms: a.) Review and approval, b.) Review and comment, or c.) Information only. These terms are explained below.

- Review and Approval - FHWA shall receive the final version of the milestone document for review and approval. They will respond within one week -- whenever given at least two weeks advanced notice of the document's arrival. Otherwise, turnaround time will be two to three weeks. If they do not respond within the applicable time period the document is automatically deemed approved.
- Review and Comment - FHWA shall participate in the normal review process that the agency uses at the "final draft" stage of developing the milestone document. They will abide by the same schedule that is given to all other reviewers. If they do not provide comments within the given schedule, project work may proceed without them. Their comments will be treated as suggestions that will be given the same consideration as comments from other reviewers.
- Information Only - Upon completion of the milestone, the project manager shall email the associated document to FHWA. No "approval" by FHWA will be needed. Upon emailing the document, the project may begin the next task immediately (but not before).

This determination of level of oversight, along with SERF approval, will be transmitted to DLA Implementation and DLAE concurrently.

Step 3b Roadmap Step 3b

Regardless of the level of oversight determined for each SE process milestone deliverable, the completed Systems Engineering Management Plan (SEMP) must always be submitted to FHWA for review and approval at completion of the system definition tasks (generally after the "High-Level Design" task). This approval and the Notice-to-Proceed will allow for the local agency to proceed with system design and implementation. Specific SEMP development and documentation guidance can be found at the "*Systems Engineering Guidebook for ITS*" website (www.fhwa.dot.gov/cadiv/segb/).

The FHWA review process can be expedited by documents being sent via email to FHWA simultaneously with distribution to Caltrans and/or other stakeholders involved in the project development. Paper copies are **not** required, unless the materials cannot be sent electronically.

13.5 FUNDING PROCESS STEP-BY-STEP PROCEDURES

This section presents an **integrated view** of the funding process, combining all four of the perspectives described separately above. Thus, it presents a more comprehensive picture of all activities and responsibilities during each step of the funding process. As before, the steps are discussed chronologically. The chronological steps for **High-Risk** projects are discussed first, followed by the procedures for **Low-Risk** and then **Exempt** ITS projects.

13.5.1 High-Risk (formerly “Major”) ITS Projects

High-Risk federal-aid ITS projects shall follow the regular federal-aid procedures outlined in the LAPM, with the inclusion of two approval actions by FHWA to assure conformity with the federal regulation 23-CFR-940. Application and control of the Systems Engineering process is a key reason for the approval actions as specified below.

Step 1 Roadmap Step 1 - Transportation Planning:

1. The local agency submits project to the regional planning agency for inclusion in the Federal Approved State Transportation Improvement Program (FSTIP). The local agency makes a *preliminary* designation of risk for the project.
2. The MPO or RTPA is encouraged to coordinate with the local agencies (project sponsors) to “flag” ITS projects, or at least note the High-Risk ITS projects, within their FTIP submittal to Caltrans. This may be a symbol designation within the current FTIP format, a separate page listing, or some other reporting means.
3. The regional planning organization reviews the project for consistency with the Caltrans transportation planning process before submitting the FTIP to Caltrans HQ.
4. Caltrans HQ incorporates the FTIP in the FSTIP, and submits the FSTIP to the FHWA Division for review and approval.
5. The FHWA Division reviews and approves the FSTIP.

Step 2 Roadmap Step 2 - Project Development (PE1):

6. The local agency verifies that the project is listed in the FSTIP, and then submits a PE request package to the DLAE.
7. The DLAE enters a conditional approval statement into the E-76 system that states:
“No work for ITS system component detailed design, integration, and testing will be undertaken until FHWA approval of Systems Engineering Management Plan (SEMP) and Notice to Proceed by FHWA is granted. Expenditures for such work prior to NTP are NOT eligible for reimbursement.”
8. When the PE package is satisfactory, the DLAE forwards the package, and submits E-76 for PE to DLA Implementation.

9. When the PE package is satisfactory, DLA Implementation executes the E-76, and submits it to the FHWA for obligation, with a copy to the DLA ITS Coordinator.
10. The DLAE verifies from the E-76 system that FHWA has obligated the funds before issuing authorization to proceed with PE.
11. If not submitted with the PE request package, soon after PE begins the local agency submits the completed Field Review form with SERF (Exhibit 7-I System Engineering Report Form) to the DLAE.

In the SERF, the local agency must provide as much information as possible for each of the following ITS requirements. If any of these items are not known at this time, the Local Agency must include a commitment to address them in detail during system design.

- a) Identification of portions of the RA being implemented
 - b) Identification of stakeholders, communities and participating agencies roles and responsibilities
 - c) Requirements definitions
 - d) Analysis of alternative system configurations and technology options to meet requirements
 - e) Procurement options
 - f) Identification of applicable ITS standards and testing procedures
 - g) Procedures and resources necessary for operations and management of the system
12. The DLAE forwards the field review package including SERF to DLA Implementation with a copy to the DLA ITS Coordinator.
 13. The DLA Implementation forwards the package to FHWA.
 14. FHWA reviews the SERF for FHWA oversight determination, comments on the SERF, and sends the information back to the DLA Implementation.

FHWA oversight will consist of approval of the Systems Engineering Management Plan (SEMP). That oversight can also consist of approval of products from each step of the Systems Engineering process, or portions thereof, or merely participation in scheduled process technical review points. FHWA is also available to provide the local agencies with additional ITS technical assistance and guidance as needed.

15. The DLA Implementation relays the information to the DLAE, who relays it to the local agency.
16. Upon receipt of the Field Review package, the DLA Implementation prepares a Program Supplement, with ITS covenants added. After approval by Caltrans Local Program Accounting, the Program Supplement is transmitted directly to the local agency for signature.
17. The local agency signs the Program Supplement and returns it to DLA Implementation.

Step 3b Roadmap Step 3b –

18. Prior to component detailed design, the local agency submits the completed SEMP as well as the Systems Engineering process product(s) mentioned in Step #14 above, through the DLAE and DLA Implementation (with a copy to DLA ITS Coordinator) for FHWA's review and approval.

19. FHWA notifies the DLA Implementation that they approved the SEMP, and grants the Notice-to-Proceed (NTP) with project implementation.
20. The DLA Implementation relays the approval and NTP to the local agency thru the DLAE with a copy to the DLA ITS Coordinator.
21. The DLAE checks for environmental approval before transmitting the SEMP approval and NTP to the local agency.
22. Upon receiving final SEMP approval and NTP, the local agency may proceed with project implementation. Expenditures for such work prior to NTP are NOT eligible for reimbursement.

Construction:

23. If the ITS project includes activities defined as construction; the local agency must submit a PS&E package requesting construction authorization. The request includes the necessary federal-aid paperwork and approvals.
24. Beyond this point, normal federal-aid procedures apply for completing the project. Use Form 17-C “Final Inspection Form” of the LAPM to finalize the project.

13.5.2 Low-Risk (formerly “Minor”) ITS Projects

Processing Low-Risk ITS projects will follow the traditional federal-aid PE procedures (see Exhibit 13-B for detail). The SERF (Exhibit 7-I, System Engineering Report Form) must be filled out as part of the field review package. However, SERF review and approval by FHWA are **not** required.

13.5.3 Exempt Projects

Processing Exempt ITS projects will follow the traditional federal-aid PE procedures. The **SERF will not be required** as part of the field review package.

13.6 ENVIRONMENT

The environmental process and environmental approval for ITS projects are processed under normal federal-aid regulations and procedures. For environmental guidance, see Chapter 6 “Environmental Procedures” of the LAPM. With few exceptions, most ITS projects can be classified as a Categorical Exclusion (CE). CE determinations are made by Caltrans.

Generally, ITS projects involve little to no disturbance of the ground. The ground disturbance that normally occurs on ITS projects is related to digging foundations for utility, signal, camera, or message sign poles and excavation of trenches for communications cabling. Occasionally ITS

projects involve the construction of transportation management center buildings or information kiosks. Such projects are not likely to cause any negative environmental impacts, except in rare cases where they might encounter an archaeological site, a historic site or an endangered species habitat.

13.7 AMERICANS WITH DISABILITIES ACT (ADA) REQUIREMENTS

ADA standards which deal with the public right of way (such as curb ramps, sidewalks, etc.) apply to ITS projects. Common elements in ITS projects in California are computer hardware/software, Changeable Message Signs (CMS) and Closed-Circuit Television (CCTV), Communications, and public websites. These elements are discussed individually below.

- 1.) Computer Hardware and Software
Computer hardware and software that is used **internally** by public agencies are generally not subject to ADA requirements. This includes computer equipment at traffic/transit management centers, or other locations. However, one key exception is websites or kiosks that are accessible to the general public (see item 4 below).
- 2.) Changeable Message Sign and Closed-Circuit Television
ITS projects sometimes include one or several Changeable Message Signs (CMS) or Closed-Circuit Television cameras (CCTV). These are often mounted on poles near a roadway. One key question for analyzing this element for ADA requirements is, "Does the installation or operation of a CMS or CCTV unit disturb any pedestrian facilities or travel routes"? The term "disturb" includes partial or complete removal as well as damage to the pedestrian facility or travel route that was caused by tunneling underneath. If a pedestrian facility or travel route is disturbed in any of these ways, then that portion disturbed **must be re-built in compliance with ADA standards**. If the installation of CMS or CCTV units do not disturb pedestrian facilities or travel routes, then they do not have to be rebuilt. Note that CMS and CCTV units generally require communications (see below).
- 3.) Communications
Communications systems are sometimes installed as part of ITS Integration projects. For both Wireline and Wireless communications, a key question in determining ADA requirements is, "Does the installation or operation of this ITS communication system disturb any pedestrian walkways"?

These systems can take several forms:

- a) "Wireline" (e.g. fiber-optic, coax, other types of cables) - If these are installed above ground using existing facilities (e.g. telephone or cable-TV poles) or underground in existing conduit, and if no pedestrian walkways are disturbed during the installation process, then the ADA standards do not require any changes to nearby walkways. If installation requires digging trenches in the ground and those trenches disturb a pedestrian facility or travel route, then that facility or travel route must be rebuilt to ADA standards. If the trench is within the roadway itself, all legal crossings and crosswalks are considered pedestrian facilities or travel routes and the portion of the roadway that is disturbed must be rebuilt to ADA standards.
- b) "Wireless" communications require antennas, which can be mounted on poles, buildings, roadside signs, or other structures. If these structures already exist and **no** pedestrian

walkways are disturbed during installation or operation of these communications systems, then ADA does not require any changes to nearby walkways.

4.) Public Websites or Kiosks

ITS Integration Projects sometimes include a website, which may be accessible to the public or restricted to designated parties. If the website (or kiosk) will be available to the public (e.g. for distributing traveler information), then it must meet the requirements of Section 508 of the Rehabilitation Act of 1973 (as amended in 1998). This means that the website must include features that enable the use of "assistive technology", by people with certain types of disabilities. Section 508 is a requirement for recipients of federal funds and for federal agencies. If the kiosk or website is not intended for public use, then both the recipient and the federal agency must ensure that accessibility for the information on the technological device is available for any employees.

For more information on ADA Requirements, please see the following websites:
www.ADA.gov and www.section508.gov.

13.8 RIGHT OF WAY

Generally, new right of way is rarely needed for ITS projects. Easements may be needed for communications cabling. Occasionally, an ITS project may involve utility relocations or the purchase of right of way for construction of a traffic management center building or information kiosk. For guidance on right of way procedures, see Chapter 13, "Right of Way" of the LAPM.

13.9 PROCUREMENT / CONSTRUCTION

The federal-aid procurement regulations as set forth in 23 CFR 172, 635, 655, and 49 CFR 18, define the requirements that state and local agencies must adhere to when procuring projects with federal-aid highway funds. These procurement regulations identify possible contracting options available for designing and constructing projects including such contracts as "engineering and design related services," "construction," and "non-engineering/non-architectural." The regulations also require use of competitive contract award procedures for any project financed by federal highway funds.

The regulations require state and local agencies to award:

- Construction contracts on the basis of competitive bidding,
- Engineering and Design services contracts on the basis of qualifications-based selection,
- Non-engineering/non-architectural contracts use state approved procurement procedures in accordance with 49 CFR 18.

The procurement approach required for construction projects (as defined by 23 USC 101 and the related FHWA regulations) does **NOT** always apply to ITS projects. Many standalone ITS projects do not meet the FHWA definition of construction.

- **ITS Construction** – If field devices and/or communications infrastructure are being physically installed in the roadway, then that work and required equipment usually meets the definition of construction. Examples are the purchase and installation of new traffic signals, new controller cabinets, vehicle detectors, and conduit for cabling.

- **ITS Engineering & Design** – The purchase and installation of **electronic** equipment (as long as it does not involve “construction” as defined above), **can** be performed as part of P.E. This includes the computers and electronic equipment at a central site, and also the electronic components within the field equipment. Examples are the controller inside a signal cabinet, or the electronic tolling pricing display panels and associated electronics inserted into panel cutouts of changeable message signs already in place.

An agency also has the option of procuring electronic equipment as part of a construction contract (e.g. a complete changeable message sign including electronics). This might be useful when the project is primarily construction, and the electronic equipment is a minor element. However, development of new software should never be included in a “construction” contract.

The Engineering and Design Services contracting mechanism has been successfully used to retain System Engineers and System Integrators that can provide the entire spectrum of services required to implement an ITS project, such as a traffic management center. This might include the specification, procurement, configuration and installation of all hardware and software to provide the functionality required. For these types of services, the consultant selection procedures (qualifications-based) in Chapter 10 of the LAPM must be followed. Figure 13-6 depicts typical contracting arrangements for most High-Risk ITS projects.

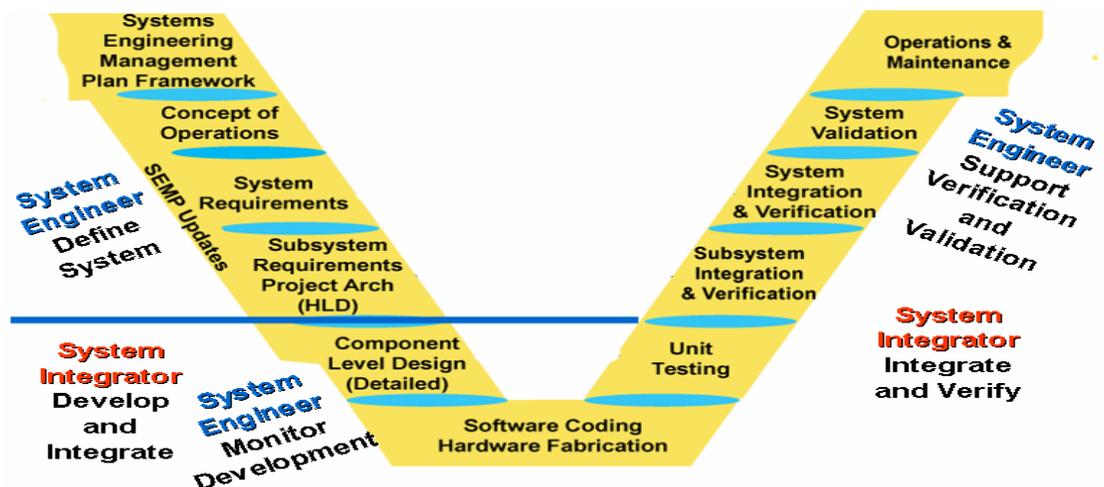


Figure 13-6: Contracting Systems Engineering Services

If an ITS project includes *minor* amounts of construction, up to approximately 10% of the cost of the project, then *flexibility is allowed to have the entire project deployed in the PE phase, without a separate construction phase.* This option can be very valuable to many ITS projects.

If the construction portion is significant, and a significant amount of system (software procurement and/or software/hardware integration) development is involved, care should be taken to coordinate closely the completion of the system portion with the construction portion to avoid any contract delays. This will be typically performed by different procurement methods - system development by consultant services and construction by low-bid contract.

ITS projects that include a state contribution of funds (STIP funds) have relatively short PE and construction deadlines. These state-mandated deadlines are too short to account for the services of a System Engineer or System Integrator. Therefore, the local agencies must be aware of the need to request time extensions in advance of the deadline in order to be reimbursed for these

services, or classify the construction phase of the consultant's activities as construction engineering. See Chapter 23.2.1, "Timely Use of Funds" of the LAPG for information on STIP deadlines and time extension.

13.10 RECORD KEEPING

The U.S. DOT and the Comptroller General of the United States have the right to access all documents pertaining to federal-aid projects. Nonfederal partners must maintain sufficient documentation to substantiate the costs. Such items as direct labor, fringe benefits, material costs, consultant costs, public involvement costs, subcontract costs, and travel costs should be included in that documentation. **This includes any local-agency costs that are to be reimbursed or used to satisfy matching requirements.** The records for each project must be kept on file for a minimum of three (3) years beyond the payment date of the final voucher.

13.11 REFERENCES

- Title 23 USC Part 103(b)(6), Eligibility for NHS Program
- Title 23 USC Part 133(b), Eligibility for STP Program
- Title 23 CFR Part 172, Administration of Engineering and Design Related Service Contracts
- Title 23 CFR Part 635, Construction and Maintenance
- Title 23 CFR Part 655, Traffic Operations
- Title 23 CFR Part 940, Intelligent Transportation System Architecture and Standards
- Title 28 CFR Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services (See especially Section 151(b))
- Title 29 USC Part 794d, Rehabilitation Act, Section 508, Electronic and Information Technology
- Title 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- FHWA Memorandum dated March 22, 2002, Guidance on Federal-aid Eligibility of Operating Costs for Transportation Management Systems
- 2007 Joint Stewardship and Oversight Agreement (FHWA and Caltrans)
- 2007 Systems Engineering Guidebook for ITS, Version 2.0
- LAPM, Chapter 2, Roles and Responsibilities
- LAPM, Chapter 3, Project Authorizations
- LAPM, Chapter 6, Environmental Procedures
- LAPM, Chapter 7, Field Review
- LAPM, Chapter 10, Consultant Selection Procedures
- LAPM, Chapter 11, Design Standards
- LAPM, Chapter 12, Plans, Specifications & Estimate
- LAPM, Chapter 13, Right-of-Way
- LAPM, Chapter 15, Advertise and Award Project
- LAPM, Chapter 16, Administer Construction Contracts
- LAPM, Chapter 17, Project Completion

13.12 WEB SITES

USDOT ITS Websites:

- ITS Overview: www.its.dot.gov/its_overview.htm
- ITS Applications: www.itsoverview.its.dot.gov/
- ITS Benefits: www.itsbenefits.its.dot.gov/
- ITS Costs: www.itscosts.its.dot.gov/
- ITS Lessons Learned: www.itslessons.its.dot.gov/
- ITS Deployments: www.itsdeployment.its.dot.gov/
- ITS Library: www.its.dot.gov/library.htm
- ITS Research: www.tfhrc.gov/its/its.htm

ITS Architecture Resources:

- National ITS Architecture: <http://www.its.dot.gov/arch/index.htm>
- CA Statewide ITS Architecture: <http://www.kimley-horn.com/CAArchitecture/index.htm>

Systems Engineering Resources:

- S.E. Handbook – Introduction: <http://ops.fhwa.dot.gov/publications/seitsguide/index.htm>
- S.E. Guidebook – Comprehensive “how to” guide: <http://www.fhwa.dot.gov/cadiv/segb/>

ITS Training Websites:

- ITS Prof. Capacity Building: <http://www.pcb.its.dot.gov>
- National Highway Institute: www.nhi.fhwa.dot.gov/training/brows_catalog.aspx
- (then click on topic #137 – ITS)
- UC Berkeley Tech Transfer: www.techtransfer.berkeley.edu/itstraining
- CITE (training via Internet): www.citeconsortium.org/curriculum.html

Americans with Disabilities Act Websites:

- USDOJ Americans with Disabilities Act website: www.ADA.gov
- USGSA website: www.section508.gov

FHWA Federal-aid Procurement Regulations and Contracting Options Website:

http://www.its.dot.gov/jpodocs/repts_te/3029/chap3.htm#2

13.13 DEFINITIONS

Architecture – See *ITS Architecture* and *National ITS Architecture (NA)* below.

Configuration Management - A process developed to control change in complex information technology based systems.

Center Subsystems - Subsystems that provide management, administrative and support functions for the transportation system. Also one of four general subsystems defined in the NA.

Data Dictionary Entry (DDE) - Contains definitions and description of every data flow included in the logical architecture view of the NA as well as identification of lower level data elements that make up the data flow.

Data Flows - They represent data flowing between processes or between processes and a terminator. A data flow is shown as an arrow on a data flow diagram and is defined in a data dictionary entry. Data flows are aggregated together to form high-level architecture flows in the physical architecture view of the NA. See Data Flow diagram.

Data Flow Diagram - The diagrams in the logical architecture view of the NA that show the functions that are required for ITS and the data that moves between these functions.

Dedicated Short Range Communications (DSRC) - A wireless communications channel used for close-proximity communications between vehicles and the immediate infrastructure. It supports location-specific communications for ITS services such as toll collection, transit vehicle management, driver information, and automated commercial vehicle operations. Also one of four types of interconnects defined in the NA.

Equipment Package - A group of ITS elements that are combined to perform one or more specific functions. A Market Package is generally made up of one or more *Equipment Packages*.

Exempt ITS Project – See Section 13.2.1 above for a full definition and examples.

Functional Requirements - What a system must do to address the needs or provide the services that have been identified for the ITS Project. In a regional ITS architecture, the functional requirements focus on the high-level requirements for providing desired service to the user.

High-Risk ITS Project – (Previously called “Major ITS Project.”) An ITS project that has one or more of the seven risk factors identified in Section 13.2 (above) is generally considered a high-risk ITS project. (See also “*Low-Risk ITS Project.*”)

Institutional Integration- Represents the process of combining existing and emerging institutional constraints and arrangements.

Interchangeability - The capability to exchange devices of the same type from any vendor without changing the software.

Interconnect - See architecture interconnect. Also applies to traffic signal interconnect.

Interoperability - The capability to operate devices from different manufacturers or different device types (e.g., signal controllers and dynamic message signs on the same communication channel).

Intelligent Transportation Systems (ITS) - Federal regulations (23 CFR 940) defined ITS as “...electronics, communications, or information technology, used singly or in combination, to improve the efficiency or safety of the surface transportation system.” This is a broad definition, covering the range from small, simple devices up to large and complex systems. In addition to this legal definition, most people say that ITS must include comprehensive management strategies and apply technologies in an *integrated* manner. The purpose of ITS integration is to share information and reduce redundant spending between jurisdictions. ITS Integration includes both *technical* and *inter-agency* aspects of system development. (See section 13.1.5 above for further information.)

ITS Architecture - Defines how systems functionally operate and the interconnection of information exchanges that must take place between these systems to accomplish transportation services.

ITS Strategic Plan - A guide for long-term implementation of ITS in the state, metropolitan area or region. It normally includes identifying regional transportation needs and then defining ITS elements to be implemented over time, aimed at meeting those needs. RA is typically a core component of an ITS strategic plan.

Legacy System - Existing transportation systems, communication systems or institutional systems.

Life cycle - Denotes the strategic cycle or sequencing of a specific process.

Logical Architecture - This relates primarily to the software part of the system. It defines the thought or logic processes that perform ITS functions and the information or data flows that are shared between these processes.

Low-Risk ITS Project – (Previously called “Minor ITS Project.”) An ITS project that has none of the seven risk factors identified in Section 13.2 (above) is generally considered a low-risk ITS project. (See also “*High-Risk ITS Project*.”)

Maintenance Plan - A description of configuration control and update guidelines for regional and/or project ITS architectures. The primary purpose of the maintenance plan is to maintain an architecture baseline.

Market Package – A group of ITS elements that can be combined to perform a *User Service*. A Market Package is generally made up of one or more *Equipment Packages*.

Major ITS Project – See “*High-Risk ITS Project*.” This terminology is obsolete.

Minor ITS Project – See “*Low-Risk ITS Project*.” This terminology is obsolete.

National ITS Architecture (NA)- A common established national framework for ITS interconnectivity and interoperability. It comprises the logical architecture and physical architecture that satisfy a defined set of user services. Maintained by the U.S. Department of Transportation (USDOT), under contract at: <http://itsarch.iteris.com/itsarch>.

Physical Architecture - This is primarily the hardware part of the system. The part of the NA that provides a physical representation of the important ITS interfaces and major system components. The principal elements of the physical architecture are the subsystems, terminators and the communication interface between them.

Process Specification (PSpec) - The textual definition of the most detailed process identified in the logical architecture view of the NA. The PSpec includes an overview, a set of functional requirements, a complete set of inputs and outputs, and a list of user service requirements that are satisfied by the PSpec.

Project ITS Architecture (PIA)- A framework that identifies the institutional agreement and technical integration necessary to define an ITS project and its interface with other ITS projects and systems.

Protocol Communications - A set of rules for how messages are coded and transmitted between electronic devices. The equipment at each end of a data transmission must use the same protocol to successfully communicate. It is like human language that has an alphabet, vocabulary, and grammar rules used by everyone who speaks that language.

Regional ITS Architecture (RA) - A regional or state level framework for ensuring institutional agreement and technical integration for the implementation of ITS projects or groups of projects. It defines what pieces of the system are linked to others and what information is exchanged between them.

Requirements Definitions - A total set of considerations that govern what is to be accomplished, how well and under what conditions.

Roadside Subsystems - One of four general classes of subsystems defined in the NA. This class is distributed along the transportation network, which performs surveillance, information provision, and control functions. Located on roadway facilities, parking facilities, toll systems, and commercial vehicle check systems that are at or near the roadside.

Sausage Diagram - A top-level diagram, which depicts all subsystems in the NA and the basic communication, interconnects between the subsystems. It can be used as a template for the physical architecture portion of a RA.

SEMP – See “*Systems Engineering Management Plan*” below.

SERF – See “*Systems Engineering Management Plan*” below.

Service Boundaries - The geographic boundary of a specific service or agency that provides a service. An example is the service area of a transit agency. The transit agency provides services within a defined boundary.

Standards - Established and documented technical specifications sponsored by a Standards Development Organization (SDO) to be used consistently by industries or government for interoperability, compatibility, interconnect ability, interchangeability and expandability. Already developed ITS standards can be found in the NA web site by selecting an Architecture Flow.

Subsystem - The principal structural elements of the physical architecture view of the NA. Subsystems are grouped in four classes: centers, roadside, vehicles and travelers.

System Inventory - The collection of all ITS related elements in a RA.

Systems Engineering Analysis - Is a structured process for arriving at a final design of a system. The final design is selected from a number of alternatives that would accomplish the same objectives and considers the total life-cycle of the project including not only the technical merits of potential solutions but also the costs and relative value of alternatives.

Systems Engineering Review Form (SERF) – The SERF is a form containing seven questions about an ITS project, which must be completed for all *Low-Risk* and *High-Risk* ITS projects. See Figure 13.5 for a diagram showing the role of the SERF, and see Section 13.4.1 for a narrative description.

Systems Engineering Management Plan (SEMP) - The SEMP is a set of documents that describe how the systems-engineering elements of a High-Risk ITS project will be managed. See Figure 13.5 for a diagram showing the role of the SEMP, and see Section 13.4.1 for a narrative description. For a full description of the SEMP plus examples, see the FHWA/Caltrans “*Systems Engineering Guidebook for ITS*” at: <http://www.fhwa.dot.gov/cadiv/segb/views/process/index.htm>

Systems Engineering “Vee” Process – See Figure 13.3 and related narrative, above. For a full description of this process, see the FHWA/Caltrans “*Systems Engineering Guidebook for ITS*” at: <http://www.fhwa.dot.gov/cadiv/segb/views/process/index.htm>

Traveler Subsystems - Equipment used by travelers to access ITS services pre-trip and en route. This includes services owned and operated by the traveler as well as services that are owned by transportation and information providers. One of four general subsystem classes defined in the NA.

Turbo Architecture - An automated software tool used to input and manage system inventory, market packages, interconnects and architecture flows with regards to RA. The Turbo Architecture is an excellent software tool for developing RA, PIA, development and design of an ITS project. However, the Turbo Architecture must be purchased since it is not a public domain.

User Services - A service that ITS provides the user from the user’s perspective. A broad range of users are considered, include the traveling public as well as many different types of system operators. User Services form the basis for the National ITS Architecture development effort. Currently, 33 user services are defined in the NA.

User Service Requirements - Specific statements specifying what must be done to support the ITS user services. The user services requirements were developed specifically to serve as a baseline to drive NA development. The user service requirements are not requirements to system/architecture implementers, but rather are directions to the NA development team.

V Diagram (or Vee Diagram) – See *Systems Engineering Vee Process* above.

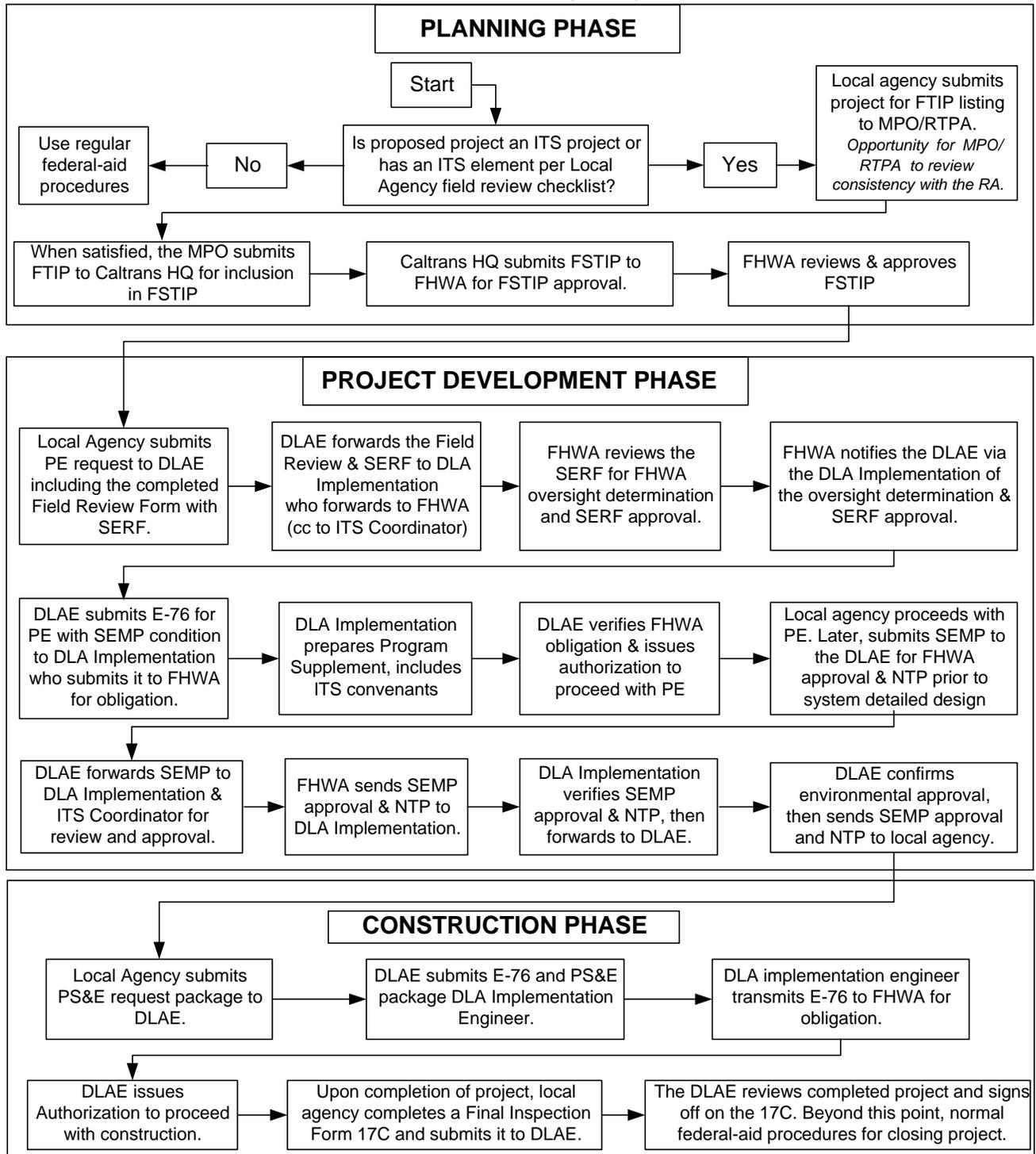
Vehicle Subsystems - They are subsystems located in vehicles, which include driver information and safety systems. One of four general subsystem classes defined in the NA.

Vehicle-to-Vehicle Communications - Dedicated wireless system handling high data rate, low probability of error, line-of-sight communications between vehicles. Advanced vehicle services may use this link in the future to support advanced collision avoidance implementations, road condition information sharing, and active coordination to advanced control systems. One of four types of architecture interconnects defined in the NA.

Wireline Communications - A communications link serving fixed locations. It uses a variety of public or private communications networks that may physically include wireless (e.g. microwave) as well as wireline infrastructure. One of four types of architecture interconnects defined in the NA.

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Exhibit 13-A Process Flowchart – High-Risk (Formerly “Major”) ITS Projects
(FHWA Full Oversight Projects)



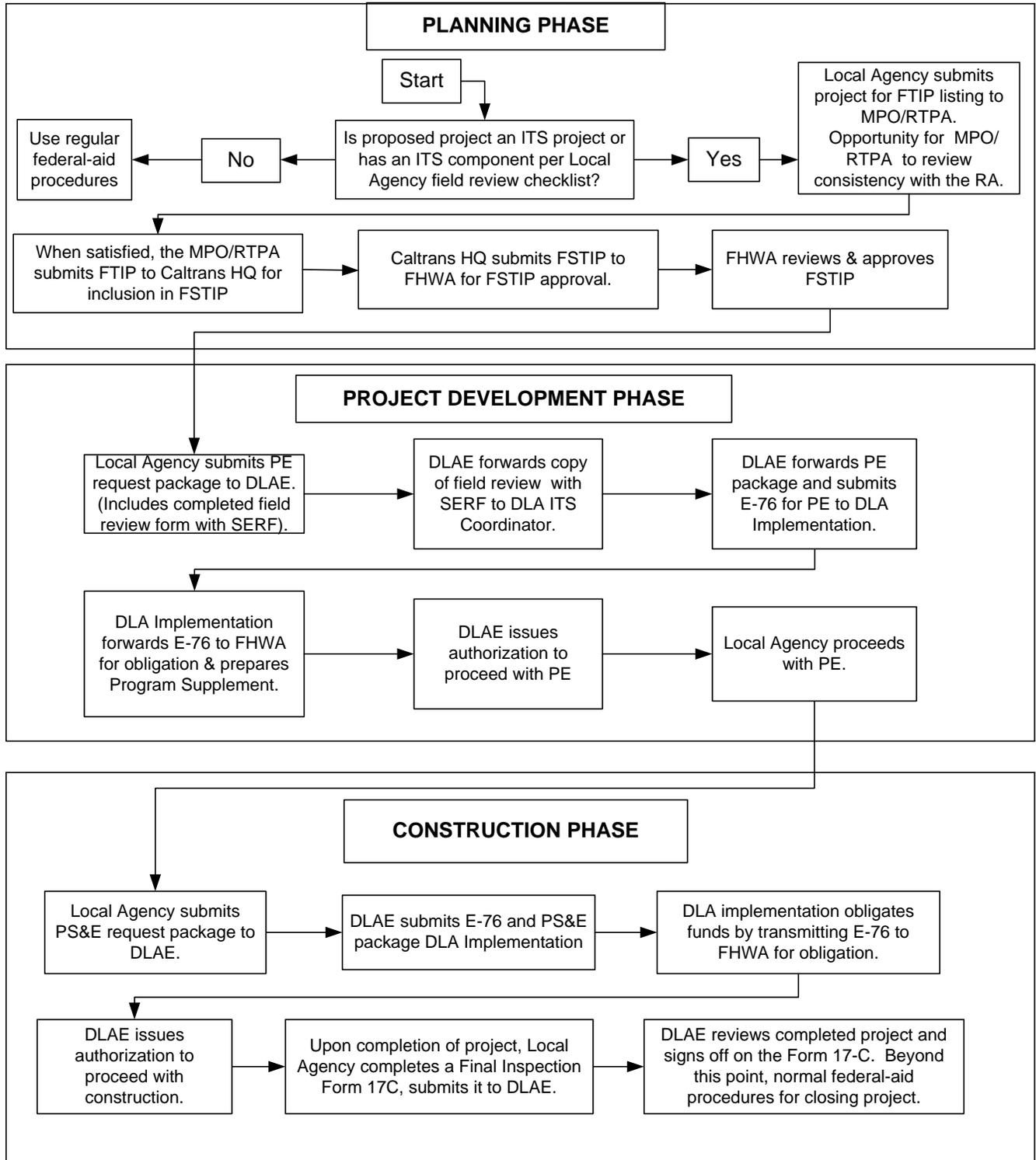
Note:

This PE procedure requires FHWA review of the SERF, approval of the SEMP, and Notice-to-Proceed (NTP) granted. **Expenditures for system detailed design, implementation, and testing prior to NTP are not eligible for FHWA reimbursement.**

- FHWA Full Oversight for PE phases on all major ITS projects.
- FHWA Full Oversight for E-76 purposes.
- For simplicity, the right of way phase is not shown in this chart. If right of way is involved, refer to Chapter 13, "Right of Way," of the LAPM for information and procedures.
- For FHWA list of criteria for full oversight projects, refer to Section 2.4 of the LAPM.

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Exhibit 13-B Low-Risk (Formerly “Minor”) ITS Projects



Note:

- This flow chart process does not apply to the earmarked ITS Deployment Projects (QT80 projects).
- Minor ITS projects will follow the above traditional single phased PE procedures.
- No FHWA oversight for procedure shown on this flowchart (SERF review and SEMP approval not required).
- State-Authorized for E-76.
- For simplicity, the right of way phase is not shown in this chart. If right of way is involved, refer to Chapter 13, "Right of Way," of the LAPM for information and procedures.

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CHAPTER 14 TRAFFIC CONGESTION RELIEF PROGRAM

14.1 INTRODUCTION

Assembly Bill 2928, the Traffic Congestion Relief Act (TCRA) of 2000, created the Traffic Congestion Relief Program (TCRP) and the Traffic Congestion Relief Fund (TCRF). The TCRP is a Transportation Funding measure that offers:

- \$5 billion in congestion relief for transportation system connectivity and goods movement projects.
- An additional \$1.4 billion, over 5 years for local street and road maintenance, transportation operations and State Transportation Improvement Projects (STIP).

PROJECT ELIGIBILITY

AB 2928 was amended by Senate Bill 1662, which established a list of specific TCRP projects (location, description, and funding amount) that are entitled to a portion of the \$5 billion. TCRP funds availability is dependent on the state budget. When TCRP funds are not available, existing projects that have been allocated TCRP funds may become inactive, receive alternative funding, or have their schedules amended until funds do become available.

MAINTENANCE FUNDING

Maintenance funds were to be allocated annually to cities and counties through the State Controller by formulation described in the legislation. Due to statewide funding uncertainties, TCRP maintenance funding is no longer available.

WEB ADDRESS

See the TCRP website at: <http://www.dot.ca.gov/tcrp> for the statutes, program requirements, application forms, and the California Transportation Commission (CTC) guidelines.

14.2 TCRA EXCHANGE

INTRODUCTION

The TCRA requires the CTC to adopt guidelines and implement an exchange program that allows the exchange of federal funds (Congestion Mitigation and Air Quality Improvement [CMAQ] and Regional Surface Transportation Program [RSTP]) for state transportation funds, based on funding availability. TCRA exchange funds availability is dependent on the state budget. Agencies interested in a funds exchange should contact District Local Assistance.

PURPOSE

The TCRA exchange program is intended to increase program flexibility by the use of state and federal transportation funds to complete transportation improvements without compromising other funded projects or activities.

ELIGIBILITY

When projects are submitted for funding with TCRA exchange funds:

- The project must be fully funded.
- The funds must be used for the same purpose that the federal funds being exchanged were intended.

EXCHANGE RATIO

Regional agencies may request the exchange of state TCRF for local programs RSTP and CMAQ funds. The Agency shall provide apportionments and Obligational Authority (OA) at the same rate that the Federal Highway Administration (FHWA) distributes OA. (For definition of OA refer to Chapter 3, "Project Authorization" of the *Local Assistance Procedures Manual* [LAPM]). In exchange, state funds will be provided to the Agency at 90% of the OA exchanged.

WEB ADDRESS

See the TCRP website at www.dot.ca.gov/tcrp for the statutes, exchange requirements, application forms, and CTC exchange guidelines.

14.3 TCRP ROLES AND RESPONSIBILITIES

ROLES

Applicant or Lead Agency

The Applicant's role is to submit a complete and correct application and follow-up paperwork jointly to the CTC and Caltrans at the addresses listed in the TCRP Guidelines appendix at: <http://www.dot.ca.gov/tcrp/guidelines/092800/app1.htm>. Follow-up paperwork may consist of allocation requests, progress reports, and proposed project amendments.

California Transportation Commission

The CTC is tasked with establishing guidelines, approval of project applications, allocations, project amendments, scheduling and funding changes, and reporting the program status to the Legislature and the Governor.

Caltrans-District

The District will designate a TCRP Project Coordinator (PC) or Project Manager (PM) for each TCRP project. The TCRP PC or TCRP PM should be the first point of contact for general information, project-related issues, and reimbursement billings.

TCRP projects that have a Local Agency as the applicant or lead agency will have a District Local Assistance staff assigned to the project. The District Local Assistance staff will approve all invoices and forward them to TCRP Accounting and process other project specific paperwork.

Caltrans-Headquarters Division of Local Assistance

The Headquarters Division of Local Assistance will designate a TCRP PC who will work with the Local Assistance Area Engineer on issuing the project agreement to the Implementing Agency, processing allocations, and project close out.

Caltrans-Headquarters TCRP-Project Implementation & Delivery

The Headquarters TCRP will send project application, allocation requests, and amendments to the CTC. It will assist the CTC in reviewing project and allocation applications, track project expenditures, project savings, and project close out. Headquarters TCRP also sends allocation letters to the Implementing Agency and to the Local Assistance TCRP PC.

Implementing Agency

The Implementing Agency will carry out feasibility or environmental studies, plan preparation, acquisition of right of way, and completion of construction or procurement, as appropriate to complete the project.

RESPONSIBILITIES

Applicant

The Applicant is responsible for:

- Submitting all project applications.
- Securing funding commitments to complete the project.
- Concurring in decisions affecting the project purpose, scope, cost, or schedule recommended by the implementing agency.
- Making progress reports to the CTC.
- Working with the Metropolitan Planning Organization (MPO) and/or Regional Transportation Planning Agencies (RTPA) to ensure the project meets federal planning, programming, and air conformity requirements.
- Submitting amendments when changes are necessary to approved projects.

California Transportation Commission

The CTC is responsible for:

- Adopting and amending program guidelines.
- Receiving, reviewing, and approving (or denying) project applications.

- Reviewing draft and final environmental documents as a responsible agency under California Environment Quality Act (CEQA).
- Directing the allocation of funds for project implementation.
- Considering and approving (or denying) amendments to applications or allocations, and minor changes to projects.
- Reporting on program implementation annually to the Legislature and Governor.

Caltrans District Local Assistance

District Local Assistance is responsible for:

- Co-signing applications for projects on a state highway or intercity rail line or including interregional improvement funds.
- Reviewing applications and advising the CTC on projects where the Implementing Agency is a Local Agency.
- Working with rural agencies to ensure their projects meet planning, programming, and air conformity requirements.

Caltrans Headquarters Local Assistance

Caltrans Headquarters Division of Local Assistance is responsible for:

- Preparing and executing an agreement with the Implementing Agency.
- Allocating funds as directed by the CTC.
- Administering the projects.

Caltrans Headquarters TCRP Project Implementation & Delivery

Caltrans Headquarters TCRP is responsible for:

- Processing project applications to the CTC.
- Advising the CTC on project applications.
- Processing allocation letters.
- Administering the program.

Implementing Agency

The Implementing Agency is responsible for:

- Carrying out feasibility or environmental studies, preparing plans, acquiring right of way, and completing construction or procurement as appropriate to complete the project.
- Ensuring the applicant, CTC, Caltrans, and the regional agency receive notice, opportunity to comment, and final environmental documents required by CEQA.

- Executing agreements with Caltrans.
- Certifying sustained level of transportation expenditures consistent with FYs 1997-98, 1998-99, and 1999-2000 during the period allocated funds are available for use.
- Requesting allocation of funds.
- Fulfilling administrative requirements including billing for reimbursement.

14.4 TCRP PROJECT PROCESS

PROJECT APPLICATION

The statutes require the applicant specified in Article 5 of the TCR Act to prepare and submit to the CTC an application (see Exhibit 14-A “TCRP Project Application,” in this chapter and at: <http://www.dot.ca.gov/tcrp/application>.) for each specified project no later than July 6, 2002. For each project for which an application is received, the statutes require the CTC to notify the Governor and Legislature and seek statutory identification and approval of another project to use the funds. The CTC may reject without cause any application received after July 6, 2002; the Legislature and Governor may at any time render moot any application received after July 6, 2002, by assigning funds to other projects or purpose. The statutes describe the four phases of work as: 1) Studies, Environmental Review, and Permits, 2) Preparation of project plans and specifications, 3) Right of Way acquisition, and 4) Construction or procurement.

The statutes allow the CTC 90 days to review and act on the application. Applications to cover a partial stage of capital construction or procurement that will result in a usable portion of a project will also be acceptable. Applications should be submitted to the addresses shown in TCRP Guidelines Appendix- addresses at: <http://www.dot.ca.gov/tcrp/guidelines/092800/app1.htm>

Allocation requests for a study or initial phase of work may be submitted concurrently with the project application. See the section below on project allocation.

Statutes prohibit reimbursement of costs incurred prior to CTC approval of an application. Project costs incurred after the CTC approval, but prior to execution of the agreement, may be reimbursed retroactively.

APPLICATION APPROVAL

CTC approval of the project application documents will include the following:

- The project scope, cost, schedule, and funding participation for all phases of work.
- Eligibility for the Implementing Agency to start reimbursable work and seek allocation of funds.
- A project schedule by phase for each fiscal year for the project.

- The spread of funds to be allocated to the project phases, the percentage rate of reimbursement of costs within project phases, and approval of any advance payments for specified phases of a project.

PROJECT AGREEMENTS

Once the CTC has approved the project application, the agreement process is initiated (see Chapter 4, “Agreements,” of the LAPM). If an agency does not have a Master Agreement with Caltrans, one will be generated. Once a Master Agreement is in place a Program Supplemental Agreement (PSA) will be sent to the Implementing Agency for signature. An Agency cannot be reimbursed without a Master Agreement and PSA.

PROJECT ALLOCATION

The statutes require the Implementing Agency to seek an allocation of funds from the CTC and start the first phase of work during the fiscal year scheduled. For construction or procurement phases, start of work is the awarding of a contract.

Allocations will be made in \$1,000 increments. The CTC will only allocate funds for work from an approved application. At the first allocation, the CTC will indicate how it intends to spread the funding among the phases of the project. At the time of the allocation, the CTC will also determine the percentage rate of reimbursement for each phase of work.

The CTC will process allocation requests (refer to Exhibit 14-B, “TCRP Allocation Request,” in this chapter and at: <http://www.dot.ca.gov/tcrp/allocation.doc>) during its regular meetings (the CTC generally meets every five weeks). The CTC intends to place allocation requests on its agenda whenever those requests are received at least 21 days before the meeting date unless the allocation request raises issues that will need time for examination.

The CTC delegates the approval of allocation requests to Caltrans when the allocation request matches the scope of work and the funding amount approved in the application unless the CTC directs otherwise in its approval of the application.

ENVIRONMENTAL DOCUMENTS

The CTC is the responsible agency under the CEQA because it makes a discretionary decision in allocating funds to a project. Caltrans is likewise a responsible agency because it prepares and executes the terms of cooperative agreements on behalf of the state. Therefore, implementing agencies must ensure that both the CTC and Caltrans receive notices of preparation; the opportunity to review draft environmental documents and final environmental documents before allocation of funds and execution of cooperative agreements for project acquisition or construction (see Chapter 6, “Environmental Procedures,” of the LAPM).

REIMBURSEMENT

The Implementing Agency will receive funds as reimbursement for billings submitted to Caltrans. The reimbursement will be at the percentage rate defined in the approved allocation.

If CTC allocated funds for the preparation of plans and specifications before completion of final environmental documents, Caltrans may reimburse the Implementing Agency for work to define project feasibility, scope, and design features in parallel with environmental studies, but may not reimburse for final design plans and specifications until after the CTC's approval of the environmental document.

The District Local Assistance staff will review, approve, and send all invoices for reimbursement to TCRP accounting for reimbursement.

ADVANCE PAYMENT

The CTC may authorize one advance payment for project development work. This work includes studies, environmental review and permits, and preparation of project plans and specifications. The CTC may also authorize one advance payment, subject to demonstrated need for the implementation phases of a project including right of way acquisition, construction, or procurement. For projects that include studies only, the CTC may authorize lump sum payments for the entire scope of a project.

COST INCREASE AND SAVINGS

The statutes limit the amount of funds available for allocation to a project to the amount authorized in the Act. If cost increases require additional funds to complete the project, the lead applicant Agency and Implementing Agency will be responsible for securing additional funds.

The statutes allow the Implementing Agency to use savings from any prior project phase for use on a later project phase. The applicant must concur with the use of funds, and the CTC must be notified of the savings, the reason for the savings, and how the agency intends to use the funds in later phases.

PROGRESS REPORTS

The CTC must report TCRP progress annually to the Governor and Legislature. In order to assist the CTC in preparing its annual report, each lead agency will prepare project progress reports for each project (Refer to Exhibit 14-C, "TCRP Progress Report Form," in this chapter and at: <http://www.dot.ca.gov/tcrp/guidelines/092800/app4.doc>) and submit them jointly to the CTC and Caltrans TCRP. Reports shall be submitted by April 1 and October 1 of each year.

ANNUAL REPORT

The statutes require the CTC to report annually to the Governor and the Legislature on the progress of TCRP projects. The annual report will address projects and project phases for which applications have not been submitted, project schedules, project delays, project failures, and cost savings.

AUDITS

All funds authorized by the Act, allocated and expended, will be subject to financial and compliance audits by Caltrans Audits and Investigations. The Implementing Agency assumes responsibility to establish and maintain records of project costs, expenditures, allocations, and reimbursements in accordance with State Audit requirements.

14.5 PROJECT AMENDMENTS

CHANGES TO THE PROJECT

The CTC may consider changes to a project at any time in the process. The CTC understands that external factors such as: environmental process, design considerations, right of way needs, construction contract issues, and other factors, may cause the Implementing Agency to change the project scope, cost, and schedule, and possibly project purpose. The CTC intends to allow project amendments consistent with its oversight responsibilities for the Act.

MINOR CHANGES

The statutes allow the CTC to approve minor changes in scope, cost, or schedule of any phase of work as long the requested changes are consistent with the purpose of the approved project application. The CTC will address minor changes at the next meeting, if the request is received from the Implementing Agency at least 21 days before the meeting.

MAJOR CHANGES

The CTC will consider requests for major changes as amendments to the project application. Major changes include:

- Change in Implementing Agency.
- Change in project purpose.
- Change in project scope and/or cost.
- Change in project financial plan that would change the proportional funding for the project.
- Change in project schedule that advances or delays future allocation dates.
- Change in allocations between project phases, or reimbursement rates, or advance payments from allocations.

The CTC expects the Implementing Agency to bring forward any proposed change of schedule for a future phase before the date the phase is scheduled to start, and may reject any amendment brought forward after the scheduled start date.

The statutes require the Implementing Agency to report in a timely manner to the CTC, if the first phase of the project cannot be completed on schedule. The report should address the cause for the delay and the probable impacts to the project. After reviewing the report, the CTC may reconsider the project application and request modifications to the project schedule and other elements of the application. If it deems appropriate, the CTC may instead postpone its reconsideration of the application until completion of the environmental phase of the project.

CHANGES AFTER ALLOCATION

The Implementing Agency may request to move funds to a phase with costs that have an unexpected increase from a future phase. The CTC may approve a supplemental allocation up to the amount that would preserve the approved proportional reimbursement rate throughout the phase with increased costs; if the Implementing Agency can demonstrate to the CTC that sufficient funding will be available to complete the project.

PROJECT DELAYS AND FAILURE

The statutes require the Implementing Agency to make diligent progress toward completing the project. If the CTC determines that the applicant or Implementing Agency are not pursuing the work or using the funds diligently; the CTC may rescind its allocation, leaving the unused funds in the TCRF for future use as authorized by the Act.

If the CTC determines that a project is being delayed by factors external to the control of the applicant or Implementing Agency and are not likely to be removed within a reasonable time, the CTC may rescind the unspent portion of the allocation. The CTC may reserve any unused funds and allow the applicant to submit an application for an alternative project. The CTC will determine a reasonable deadline for the submittal of the new application, which must conform to the requirements in the guidelines.

14.6 TCRP PROJECT CLOSE OUT PROCESS

ROLES

Lead Agency

The Lead Agency or its representative will be responsible for preparing the close out information.

Caltrans District Project Coordinator (PC)

The Caltrans District PC will send the close out information to Headquarters within 60 days of the TCRP portion of the project's completion.

Caltrans District Local Assistance

The District Local Assistance Engineer (DLAE) will perform the project final inspection, process the final close out paperwork, and submit the close out information to Headquarters TCRP and the Headquarters Local Assistance TCRP PC.

Division of Local Assistance TCRP Coordinator

The TCRP PC will close out the project file and send all information to TCRP Accounting for archiving.

PHASE CLOSE OUT

Whenever the TCRP funds for any phase of a project have been fully expended, or the TCRP scope of work has been completed; a phase close out is required.

Note: For projects that only have Phase 4 TCRP funds, use the Final Project Close out process.

PHASE CLOSE OUT PROCESS

The Local Agency or its representative will send to the District TCRP PC:

- A signed letter of Phase Close out (Exhibit 14-D “TCRP Letter of Project Close out”).
- The TCRP Project Expenditures by Phase (Exhibit 14-E “TCRP Project Expenditures By Phase”).

The District TCRP PC will verify the information and sign the letter of Phase Close out.

The District TCRP PC will send the Phase Close out package to the HQ TCRP PC, who will send a copy to the Headquarters TCRP.

PROJECT STATUS REPORTING

Although all TCRP funded work may be completed, the Lead Agency is required to continue reporting the status of the project to the TCRP per Government Code Chapter 4.5, Article 4, Section 14556.36 and subsequent legislation.

TCRP COMPLETION

The TCRP close out procedure will be followed when TCRP funded work is completed on a project even when the entire project is not yet completed.

FINAL PROJECT CLOSE OUT PROCESS

Local Agency Final Inspection - The Local Agency or its representative will:

1. Make a final inspection and complete items 1-10 of the Local Agency Final Inspection Form-FIF-8/97 (see Exhibit 17-C “Local Agency Final Inspection Form,” of the *Local Assistance Procedures Manual* [LAPM]).
2. Send the FIF to the District PC.

Project Verification - The District PC will:

1. Review the job site and verify that the project was constructed in accordance with the scope and description of the project application.
2. Complete Sections 11-13 of the FIF and ensure that Sections 1-10 have been completed.

3. The PC will keep the original and send a copy of the completed FIF to the Local Agency.

Final Project Expenditure Report - After the Project Verification is completed, the Local Agency will submit the following Final Project Expenditure Report to the District PC. The report will consist of:

1. Signed letter of Project/Phase Close out (Exhibit 14-D “TCRP Letter of Project Close out”) or completed FIF.
2. TCRP Project Expenditures by Phase (Exhibit 14-E “TCRP Project Expenditures By Phase”).
3. Final Invoice.

After the District PC has signed the Project Close out letter, they will:

1. Send the Final Invoice to TCRP Accounting.
2. Original FIF form will be attached to the Final Project Expenditure Report.
3. Report package is sent to the Division of Local Assistance TCRP PC.

Final Report to the TCRP - Upon receipt of the Final Project Expenditure Report, the District Local Assistance TCRP PC will:

1. Make a copy of the Final Report package.
2. Send the copy of the package to the HQ TCRP.
3. File the original.

AS BUILT PLANS

See Section 17.4 “As Built Plans,” of Chapter 17 of the LAPM, for the As Built Plan requirements.

14.7 REFERENCES

- *Local Assistance Procedures Manual (LAPM)*
- *Local Assistance Program Guidelines (LAPG)*
- Assembly Bill 2928- the Traffic Congestion Relief Act (TCRA) of 2000
- Senate Bill 1662 of 2000
- *California Transportation Commission Guidelines for Traffic Congestion Relief Program*

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Exhibit 14-A TCRP Project Application

Section I. Application Information

- A. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code Section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:
 Paragraph Number: _____ Amount: \$ _____ million
 Description: _____

 Applicant Agency: _____
 Address: _____

 Contact Person: _____
 Phone #: _____ FAX # _____
 E-mail: _____
- B. Implementing Agency _____
 Address: _____

 Contact Person: _____
 Phone #: _____ FAX # _____
 E-mail: _____
- C. Caltrans District: _____
 Address: _____

 Project Manager/Coordinator: _____
 Phone #: _____ FAX #: _____
 E-mail: _____
- D. Application Type:
 _____ Study only (*Complete Sections II, IV, VI, & VIII*)
 _____ Non-Capital Phase(s)
 (*Complete All Sections except VII. Detail for requested phase(s), estimate, otherwise*)
 _____ Studies, environmental review, and permits
 _____ Preparation of project plans and specifications
 _____ Capital Phase(s) – **Must attach required environmental documents**
 (*Complete All Sections except VII. Detail for requested phase(s), estimate, otherwise*)
 _____ Right of Way Acquisition
 _____ Construction or Procurement
 _____ Complete Project (*Complete All Sections except VII*)
 _____ Alternative Project (*Complete All Sections*)

Section II. General Project Information

- A. Project Name: _____

- B. Project Purpose: _____

- C. Project Location (*attach a map if applicable*): _____

- D. Project Description: _____

- E. Project Scope: _____

- F. Total Estimated Cost of Project: _____
- G. Project Start Date: _____
- H. Construction Start Date: _____
- I. Project End Date: _____

Section III. Project Phase Information

Phase of work	Scope	Schedule (month/year)		Cost
		Start	End	
1. Studies, environmental review, and permits				
2. Preparation of project plans and specifications				
3. Right of Way acquisition				
4. Construction or procurement				
			Total:	

Section IV. Project Phases and TCRP Funds covered by this Application

	Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP Funds					
Estimated Allocation Date (month/year)					

- A. The Implementing Agency requests TRCP fund allocation in the amount of \$ _____ concurrent with this Application.
- B. The Implementing Agency requests an advance payment of \$ _____.
 Please explain and justify:

- C. Implementing Agency requests the following rate of reimbursement be considered in association with the requested allocation:
 ____ Proportionally spread across all funding sources.
 ____ Other, please explain and justify: _____

Section V. Funding Information for the Total Project

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
Total:		Committed					
		Proposed					
Project Totals:							

Section VI. Additional Information

- A. Will this project utilize Regional or Inter-Regional Transportation Improvement Program funding?
 Yes (Application must be co-signed by Regional Planning Agency or Caltrans, whichever is applicable.)
 No

- B. For projects with a Right of Way or Construction/Procurement Phase, the Lead Agency must demonstrate that it is part of, or in conformity with, the appropriate Regional Transportation Plan. Attach a copy of the relevant section(s) of the Regional Transportation Plan.

- C. If this project will utilize other fund sources (i.e. STIP, local measure tax, demo funds, etc.) have they been programmed or committed? Please provide a narrative, describing how they have been committed, or a strategy that the Agency will undertake to commit necessary funds.

Section VII. Justification for Alternative Project Application

- A. Reasons for Alternative Project (check all that apply):
 Significant delay caused by environmental or other factors external to the control of the lead applicant agency that is not likely to be removed within a reasonable time.
 Sufficient funds will not become available to secure the funds specified in the Act and complete the project within a reasonable time.
 The designated project is not in or consistent with the respective Regional Transportation Plan, and the Regional Agency will not or cannot include it.

____ Completion of the specified project would jeopardize the completion of other projects programmed in the State Transportation Improvement Program as of July 2000.

B. Explain items checked above in more detail.

C. Is the alternative project within the applicant's jurisdiction?

____ Yes
____ No

D. Explain how the proposed project presented in this Application will relieve congestion consistent with the Act:

Section VIII. Signatures of Applicant Agencies

By affixing the signature(s) below, the Agency certifies it has provided complete and accurate information necessary for the CTC to review and process this Project Application that the Agency will in good faith pursue this work for the public's benefit in a timely and diligent manner and comply with all existing and future CTC policies and rulings; and that the Regional Planning Agency or Caltrans has reviewed and approved this project.

Officer or Director of Applicant Agency

Date

Officer or Director of Implementing Agency
(Required if different from Applicant Agency)

Date

Officer or Director of Regional Transportation
Planning Agency (Required for use of RTIP funding)

Date

Deputy Director of Finance, Caltrans
(Required for use of ITIP funding)

Date

Caltrans District Representative
(Required for State Highway projects)

Date

Distribution: Local Agency, HQ TCRP, District Local Assistance, PC/PM

Exhibit 14-B TCRP Allocation Request

Section I. Project Information

- A. Project Name: _____

- B. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code Section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:
Paragraph Number: _____ Amount: \$ _____ million

- C. Has the Project changed as defined in Section 7.2 or Section 7.3 of the TCRP Guidelines?

____ Yes, as defined in Section 7.2, complete this Allocation Request form and prepare a narrative describing the nature (what and why) of the change for submittal to the CTC for approval.

____ Yes, as defined in Section 7.3, complete this Allocation Request form and indicate:

 ____ A narrative describing the nature (what and why) of the change is attached.
 ____ An Amended Application for submittal to the CTC for approval is attached.

____ No, complete the Allocation Request form.

Section II. Approved Application Information

- A. What was the date of approval for the TCRP Application that covers this Allocation Request? _____

- B. Is this Allocation Request for a capital phase(s) (Phase 3 or 4 as defined in the Guidelines and Application)?

____ Yes, answer the following:

 Does the Approved Application cover any capital phase(s)?

 ____ Yes, therefore, any required environmental documents were submitted and approved along with the Application. Complete the Allocation Request.

 ____ No, attach required environmental documents and complete the Allocation Request. This request will require CTC approval.

____ No, complete Allocation Request.

Section III. Project Phases and TCRP Funds covered by this Request

Planned: (from Application)	Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP Funds					
Estimated Allocation Date (month/year)					
History: (List all previously approved allocations)					
TCRP Funds					
Allocation Date (month/year)					
Requested: Differences, if any, should be explained					

C The Implementing Agency requests an advance payment of \$_____.

Please explain and justify.

D. The Implementing Agency requests the following rate of reimbursement be considered in association with the requested allocation.

___ Proportionally spread across all funding sources.

___ Other, please explain and justify: _____

Section IV. Signatures of Requesting Agencies

Officer or Director of Implementing Agency

Date

Officer or Director of Applicant Agency
(Required if different from Implementing Agency)

Date

Distribution: Local Agency, CTC, MPO/RTPA, District Local Assistance

Exhibit 14-C TCRP Progress Report Form

A. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code Section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:

Paragraph Number: _____ Amount: \$ _____ million

Description: _____

B. Applicant Agency: _____
Address: _____

Contact Person: _____

Phone #: _____ FAX #: _____

E-mail: _____

C. Caltrans Project Manager/Coordinator: _____

Phone #: _____ FAX #: _____

E-mail: _____

D. Submittal date of project application (actual or projected): _____

E. Proposed/Approved project cost/schedule by start and end of each phase:

Phase of Work	Scope	Schedule (month/year)		Cost
		Start	End	
Proposed/Approved				
1. Studies, environmental review, and permits				
Current/Actual				
1. Studies, environmental review, and permits				
Proposed/Approved				
2. Preparation of project plans and specifications				
Current/Actual				
2. Preparation of project plans and specifications				
Proposed/Approved				
3. Right of Way acquisition				
Current/Actual				
3. Right of Way acquisition				
Proposed/Approved				
4. Construction or procurement				
Current/Actual				
4. Construction or procurement				
Proposed/Approved TOTAL:				
Current/Actual TOTAL:				

E Project Expenditures by Phase:

Phase	1. Studies, environmental review & permits	2. Plans, Specifications and Estimate	3. Right of Way acquisition	4. Construction or procurement	Total Expenditure
Expenditure					

F Percent of Work Complete by Phase:

Phase	1. Studies, environmental review & permits	2. Plans, Specifications and Estimate	3. Right of Way acquisition	4. Construction or procurement	Total Percent Complete
Percent Complete					

H. Synopsis of issues, which may impact project implementation/progress:

Financial: _____

Environmental: _____

RTP Consistency: _____

Projects programmed in 2000 STIP: _____

Other: _____

I. Signature of Applicant Agency:

Officer or Director of Applicant Agency

Date

Distribution: Local Agency, HQ TCRP, CTC, PC/PM

Exhibit 14-D TCRP Letter of Project Close out

Agency Letter Head

TCRP BREF# _____

Date:

Attention: (Program Chief's name)
Office of the Traffic Congestion Relief Program
Department of Transportation
1120 N Street, MS 82
Sacramento, CA 95814

Dear (Mr./Mrs./Ms. Program Chief's name):

Submitted for your consideration is:

- A. Project Expenditures by Traffic Congestion Relief Program (TCRP) phase of work (See Attachment).

CERTIFICATION

I hereby certify that:

To the best of my knowledge and belief, the information in this report is a true and accurate record of actual project costs incurred and paid for the prescribed phase(s) of work and these project costs conform to OMB Circular A-87; CFR 49 Part 18 and the provisions set forth in project contractual document(s) entered into with the Department of Transportation.

Title and Unit of Lead Agency Representative

Date

I have reviewed the project, product or job site and believe that the described project phase(s) were completed in accordance the CTC's approved scope and funding set forth in the project authorization document and the related project agreement(s).

District Project Coordinator

Date

Distribution: Local Agency, HQ TCRP, PC/PM

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Exhibit 14-E TCRP Project Expenditures by Phase

Traffic Congestion Relief Program
Project Expenditures by Phase
Project Brief: _____
Date: _____
(Dollars in thousands)

Prepared by _____

Fund	Phase 1	Phase 2	Phase 3	Phase 4	Total Amount
TCR Fund Proposed	-	-	-	-	\$ -
Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
SHA Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Type of Federal Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Measure Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Other Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Other Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Other Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Other Fund Proposed	-	-	-	-	\$ -
Actual Allocated	-	-	-	-	\$ -
Expended	-	-	-	-	\$ -
(Over)/Under Allocation	-	-	-	-	\$ -
Total Project (Over) / Under Allocation	\$ -	\$ -	\$ -	\$ -	\$ -

Savings- TCR Fund	-	Advance- TCR Fund	-
Savings- Other Funds	-	Advance Interest Earned	-
Total Project Savings	\$ -	Advance-Expended	_____
		Total Ad. Exp. Savings	\$ -

Distribution: Local Agency, HQ TCRP, PC/PM

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CHAPTER 15

STATE AND LOCAL TRANSPORTATION PARTNERSHIP PROGRAM (SLTPP)

For more information on this chapter you can go to this web site:
<http://www.dot.ca.gov/hq/LocalPrograms/public.htm>
and select “Information on Archived Programs and Procedures”

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CHAPTER 16

Traffic Systems Management (TSM)

For more information on this chapter you can go to this web site:
<http://www.dot.ca.gov/hq/LocalPrograms/public.htm>
and select “Information on Archived Programs and Procedures”

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CHAPTER 17

TSM MATCH FUNDS

For more information on this chapter you can go to this web site:
<http://www.dot.ca.gov/hq/LocalPrograms/public.htm>
and select “Information on Archived Programs and Procedures”

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CHAPTER 18 OPTIONAL FEDERAL EXCHANGE AND STATE MATCH PROGRAMS

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CHAPTER 18 OPTIONAL FEDERAL EXCHANGE AND STATE MATCH PROGRAMS

18.1 INTRODUCTION

Senate Bill (SB) 1435 (Chapter 1177 of the 1992 Statutes), effective September 29, 1992, amended section 182.6 of the Streets and Highways Code (S&HC) to redefine the Optional Federal Exchange program under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Section 182.6(g) of the S&HC permits a Regional Transportation Planning Agency (RTPA) not designated as, nor represented by, a Metropolitan Planning Organization (MPO) with an urbanized area of greater than 200,000 population, to exchange its annual apportionment of Regional Surface Transportation Program (RSTP) funds for non-Federal funds (State cash). If an eligible RTPA elects not to exchange, Section 182.6(h)(1) permits an eligible county represented by that RTPA to exchange its entire annual sub-apportionment, pursuant to Section 182.6(d)(2) (110 percent 1990/91 Federal-aid Secondary minimum), for State cash.

In addition, Section 182.6(h)(2) of the S&HC permits an eligible county, located within an MPO boundary, to exchange its entire apportionment of Section 182.6(d)(2) funds, if it receives less than one percent of the total statewide apportionment under Section 182.6(d)(2) or that portion, if any, received in excess of 3.5 percent of the total statewide apportionment.

Section 182.9 of the S&H Code, as redefined by SB 1435, addresses the topic of State Match funds. The California Transportation Commission (CTC) must allocate to each county an amount equal to 50 percent of the funds allocated pursuant to Section 182.6(d)(2) with a maximum limit of \$100,000 dollars per county per fiscal year. State match funds are used to match Federal funds allocated pursuant to section 182.6(d)(2) of the S&HC.

Optional Federal Exchange and State Match dollars available under ISTEA are paid as a lump sum cash amount following the annual apportionment of RSTP funds.

18.2 ELIGIBLE USES FOR EXCHANGE AND MATCH FUNDS

RTPA EXCHANGE FUNDS

RTPA exchange funds must be used for projects as defined in Sections 133(b) and 133(c) of Title 23 of the United States Code (USC)--Highways, and not otherwise excluded by Article XIX--Motor Vehicle Revenues of the State Constitution. Only direct project related costs are eligible. Local agency overhead and other non-direct charges are ineligible.

COUNTY EXCHANGE FUNDS

County exchange funds, pursuant to Sections 182.6(h)(1) and (h)(2) of the S&HC, may be used for any transportation purpose authorized by Article XIX of the State Constitution.

COUNTY MATCH FUNDS

County match funds must be used to match Federal funds allocated pursuant to Section 182.6(d)(2) or, if in excess, may be used for any transportation purpose authorized by Article XIX of the State Constitution.

18.3 FSTIP AND AIR QUALITY CONFORMANCE RESTRICTIONS

Projects financed with exchange funds need not be included in an approved Federal Statewide Transportation Improvement Program (FSTIP) unless Federal action is required. However, the RTPA and county must agree to honor all projects already approved and included in an adopted Regional Transportation Improvement Program (RTIP) (i.e., exchange funds must be used to fund those projects where the RSTP funds for the projects have been exchanged) or have reached agreement on RTIP amendments. Caltrans must be notified of all RTIP amendments, especially for projects that remain RSTP funded, so that Federal funding documents (Request for Authorization, agreements, etc.) can be processed expeditiously.

Caltrans policy requires that exchange fund projects in an air quality non-attainment area be approved by the appropriate RTPA. These projects must also be explicitly included in the build alternative of the air quality conformance analysis, prior to use of exchange funds on the project.

18.4 PAYMENT OF EXCHANGE AND MATCH FUNDS

All requests for exchange and match funds are treated as grants with up-front lump sum payments. The RTPA's share of exchange is paid directly to the RTPA. Match funds and optional county exchange funds are paid directly to each eligible county.

Eligible counties and RTPAs have the option of requesting the payment of exchange funds in incremental amounts throughout the year instead of one lump sum. Caltrans must agree to any special payment requests.

Each year there is the possibility that initial payments for exchange and match may be lower than the total amount requested by an eligible agency due to a budgetary shortfall within Caltrans. Payment will be based on:

- the local agency's balance of remaining unobligated eligible Federal apportionments.
- the total statewide exchange and match payment requested from RTPAs and counties.
- available State budget capacity.

If the requests exceed the current fiscal year's budget capacity, and if a budget change proposal is not approved for that fiscal year to cover all requests, then the remaining balances of requested exchange and match funds are to be funded from the next fiscal year's State budget.

18.5 STEPS FOR IMPLEMENTING EXCHANGE AND MATCH PROVISIONS

ESTABLISHING UNOBLIGATED APPORTIONMENT BALANCE AVAILABLE FOR EXCHANGE

The Office of Local Programs (OLP) does not track the balances of S&HC Section 182.6(d)(2) county apportionments eligible for exchange. To establish the balances of unobligated apportionments available for exchange, the District Local Assistance Engineer (DLAE) must review the apportionment balances and project transactions, provided monthly by the OLP, and then meet with the eligible Regional Transportation Planning Agencies (RTPAs) and counties to determine the amount of eligible Federal apportionments to be exchanged for State cash. The RTPAs are responsible for identifying which projects count toward the Section 182.6(d)(2) county apportionment.

Once the eligible exchange amount is established, the DLAE must inform the appropriate OLP Area Engineer how the amount was calculated and provide the appropriate support documentation.

An RTPA or county may not request that payment of exchange funds be carried over into future fiscal years. The full amount of the fiscal year's apportionment will be paid subject to State budget constraints.

Unless otherwise noted, the deadline for exchange fund requests to the OLP is March 1, of the program fiscal year, after which further exchange is not allowed.

LOCAL ENTITY WRITTEN REQUEST FOR EXCHANGE FUNDS

REQUEST FROM A RTPA

The request from a RTPA must address the exchange of RSTP funds per Section 182.6(g) of the S&HC.

- The exchange amount shown in the RTPA agreement is equal to the total of that fiscal year's RSTP apportionment, less the minimum RSTP apportionment to be exchanged directly between the county and the State, less that portion of that fiscal year's RSTP apportionment already obligated and/or to be retained for future obligation. The exchange amount shown in the RTPA agreement shall not exceed the maximum allowable exchange funds for the fiscal year.

- If the request received by the DLAE does not specifically provide for that portion of the request to be exchanged directly between the county and the State, this portion of the exchange funds must be addressed in subsequent documentation (i.e., another reply or an executed RTPA agreement--the RTPA agreement includes an article in which the RTPA agrees that the State can pay exchange funds directly to the county).

The RTPA must also submit a list of those local entities to which the RTPA has allocated prior year exchange funds. This list must be received by the OLP before the State fund exchange agreement can be executed.

The request is submitted to the DLAE and must be signed by an authorized representative of the RTPA. The DLAE shall sign the request, recommending approval of the exchange fund amount. The request shall then be sent to the appropriate OLP Area Engineer for final approval of the amount requested and preparation of the State fund exchange agreement.

REQUEST FROM A COUNTY

The RSTP fund amount eligible for exchange by a non-MPO county is equal to that county's fiscal year apportionment pursuant to Section 182.6(d)(2) of the S&HC, less that portion already obligated and/or retained for future obligation for projects chargeable to that county's apportionment. The request from a county which qualifies for exchange funds must indicate the:

- amount of eligible RSTP funds for that fiscal year to be exchanged, and
- anticipated payment schedule, if payment of funds is not to be made in one lump sum.

The request must be signed by an authorized representative of the county and submitted to the DLAE. The DLAE must concur with and recommend approval of the exchange amount requested. The request shall be sent to the appropriate OLP Area Engineer for final approval of the amount requested and preparation of the State fund exchange agreement.

STATE-FUND EXCHANGE AGREEMENT

An eligible county or RTPA must enter into a State-fund exchange agreement for payment of match and/or exchange funds. Once the county, RTPA/MPO, District Local Assistance Engineer, and Headquarters OLP Area Engineer are in agreement with the exchange and match amounts, a State-fund exchange agreement will be prepared (in duplicate) by the OLP and forwarded to the local agency. Following execution of the agreement, the local agency must return both copies of the agreement to the OLP for final execution, encumbrance of funds and final processing. A copy of the final executed agreement will be returned to the local agency.

RTPA-STATE AGREEMENT

The RTPA-State fund exchange agreement requires that the RTPA agree:

- to apportion exchange funds to projects eligible under ISTEA and not excluded by Article XIX of the State Constitution which are implemented by cities, counties and other transportation agencies, and
- that all projects in an air quality non-attainment area, which are financed by exchange funds and have an air quality impact, be explicitly included in the build alternative of the air quality conformance analysis.

COUNTY-STATE AGREEMENT

The county-State fund exchange/match agreement requires that the county agree:

- to use exchange funds for transportation purposes authorized under Article XIX of the State Constitution.
- to use match funds to match the Federal funds allocated pursuant to Section 182.6(d)(2), or if in excess, for any transportation purpose authorized by Article XIX.
- that all projects in an air quality non-attainment area, which are financed by exchange funds and have an air quality impact, must be approved by the appropriate RTPA and be explicitly included in the build alternative of the air quality conformance analysis.

The following five State fund exchange and/or match agreements address optional exchange and State match funds provisions authorized by Sections 182.6 and 182.9 of the S&HC. These agreements are executed with RTPAs, MPO counties and non-MPO counties, as appropriate. (See Exhibits 18-A through 18-E.)

- Exhibit 18-A; "Federal Apportionment Exchange Program: California Department of Transportation -- Regional Transportation Planning Agency" addresses the exchange of an eligible RTPA's annual RSTP apportionment for State cash as authorized by Section 182.6(g) of the S&HC.
- Exhibit 18-B; "Federal Apportionment Exchange Program and State Match Program: California Department of Transportation -- Non-MPO County" addresses the exchange of the annual RSTP apportionment assigned to a non-MPO county for State cash and the State Match Program as authorized by Sections 182.6 (h)(1) and 182.9 of the S&HC, respectively.
- Exhibit 18-C; "Federal Apportionment Exchange Program and State Match Program: California Department of Transportation -- MPO County (less than 1%)" sets forth the requirements for exchange of RSTP apportionment assigned to a MPO county receiving less than 1% of the total annual statewide apportionment pursuant to Section 182.6 (d)(2), as authorized by Section 182.6 (h)(2). of the S&HC.

- Exhibit 18-D; “Federal Apportionment Exchange Program and State Match Program: California Department of Transportation -- MPO County (greater than 3.5%)” sets forth the requirements for exchange of RSTP apportionment assigned to a MPO county receiving more than 3.5% of the total statewide annual apportionment pursuant to Section 182.6 (d)(2), as authorized by section 182.6 (h)(2) of the S&HC.
- Exhibit 18-E; “State Match Program: California Department of Transportation -- County” is for use with counties receiving only State Match Program funds as authorized by Section 182.9 of the S&HC.

Notes: 1) The format and content of these agreements have been approved by the Caltrans Legal Division and are not to be revised.

2) Pre-ISTEA optional exchange and/or State match funds are authorized by Sections 2208 and 2209 and/or 2210 of the Streets and Highways Code. Consult the OLP for the appropriate agreement formats.

INVOICE FOR PAYMENT OF FUNDS

Prior to payment of exchange or match funds, the eligible RTPA or county must submit an invoice (original and two copies) to the State for payment. The invoice will formally evidence the county’s intent to assign an eligible portion of its annual minimum RSTP apportionment to the State. The invoice should be sent directly to the Accounting Service Center, Local Programs Accounting Branch. The initial invoice may accompany the above-referenced executed agreement. A sample invoice for use with the Exchange and Match programs is included at the end of this chapter (see Exhibit 18-F).

FINANCIAL CONTROLS

RTPAS

Non-city/county agencies receiving funds for projects from RTPAs are audited on a selective basis following the completion of projects. Eligible RTPAs are to provide the State with a list of local entities allocated exchange funds and the amount allocated to each agency, before receiving next year’s allocation.

RTPAs must agree to require non-city/county project sponsors to establish a separate account to deposit exchange fund payments. Furthermore, the RTPA must establish a separate account to deposit payments. The use of separate and special accounts facilitates the audit process and provides a mechanism to identify the use of funds and remaining balances.

In the event of an adverse audit finding, a local project sponsor receiving exchange funds from an RTPA must return the State cash to the RTPA for allocation to other eligible projects. The RTPA will be required to notify the State when the necessary corrective action has been taken.

If an adverse audit finding is not corrected, a hold will be placed on future exchange payments to the RTPA until the adverse findings are corrected to the State’s satisfaction.

CITIES AND COUNTIES

City and county expenditures of exchange and match funds are subject to financial and compliance audits by State of California auditors.

City and county agencies must establish a separate account within their Special Gas Tax Street Improvement Fund or County Road Fund to deposit and account for State exchange and match payments received directly from the State and/or allocated by a RTPA. Using separate and special accounts facilitates the audit process and provides a mechanism to identify the use of funds and remaining balances.

In the event of an adverse audit finding, a county receiving exchange/match funds directly from the State is required to replace the State dollars with local funds and credit their exchange/match balance for use of funds on other eligible purposes.

In the event of an adverse audit finding, a city or county project sponsor receiving exchange funds from a RTPA must return the State cash to the RTPA for allocation to other eligible projects.

If an adverse audit finding is not corrected, a hold will be placed on future exchange and match payments to the RTPA or county until the adverse findings are corrected to the State's satisfaction.

18.6 REFERENCES

- Optional Federal Exchange and State Match Guidelines - Caltrans
- Senate Bill 1435, Chapter 1177 of the 1992 Statutes Relating to the California Department of Transportation
- Sections 182.6(d)(1), (d)(2), (h)(1), (h)(2) and 182.9 of the Streets and Highways Code
- Sections 133(b), (c) of the United States Government Code
- Intermodal Surface Transportation Efficiency Act of 1991
- Article XIX of the State Constitution

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**FEDERAL APPORTIONMENT EXCHANGE PROGRAM: CALIFORNIA DEPARTMENT OF
TRANSPORTATION -- REGIONAL TRANSPORTATION PLANNING AGENCY**

District _____ Agency _____

Agreement No. _____

THIS AGREEMENT is made on _____, 199____, by _____, a Regional Transportation Planning Agency (RTPA) designated under section 29532 of the California Government Code, and the State of California, acting by and through the Department of Transportation (CALTRANS).

WHEREAS, RTPA desires to assign apportionments made available to it for allocation to transportation projects under the Intermodal Surface Transportation Efficiency Act of 1991, as modified in accordance with section 182.6 of the Streets and Highways Code [Regional Surface Transportation Program (RSTP) funds] in exchange for nonFederal State Highway Account funds:

NOW, THEREFORE, the parties agree as follows:

1. As authorized by section 182.6(g) of the Streets and Highways Code, RTPA agrees to assign to CALTRANS the following portion of its annual RSTP apportionment:

\$ _____ . ____ for Fiscal Year 199__/9__

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

The above referenced portion of RTPA's annual RSTP apportionment is equal to the total RSTP Apportionment less the minimum annual RSTP apportionment set for the county under section 182.6(d)(2) of the Streets and Highways Code, less any Federal apportionments already obligated for projects not chargeable to said County's annual RSTP minimum apportionment, and less those RSTP apportionments RTPA has chosen to retain for future obligation.

2. RTPA agrees the exchange for county's annual RSTP minimum apportionment under section 182.6(d)(2) of the Streets and Highways Code will be paid by CALTRANS directly to _____ County.

3. Subject to funds being made available, and upon receipt of an invoice evidencing its assignment under Section 1 to CALTRANS, CALTRANS agrees to pay to RTPA an amount not to exceed \$_____ which amount is equal to the sum of the amounts assigned in Section 1.

4. Subject to funds being made available by the State Budget Act, CALTRANS agrees to pay RTPA prior to July 1, 199__ up to \$_____ invoiced under Section 3 for use in accordance with this agreement.

5. RTPA agrees to allocate all State funds paid hereunder only for projects as defined under sections 133(b) and 133 (c) of Title 23, United States Code and Article XIX of the California State Constitution, implemented by cities, counties, and other agencies in accordance with the requirements of section 182.6(d)(1) of the Streets and Highways Code.

6. RTPA agrees to allocate such funds, as necessary, for those projects already included in the adopted Federal Statewide Transportation Improvement Program (FSTIP) that were to be funded with RSTP funds exchanged under Section 1 or reach agreement on amendments to the FSTIP.

7. RTPA agrees specifically to include in the "build" alternative of the air quality conformance analysis any capacity-expanding project funded herein located in an air quality nonattainment area.

8. RTPA agrees to provide to CALTRANS annually by August 1 a list of all local project sponsors allocated funds herein in the preceding fiscal year and the amounts allocated.

9. RTPA agrees to require project sponsors receiving funds hereunder to establish a special account for the purpose of depositing therein all payments received from RTPA pursuant to this agreement: (a) for cities within their Special Gas Tax Street Improvement Fund, (b) for counties, within their County Road Fund, and (c) for all other sponsors, a separate account.

10. RTPA agrees to grant, and to require local sponsors to grant, State of California auditors access to RTPA's and local sponsor's books and records for the purpose of verifying that funds paid hereunder are properly accounted for and proceeds are expended in accordance with the terms of this agreement. All documents will be available for inspection by authorized CALTRANS agents at any time during project development and for a four-year period from date of completion of project or one year after the audit is completed or waived by CALTRANS, whichever is later.

11. RTPA agrees in the event a project sponsor fails to use funds received hereunder in accordance with the terms of this agreement to require the project sponsor to return the exchange funds to RTPA for credit to the account established under Section 9. In the event of such requirement by CALTRANS, RTPA shall provide written verification to CALTRANS that the requested corrective action has been taken.

12. CALTRANS reserves the right for the payments required hereunder to be reduced to offset such additional obligations against Federal apportionments as are chargeable to, but not included in, the assignment under Section 1.

STATE OF CALIFORNIA
Department of Transportation

(TRANSPORTATION PLANNING AGENCY)
[LOCAL TRANSPORTATION COMMISSION]

Chief, District Liaison Branch
Office of Local Programs

Executive Director

Date: _____

Date: _____

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**FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM:
 CALIFORNIA DEPARTMENT OF TRANSPORTATION -- NON-MPO COUNTY**

District _____ County _____

Agreement No. _____

THIS AGREEMENT is made on _____, 199_, by the COUNTY of _____, a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (CALTRANS).

WHEREAS, COUNTY desires to assign apportionments made available to it for allocation to transportation projects under the Intermodal Surface Transportation Efficiency Act of 1991, as modified in accordance with section 182.6 of the Streets and Highways Code (Regional Surface Transportation Program (RSTP) funds) in exchange for nonFederal State Highway Account funds, and

WHEREAS section 182.9 of the Streets and Highways Code requires the allocation of State matching moneys from the State Highway Account to COUNTY, and

NOW, THEREFORE, the parties agree as follows:

I. FEDERAL APPORTIONMENT EXCHANGE PROGRAM

A. As authorized by section 182.6 of the Streets and Highways Code, and the RTPA having agreed to exchange or elected not to exercise its authority as it relates to the COUNTY'S portion of the RSTP under section 182.6(g), COUNTY agrees to assign to CALTRANS:

\$ _____ from the eligible portion of its annual minimum RSTP Apportionment for Fiscal Year 199_/9_.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance									
Accounting Officer					Date		\$		
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$	\$

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance									
Accounting Officer					Date		\$		
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$	\$

The eligible portion of said minimum apportionment is the COUNTY's annual minimum RSTP apportionment established under section 182.6 (d)(2) of the Streets and Highways Code less any Federal apportionments already obligated for projects chargeable to its annual minimum RSTP apportionment.

B. COUNTY agrees to use such funds, as necessary, for those projects already included in the adopted Federal Statewide Transportation Improvement Program (FSTIP) that were to be funded with RSTP funds exchanged under Section I.A or reach agreement on amendments to the FSTIP.

C. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

II. STATE MATCH PROGRAM

A. As authorized by section 182.9 of the Streets and Highways Code, CALTRANS agrees to pay to COUNTY \$_____ from the unobligated balance of its State Matching moneys for Fiscal Year 199_/9_.

B. COUNTY agrees that before it uses State Matching funds for any other lawful purpose, it shall use such funds to match Federally funded transportation projects.

III. COMMON PROVISIONS

A. Subject to funds being made available by the State Budget Act, and upon receipt of an invoice evidencing COUNTY's assignment of its apportionment under Section I.A to CALTRANS, CALTRANS agrees to pay to COUNTY an amount not to exceed \$_____ which amount is equal to the sum of the apportionment amounts identified in Section I.A and the State Match funds identified in Section II.A.

B. Subject to funds being made available by the State Budget Act, CALTRANS agrees to pay COUNTY prior to July 1, 199_, up to \$_____ of the amounts invoiced under Section III.A, for use in accordance with this agreement.

C. COUNTY agrees to use all State funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

D. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

E. COUNTY agrees to grant State of California auditors access to COUNTY's books and records for the purpose of verifying that funds paid hereunder are properly accounted for and proceeds are expended in accordance with the terms of this agreement. All documents will be available for inspection by authorized CALTRANS agents at any time for a four-year period from date of payment under this agreement or one year after the audit is completed or waived by CALTRANS, whichever is later.

F. COUNTY agrees in the event COUNTY fails to use funds received hereunder in accordance with the terms of this agreement, CALTRANS will require COUNTY to replace those State funds with local funds and credit the account established under Section III.D. In the event of such requirement by CALTRANS, COUNTY shall provide written verification to CALTRANS that the requested corrective action has been taken.

G. CALTRANS reserves the right for the payments required hereunder to be reduced to offset such additional Federal apportionments obligated for projects chargeable to the COUNTY's annual RSTP minimum apportionment as are not counted in Section I.A and such additional State Match funds obligated for Federal projects as are not counted in Section II.A.

STATE OF CALIFORNIA
Department of Transportation

COUNTY OF _____

Chief, District Liaison Branch
Office of Local Programs

Chair, Board of Supervisors

Date: _____

Date: _____

ATTEST:

Acting Clerk, Board of Supervisors

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**FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM: CALIFORNIA
 DEPARTMENT OF TRANSPORTATION -- MPO COUNTY
 (LESS THAN 1% TOTAL STATEWIDE SECTION 182.6(d)(2) S&HC ANNUAL RSTP APPORTIONMENT)**

District _____ County _____

Agreement No. _____

THIS AGREEMENT is made on _____, 199_, by the COUNTY of _____, a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (CALTRANS).

WHEREAS, COUNTY desires to assign apportionments made available to it for allocation to transportation projects under the Intermodal Surface Transportation Efficiency Act of 1991, as modified in accordance with section 182.6 of the Streets and Highways Code (Regional Surface Transportation Program (RSTP) funds) in exchange for nonFederal State Highway Account funds, and

WHEREAS section 182.9 of the Streets and Highways Code requires the allocation of state matching moneys from the State Highway Account to COUNTY:

NOW, THEREFORE, the parties agree as follows:

I. FEDERAL APPORTIONMENT EXCHANGE PROGRAM

A. As authorized by section 182.6(h)(2) of the Streets and Highways Code, COUNTY agrees to assign to CALTRANS:

\$ _____ from the eligible portion of its annual minimum RSTP Apportionment for Fiscal Year 199_/9_.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

The eligible portion of said minimum apportionment is the COUNTY's annual minimum RSTP apportionment established under Section 182.6 (d)(2) of the Streets and Highways Code less any Federal apportionments already obligated for projects chargeable to its eligible portion annual minimum RSTP apportionment.

B. COUNTY agrees to use such funds, as necessary, for those projects already included in the adopted Federal Statewide Transportation Improvement Program (FSTIP) that were to be funded with RSTP funds exchanged under Section I.A or reach agreement on amendments to the FSTIP.

C. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

II. STATE MATCH PROGRAM

A. As authorized by section 182.9 of the Streets and Highways Code, CALTRANS agrees to pay to COUNTY \$_____ from the unobligated balance of its State Matching moneys for Fiscal Year 199_/9_.

B. COUNTY agrees that before it uses State Matching funds for any other lawful purpose, it shall use such funds to match Federally funded transportation projects.

III. COMMON PROVISIONS

A. Subject to funds being made available by the State Budget Act, and upon receipt of an invoice evidencing COUNTY's assignment of its apportionment under Section I.A to CALTRANS, CALTRANS agrees to pay to COUNTY an amount not to exceed \$_____ which amount is equal to the sum of the apportionment amounts identified in Sections I.A and the State Match funds identified in Section II.A.

B. Subject to funds being made available by the State Budget Act, CALTRANS agrees to pay COUNTY prior to July 1, 199_, up to \$_____ of the amounts invoiced under Section III.A, for use in accordance with this agreement.

C. COUNTY agrees to use all state funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

D. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

E. COUNTY agrees to grant State of California auditors access to COUNTY's books and records for the purpose of verifying that funds paid hereunder are properly accounted for and proceeds are expended in accordance with the terms of this agreement. All documents will be available for inspection by authorized CALTRANS agents at any time for a four-year period from date of payment under this agreement or one year after the audit is completed or waived by CALTRANS, whichever is later.

F. COUNTY agrees in the event COUNTY fails to use funds received hereunder in accordance with the terms of this agreement, CALTRANS will require COUNTY to replace those State funds with local funds and credit the account established under Section III.D. In the event of such requirement by CALTRANS, COUNTY shall provide written verification to CALTRANS that the requested corrective action has been taken.

G. CALTRANS reserves the right for the payments required hereunder to be reduced to offset such additional Federal apportionments obligated for projects chargeable to the COUNTY's annual RSTP minimum

apportionment as are not counted in Section I.A and such additional State Match funds obligated for Federal projects as are not counted in Section II.A.

STATE OF CALIFORNIA
Department of Transportation

COUNTY OF _____

Chief, District Liaison Branch
Office of Local Programs

Chair, Board of Supervisors

Date: _____

Date: _____

ATTEST:

Acting Clerk, Board of Supervisors

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FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM: CALIFORNIA DEPARTMENT OF TRANSPORTATION -- MPO COUNTY
 (GREATER THAN 3.5% TOTAL STATEWIDE SECTION 182.6(d)(2) S&H CODE ANNUAL RSTP APPORTIONMENT)

District _____ County _____

Agreement No. _____

THIS AGREEMENT is made on _____, 199_, by the COUNTY of _____, a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (CALTRANS).

WHEREAS, COUNTY desires to assign apportionments made available to it for allocation to transportation projects under the Intermodal Surface Transportation Efficiency Act of 1991, as modified in accordance with section 182.6 of the Streets and Highways Code (Regional Surface Transportation Program (RSTP) funds) in exchange for nonFederal State Highway Account funds, and

WHEREAS section 182.9 of the Streets and Highways Code requires the allocation of state matching moneys from the State Highway Account to COUNTY:

NOW, THEREFORE, the parties agree as follows:

I. FEDERAL APPORTIONMENT EXHCANGE PROGRAM

A. As authorized by section 182.6(h)(2) of the Streets and Highways Code, COUNTY agrees to assign to CALTRANS:

\$ _____ from the eligible portion of its annual minimum RSTP Apportionment for Fiscal Year 199_/9_.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

The eligible portion of said minimum apportionment is the COUNTY's annual minimum RSTP apportionment established under section 182.6 (d)(2) of the Streets and Highways Code in excess of 3 1/2 percent of the statewide minimum apportionment established under section 182.6 (d)(2) less any Federal apportionments already obligated for projects chargeable to its eligible portion annual minimum RSTP apportionment.

B. COUNTY agrees to use such funds, as necessary, for those projects already included in the adopted Federal Statewide Transportation Improvement Program (FSTIP) that were to be funded with RSTP funds exchanged under Section I.A or reach agreement on amendments to the FSTIP.

C. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

II. STATE MATCH PROGRAM

A. As authorized by section 182.9 of the Streets and Highways Code, CALTRANS agrees to pay to COUNTY \$ _____ from the unobligated balance of its State Matching moneys for Fiscal Year 199_/_9_.

B. COUNTY agrees that before it uses State Matching funds for any other lawful purpose, it shall use such funds to match Federally funded transportation projects.

III. COMMON PROVISIONS

A. Subject to funds being made available by the State Budget Act, and upon receipt of an invoice evidencing COUNTY's assignment of its apportionment under section I.A to CALTRANS, CALTRANS agrees to pay to COUNTY an amount not to exceed \$ _____ which amount is equal to the sum of the apportionment amounts identified in Section I.A and the State Match funds identified in Section II.A.

B. Subject to funds being made available by the State Budget Act, CALTRANS agrees to pay COUNTY prior to July 1, 199_, up to \$ _____ of the amounts invoiced under Section III.A, for use in accordance with this agreement.

C. COUNTY agrees to use all state funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

D. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

E. COUNTY agrees to grant State of California auditors access to COUNTY's books and records for the purpose of verifying that funds paid hereunder are properly accounted for and proceeds are expended in accordance with the terms of this agreement. All documents will be available for inspection by authorized CALTRANS agents at any time for a four-year period from date of payment under this agreement or one year after the audit is completed or waived by CALTRANS, whichever is later.

F. COUNTY agrees in the event COUNTY fails to use funds received hereunder in accordance with the terms of this agreement, CALTRANS will require COUNTY to replace those State funds with local funds and credit the account established under Section III.D. In the event of such requirement by CALTRANS, COUNTY shall provide written verification to CALTRANS that the requested corrective action has been taken.

G. CALTRANS reserves the right for the payments required hereunder to be reduced to offset such additional Federal apportionments obligated for projects chargeable to the COUNTY's annual RSTP minimum

apportionment as are not counted in Section I.A and such additional State Match funds obligated for Federal projects as are not counted in Section II.A.

STATE OF CALIFORNIA
Department of Transportation

COUNTY OF _____

Chief, District Liaison Branch
Office of Local Programs

Chair, Board of Supervisors

Date: _____

Date: _____

ATTEST:

Acting Clerk, Board of Supervisors

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**STATE MATCH PROGRAM: CALIFORNIA DEPARTMENT OF TRANSPORTATION --
COUNTY**

District _____ County _____

Agreement No. _____

THIS AGREEMENT is made on _____, 199_, by the COUNTY of _____ a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (CALTRANS).

WHEREAS section 182.9 of the Streets and Highways Code requires the allocation of state matching moneys from the State Highway Account to COUNTY:

NOW, THEREFORE, the parties agree as follows:

I. STATE MATCH PROGRAM

A. As authorized by section 182.9 of the Streets and Highways Code, CALTRANS agrees to pay to COUNTY \$ _____ from the unobligated balance of its State Matching moneys for Fiscal Year 199_/9_.

B. COUNTY agrees that before it uses State Matching funds for any other lawful purpose, it shall use such funds to match Federally funded transportation projects.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
Accounting Officer					Date		\$	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$

II. COMMON PROVISIONS

- A. Subject to funds being made available by the State Budget Act, and upon receipt of an invoice evidencing COUNTY's assignment of its apportionment under Section I.A to CALTRANS, CALTRANS agrees to pay to COUNTY an amount not to exceed \$ _____, which amount is equal to the State Match funds identified in I.A.
- B. Subject to funds being made available by the State Budget Act, CALTRANS agrees to pay COUNTY prior to July 1, 199_, up to \$ _____ of the amounts invoiced under Section II.A, for use in accordance with this agreement.
- C. COUNTY agrees to use all state funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.
- D. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.
- E. COUNTY agrees to grant State of California auditors access to COUNTY's books and records for the purpose of verifying that funds paid hereunder are properly accounted for and proceeds are expended in accordance with the terms of this agreement. All documents will be available for inspection by authorized CALTRANS agents at any time for a four-year period from date of payment under this agreement or one year after the audit is completed or waived by CALTRANS, whichever is later.
- F. COUNTY agrees in the event COUNTY fails to use funds received hereunder in accordance with the terms of this agreement, CALTRANS will require COUNTY to replace those State funds with local funds and credit the account established under Section II.D. In the event of such requirement by CALTRANS, COUNTY shall provide written verification to CALTRANS that the requested corrective action has been taken.
- G. CALTRANS reserves the right for the payments required hereunder to be reduced to offset such additional State Match funds obligated for Federal projects as are not counted in Section I.A.

STATE OF CALIFORNIA
Department of Transportation

COUNTY OF _____

Chief, District Liaison Branch
Office of Local Programs

Chair, Board of Supervisors

Date: _____

Date: _____

ATTEST:

Acting Clerk, Board of Supervisors

**SAMPLE INVOICE FOR EXCHANGE/MATCH PROGRAM
(ON AGENCY LETTERHEAD)**

Date of Invoice:

Billing No.: *1, 2, ... , or final*

Local Agency's Invoice No.: *Invoice No.*

Department of Transportation
Accounting Service Center
Local Programs Accounting Branch
P.O. Box 942874
Sacramento, CA 94272-0001

Attn: *Local Assistance Engineer*

Payment of State Match and/or State Exchange funds is claimed pursuant to Local Agency-State Agreement No. _____, Executed on _____

	<u>State Match</u>	<u>State Exchange</u>	<u>Total</u>
Total Amount Claimed	_____	_____	_____
Total of Previous Invoices	_____	_____	_____
Amount Claimed This Request	_____	_____	_____

I certify that the amounts shown in this invoice are true and correct; and the amount claimed is due and payable in accordance with the terms of the Agreement.

Signature

Title

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CHAPTER 19 GRADE SEPARATION**CONTENTS**

Section	Subject	Page Number
19.1	Introduction	19-1
19.2	Project Initiation	19-2
	Priority List	19-2
19.3	PROJECT ALLOCATIONS	19-2
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	Priority List	19-5
	Advance Construction	19-5

EXHIBITS

EXHIBIT	Description	Page Number
19-A	PUC's Priority List Criteria	19-7

CHAPTER 19 GRADE SEPARATION PROGRAM

19.1 INTRODUCTIONS

The intent of the Grade Separation Program is to improve safety and expedite the movement of vehicles by eliminating highway-rail crossing at grade with a grade separation. Grade separation means a structure which actually separates the vehicle roadway from the railroad tracks.

The grade separation project can include the grade separation and all approaches, ramps, connections, drainage, and other construction items required to make the grade separation operable and to effect the separation the vehicle roadway from the railway tracks. Grade separation projects may also include provisions for separations of non-motorized traffic from vehicular roadway and the railroad tracks. If a separation of non-motorized traffic is not to be included in the project, there shall be a finding that the separation of non-motorized traffic is not in the public interest. This finding shall be signed by the local agency Public Works Director, Chief Engineer or highest registered Civil Engineer in that agency.

On any project where there is only one railroad track in existence, the project shall be built so as to provide for expansion to two tracks when the Grade Separation Program Manager determines that the project is on an existing or potential major railroad passenger corridor. Such projects may consist of:

1. The alteration or reconstruction of existing grade separations.
2. The construction of new grade separation to eliminate existing or proposed grade crossings
3. The removal or relocation of highways or railroad tracks to eliminate existing grade crossings.

19.2 PROJECT INITIATION

PRIORITY LIST

Prior to July 1 of each year, the Public Utilities Commission will establish a list, in order of priority, of projects which the commission determines to be most urgently in need of separation or alteration. The priority list will be determined on the basis of criteria established by the Public Utilities Commission, see Exhibit 19-A PUC's Priority List Criteria.

As to projects of otherwise equal priority, the commission will give greater priority to grade separation projects for which the amount contributed by a local agency is equal to or greater than 50 percent of the cost of the project.

19.3 PROJECT ALLOCATIONS

California Transportation Commission will make allocations for projects contained in the latest priority list for preliminary engineering and construction costs on the basis of the

following:

(a) An allocation of 80 percent of the estimated cost of the project shall be made; except that whenever contributions from other sources exceed 20 percent of the estimated cost, the allocation shall be reduced by the amount of local contribution in excess of 20 percent of the estimated cost.

(b) An allocation of 50 percent of the estimated cost of the project shall be made for a proposed crossing.

(c) No allocation shall be made in excess of 50 percent of the estimated cost of the project unless the grade crossing to be eliminated has been in existence for at least 10 years prior to the date of allocation.

(d) On projects which eliminate an existing crossing, or alter or reconstruct an existing grade separation, no allocation shall be made unless the railroad agrees to contribute 10 percent of the cost of the project.

(e) Where a project does not include a grade separation, but eliminates existing grade crossing or crossings, the allocation shall not exceed the estimated allocation that would have been made for the grade separation which is no longer needed because of the elimination of the grade crossing by the project and which is indicated on the priority list to be urgently in need of grade separation.

(f) Where the project includes the separation of a highway and a railroad passenger service operated by a city or county, the operating agency shall contribute 20 percent of the cost of the project. The priority listing for such projects shall be in accordance with criteria established for such railroad passenger service by the Public Utilities Commission.

(g) Notwithstanding subdivisions (a) to (f), inclusive, the total of such allocations for a single project shall not exceed five million dollars (\$5,000,000) without specific legislative authorization, except that the amount for a single project may be increased to either (1) an amount that includes the Federal construction cost index increase each year since 1976, or (2) an amount which does not exceed one third of the total funds appropriated for grade separation projects for the year of allocation, whichever amount is less, as determined each year by the Public Utilities Commission.

(h) Notwithstanding subdivisions (a) to (g), inclusive, a single project in excess of five million dollars (\$5,000,000), but not exceeding twenty million dollars (\$20,000,000), shall be considered without specific legislative authority, if the project:

- (1) is included in the Public Utilities Commission's priority list of projects scheduled to be funded,
- (2) eliminates the need for future related grade separation projects,
- (3) provides projected cost savings of at least 50 percent to the State or local jurisdiction, or both of them, by eliminating the need for future projects, and
- (4) alleviates traffic and safety problems or provides improved rail service not otherwise possible.

Projects approved pursuant to this subdivision shall be funded over a multi year period, not to exceed five years, and the allocation for any one of those years shall not exceed the amount prescribed by subdivision (g) for a single project. An agency which has received an allocation for a project approved pursuant to this subdivision shall not be eligible for an allocation for another project under this subdivision for a period of 10 years from the date

of approval of that project. Not more than one-half of the total allocation available in any one fiscal year for grade separation projects may be used for the purposes of this subdivision.

(i) Notwithstanding any of the above provisions of this section or any other provision of law, when the State or local agency uses funds derived from Federal sources in financing its share of project costs, the railroad contribution, where required by Federal law or regulation, shall be computed pursuant to Federal law. However, the allocation made pursuant to this chapter shall be computed as though such matching contribution was derived from non-Federal sources and shall be computed as though the railroad had made its contribution pursuant to state law rather than pursuant to Federal law. Where the contribution of the railroad is computed according to Federal law or regulation because of the use of Federal funds in the allocation for a project, the allocation shall be increased by the amount the share of the railroad is reduced below 10 percent of the estimated cost of the project.

SPECIAL ALLOCATIONS

PITTSBURG TRACK REMOVAL AND GRADE CROSSING ELIMINATION PROJECT

The planned removal of trackage of the Sacramento Northern Railway, the construction of substitute tracks and track connections, the elimination of 10 existing grade crossings, the acquisition of necessary rights-of-way, and all necessary associated work and appurtenances, to enable Sacramento Northern Railway trains to operate via existing trackage of the Atchison, Topeka & Santa Fe Railway, in and adjacent to the City of Pittsburg, is eligible for Grade Separation funds. The Public Utilities Commission will determine to what extent, if any, the railroad shall contribute to the project. Such eligibility will not be contingent on whether the railroad agrees to contribute, and the California Highway Commission shall not deny an allocation on such grounds.

The Legislature determined it is necessary to enact special legislation regarding the Pittsburgh track removal and grade crossing elimination project because of the existence of the following special facts and circumstances:

- The predominant traffic carried by the Sacramento Northern Railway consists of high explosives, bombs, shells, and ammunition destined for the United States Navy ammunition depot at Port Chicago.
- Such trains traverse residential areas, cross 10 streets at grade, and constitute a grave hazard to the life and safety of the residents of Pittsburg.
- Sacramento Northern Railway is willing to remove its tracks and operate its trains via the tracks of the Atchison, Topeka & Santa Fe Railway, which is already partially grade separated and which offers a safer route
- Sacramento Northern Railway will sacrifice certain of its own facilities, will receive no benefits, and therefore does not have to contribute any portion of the cost incidental to the removal of its trackage or for the construction of substitute track connections and appurtenances or for the acquisition of rights-of-way.

AMTRAK CONTRIBUTIONS

Whenever the National Railroad Passenger Corporation (AMTRAK) contributes an amount equal to one-third of the total cost to the State or local agencies for a grade separation project, or any lesser percentage, the California Transportation Commission may agree to reduce proportionately the cost to the participating parties.

Any such grade separation project may be assigned a priority by the Public Utilities Commission that is higher than the priorities assigned to all other such projects for which the National Railroad Passenger Corporation (AMTRAK) has not made a contribution.

19.4 PROCEDURES FOR PAYMENT OF WORK

AGREEMENTS

After an allocation is made to a local agency by the commission, the local agency and Caltrans will enter into an agreement concerning the handling and accounting of funds, including procedures to permit prompt payment for the work accomplished. The procedures providing for payment of work accomplished shall be drawn in such a manner as to avoid the necessity for the local agency to utilize funds in an amount greater than the local agency's share of the project costs. Such agreement may establish procedures for the programming of the work of the project in order to assure optimum cash flow utilization of funds made available by the Legislature.

ALLOCATION FOR COSTS

PRELIMINARY ENGINEERING

Pre-construction costs (engineering, right-of-way, preparation of environmental impact reports, and utility relocation) expended by a local agency prior to any allocation shall be included in the total cost of the project even though the costs were expended prior to an allocation. Allocations shall be made for pre-construction costs to a local agency that submits evidence satisfactory to the Department that the local agency will be able to meet the requirements for an allocation for construction costs, and that pre-construction costs will exceed the local share of the cost of the project. A local agency may also proceed with the advertising for bids and the construction of a project without prejudice to its right to receive an allocation if an allocation is within the same fiscal year that the construction contract was awarded.

CONSTRUCTION

An allocation for construction costs, including pre-construction costs if not already allocated, shall be made to a local agency only if it furnishes evidence satisfactory to the Grade Separation Program Manager that all necessary orders of the Public Utilities Commission have been executed, that sufficient local funds will be made available as the work of the project progresses, that all necessary agreements with affected railroad or railroads have been executed that, if required, all environmental impact reports have been prepared and approvals obtained, and that all other matters prerequisite to the award of the construction contract can be accomplished within one year after the allocation.

COST INCREASE

Except as noted below, allocations shall remain available until expended. If a construction contract has not been awarded within one year after an allocation for construction costs, the CTC may order the allocation canceled and such funds returned to the program for allocation to other projects. All or any part of an allocation for pre-construction costs may be canceled upon a finding that insufficient progress is being made to complete the

project. When an allocation is canceled, the local agency shall repay any funds received from the program. The Grade Separation Program Manager shall determine, with input from the local agency, repayment schedule.

PRIORITY LIST

If the actual and necessary cost of the project exceeds the estimate, the allocations made for such project may be augmented proportionately by a supplemental allocation. A supplemental allocation will be made if the CTC is satisfied that funds would have been allocated for the project had the actual costs, instead of the original allocation, been used in determining the projects ranking on the priority list.

If more projects comply are eligible than can be financed from funds set aside for the Grade separation program, allocations shall be made to those projects highest on the priority list, see Exhibit A. The CTC may make allocations for any project on the priority list when it determines, at the time of allocation, that sufficient funds are available for all projects which are higher on the priority list and which are, or are reasonably expected to go to construction during the fiscal year.

From funds remaining after allocations for projects higher on the priority list, the CTC will offer to allocate the remaining funds for the next eligible project on the priority list, even though the amount of the remaining funds is less than the amount the local agency is entitled to for that project. The CTC, in the next fiscal year, will allocate to the local agency an additional amount equal to the difference between the amount the local agency was eligible to receive and the amount of the reduced allocation.

ADVANCE CONSTRUCTION

A project that is on the priority list may be constructed by a local agency prior to the time that it reaches a high enough priority for funding under this chapter. The project shall retain its eligibility for listing on subsequent priority lists established by the PUC by applying the traffic, accident other conditions existing at the project location at the time immediately preceding the start of construction. If the project subsequently reaches a high enough priority, funds shall be allocated and paid to the local agency under the terms of the agreement and on the basis of the cost of construction of the project. To be eligible for subsequent funding both of the following requirements shall be met:

- The work on the project shall be performed under terms and conditions established in an agreement between Caltrans and the project sponsor executed prior to start of construction of the project.
- The project has received approval of the CTC prior to start of construction of the project.

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation for the purpose of)
establishing a list for the fiscal)
years 1996-97 and 1997-98 of)
existing and proposed crossings at)
grade of city streets, county)
roads, or state highways most)
urgently in need of separation,)
or projects effecting the)
elimination of grade crossings by)
removal or relocation of streets)
or railroad tracks, or existing)
separations in need of alteration)
or reconstruction as contemplated)
by Section 2452 of the Streets and)
Highways Code.)
_____)

F I L E D
PUBLIC UTILITIES COMMISSION
JULY 19, 1995
SAN FRANCISCO OFFICE
I.95-07-003

ORDER INSTITUTING INVESTIGATION

By July 1 of each year, the California Public Utilities Commission (Commission) is required pursuant to Streets and Highways (S&H) Code Section 2452 to establish and furnish to the California Transportation Commission (CTC) a priority list of railroad grade separation projects most urgently in need of separation, including the elimination of existing or proposed grade crossings, the elimination of grade crossings by removal or relocation of streets or railroad tracks, and existing grade separations most urgently in need of alteration or reconstruction. The list, based on criteria established by the Commission, includes projects on city streets, county roads, and state highways which are not freeways as defined in S&H Code Section 257.

Funding for projects included on each annual priority list is provided by S&H Code Section 190, and the basis for allocation and state requirements are contained in S&H Code Sections 2450-2461. On projects which eliminate an existing crossing or alter or reconstruct an existing grade separation, an allocation of 80% of the estimated cost of the project is made, with the local agency and railroad each contributing 10%. An allocation of 50% of the estimated cost of the project is made for a proposed crossing project, with the remaining 50% contributed by the local agency.

Subsequent to the Commission's issuance of the Annual Grade Separation Priority List, applications to California Department of Transportation (CALTRANS) for an allocation of funds are accepted no later than April 1 of each fiscal year. Requirements of filing an application for an allocation of funds are more specifically set forth in the California Administrative Code, Title 21, Chapter 2, Subchapter 13, Grade Separation Projects- Applications for Allocations or Supplemental Allocations. A copy of Subchapter 13 is attached as Appendix 1.

Interim Decision (D.) 88-06-050, dated June 17, 1988, instituted a two-year program in which nominations are submitted and hearings are held every other year. In the alternate year, the Commission will submit a list to the CTC which has been revised to delete those projects actually funded for the fiscal year in which the hearings are held. Interim D. 94-06-026, dated June 22, 1994, established the 37th annual priority list of projects for the 1994- 95 fiscal year. Final D. 95-06-020 dated June , 1995, established the 38th annual priority list for fiscal year 1995-96. This list will expire on June 30, 1996 necessitating the establishment of a new priority list for the 1996-97 and 1997-98 fiscal years.

ALL AGENCIES CONTEMPLATING THE POSSIBLE NOMINATION OF A PROJECT FOR FISCAL YEAR 1997-98 ARE HEREBY PLACED ON NOTICE THAT THERE WILL BE NO SEPARATE PROCEEDINGS FOR FISCAL YEAR 1997-98. THEREFORE, TO ASSURE ELIGIBILITY FOR FUNDING OF A PROJECT DURING FISCAL YEAR 1997-98, IT MUST BE NOMINATED FOR THIS INVESTIGATION.

The Commission will consider projects nominated by cities, counties, cities and counties, CALTRANS, and the various railroad companies operating within the state for inclusion on the 1996-97 and 1997-98 Grade Separation Priority Lists. In addition, the Commissions Railroad Safety Branch Special Projects staff may nominate projects which it deems urgently in need of separation but have not been nominated by other agencies or railroad companies.

The Commission is responsible for establishing criteria to be used in determining the priority of the projects nominated for separation or alteration. By Decision 90-06-058, we adopted a new formula as shown on Appendix 2. The Safety & Enforcement Division proposes to use the same formula in evaluating the 1996-97 and 1997-98 nominations.

S&H Code Section 2460.7 authorizes a local agency to construct a project on the priority list prior to the time that it reaches a high enough position for funding. The following conditions will be applied to prioritize grade separation projects on which construction has commenced:

1. The project must have been nominated for the fiscal year during which construction commenced.
2. The project must be renominated for the fiscal year during which funding consideration is desired.
3. The nomination must include the same data as included in the nomination for the fiscal year during which construction commenced with the exception of construction cost data.
4. Cost data included in the nomination shall be:
 - a. Final costs for completed projects.
 - b. Currently anticipated final costs for projects still under construction.
5. All projects nominated under the provisions of Section 2460.7 shall also comply with the filing requirements set forth in this order.

For Investigations prior to I93-07-032 for establishing the grade separation priority list, the Order Instituting Investigation (OII) was mailed to all cities and counties. However, usually less than 50 such agencies actually participated in the OII by filing nominations. To reduce reproduction, handling and mailing costs, the Safety & Enforcement Division mailed the notice appearing on Appendix 3 to cities, counties and other interested parties. Those agencies interested in this investigation were requested to return the bottom portion of the notice so that this OII would then be mailed to them. This OII will also appear on the Commission's Daily and Transportation Calendars. We believe this to be fair and sufficient notice of this investigation.

O R D E R

IT IS ORDERED that:

1. An investigation on the Commission's own motion is instituted for the purpose of establishing a new priority list for fiscal years 1996-97 and 1997-98 of existing or proposed railroad grade crossings of public streets, roads, or highways most urgently in need of separation, projects effecting the elimination of grade crossings by removal or relocation of streets or railroad tracks, and existing separation structures most urgently in need of alteration or reconstruction as required by Streets and Highways (S&H) Code Section 2452.

2. The Executive Director shall serve a copy of this order on the following:

Every city or county that returns the bottom portion of the OII notification (Appendix 3)

Every railroad corporation

California Department of Transportation

California Transportation Commission

League of California Cities

County Supervisors Association

3. Public agencies or railroad corporations desiring to have a particular crossing(s), separation(s) considered for inclusion in the 1996-97 and 1997-98 list, to be established under S&H Code Section 2452, shall file the original and four copies of their nomination(s) with the California Public Utilities Commission, Docket Office, 505 Van Ness Avenue, San Francisco, CA 94102. After filing, the Docket Office shall transmit four copies of each nomination to the Railroad Safety Branch. In D. 94-06-026 we stated that we will begin our investigation in July 1995 to allow staff the required time for its field investigation and analysis and to prepare for the Priority Lists proceedings. Therefore, we will also require all parties to send a copy of their nomination(s) to the Railroad Safety Branch at the time the nominations are tendered for filing with the Commission's Docket office. All nominations shall be received by the California Public Utilities Commission in San Francisco no later than 4:00 p.m. on September 1, 1995. Each nominating body is also required to provide two copies of its nomination(s) to CALTRANS, one copy to the appropriate railroads (see addresses contained in Appendix 4), one copy to each of the additional parties listed in Appendix 4, and any other affected party.

4. Each nomination shall include the following data:

a. A statement indicating the need for the project.

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b. A statement indicating that the nominating agency can or cannot complete the pre-allocation requirements, as set forth in S&H Code Section 2456, prior to April 1, 1995 for fiscal year 1996-97 and prior to April 1, 1996 for fiscal year 1997-98.

-
- c. A location map of the project, on paper 8-1/2 inches by 11 inches in size (scale 1" = 500'±), showing existing streets, highways, and railroads. The proposed alignment of the grade separation shall also be shown.
 - d. Two current photographs (size, 8 inches by 10 inches) of the crossing, one from each direction of approach. At least one original set of these photographs shall be included in the nomination copy set sent to the Railroad Safety Branch.
 - e. A statement indicating the type of project.
 - f. For existing or proposed crossings nominated for separation or elimination, a completed Nomination Form GSN-1 (Appendix 5).
 - g. For proposed crossing projects, a discussion of the physical practicability of constructing an at-grade crossing in the general area of the proposed separation. The discussion shall be supported by a plan and centerline profile of an at-grade crossing reproduced on paper 8-1/2 inches by 11 inches in size. No discussion of economic feasibility is required. Only a description of the physical features of the surrounding terrain which would allow the construction of an at-grade crossing is required. If sufficient evidence is not presented that construction of an at-grade crossing is practicable, the project will be excluded from the list.

- h. For existing grade separations nominated for alteration or reconstruction, a completed Nomination Form GSN-2 (Appendix 6).
- I. A description of the existing and proposed separation structures, including acute structural deficiencies, shall be included with the nomination.
- j. Data submitted in the nomination must be based on verifiable facts occurring on or before the nomination filing date. Speculative data involving events anticipated to occur at some time in the future will not be considered.
- k. Agencies nominating projects shall file, with their nomination, prepared testimony which fully supports the nomination. Nominating agencies shall promptly furnish a copy of their nomination and prepared testimony to any party making a written request to the nominating agency. The use of prepared testimony is required to reduce hearing time and expedite the proceeding for the benefit of all concerned.
- l. All nominations shall be verified by the nominating party. Verification may be made before a notary public or by certification or declaration under penalty of perjury.
- m. All information relating to the urgency of the project shall be filed with the nomination in affidavit form.
- n. Railroad Safety Branch Special Projects Staff nominations may be filed at any time prior to hearing and may exclude listed item to be adduced through the OII process.

5. Nominations shall not include multiple projects which are separate and distinct and clearly severable. The combining of severable projects precludes the Commission from effectively determining which projects are most urgently in need of separation or alteration as required by S&H Code Section 2452. Projects for the elimination of existing grade crossings and for the elimination of proposed grade crossings shall not be combined in a single nomination. (See D.86-06-073 at pp. 17-19.)

6. If a nomination is to be considered as a project for the elimination of existing grade crossings, and eligible for 80 percent funding, all data included in the nomination must be premised on all of the crossings proposed to be closed.

7. A nominating agency may elect to exclude preconstruction costs (engineering, right-of-way, preparation of environmental impact reports, and utility relocation), which are not sufficient to meet S&H Code Section 2454 requirements; that is, those preconstruction cost which are less than the local agency share of the total costs. In order for preconstruction costs to be eligible for exclusion, the funds must have been expended on or before February 28th of the year in which the hearings are being held. The involved agency may be required to submit evidence in support of the fact that the funds have been expended. To the extent that preconstruction costs are excluded from a project's cost for the purpose of a nomination, the costs will be considered as non-participating; that is, the railroad will not be required to contribute 10 percent of the excluded preconstruction costs.

8. In addition to submitting the Grade Separation Nomination Form, each party, or its representative, nominating a crossing for inclusion in the Grade Separation Priority List is required to appear in person at either the San Francisco or Los Angeles hearings to present evidence concerning its nomination. Supplemental data may be submitted at the hearings in support of a nomination. The data may include facts not known at the time of nomination filing date, such as crossing accidents occurring after the nomination filing date but on or before January 31st of the year during which the hearings are held. Verification of all supplemental data must be received by the staff no later than one week after the last scheduled day of hearing.

9. Appearance schedules will be published after all nominations have been received. Appearances will be limited to one witness per project.

10. Agencies anticipating the need for an allocation greater than \$5,000,000 should be prepared to present evidence at the Grade Separation Priority List hearings to justify the additional award.

S&H Code Section 2454 (g) states:

"(g) Notwithstanding the provisions of Subdivisions (a) to (f), inclusive, the total of such allocations for a single project shall not exceed five million dollars (\$5,000,000) without specific legislative authorization, except that the amount for a single project may be increased to either (1) an amount that includes the Federal construction cost index increase each year since 1976, or (2) an amount which does not exceed one-third of the total funds appropriated for grade separation projects for the year of allocation, whichever amount is less, as determined each year by the Public Utilities Commission."

11. Failure to supply all of the requested information or to appear before the Commission will constitute grounds for exclusion of a project from the 1996-97 and 1997-98 Grade Separation Priority List.

12. Public hearings in the investigation will be held before the assigned Administrative Law Judge at dates, times, and locations to be announced.

This order is effective today.
Dated July 19, 1995, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
Commissioners

APPENDIX 1
Sheet 1 of 5

GRADE SEPARATION

TITLE 21 Department of Transportation
(Register 82, No. 34--8-21-82)

SUBCHAPTER 13, GRADE SEPARATION PROJECTS -- APPLICATIONS FOR
ALLOCATIONS OR SUPPLEMENTAL ALLOCATION

Article 1. Applications

1552. Last Date to File.

April 1 of each fiscal year is the last date on which applications for allocation of grade separation funds in that fiscal year can be filed; provided, however, if April 1 is a Saturday, Sunday, or a State of California holiday, then the last date of filing shall be the next business day following April 1. Filing is accomplished by filing the application with the Department of Transportation in the manner hereafter stated.

1553. Place to File.

The complete application in triplicate must be received in the Office of the District Director of Transportation, State of California, in the transportation district in which the applicant is located, no later than 4:00 p.m. on the last day for filing.

1554. Contents of Application.

The complete application must include a written request for an allocation in a specified monetary amount along with copies of each of the following attached to it:

- (a) All necessary orders of the Public Utilities Commission of the State of California. Necessary orders of the Public Utilities Commission include:
 - (1) An order authorizing construction of the project;
 - (2) A statement of the applicant's position on the annual priority list established by the Public Utilities Commission pursuant to Streets and Highways Code Section 2452;

APPENDIX 1
Sheet 2 of 5

GRADE SEPARATION (Cont.)

- (3) In case the applicant and affected railroad or railroads cannot agree as to the apportionment of the cost of the project between them, an order apportioning such cost pursuant to Public Utilities Commission Code Section 1202.5, but in no case shall an allocation be made unless the railroad or railroads contribute no less than the amount required by Section 2454 of the Streets and Highways Code, except as may be otherwise provided by law.
- (b) All necessary agreements with the affected railroad or railroads fully executed by railroad or railroads and applicant. The necessary agreements with the railroad include:
- (1) Permission to enter upon railroad right of way for construction, or, in lieu thereof, an order of the Public Utilities Commission or of a court of competent jurisdiction authorizing such entry for construction purposes;
 - (2) A description of the project on a plan setting forth the area and items of the project and the particular area and items of the project to which the railroad or railroads agree to contribute;
 - (3) The percentage of railroad's or railroads' contribution to the cost of the area and items to which railroad or railroads agree to contribute;
 - (4) Identification and estimated cost of the area and items to which railroad or railroads do not contribute;
 - (5) Agreement that railroad or railroads shall contribute a minimum of 10 percent of the cost of the project without a maximum dollar limitation on the railroad's contribution, except that the contribution may be less than 10 percent of the cost of the project where expressly so provided by law.

APPENDIX 1
Sheet 3 of 5GRADE SEPARATION (Cont.)

- (6) When two or more railroads are affected by a project, their combined contribution must be a minimum of 10 percent of the cost of the project without a maximum dollar limitation on the combined contribution, except that such combined contribution may be less than 10 percent of the cost of the project when expressly so provided by law.
- (c) A certified resolution by the applicant's governing body authorizing the filing of an application.
- (d) Certified resolution by the applicant's governing body stating that all matters prerequisite to the awarding of the construction contract can be accomplished within one year after allocation of the funds for the project by the California Transportation Commission.
- (e) A certified resolution by applicant's governing body stating that sufficient local funds will be made available as the work of the project progresses.
- (f) Copies of all necessary Environmental Impact Reports or Negative Declarations, with a certified Notice of Determination and approval or acceptance of these documents by the Lead Agency. In cases where an Environmental Impact Statement or Negative Declaration has been prepared for the project pursuant to the requirements of the National Environmental Policy Act of 1969 and implementing regulations thereto, such documents may be submitted in lieu of an approved Environmental Impact Report or Negative Declaration and Notice of Determination, provided the Environmental Impact Statement or Negative Declaration fully develops the factors required in Title 14, Section 15143, of the State Administrative Code including Title 20, Section 17.1 (d) (2), of the State Administrative Code and such Environmental Impact Statement or Negative Declaration has received Federal approval.
- (g) General plan of the project, including profiles and typical sections.
- (h) Project cost estimate, which is to be broken down to construction, preliminary and construction engineering, work by railroad forces, right of way costs, and utility relocation.

APPENDIX 1
Sheet 4 of 5

GRADE SEPARATION (Cont.)

1555. Project Limitation.

Participation of the grade separation fund is limited to only that portion of the project which, in the determination of the California Transportation Commission, is necessary to make the grade separation operable and to effect the separation of grades between the highway and the railroad track or tracks, or necessary to effect the relocation of track or highway. Off-track maintenance roads shall be nonparticipating unless the existing access for maintenance purposes is severely impaired by the project. Participating items include, but are not limited to, approaches, ramps, connections, drainage, erosion control of slopes, such as ivy, iceplant, and rye grass, and preconstruction costs, such as right of way acquisition, preparation of environmental impact reports and utility relocation, necessary to make the grade separation operable. In any dispute as to scope of project or qualification of an item, the decision of the California Transportation Commission shall be conclusive.

1556. Allocation Limitation.

Initial allocation of grade separation funds by the California Transportation Commission shall be limited to that based upon applicant's estimate of cost of project specified by applicant and utilized by the Public Utilities Commission of the State of California in establishment of applicant's priority pursuant to Streets and Highways Code Section 2452 of the State of California, and in no case shall an original and supplemental allocation for a single project exceed a total of five million dollars (\$5,000,000) without specific legislative authorization in effect for the project at the final date and time for filing an application. A planned project must be a complete and operable project, and effect the separation of grades, relocation of the highways or railroad, in order to qualify for an allocation.

Article 2. Supplemental Allocation

1557. Last Date to File.

The last date on which an application for a supplemental allocation can be filed for the subsequent fiscal year is May 1 of the current calendar year. If May 1 is a Saturday, Sunday or a State of California holiday, then the last date of filing shall be the next business day following May 1. A formal application must be filed by the applicant, accompanied with the project final report.

APPENDIX 1
Sheet 5 of 5GRADE SEPARATION (Cont.)

1558. Place to File.

The complete application in triplicate must be received in the Office of the District Director of Transportation, State of California, in the transportation district in which the applicant is located, no later than 4:00 p.m. on the last day for filing.

1559. Contents of Application.

The application must include a written request for a supplemental allocation in a specified amount along with copies of each of the following attached thereto.

- (a) A certified resolution by the applicant's governing body certifying that:
 - (1) Applicant has authority to make request for supplemental allocation;
 - (2) The project has been completed and has been accepted by the governing body;
 - (3) The actual and final cost of the project has been determined and is set forth in the supplemental application;
 - (4) All costs set forth in the request for a supplemental allocation were necessary to make the grade separation operable and effect the separation of grades or the relocation of track or highway.
 - (5) That railroad or railroads have contributed 10 percent of the cost of the project unless a lesser contribution is expressly provided by law.
- (b) Evidence that funds would have been allocated for the project had the actual cost been used by the Public Utilities Commission of the State of California in determining the project's ranking on the priority list.
- (c) A final accounting of the cost of the project with a statement explaining in detail why the original allocation was not sufficient.

APPENDIX 2
Sheet 1 of 6

**FORMULA FOR CROSSINGS NOMINATED
FOR SEPARATION OR ELIMINATION**

$$P = \frac{V (T + 0.1 \times LRT)}{C \times F} (AH + BD) + SCF$$

Where:

- P = Priority Index Number
- V = Average 24-Hour Vehicular Volume
- C = Total Cost of Separation Project
(In Thousands of Dollars)
- T = Average 24-Hour Train Volume
- F = Cost Inflation Factor (Use F = 11 for
1992-93 & 1995-94 F.Y. Priority List
Based on the Current Construction Cost
Index)
- AH = Accident History
- BD = Blocking Delay at Crossing
- SCF = Special Conditions Factor

$$SCF = VS + RS + CG + AR + PT + OF$$

here:

	<u>Points Possible</u>
VS = Vehicular Speed Limit	0 - 5
RS = Railroad Prevailing Maximum Speed	0 - 7
CG = Crossing Geometrics 0 - 7	
AR = Alternate Route Availability	0 - 5
PT = Passenger Trains	0 - 10
OF = Other Factors	<u>0 - 16</u>
Total Points	0 - 50

POINTS IN EACH CATEGORY ARE ASSIGNED ACCORDING TO THE FOLLOWING SCHEDULE:

AH = Accident History (10 Years)
Each reportable train-involved accident

$$\text{Points} = (1 + 2 \times \text{No. Killed} + \text{No. Injured}) \times \text{PF}^*$$

*PF = Protection Factor for:

- Std. #9 = 1.0
- Std. #8 = 0.4
- Std. #3 = 0.2
- Std. #1 = 0.1

APPENDIX 2
Sheet 2 of 6

Note 1. No more than three points shall be allowed for each accident prior to modification by the protection factor.

Note 2. Each Accident shall be rated separately and modified by a factor appropriate to the protection in existence at the time of the accident.

BD = Crossing Blocking Delay Per Train
(Total Minutes per Day - T)

<u>Minutes</u>	<u>Points</u>
0 - .49	0
.5 - .99	.5
1.0 - 1.49	1.0
1.5 - 1.99	1.5
2.0 - 2.49	2.0
2.5 - 2.99	2.5
3.0 - 3.49	3.0
3.5 - 3.99	3.5
4.0 - 4.49	4.0
4.5 - 4.99	4.5
5.0 - 5.49	5.0
5.5 - 5.99	5.5
6.0 - 6.49	6.0
6.5 - 6.99	6.5
7.0 - 7.49	7.0
7.5 - 7.99	7.5
8.0 - 8.49	8.0
8.5 - 8.99	8.5
9.0 - 9.49	9.0
9.5 - 9.99	9.5
10 +	10.0

VS = Vehicular Speed Limit

<u>MPH</u>	<u>Points</u>
0 - 30	0
31 - 35	1
36 - 40	2
41 - 45	3
46 - 50	4
51 - 55	5

APPENDIX 2
Sheet 3 of 6

RS = Railroad Maximum Speed

<u>MPH</u>	<u>Points</u>
0 - 25	0
26 - 35	1
36 - 45	2
46 - 55	3
56 - 65	4
66 - 75	5
76 - 85	6
86 +	7

CG = Crossing Geometrics

0 - 7 points based on relative severity of physical conditions, i.e., grade, alignment, site distance, etc.

AR = Alternate Route Availability

<u>Distance (Feet)</u>	<u>Points</u>
0 - 1,000	0
1,001 - 2,000	1
2,001 - 3,000	2
3,001 - 4,000	3
4,001 - 5,000	4
5,001 +	5

PT = Passenger Trains

<u>No. of Trains Per Day</u>	<u>Points</u>
1 - 2	1
3 - 5	2
6 - 10	3
11 - 20	4
21 - 30	5
31 - 40	6
41 - 50	7
51 - 60	8
61 - 70	9
71 +	10

OF = Other Factors

0 - 16 points based on:
secondary accidents, emergency vehicle usage,
passenger buses, school buses, hazardous
materials trains and trucks, community impact.

APPENDIX 2
Sheet 4 of 6

FORMULA FOR EXISTING SEPARATIONS
NOMINATED FOR ALTERATION OR RECONSTRUCTION

$$P = \frac{V (T + 0.1 \times LRT)}{C \times F} + SCF$$

Where:

- P = Priority Index Number
- V = Average 24-Hour Vehicular Volume
- C = Total Cost of Separation Project
(In Thousands of Dollars)
- T = Average 24-Hour Train Volume
- F = Cost Inflation Factor (Use F = 11 for
1992-93 & 1995-94 F.Y. Priority List
Based on the Current Construction Cost
Index)
- SCF = Special Conditions Factor

$$SCF = WC + HC + SR + LL + AS + PF$$

Where:

	<u>Points Possible</u>
WC = Width Clearance	0 - 10
HC = Height Clearance	0 - 10
SR = Speed Reduction or Slow Order	0 - 5
LL = Load Limit	0 - 5
AS = Accidents At or Near Structure	0 - 10
PF = Probability of Failure and Other Factors	<u>0 - 30</u>
Total Possible	0 - 70

POINTS IN EACH CATEGORY ARE ASSIGNED ACCORDING TO THE FOLLOWING SCHEDULE:

WC = Width Clearance

<u>Width (feet)</u>	<u>Points</u>
16' + 12(N)	0
12' but less than 16' + 12(N)	2
8' but less than 12' + 12(N)	4
0" but less than 8' = 12(N)	6
11(N) but less than 12(N)	8
Less than 11(N)	10

N = Number of Traffic Lanes

APPENDIX 2
Sheet 5 of 6

HC = Separation Height Clearance

Underpass

<u>Height (feet)</u>	<u>Points</u>
15' and above	0
14' but less than 15'	4
13' but less than 14'	8
Less than 13'	10

Overpass

<u>Height (feet)</u>	<u>Points</u>
22 1/2' and above	0
20' but less than 22 1/2'	4
18' but less than 20'	8
Less than 18'	10

SR = Speed Reduction or Slow Order Points

None	0
Moderate	2
Severe	5

LL = Load Limit Points

None	0
Moderate	2
Severe	5

AS = Accidents at or Near Structure (10 years)

<u>Number</u>	<u>Points</u>
0 - 10	0
11 - 20	1
21 - 30	2
31 - 40	3
41 - 50	4
51 - 60	5
61 - 70	6
71 - 80	7
81 - 90	8
91 - 100	9
100 +	10

APPENDIX 2
Sheet 6 of 6

PF = Probability of Failure and other factors

0-30 points based on:

- (a) Probability of Failure
- (b) Accident Potential
- (c) Delay Effects

APPENDIX 3

IMPORTANT NOTICE

June 30, 1995

TO: CITIES, COUNTIES AND INTERESTED PARTIES-
Re: Establishment of the 1996-97 & 1997-98 Grade Separation Priority List
under Streets and Highways Code Section 2452.

The Commission is anticipating the issuance of an Order Instituting Investigation (OII) for the purpose of establishing the 1996-97 and 1997-98 priority list of railroad/highway grade separation projects eligible for state funding. The Department of Transportation (Caltrans) uses this list to allocate \$15,000,000 (\$5 million maximum per project) each fiscal year to assist local governments in financing grade separation projects.

If you are interested in the grade separation priority list program and would like to receive the OII, please detach the bottom portion of this letter and return it no later than July 20, 1995. The OII includes an explanation of the grade separation priority list program, the application and the requirements for filing. The OII also includes the criteria and formula used to rank all nominations. **If your agency wishes to nominate grade separation project(s) for inclusion on the priority list, you must return this form and actively participate in the investigation in the manner set forth in the OII.** Unless we hear from you, the OII will not be mailed to your agency.

If you have any questions, please contact Tack Joe at (415) 557-9884, Rosa Munoz at (213) 897-5790 or Tom Enderle at (415) 557-9889.

Very Truly Yours,

Tom Enderle, Senior Transportation Engineer
Safety & Enforcement Division

Mail to: California Public Utilities Commission
Attn: Tack Joe, Railroad Safety Branch
505 Van Ness Avenue
San Francisco, CA 94102

Please place me/my agency on the mailing list for the Order Instituting Investigation to establish the 1996-97 and 1997-98 Railroad/Highway Grade Separation Priority List.

AGENCY NAME _____
ADDRESS _____
CITY _____ ZIP CODE _____
CONTACT PERSON NAME _____
TITLE _____ TELEPHONE NUMBER (_____) _____

APPENDIX 4
Sheet 1 of 2ADDRESS LIST
GRADE SEPARATION NOMINATION

This is a partial listing, only. Applicants are still responsible to serve copies of their nominations on the railroad(s) involved in their proposals.
RAILROADS

Dan A. Barringer, G.M.
Amador Railroad Company
909 Terminal Sales Bldg.
Portland, OR 97205

Jeff E. Forbis, Pres & CEO
McCloud Railway
P. O. Box 1500
McCloud, CA 96057

Annette L. Polte General Manager
Amador Central Railroad Co.
P.O. Box 66
Martell, CA 95654

James L. Beard, President
Modesto & Empire Traction Co.
P. O. Box 3106
Modesto, CA 95353

L.E. Mueller, General Manager
Burlington Northern Railroad Co.
2000 First Interstate Center
Seattle, WA 98104

Tom Schueler, Dir. of Engr
Port of Sacramento
Sacramento-Yolo Port
District Belt Railroad
P. O. Box 815
West Sacramento, CA 95691

G. J. Allen, General Manager
California Western Railroad
(DBA: Mendocino Coast Railway)
P.O. Box 907
Fort Bragg, CA 95437

A.G. Beckman, Dir. of Oprns
Port of Stockton
Stockton Public Belt Railroad
P. O. Box 2089
Stockton, CA 95201

Steve Crook, General Manager
North Coast Railroad Co.
P. O. Box 2014
Eureka, CA 95502

Thomas G. Matoff, Gen Manager
Sacramento Regional Transit
Dist. Light Rail Project
P.O. Box 2110
Sacramento, CA 95812-2110

R. A. Igo, General Manager
Harbor Belt Line Railroad
Box A
Wilmington, CA 90748

743 Imperial Avenue
San Diego, CA 92101
Dennis Kling, General Manager
San Diego and Imperial Valley RR P.O.

Richard Levin, President
Levin-Richmond Ter. Corp
(Parr Terminal Railroad)
402 Wright Avenue
Richmond, CA 94804

Peter Tereschuk, Vice President
San Diego Trolley, Inc.
1255 Imperial Ave. Suite 900
San Diego, CA 92101

Neil Peterson, - Exec. Dir.
Los Angeles County Transportation
Commission - RCC
818 W. 7th Street, Suite 1100
Los Angeles, CA 90017

Lawrence Reuter, Dir. of Trans.
Santa Clara Co Transportation
Agency
101 West Younger Avenue
San Jose, CA 95110

APPENDIX 4
Sheet 2 of 2

ADDRESS LIST
GRADE SEPARATION NOMINATION

Mrs. Sue J. Sword, President &
Manager
Santa Maria Valley Railroad Company
P. O. Box 340
Santa Maria, CA 93456

L. T. Cecil, V.P. & G.M.
Yreka Western Railroad Co.
O. Box 660
Yreka, CA 96097

CALTRANS

(Send one copy to each addressee)

Jerry Gregg, Exec. V.P.
Sierra Railroad Company
13645 Tuolumne road
Sonora, CA 95370

J. E. Robert, Chief
Division of Structures
Department of Transportation
State of California
Attn: Jack Boda
P.O. Box 942874
Sacramento, CA 94274-0001

Ken A. Moore, V.P. - Operations
Southern Pacific Transportation Co.
One Market Plaza
San Francisco, CA 94105

E. C. Bonnstetter, Attorney
Department of Transportation
State of California
P.O. Box 1438
Sacramento, CA 95812-1438

Greg N. Carney, V.P. & COO
Stockton Terminal & Eastern Rr.
1330 North Broadway Avenue
Stockton, CA 95205

ADDITIONAL PARTIES

(Send one copy to each addressee)

Roy Ketring, Special Project Mgr.
The Atchison, Topeka and Santa Fe
Railway Company
740 E. Carnegie Drive
San Bernardino, CA 92408-3571

Jeff S. Asay, Staff Attorney
Union Pacific Railroad Company
5500 Ferguson Dr., Ste. J
Los Angeles, CA 90022

Mark C. Demetree, Pres
Trona Railway Company
13068 Main St.
Trona, CA 93562

General Attorney
Southern Pacific Transp. Co.
Southern Pacific Building
One Market Plaza
San Francisco, CA 94105

E. C. May General Manager
Union Pacific Railroad Co.
406 W. First South
Salt Lake City, UT 84101

Curtis Ballantyne, Attorney
Santa Fe Southern Pacific Corp.
35th Floor, Union Bank Square
445 S. Figueroa Street
Los Angeles, CA 90071

Carmen Chappell, President
Ventura County Railway Co.
P.O. Box 432
Oxnard, CA 93032

(For Orange County appl. only)

Roger Hohnbaum, Manager
EMA/Transportation Programs
County of Orange
P. O. Box 4048
Santa Ana, CA 92702-4048

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation for the purpose of)
establishing a list for the fiscal)
years 1995-94 and 1996-97 of)
existing and proposed crossings at)
grade of city streets, county)
roads, or state highways most)
urgently in need of separation,)
or projects effecting the)
elimination of grade crossings by)
removal or relocation of streets)
or railroad tracks, or existing)
separations in need of alteration)
or reconstruction as contemplated)
by Section 2452 of the Streets and)
Highways Code.)

No. _____

_____)

Nomination for Separation or elimination of
existing or proposed railroad grade crossing

Nomination by City/County of _____
in compliance with I. _____

Location Name (street) _____

Railroad Company _____

NOMINATION REQUIREMENTS

The Order Instituting Investigation (OII) sets forth the requirements for all nominations. Please carefully review the OII and attach all of its required data and information as separate sheets to this nomination form. The following is a summary of the data required by Ordering Paragraph No. 4:

- a. A statement indicating the need for the project.
- b. A statement refunding ability to complete pre-allocation requirements.
- c. Location map of the project.
- d. Two photographs (8" X 10").
- e. A statement indicating the type of project.
- g. For proposed crossing projects, a discussion of the physical practicability of constructing an at-grade crossing.
- j. Data submitted in the nomination must be based on verifiable facts occurring on or before the nomination filing date.
- k. Prepared testimony fully supporting the nomination.
- l. All nominations shall be verified by the nominating party.
- m. All information relating to the urgency of the project shall be filed with the nomination in affidavit form.

In addition to the above, please provide the following information:

1. As part of the need statement, please describe the community impact of the existing at-grade crossing and the proposed separation.
2. Describe and discuss each of the following as it applies to your crossing: limited waiting area for the vehicles, traffic signals located near the tracks, parallel road to the track(s), visibility of upcoming crossing, noise impediment, frequently used entrances or exits near the crossing, curvature of roadway or tracks which might hinder the normal observance of possible approaching trains, and other hazard causing elements.
3. Describe the current status of the project, i.e., preliminary engineering, design, PUC grade separation application, right of way negotiations/purchase, notice of determination, an environmental impact document, any discussions, negotiations and/or agreements with the railroad, etc.
4. If your agency has received any governing body (city council/board of supervisors, etc.) approval, plans attach resolution or other documentation. Also, please discuss the availability and source of local matching funds.

Appendix 5

Sheet 2 of 7

APPENDIX 5
Sheet 3 of 7

EXPLANATION

5. TYPE OF CROSSING PROTECTION:

Stop Signs	_____	Gates	_____
Crossbucks	_____	Bells	_____
Wigwags	_____	Lights	_____
Flagman	_____	Stop sign	_____
Other	_____		

Check all protection that exist at the crossing presently. Specify **other** in the space provided.

6. Approach Roadway:

Width (feet) _____
Number of lanes _____

Within 200 feet on either side of the crossing.

7. Crossing Roadway:

Width (feet) _____
Number of lanes _____

On the roadway pavement at the crossing.

8. Crossing Skew Angle:

Describe the angle which the roadway crosses the perpendicular of the track(s)

Degrees _____

9. Elevated Surface Profile of Roadway:

Direction _____
Change in Height _____ (in)
Direction _____
Change in Height _____ (in)

From each side of the approach at a point 30 ft from the closest rail, measure the difference in height from the top of the rail to the surface of the road.

10. Average Daily Motor Vehicle Volume:

Vehicle Count (ADT) _____
Date of Count _____

An average 24-hour day count is required. All counts must be done after January 1, 1995.

Description of data collection methods: _____

EXPLANATION

11. Average Daily Train (ADT) Volume:

Passenger _____
 Through freight _____
 Switching _____
 Light rail _____
 Other (specify _____
 below) _____
 TOTAL TRAINS _____

The ADT should be obtained by a written request from the railroad, otherwise, specify the source of information below. Staff recommends that the ADT be confirmed by direct observations.

Description of data collection methods: _____

12. Speed:

Motor Veh. (Posted MPH) _____
 Train (MPH) _____

The train speed should be the maximum speed attained at the crossing. This data may be obtained from the railroad company or by properly operated radar equipment.

Description of data collection methods: _____

13. Accidents:

Train-vehicle _____
 Vehicle-vehicle _____
 Vehicle-object _____

A 10-year accident history of each type of accident that may be attributed to the presence of the grade crossing.

Description of data collection methods: _____

EXPLANATION

14. Crossing Blocking Delay:

Date count was done _____
Number of delays _____
Total time delay _____

Count must be performed after January 1, 1995, Show the total time in minutes per day the warning devices are activated. The data may be obtained by installation of a signal activation monitoring device or an average delay per train based on direct observation.

Description of data collection methods: _____

15. Nearest alternative route ____ (feet)

The nearest alternate route as measured along the centerline of the railroad track.

16. Average number of crossings per day:

School bus _____ Other bus _____
Haz Mat Trucks _____ Ambulance _____
Haz Mat Trains _____ Police _____
Other _____

Show the number of average crossing per day for each type of vehicle. Specify other below.

Description of data collection methods: _____

17. Type of Project Proposed: (check one)

Underpass _____
Overpass _____
Other (specify) _____

If **Other**, please describe below

EXPLANATION

18. For Proposed crossing: (check one)

At grade crossing is practical and feasible _____
 At grade crossing is not practical and feasible _____

In the narrative section, show sufficient evidence that construction of an at-grade crossing is, or is not physically practical and feasible

19. Contribution:

Contribution by the city or county equal to or greater than 50% of the cost the project. (yes/no) _____

20. Estimated Project Cost (April 1, 1995)

Right-of-way allowance.....\$ _____
 Preliminary Engineering....\$ _____
 Construction Engineering...\$ _____
 Total Engineering.....\$ _____
 Bridge Construction.....\$ _____
 Railroad work.....\$ _____
 Highway approaches and connections.....\$ _____
 Utility relocation.....\$ _____
 Contingencies.....\$ _____
 Removing existing crossing (where applicable).....\$ _____
 Total construction cost....\$ _____
 Total Project cost.....\$ _____

The estimated project cost shall be as of April 1, 1995. The cost shall be itemize as shown and any item left blank shall be explained. The estimated cost shall be limit to that portion of the project which is necessary to make the grade separation operable and to effect the separation of grades between the highway and the railroad tracks. The project cost shall be rounded to the nearest thousand dollars.

Note: For projects involving more than one crossing, complete the appropriate form for each individual crossing and also show a summary for the complete project.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation for the purpose of)
establishing a list for the fiscal)
years 1996-97 and 1997-98 of)
existing and proposed crossings at)
grade of city streets, county)
roads, or state highways most)
urgently in need of separation,)
or projects effecting the)
elimination of grade crossings by)
removal or relocation of streets)
or railroad tracks, or existing)
separations in need of alteration)
or reconstruction as contemplated)
by Section 2452 of the Streets and)
Highways Code.)
_____)

No. _____

Nomination for alteration or reconstruction of
existing grade separation

Nomination by City/County of _____
in compliance with I. _____

Location Name (street) _____

Railroad Company _____

DUE DATE: September 1, 1995

APPENDIX 6

Sheet 2 of 6

NOMINATION REQUIREMENTS

The Order Instituting Investigation (OII) sets forth the requirements for all nominations. Please carefully review the OII and attach all of its required data and information as separate sheets to this nomination form. The following is a summary of the data required by Ordering Paragraph No.4:

- a. A statement indicating the need for the project.
- b. A statement regarding ability to complete pre-allocation requirements.
- c. Location map of the project.
- d. Two photographs.
- e. A statement indicating the type of project.
- i. A description of the existing and proposed separation structures, including acute structural deficiencies.
- j. Data submitted in the nomination must be based on verifiable facts occurring on or before the nomination filing date.
- k. Prepared testimony fully supporting the nomination.
- l. All nominations shall be verified by the nominating party.
- m. All information relating to the urgency of the project shall be filed with the nomination in affidavit form.

In addition to the above, please provide the following information:

1. Describe the current status of the project, i.e., preliminary engineering, designs right of way negotiations/purchase, notice of determination, any discussions negotiations and/or agreements with the railroad, etc.
2. If your agency has received any governing body (city council/board of supervisors, etc.) approval, please attach resolution or other documentation. Also, please discuss the availability and source of local matching funds.

EXPLANATION

6. Center Divider:

Yes _____ No_____

Self explanatory

7. Speed Reduction (quantitative):

Vehicle _____
Railroad Slow Order _____
Total time delay _____

Quantitatively identify any vehicular speed reduction which may be due to the presence of the structure. Information regarding a railroad slow order may be obtained from the railroad company.

Description of data collection methods: _____

8. Load Limit:

Vehicle _____
Railroad _____

Show any vehicular or railroad load limit restriction at the structure.

Description of data collection methods: _____

9. Railroad Track Type (indicate number):

Main _____
Branch _____
Passing _____
Siding/Spur _____
Other _____

If unknown, the type of track may be obtained from the railroad company. Please describe other types of tracks below

Description of data collection methods: _____

EXPLANATION

10. Average Daily Vehicle Volume:

Vehicle Count (ADT) _____
Date of Count _____

An average 24-hour day count is required. All counts must be done after January 1, 1995.

Description of data collection methods: _____

11. Average Daily Train Volume:

Passenger _____
Through freight _____
Switching _____
Light rail _____

TOTAL TRAINS _____

It is preferred that the data be obtained by a written request to the railroad, otherwise the source of information in the narrative.
It is advised that the data be confirmed by direct observation.

Description of data collection methods: _____

12. Secondary Accidents:

Vehicle-vehicle _____
Vehicle-object _____

A 10-year accident history of the number of secondary accidents which may be attributed to the presence of the grade separation structure.

Explain the type of accidents occurring and the source of information:____

EXPLANATION

13. Contribution:

Contribution by the city or county equal to or greater than 50% of the cost the project? Yes_____ No_____

14. Estimated Project Cost (April 1, 1995)

Right-of-way allowance.....	\$_____
Preliminary Engineering....	\$_____
Construction Engineering...	\$_____
Total Engineering.....	\$_____
Bridge Construction.....	\$_____
Railroad work.....	\$_____
Highway approaches and connections.....	\$_____
Utility relocation.....	\$_____
Contingencies.....	\$_____
Removing existing crossing (where applicable).....	\$_____
Total construction cost....	\$_____
Total Project cost.....	\$_____

The estimated project cost shall be as of April 1, 1995. The cost shall be itemized as shown and any item left blank shall be explained. The estimated cost shall be limited to that portion of the project which is necessary to make the grade separation operable and to effect the separation of grades between the highway and the railroad tracks. The project cost shall be rounded to the nearest thousand dollars.

Note: For projects involving more than one crossing, complete the appropriate form for each individual crossing and also show a summary for the complete project.

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CHAPTER 20 ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM

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CHAPTER 20 ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM

20.1 INTRODUCTION

GENERAL

These guidelines have been prepared to assist the applicants through the application process and to ensure compliance with the rules governing the Environmental Enhancement and Mitigation (EEM) Program. The purpose of the EEM Program is to provide funding to mitigate the environmental impacts of new or modified public transportation facilities above and beyond that are required by the environmental document for that transportation facility. Eligible applicants may apply for and receive grant funds to undertake environmental enhancement and mitigation projects that are directly or indirectly related to mitigating the environmental impact of modified existing transportation facilities, or for the design, construction, or expansion of new transportation facilities. The EEM program is codified in Section 164.56 of the Streets and Highways Code. The Legislature is authorized to allocate \$10 million annually to local, State, and federal agencies, and nonprofit entities. Funding for the annual EEM program is subject to the appropriation of funds in the State Budget Act. The State Resources Agency (RA) of California prescribes the procedures and criteria to evaluate grant proposals, and based on their evaluations, prepares, and submits recommended projects for funding to the California Transportation Commission (CTC). The CTC annually awards grants to fund proposals from the RA's list, and the Department of Transportation (Caltrans) is responsible for the contract development, contract administration, and reimbursement of the program once it is approved for funding. **Caltrans does not determine eligibility of the projects.**

DEFINITIONS

Applicant Funding Participation (Match) - Local cash contributions.

State Funding Participation - EEM funds allocated to the project by the CTC.

Participating Costs - Project related costs (inclusive of both EEM funds and match) incurred during the project performance period and prescribed in the Resources Agency's *EEM Procedures and Criteria* (<http://resources.ca.gov/eem/>) as eligible for reimbursement. Reimbursement for participating costs will be limited to those specified in the project budget, EEM Grant Application, CTC Allocation Resolution, and the Applicant-State Agreement (Agreement) or its amendments.

Nonparticipating costs - Any costs incurred on the project over and above participating costs of EEM funds and match. Nonparticipating costs may be incurred on a project but are excluded from the reimbursement calculations.

Reimbursement ratio - A percentage used to pay the applicant, the State's pro rata share of EEM funds on the project. The reimbursement ratio is derived from the State's share of EEM funds to the total project cost, and is calculated from the applicant's original project budget and the CTC approved EEM funding. The reimbursement ratio does not vary and is included in the Applicant-State Agreement.

Funding allocation - Distribution (approval) of EEM funds by the CTC to a specific project. An applicant must receive their funding allocation from the CTC within the first fiscal year of program adoption.

20.2 ELIGIBILITY CONSIDERATIONS

ELIGIBLE APPLICANTS

Any state, local and federal governmental agencies, and nonprofit organizations are eligible to apply for EEM grant funds. Applicants are not required to be a transportation or highway-related organization but must be able to demonstrate adequate charter or enabling authority to carry out the type of project proposed. Eligible nonprofit organizations are those classified under Section 501(c)(3) of the Internal Revenue Service code.

ELIGIBLE PROJECTS

EEM projects must meet the minimum requirements listed under Section 20.5, "Project Evaluation and Selection," "Mandatory Requirements" of this chapter. To be eligible for consideration, each EEM project must be directly or indirectly related to the environmental impact of the modification of an existing transportation facility or construction of a new transportation facility, implemented after January 1, 1990, or the related transportation facility may be a project that is not yet under construction but is included in an adopted State Transportation Improvement Program (STIP), or in a locally adopted regional transportation improvement program and certified capital outlay program. "Indirectly," as opposed to "directly," may be used in reference to the geographic location of an EEM project, that is, the project may not be in the immediate vicinity of the transportation project but in the general area, or it may be used to characterize the type of benefits produced. It is the responsibility of the applicant to explain the cause and effect relationship between the impact of the transportation project and the proposed EEM project.

A transportation facility, as defined in the California Constitutional Provisions Article XIX, Section 1, and for the purposes of this program, is a public street, highway, mass transit guideway or their appurtenant features (e.g., park-and-ride facilities, high-occupancy vehicle lanes, transit stations, etc.). If the EEM project is on State-owned right of way, applicable State design and construction standards and practices shall be used. If the EEM project is off State-owned right of way, applicable design and construction standards and practices of the local government having jurisdiction over the project location shall apply. All necessary encroachment permits to access right of way must be obtained before construction may begin on a project. If a transportation facility is constructed in separate and distinct phases, each phase may be considered a separate project for purposes of this definition, provided that each phase provides an operable transportation improvement.

All eligible projects must fall within one of the following project categories:

- **Highway Landscape and Urban Forestry** - These projects are designed to offset vehicular emissions of carbon dioxide through the planting of trees and other suitable plants. Projects may be within or outside the right of way of the related transportation facility; however, planting within a public roadway right of way is limited to trees. Projects within the right of way are not intended to supplant landscaping which would normally be funded by the responsible public agency. EEM grant funds are not to be used for this purpose.
- **Resource Lands** - These projects involve the acquisition of real property in fee title or through a conservation easement. Projects may include the restoration or enhancement of resource lands to mitigate the loss of, or the detriment to resource lands lying within or near the right of way acquired for proposed transportation improvements. Resource lands include natural areas, wetlands, forests, woodlands, meadows, streams or other areas containing fish or wildlife habitat as well as features of archaeological or historical value. Enhancement of resource lands may include the restoration of wildlife corridors.
- **Roadside Recreational** - These projects provide for the acquisition and/or development of roadside recreational opportunities, including parks and greenways, roadside rests, scenic overlooks, vista points, trails, trailheads, and sno-parks (see *Public Resources Code*, Section 5091.02).

ELIGIBLE COSTS

Only direct project-related costs as prescribed by the Resources Agency's *EEM Program Procedures and Criteria* and incurred during the project performance period, as specified in the project budget and grant agreement are considered eligible for reimbursement. Indirect project costs such as general program administration, general overhead (e.g., phone, fax, and rental space), as well as costs incurred outside the project performance period such as maintenance are not eligible for reimbursement. However, the services of applicant employees directly engaged in project development/implementation are eligible. The State will make payment(s) on a reimbursement basis of its proportionate share of actual costs incurred to date on the project after expenses and debts have been paid by the applicant. Invoices submitted for payment must include back-up documentation such as appropriate invoices, purchase orders, cancelled warrants, and other records.

Costs (for which EEM funds and matching funds will contribute) eligible for reimbursement may not be incurred until after all the following occur: 1) the project is adopted into a State program, 2) the project has received a CTC funding allocation, 3) the project Agreement has been signed by both the applicant and the State, and 4) the Caltrans Local Program Accounting (LPA) office certifies that the EEM funds have been encumbered for the project. Costs incurred in advance of these events are not eligible for reimbursement.

20.3 PROJECT APPLICATION

The California Resources Agency (RA) in Sacramento is responsible for the development and distribution of the EEM Grant Application packet including the procedures and criteria, which can be found at this Web site: <http://resources.ca.gov/eem/>. The RA maintains a current mailing list of applicants included in previously funded cycles and compiles addresses throughout the year for applicants interested in future cycles. Any local, State, and federal governmental agencies, and nonprofit organizations interested in receiving an EEM Grant Application can sign-up on line on the Web site noted above or by contacting the RA by mail, phone, or fax at:

The State Resources Agency of California
1416 Ninth Street, Suite 1311
Sacramento, CA 95814
Phone: (916) 654-9923
Fax: (916) 653-8102

In September, the RA sends out the call for projects. All applicants must submit their completed applications to the RA usually in November. In January of the following year, the RA prepares and submits a list of projects it recommends for funding to the CTC. All project applicants are notified of their project status at that time. It is anticipated the CTC will adopt the annual EEM Program in March. A new program is adopted each fiscal year and a new “cycle” of projects for funding are identified for that State fiscal year’s program. A listing of critical dates for the 2007/2008 grant cycle is provided in Exhibit 20-A, “EEM Program Critical Dates,” of this chapter. Due to the sometimes-late passage of the State Budget, the dates may be pushed back as well.

20.4 RESPONSIBILITIES OF KEY PARTICIPANTS

LOCAL, STATE AND FEDERAL GOVERNMENTAL AGENCIES, AND NONPROFIT ORGANIZATIONS

Eligible projects are conceived and initiated through submittal of a Grant Application by an eligible local, State, or federal agency, or nonprofit organization. Applicants must provide assurance to the satisfaction of the RA and Caltrans that they are capable of performing the required tasks of the program. All local governmental agencies and nonprofit organizations must also submit a signed resolution (see Exhibit 20-B, “Sample Resolution Approving an EEM Project,” of this chapter), as part of their application package from their governing body approving the project as a candidate for the EEM Program.

RESOURCES AGENCY (RA)

The Resources Agency (RA) is directly responsible to the Legislature for project evaluation. Its responsibilities include:

- Prescribing and maintaining the *EEM Program Procedures and Criteria* to evaluate grant proposals.

- Developing and maintaining a mailing list of interested local, State, and federal governmental agencies, and nonprofit organizations.
- Receiving Grant Applications.
- Evaluating grant proposals, preparing, and submitting a list of ranked proposals they recommend for funding in accordance with their procedures and criteria to the CTC (this list includes projects which in total exceed the available funding for the program, therefore, the CTC must reduce this list to a fundable program of projects).
- Reviewing major changes in project scope when requested by Caltrans

CALIFORNIA TRANSPORTATION COMMISSION (CTC)

The CTC has primary responsibility for programming and allocating funds for the EEM program. The following responsibilities are performed by the CTC:

- Reviews the RA's list of candidate projects and reduces this list to a fundable amount of projects.
- Approves annual EEM Program and allocates funds to approved projects in the EEM Program.
- Ensures that the proper environmental documentation has been completed and submitted to CTC staff prior to the project being included in the annual EEM program.
- Allocates funds to approved projects in the EEM program.
- When applicable: 1) reviews major changes in scope (although no additional EEM funding will be allocated for project cost increases), and 2) reviews transfer of applicant status on a project from one eligible agency to another.

CALTRANS HEADQUARTERS, DIVISION OF LOCAL ASSISTANCE (DLA)

The CTC delegated the EEM program administration to Caltrans. This responsibility has been assigned to the Division of Local Assistance (DLA). The DLA is responsible for:

- Reviewing the proposed project applications, and providing comments to the CTC regarding the following:
 - Environmental documentation
 - Project readiness and project merit
 - Resolution of governing body
 - Impact on State-owned or -maintained facilities and non-State owned or non-State maintained facilities
 - Conformance with scheduled or anticipated plans for future Caltrans facility construction or modification
 - Maintenance responsibilities
 - Conformance with:
 - 1) RA *EEM Program Procedures and Criteria* found at: <http://resources.ca.gov/eem/>
 - 2) *CTC Guidelines for Allocating Monitoring, and Auditing of Funds for Local Assistance Projects*, Exhibit 20-K of this chapter
 - 3) Caltrans' *Local Assistance Program Guidelines* (LAPG), Chapter 20, both are found at: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm> and at: <http://www.dot.ca.gov/hq/LocalPrograms/public.htm>
 - 4) Caltrans' *Local Assistance Procedures Manual* (LAPM).

- Processing applicant requests for funding allocation (CTC)
- Developing and processing Applicant-State Agreements (Agreements)
- Developing and processing Agreements Declaring Restrictive Covenants (ADRC) (for projects involving acquisition of real property) and Conservation Easements
- Providing guidance to District EEM Coordinators on policies and procedures
- Monitoring project status and the expenditure of EEM funds on a statewide basis. Assigning Caltrans Expenditure Authorization (EA) number
- Processing scope change requests and applicant status transfer requests
- Processing amendments
- Revising and updating policies, guidelines, and manuals, on the EEM Web site at: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>.

CALTRANS DISTRICTS

The Caltrans District Directors have the primary responsibility for administering the EEM program at the district level. The Caltrans District Local Assistance Engineer (DLAE) assists the District Director. These responsibilities include:

- Providing general guidance to applicants on the EEM Program and for project specific information.
- Commenting on candidate projects to assist the CTC in selecting the projects prior to being funded. Areas of concern include but are not limited to:
 - Forwarding Grant Applications involving acquisition of real property or a conservation easement to the District Right of Way Office for their early review and involvement in acquisition projects.
 - Providing assistance to applicants to find a Caltrans transportation facility that may qualify as the “related transportation project” for the EEM project.
 - Environmental documentation.
 - Impact on State-owned or -maintained facilities.
 - Conformance with plans for future facility construction or modification.
 - Comments on specific items such as amount of water required for a proposal and its availability.
 - Conflicts with State, local, or federal law.
 - Maintenance responsibilities.
- Assisting the HQ EEM Program Coordinator in administering projects, including making contacts with the project applicants to resolve issues on projects.
- Coordinating the processing of the acquisition documents for projects involving the acquisition of real property or a conservation easement including preparation and submittal of the Final Report of Real Property or Conservation Easement Expenditures for acquisition projects involving direct deposit of EEM funds to an escrow account.
- Forwarding applicant submitted funding allocation request letters and applicant submitted scope change request letters, along with their recommendation to the Caltrans EEM Program Coordinator.
- Final inspection of the completed project and approval of payment of the final invoice. For projects on State-owned right-of-way, the District Landscape Architect reviews the completed project and approves payment of the final invoice.
- Processing final paperwork to close out the project.

20.5 PROJECT EVALUATION AND SELECTION

MANDATORY REQUIREMENTS

All candidate EEM projects must meet the following minimum requirements:

- Demonstrate a direct or indirect relationship with the environmental impact of modifying an existing or constructing a new transportation facility.
- Provide mitigation or enhancement above and beyond the mitigation required under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA) as part of the transportation projects to which they are related.
- Be compatible with and not interfere with the operation or safety of the transportation facilities when the mitigation measure is in or near the right of way.
- Not limit currently planned or anticipated future improvements to the transportation facility.
- Applicant must submit environmental documentation for EEM project prior to being included in annual program.
- Within thirty (30) days of receipt, Applicant must sign and return the Applicant-State Agreement to Caltrans.

EVALUATION CRITERIA

All candidate EEM projects are evaluated by the RA using the following general criteria and assigning values based on a point system within the ranges indicated. Projects are evaluated using general criteria (up to 55 points) and the appropriate project category criteria (up to 45 points). A maximum of 100 points may be assigned to any one project. In summary, the scoring allocation is as follows:

GENERAL EVALUATION CRITERIA (55 POINTS)

The general evaluation criteria consists of:

- Increased Mitigation and Enhancement (0-20 points)
- Project Readiness (0-15 points)
- Statewide Project Goals and Local Cash Contributions (0-20 points)

PROJECT CATEGORY CRITERIA (45 POINTS)

Highway Landscape and Urban Forestry Project

- Cost Effectiveness (0-20 points)
- Sustainability and Suitability (0-20 points)
- Other Benefits and Community Participation (0-5 points)

Resource Lands Projects

- Important Resource Values (0-30 points)
- Sustainability (0-10 points)
- Other Benefits and Community Participation (0-5 points)

Roadside Recreational Projects

- Need for the Project (0-30 points)
- Sustainability (0-10 points)
- Other Benefits and Community Participation (0-5 points)

A complete description of the above evaluation criteria is contained in the application packet developed by the RA.

20.6 FUNDING CONSIDERATIONS

MAXIMUM GRANT AMOUNT

Generally, grants for individual projects are limited by the RA to \$350,000. Under special circumstances, applications may be recommended for awards exceeding this amount, if warranted by the following conditions:

- Project involves the acquisition of resource lands or a conservation easement of substantial size.
- Combined benefits would be realized in more than one project category.
- Mitigation would be achieved to offset the environmental impacts of more than one related transportation project.
- Current grant cycle presents an immediate, onetime opportunity for maximum mitigation benefits that could not be achieved in the future.

NORTHERN/SOUTHERN COUNTIES SPLIT

In keeping with the provisions in Sections 187 and 188 of the California Streets and Highways Code, an attempt will be made to allocate 40 percent of the total amount of EEM funds recommended to projects in the northern counties, and 60 percent of the total amount of EEM funds recommended to projects in the southern counties. The southern counties are: San Luis Obispo, Kern, Mono, Tulare, Inyo, Santa Barbara, Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego and Imperial. All other counties are considered northern counties for purposes of the EEM Program.

20.7 CONSIDERATIONS FOR ACQUISITION OF REAL PROPERTY OR CONSERVATION EASEMENTS

If federal funds are used on an EEM project for the acquisition of real property or a conservation easement, all acquisition matters must comply with applicable federal and state laws and regulations (see Chapter 13, "Right of Way," of the *Local Assistance Procedures Manual* (LAPM) at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>).

If no federal funds are involved, the basic requirements of the State Uniform Act must be followed:

- The real property or conservation easement is appraised before the initiation of negotiations.
- The property owner (seller) is provided with a written offer of just compensation.

- The property owner (seller) is not coerced, as defined in Government Code Section 7267.5.
- The property owner (seller) is reimbursed for any expenses incidental to the transfer of title.
- If any persons are displaced by the project, all appropriate relocation assistance services and benefits are provided.

Projects involving acquisition of real property or a conservation easement are subject to an appropriate form of State approved restrictive covenants, which must be signed by both parties, notarized, executed and recorded in the county where the subject acquisition takes place. These restrictive covenants protect the State's investment of EEM funding on the subject property from unapproved use should the subject property be sold, traded, condemned, or, is not managed and maintained as specified in the Grant Application and the State agreement(s). In such cases, the restrictive covenants would require the applicant to reimburse the State at least an amount equal to the State's funding participation, or the pro rata fair market value of the subject property including improvements at the time of the sale or condemnation, whichever is higher.

For acquisition of real property in fee title, the Agreement Declaring Restrictive Covenants (ADRC) (see Exhibit 20-E, "Agreement Declaring Restrictive Covenants (ADRC)," of this chapter) is the document required for record. For projects involving the acquisition of real property "rights," that is, a conservation easement, the ADRC is not applicable. For such projects, the applicant is required to use restrictive covenants language in the project Deed of Conservation Easement or use the EEM Restrictive Covenants Agreement (see Exhibit 20-E1, "EEM Restrictive Covenants Agreement for Conservation Easement (RCACE))." ADRC/RCACE must be signed and notarized to permit Caltrans' approval. RCACE must be recorded at escrow closing.

The applicant may request for Caltrans to deposit EEM funds directly into an escrow account set up by the applicant with a title company when acquisition of real property or a conservation easement is involved (see Section 20.8, "Procedures Following CTC Adoption of EEM Program," Item 12, "Payment Directly to Escrow Company," of this chapter). The opening of the escrow with a title Company or an Escrow Agency is the responsibility of the applicant. The applicant is solely responsible for paying the costs of these services. Any interest earned on EEM funds held in an escrow account **MUST** be repaid to Caltrans immediately after close of escrow.

When an EEM project involves acquisition of real property or a conservation easement, it is strongly recommended that the District Right of Way Unit be involved early in the project development process. It is the responsibility of the District EEM Coordinator to contact the Caltrans District Right of Way Office for review and approval of the subject acquisition by the applicant before the close of escrow.

20.8 PROCEDURES FOLLOWING CTC ADOPTION OF EEM PROGRAM

Following CTC adoption of the annual EEM program in which an applicant's project has received preliminary funding (see Sections 20.1, "Introduction," 20.2, "Eligibility Considerations," and 20.3, "Project Application," of this chapter regarding the application process), the steps for implementing EEM projects are as follows:

1. **Request for Funding Allocation by the CTC** – Once the CTC has adopted the annual EEM Program, thus approving preliminary funding of up to \$10 million for the program, each applicant is responsible for submitting a request in writing, on applicant’s letterhead (see Exhibit 20-C “Request for CTC Allocation Vote,” of this chapter) to the District EEM Coordinator for an allocation vote from the CTC by March 31 in the fiscal year of adoption. This will allocate the funds specifically to their project. The applicant can also submit its request in time to receive its vote at the time of CTC program adoption. Applicants **MUST** receive their funding allocation by March 31 of the fiscal year of program adoption or the project will be dropped from the program, thus allowing another project to be selected (encumbrance authority expires June 30 of the first fiscal year). The three-year project funding begins in the fiscal year the project was adopted.

2. **Project Commencement** - The applicant may not commence any reimbursable project work (for which EEM funds and match funds will contribute) until after all the following occur: 1) the project is adopted into a State program, 2) the project has received a CTC funding allocation, 3) the project Applicant-State Agreement (Agreement) (see Exhibit 20-D of this chapter) has been signed by both the applicant and the State and fully executed, including certification of the agreement by the Caltrans LPA Office showing EEM funds have been encumbered for the project.

3. **Change of EEM Applicant Status** - For a request to change applicant status prior to the CTC funding allocation, the original applicant must submit a written request (Exhibit 20-F, “Change of EEM Applicant Status Request Letter: Pre-Allocation Vote,” of this chapter) to the District EEM Coordinator. It will require Caltrans and CTC approval. The District EEM Coordinator forwards the request to the EEM HQ Program Coordinator for inclusion on the CTC agenda along with the funding allocation request.

For a request to change applicant status after the funding allocation, the original applicant must submit a written request (Exhibit 20-G, “Change of EEM Applicant Status Request Letter: Post-Allocation Vote”) to the District EEM Coordinator. It will require Caltrans and CTC approval. The District EEM Coordinator forwards the request to the EEM HQ Program Coordinator for inclusion on the CTC agenda.

The request letter states the transfer of all rights, responsibilities, payments, and the “title” of applicant on the project, has been mutually agreed to by the original applicant and new applicant agency. Authorizing signatures of both parties must appear on the request letter, along with the RA’s Grant Application cover page and the signed assurances, completed and signed by the new applicant agency. New applicants that are local government agencies and nonprofit entities must also attach a resolution by the new applicant agency’s governing board. Nonprofit organizations must include a copy of the letter showing their classification under section 501(c)(3) of the IRS code.

Upon CTC approval of the transfer of applicant status, a new EEM Agreement must be executed in the name of the new applicant agency. No reimbursements to the new applicant agency may occur prior to the date of the new agreement. Any work done prior to the date of the new agreement is not reimbursable to the new applicant agency.

4. Agreements with the Applicant

An Applicant-State Agreement (Agreement) (see Exhibit 20-D, “Applicant-State Agreement,” of this chapter) is required for all projects receiving EEM program funds. This Agreement:

- Provides the Expenditure Authorization (EA) Number.
- States the Applicant’s name (must be consistent with CTC Resolution adopting EEM Program, if not, a “Change of EEM Applicant Status Request Letter: Post Allocation Vote (Exhibit 20-G),” form must be completed) along with an “Assignment and Assumption of Agreement (Exhibit 20-L).”
- States the effective date of the Agreement.
- Defines the description and location of the project.
- Establishes State and local contributions funding commitments along with the percentages of EEM funding and local contributions.
- Contains a current cost proposal prepared by the applicant.
- Defines the EEM program requirements for applicable design standards, acquisition procedures and construction standards/procedures.
- Defines specific roles and responsibilities for all entities involved in performing the work on the project including, management and maintenance of the property, records retention, and audits.

The EEM Program Coordinator prepares the Agreement with the above information except the cost proposal. The Coordinator sends the following EEM Agreement package to the applicant:

- Cover letter with instructions to complete Agreement.
- Two copies of the Agreement (applicant must sign and return both as originals).
- One (1) original of the project ADRC or RCACE (only for projects involving acquisition of real property or conservation easements).

The Web sites for required policies and procedures: *CTC Guidelines for Allocating, Monitoring and Auditing of Funds for Local Assistance Projects* and *Caltrans’ EEM Guidelines* are at: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm> and *RA’s Procedures and Criteria* are at: <http://resources.ca.gov/eem>.

For projects involving acquisition, see Item 6, “Acquisition of Real Property or a Conservation Easement,” of this section for the processing procedures of the ADRC or RCACE and other acquisition related documents.

Upon receipt of the agreement, the applicant must review it for completeness, and complete the Cost Proposal (except for acquisition-only projects) (see Exhibit 20-D, "Applicant-State Agreement," Attachment B, "Cost Proposal" of this chapter). For acquisition projects requesting the direct deposit of EEM funds into an escrow account, the applicant must complete the escrow account information in Exhibit 20-D, Attachment E "Remarks and Covenants" of the "Applicant-State Agreement." **Two original Applicant-State Agreements must be signed by the applicant and returned to the HQ EEM Program Coordinator for final execution within 90 days of receipt.**

The EEM Program Coordinator will sign and forward both original Agreements to LPA. LPA encumbers the funds, certifies and returns the Agreements to the EEM Program Coordinator. LPA retains a copy of the conformed Agreement for their files.

One original conformed executed Agreement is returned to the applicant. The remaining original Agreement is retained by the EEM Program Coordinator and made part of Caltrans' permanent EEM files. A Conformed copy of the Applicant-State Agreement is sent to DLAE (EEM District Coordinator).

5. **Project Commencement** - Following execution of the agreement, reimbursable work may begin on the project. Applicant is strongly encouraged to submit the 1st invoice by April of the 1st fiscal year.
6. **Acquisition of Real Property or a Conservation Easement** - Legal and physical control of the property shall be acquired in accordance with applicable state laws and regulations prior to the applicant's advertising for bids for construction or development of the project. The State provides reimbursement only for the purchase of property that is required for the project. When an applicant acquires property that includes excess land, the cost of the excess portion must be excluded from the reimbursement requests submitted to Caltrans.

The Applicant-State Agreement for acquisition projects should be executed as specified in Item 4, "Agreements with the Applicant" of this section.

Any land acquisition in fee simple purchase using EEM funds is subject to restrictive covenants (ADRC), which must be executed and recorded on the subject acquisition. The ADRC (Exhibit 20-E, "Agreement Declaring Restrictive Covenants (ADRC)" of this chapter) is prepared by the HQ EEM Program Coordinator, signed and notarized by the applicant and State. The ADRC must be recorded by the applicant along with the Grant Deed to the property being purchased. The ADRC must include the legal property description and original EEM application.

For projects involving the acquisition of real property rights, that is a conservation easement, the ADRC document is not applicable. Instead, the applicant is required to execute the EEM RCACE (see Exhibit 20-E1, "EEM Restrictive Covenants Agreement for Conservation Easements (RCACE)" of this chapter). It is prepared by the HQ EEM Program Coordinator, signed and notarized by the applicant and State. The RCACE must be recorded by the applicant along with the Deed of Conservation Easement for the easement being purchased. The ADRC and the RCACE must include the legal property description and original EEM application.

Preparation of the ADRC or the RCACE by the HQ EEM Program Coordinator (except where noted) includes:

- Providing the Project Number (application number)
- Providing the Agreement Number
- Providing the Applicant's Name
- Providing the effective date of the ADRC or RCACE (completed by applicant)
- For the ADRC: Attachment A, "Legal Description of Real Property," and Attachment B "Original EEM Application" of Exhibit 20-E.
- For the RCACE: Attachment A "Legal Description of Conservation Easement" and Attachment B, "EEM Original Application" of Exhibit 20-E1.

Another option for the applicant, other than executing the RCACE, is to include the following restrictive rights covenants language in the Deed of Conservation Easement for the project:

"CONDEMNATION: The Conservation Easement ("EASEMENT"), described in Attachment A, Exhibit 20-E1 ("Legal Description of Conservation Easement" consistent with EEM Grant Application), attached hereto and incorporated herein by this reference, to be acquired, developed, rehabilitated or restored pursuant to the Applicant-State Agreement No. _____ by the APPLICANT, will be operated, managed, and maintained into the future consistent with Attachment B, Exhibit 20-E1 ("EEM Original Application"), attached hereto and incorporated herein by this reference. If the EASEMENT is taken by the exercise of the power of eminent domain by any public, corporate, or other authority, the State of California, Department of Transportation ("STATE") shall make the determination if such a taking creates a loss of use, as described in Attachment B due to an unsustainable environmental habitat resulting from the material loss of water, access, ground water flows, etc., so as to annul the purposes intended to be achieved by this EASEMENT.

If the STATE determines there is such a loss, the Grantee shall be entitled to compensation in accordance with applicable law for the value of the EASEMENT taken and Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying fee taken.

The Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of Grantee's and Grantors' interests at the time of this grant, it being expressly agreed that this EASEMENT constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds.

Grantee shall be entitled to compensation in accordance with applicable law for the value of the EASEMENT taken and Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying fee taken. The ratio of the value of the EASEMENT to the value of the underlying fee is _____%, such amount having been determined at the time of the grant of this EASEMENT by that certain real property appraisal prepared by _____, dated _____, on file with the Grantee.

The EEM grant made to the Grantee is for the purpose of acquiring the EASEMENT in the amount of \$_____ (the "EEM Grant"). The EEM Grant represents _____% (the "EEM Share") of the total cost of the Easement. If the EASEMENT is proposed to be taken in whole or in part, by exercise of the power of eminent domain, the condemning authority shall notify STATE of the proposed taking by sending written notice to:

*State of California, Department of Transportation,
Attn: Legal Department
1120 N Street, MS 57
Sacramento, California 95814*

and the State Highway Account shall be reimbursed as follows: Grantee shall pay STATE the EEM Share, _____%, of net proceeds received by Grantee from any taking of the EASEMENT (after Grantee deducts costs incurred by Grantee from the gross proceeds received by Grantee in connection with the condemnation) to reimburse STATE for the EEM Grant.

Grantee shall not be obligated to pay STATE as set forth above if STATE approves in writing Grantee's use of those proceeds for the protection of equivalent environmental resources protected by similar conditions to the extent applicable.

If the EEM Share, _____%, of the net proceeds received by Grantee is less than the EEM Grant, \$_____, then Grantee shall pay STATE from the balance of the net proceeds received by Grantee (i.e., the remaining _____% of the net proceeds which shall be referred to herein as the "Remainder Proceeds"), an amount sufficient that STATE is reimbursed a total of the EEM Grant, \$_____, or as close thereto as the Remainder Proceeds will allow. Grantee shall not be obligated to pay STATE any portion of the Remainder Proceeds if the Remainder Proceeds are contractually required to be paid to any other source who provided funds for the acquisition of the EASEMENT, or if STATE approves in writing Grantee's use of the Remainder Proceeds for the protection of alternative environmental resources subject to the protection of STATE's interests in those resources with similar conditions to the extent applicable."

Should the property or conservation easement be sold, traded, condemned, or no longer used for the purpose intended as part of the EEM program, the restrictive covenants require the applicant to reimburse the State at least an amount equal to the State's funding participation, or the pro rata fair market value of the acquisition including improvements at the time of the sale or condemnation, whichever is higher.

Notarization of the restrictive covenant document qualifies them to be publicly recorded. After all of the issues and demands presented in the escrow are resolved, it is the escrow agent's duty to take both the original Grant Deed and original restrictive title or rights covenants agreement to the County Recorder's Office for recordation.

Prior to the close of escrow date, and not more than 60 days prior to the anticipated close of escrow date for projects requesting the direct deposit of EEM funds into an escrow account, the applicant forwards the following acquisition documents to the District EEM Coordinator for review and approval by the Caltrans District Right-of-Way Division Chief:

- 1) An original of the ADRC or the EEM RCACE with notarized signatures, or a copy of the Deed of Conservation Easement with restrictive covenants language.
- 2) A copy of the Preliminary Title Report.
- 3) A current appraisal.
- 4) Escrow instructions.
- 5) Invoice for payment (only for projects requesting direct deposit of EEM funds into an escrow account).

The District EEM Coordinator forwards the above documents along with the project Grant Application and a copy of the Applicant-State Agreement to the District Right-of-Way Division Chief, who must:

- Assure the real property or conservation easement acquired is a part of the approved project (see Attachment A, “Project Description and Financing” of Exhibit 20-D).
- Review the preliminary title report and assure it adequately covers the property or conservation easement for which the EEM funds have been allocated. Also assure the title for the property or conservation easement is sufficient for the proposed use and no adverse conditions affect title (see Attachment A, “Legal Description of Real Property” of Exhibit 20-E, or Attachment A, “Legal Description of Conservation Easement” of Exhibit 20-E1).
- Assure that Exhibit 20-E, (Attachment B, “Original EEM Application”) or Exhibit 20-E1, (Attachment B, “EEM Original Application”) is attached.
- Assure the settlement does not unreasonably exceed or fall below the appraised value for the property or easement to be acquired.
- Assure the amount, when added to any previous payments for the project does not exceed the amount approved by the CTC.
- Provide additional Caltrans instructions to the Title Company escrow instructions. If EEM funds are to be direct deposited into an escrow account, the instructions should include how the funds are to be used (i.e., for the purchase of the subject real property or conservation easement when escrow requirements have been met, and requests the ADRC or RCACE is recorded that a certified copy of the recorded Grant Deed, or Deed of Conservation Easement, and Closing Escrow Statement are forwarded to the District EEM Coordinator upon Close of Escrow).
- Assure that the “Condemnation” language is included in the Deed of Conservation Easement if there is no RCACE.
- Approve the Invoice for payment (only for projects requesting direct deposit of EEM funds into an escrow account).

If after reviewing the acquisition documents, the Caltrans District Right-of-Way Division Chief is assured the project meets all EEM acquisition requirements, he/she approves and signs the Invoice for payment, and signs and notarizes the ADRC, or other restrictive rights covenants agreement, if applicable. All the above documents are returned to the District EEM Coordinator who makes copies of the original ADRC, or other restrictive rights covenant agreement, the invoice for payment, and escrow instructions. The District EEM Coordinator forwards the original ADRC, or other restrictive rights covenant agreement, and escrow instructions to the escrow company. The original invoice is forwarded to the Caltrans LPA Office for processing.

For applicants seeking reimbursement of EEM funds after the close of escrow for the purchase of the real property or a conservation easement, the State will pay the applicant the State's proportionate share of EEM funding for costs incurred for the acquisition in accordance with the standard reimbursement procedures in Item 10, "Invoice and Reimbursement Process" of this section.

For applicants who wish to request direct deposit of EEM funds into an escrow account with the Title Company, the procedures for payment of EEM funds will be different than the standard reimbursement process. The applicant must request the payment to an escrow account by completing Exhibit 20-D of the Applicant-State Agreement, Item 12, "Payment Directly to Escrow Account" of this section. Since EEM funds are paid out in advance of the Close of Escrow, the following project completion approval process must be completed after the close of escrow in order to close out the project:

- The Title Company forwards a certified copy of the recorded Grant Deed, or Deed of Conservation Easement, and the Closing Escrow Statement to the District EEM Coordinator.
- The District EEM Coordinator must receive the original recorded ADRC (or the recorded restrictive rights covenants agreement or the recorded Deed of Conservation Easement) from the county where the property is purchased.
- Upon receipt of the above documents, the District EEM Coordinator completes final report for the project (see this chapter, "Project Completion," Exhibit 20-M, "Final Report of Acquisition of Real Property or Conservation Easement Expenditures,") and provides the District Right-of-Way Unit with a copy of the recorded document. The original recorded ADRC, with Attachment A and B or other recorded restrictive rights covenants agreement, are forwarded to the HQ EEM Program Coordinator. The Final Report of Real Property or Conservation Easement Expenditures is completed by the District EEM Coordinator and forwarded with Closing Escrow Statement to the LPA Office with a copy to the HQ EEM Program Coordinator.

The HQ EEM Program Coordinator forwards copies of both the recorded Grant Deed, or Deed of Conservation Easement and the ADRC to the HQ Right-of-Way and Asset Management Program. The original ADRC, or Restrictive Rights Covenants Agreement becomes a part of Caltrans permanent files.

If an EEM funded property is sold, traded, condemned or, is no longer managed, maintained, and used for the intended EEM purpose and the State is reimbursed, a notice of revocation of restrictive covenants (see Exhibit 20-E “Agreement Declaring Restrictive Covenants (ADRC)”) shall be properly prepared and processed for recordation by the Caltrans District Right-of-Way Unit and signed by the District Right-of-Way Division Chief and the applicant.

7. **Project Cost Decreases** - If the cost or scope of a project decreases for any reason, the allocation of State funds will be decreased proportionately with a decrease in the applicant’s participating contributions and amount of work completed.
8. **Scope Changes** - In cases where the CTC-approved EEM funding amount is less than the amount for which the applicant originally applied due to a budget reduction by the RA, the applicant is required to complete the project without downscoping it, unless downscoping is specifically authorized in writing by the RA or the CTC. When the approved EEM funding amount is reduced, the applicant must complete the project by supplementing the project cost with additional funding sources or by finding a less costly way to complete the project.

In cases where the applicant does not use all the allocated EEM funding to complete the project, the remaining amount reverts back to the EEM Program. The applicant may not expend the unused EEM funding on the project for features not already included in the approved Grant Application and the Applicant-State Agreement.

The State must approve changes in scope for the project. For a minor scope change, the applicant must submit a scope change request in writing using the form Exhibit 20-N “Scope Change Request,” to the District EEM Coordinator for DLA approval. Request for major changes in the project scope may require CTC and/or RA approval. If DLA approved, the EEM funds will be reduced proportionately with the reduced scope of work and costs incurred. A contract award may exceed the estimated cost proposal on the project, but in no case can the allocation of EEM funds exceed the amount approved by the CTC.

9. **Inspection of Work and Recommendation of Payment** - All EEM projects on State-owned right-of-way shall be inspected by Caltrans District Landscape Architect to ensure that the applicant complied with State design, construction standards, practices and with the conditions of all permits. If the inspection requires abilities or special knowledge that are outside the landscape function, the District Landscape Architect has the authority to request assistance from other Caltrans functions having the appropriate expertise.

For EEM work “off” the State-owned right-of-way, the applicant is responsible for ensuring that the facility is constructed in accordance with design, construction standards, and practices of the local government having jurisdiction over the project. The District EEM Coordinator will review the facility upon project completion to verify that the project was built consistent with the approved project application using “Final Project Expenditure Report”, see Exhibit 20-M.

10. Invoice and Reimbursement Process - All work on the project must be completed prior to the end of the second fiscal year following the first fiscal year of program adoption. Once the project has been completed, the project completion approval process for closing out the project begins. It requires the applicant to submit one original and two copies of a final invoice (see Exhibit 20-D, "Applicant-State Agreement," under Attachment D "Sample of EEM Project Invoices," of this chapter) with copies of all back-up documentation for costs incurred on the project. The applicant also must prepare and submit one original of the Final Project Expenditure Report (Exhibit 20-I, "Invoice Payment Request Memo for Projects Involving Acquisition of Real Property or a Conservation Easement" and Exhibit 20-M, "Final Project Expenditure Report"). These must be submitted to the District EEM Coordinator at least 60 days prior to the expiration date of the Applicant-State Agreement. This allows the District EEM Coordinator time for a final inspection of the project site to ensure the project was completed as scoped in the Grant Application and forwarding the final invoice and the final expenditure report to the Caltrans LPA Office for processing prior to the EEM funds reverting. Failure to meet this deadline may result in nonpayment of the final invoice and the EEM funds reverting and no longer available for reimbursement on the project.

Back-up documentation to close out an acquisition project must include: a copy of the recorded Grant Deed or Deed of Conservation Easement, a copy of the Closing Escrow Statement, and the original recorded ADRC, or RCACE, which must be sent to the District EEM Coordinator from the county where the property is purchased.

The project completion approval process for projects involving acquisition of real property or a conservation easement with direct deposit of EEM funds into an escrow account, is covered under Item 6, "Acquisition of Real Property or a Conservation Easement," in this section.

Applicants may submit progress invoices directly to the LPA Office for reimbursement along with supporting documentation for costs incurred at the address under "For Progress Invoices" on the invoice format. Applicant is strongly encouraged to submit its 1st progress invoice by April of the 1st fiscal year.

The LPA Office provides accounting services for the State and will ensure eligible EEM payments are made. Once the applicant or the District EEM Coordinator has forwarded the invoice to LPA, the invoice is processed and then forwarded to the State Controllers Office for payment. Applicants should allow up to 50 days for processing of the invoice from the time it is received by LPA. The invoice format is the means for applying to Caltrans for reimbursement. The following requirements must be satisfied prior to reimbursement of eligible project costs on a project:

- The project must be on a stamped CTC resolution list of projects.
- There must be an executed Applicant-State Agreement for the project.
- LPA must have certified the agreement and encumbered State funds for the project.
- Caltrans' District Landscape Architect must inspect and authorize payment of the final invoice for the work on State-owned right-of-way, and the District EEM Coordinator must inspect and authorize payment of the final invoice for work off State-owned right-of-way.
- The payment of State funds is typically made upon completion of the work (but at the option of the applicant, monthly progress payments can be arranged).

- 11. Payment Directly to Escrow Company** - The applicant may request that Caltrans deposit EEM payments directly into an escrow account to be opened by the applicant with the Title Company when acquisition of real property or a conservation easement is involved. The applicant is solely responsible for paying the costs of these services. The applicant must complete Attachment D, "Remarks and Covenants" of Exhibit 20-D of this chapter, as follows:

Pursuant to the terms of Applicant-State Agreement No. _____, dated _____ and effective immediately, the _____ (*Name of Applicant*) requests and authorizes that the EEM fund warrants be made out in the name of the:

_____ (*Name of Title Company*),
 _____ (*Address of Title Company*),
 _____ (*Name of Escrow Agent*) for Escrow No. _____
 _____ (*Phone no.*)
 _____ (*Title Company Tax I.D. No.*)
 Escrow Close Date: _____

- 12. Project Completion** - Upon completion of a project, the applicant is responsible for submitting back-up documentation and preparing a Final Project Expenditure Report and Final Invoice for submittal to the District EEM Coordinator as described under Item 10, "Invoice and Reimbursement Process," of this section. The project completion approval process for projects involving acquisition with direct deposit of EEM funds into an escrow account is described under Item 6, "Acquisition of Real Property or a Conservation Easement," of this section.
- 13. Audit** - Local agency expenditures of EEM program funds are subject to financial and compliance audits by the State Controllers Office and Caltrans Office of Audits and Investigations. These guidelines are in Chapter 10, "Consultant Selection," Exhibit 10-N, "Accounting and Auditing Guidelines for Contracts with Caltrans," of the *Local Assistance Procedures Manual* (LAPM) at: http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_p/p10consul.pdf. The applicant shall maintain an accurate and detailed record of the costs for its project per these guidelines. Such records shall be retained and made available for examination by the State's auditors for a minimum of four years after the Final Project Expenditure Report is submitted to the State.
- 14. Fees and Administrative Charges** - This program is believed to be a benefit to Caltrans as well as the applicants, therefore, all fees and administrative charges for Caltrans permits and inspection will be waived.
- 15. Maintenance and Operation of Project** - The applicant, or its successors, is responsible for maintaining the project after it is completed and the EEM project has been approved consistent with the Grant Application and project agreement and closed out by the District EEM Coordinator. The applicant is responsible for ensuring that the subject acquisition of real property or a conservation easement acquired, developed, rehabilitated, or restored with program funds is managed and maintained, in perpetuity, consistent with applicable provisions in the Grant Application and project agreement.

Caltrans' Chief, Office of Program Management in the DLA, or his/her assignee, is responsible for approving any transfers in the management and maintenance responsibilities for the property, and for the approval of reassignment in whole or in part, of the project agreement. For transfer forms see Exhibit 20-L, "Assignment and Assumption of Agreement." For management and maintenance of acquisition projects, see Item 6, "Acquisition of Real Property or a Conservation Easement," of this section.

20.9 REFERENCES

- Section 164.56 of the Streets and Highways Code;
- Resources Agency's *EEM Program Procedures and Criteria* at: <http://resources.ca.gov/eem/>
- *California Transportation Commission Guidelines for Allocating Monitoring, and Auditing of Funds for Local Assistance Projects*, Resolution G-99-25, August 18, 1999 (Exhibit 20-K): <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>
- Caltrans' *Local Assistance Procedures Manual*(LAPM) at: <http://www.dot.ca.gov/hq/LocalPrograms/>

ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM CRITICAL DATES

(NOTE: Years shown apply to 2007/08 grant cycle. Dates for future cycles will vary, however, the months shown should be fairly consistent from cycle to cycle—depending on when the State Budget is passed.)

<u>DATE</u>	<u>ACTIONS</u>
8/07	Date the State Resources Agency (RA) is scheduled to mail the EEM Application Packet to applicants on their mailing list.
11/07	Date the applications are due back to RA.
1/08	The RA publishes a "short list" of recommended projects and forwards to the California Transportation Commission (CTC) for funding consideration along with four (3) copies of each application. All project applicants will be notified of the status of their project at that time. Applicants making the short list should prepare "Request for CTC allocation vote and submit to District Local Assistance Engineer (DLAE)/District EEM Coordinator for April CTC meeting.
1/08	RA provides two (2) copies of each application to Caltrans Headquarters EEM Program Coordinator.
1/08	Caltrans EEM Program Coordinator distributes one copy of each application to the appropriate district for review by the DLAE/EEM Coordinators and District Landscape Architect.
2/08	CTC requests final approved copy of Environmental Document (ED) for the EEM project from applicants on the "short list." No ED means project is taken off the list.
1/08 to 2/08	CTC, Caltrans EEM Program Coordinator, and DLAE/EEM Coordinator, and if applicable, the District Landscape Architect and/or Right of Way, review project applications from short list.
2/08	Final deadline for submitting final approved environmental documents to CTC, if not included in original application. Final Caltrans comments on applications submitted to CTC. District EEM Coordinators should begin working with applicants to submit their funding allocation request, for submittal at program adoption meeting (April 2008).
3/08	RA's short list of EEM projects is presented as "information" item at March CTC meeting.
4/08	The CTC adopts the EEM Program. It approves funding allocations as available. Caltrans HQ EEM Coordinator transmits "CTC Stamped" resolution for annual EEM Program to the Caltrans DLAE/EEM Coordinators and Applicants.
4/08 to 5/08	Period during which the CTC allocation vote must be approved by CTC, the Agreement must be executed, and Caltrans Local Program Accounting Office must encumber the EEM funds.
4/10	Date the applicant should complete the project, submit a final invoice and final project expenditure report to the Caltrans DLAE/EEM coordinator to verify and approve project completion.
5/10	Deadline for DLAE/EEM Coordinator to submit final invoice to the Caltrans LPA Office.
6/30/10	Budget Authority expires for the expenditure of State funds. All remaining unexpended EEM funds for this cycle will revert.

**SAMPLE RESOLUTION
APPROVING AN EEM PROJECT**

Resolution No: _____

RESOLUTION OF THE _____
(GOVERNING BODY)

OF _____ APPROVING
(NONPROFIT ORGANIZATION/SPECIAL PURPOSE LOCAL AGENCY))

THE APPLICATION FOR GRANT FUNDS FOR THE ENVIRONMENTAL ENHANCEMENT AND

MITIGATION (EEM) PROGRAM UNDER SECTION 164.56 OF THE STREETS AND HIGHWAYS CODE

FOR THE FOLLOWING PROJECT:

(PROJECT NAME)

WHEREAS, Senate Bill 117 (Statutes of 1999, Chapter 739) established the EEM Program as a permanent program funded at \$10 million annually by the Legislature for grant funds to local, State and federal governmental agencies, and nonprofit organizations for projects to enhance the environment and mitigate the environmental impacts of modified or new public transportation facilities; and

WHEREAS, the State Resources Agency of California has established the procedures and criteria for reviewing grant proposals and is required to submit to the California Transportation Commission a list of recommended projects from which the grant recipients will be selected; and

WHEREAS, said procedures and criteria established by the State Resources Agency of California require a resolution certifying the approval of application by the applicant's governing body before submission of said application to the State; and

WHEREAS, the application contains assurances with which the applicant must comply; and

WHEREAS, the applicant, if selected, will enter into an agreement with the State of California, Department of Transportation, to carry out the environmental enhancement and mitigation project;

NOW, THEREFORE, BE IT RESOLVED THAT THE

(GOVERNING BODY)

1. Approves the filing of an application for the Environmental Enhancement and Mitigation Program for grant assistance.
2. Certifies that said applicant will make adequate provisions for operation and maintenance of the project.

3. Appoints _____ as agent of
(NAME AND TITLE)

the _____ to
(NONPROFIT ORGANIZATION/SPECIAL PURPOSE LOCAL AGENCY)

conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the aforementioned project.

Approved and Adopted the _____ day of _____, 20____. I, the undersigned,

hereby certify that the foregoing Resolution Number _____ was duly

adopted by _____
(GOVERNING BODY)

Following roll call vote:

Ayes: _____

Noes: _____

Absent: _____

(CLERK/SECRETARY FOR THE GOVERNING BODY)

Distribution: Local agency submits original with the EEM Application.

REQUEST FOR CTC ALLOCATION VOTE
Local Agency Letterhead

To: (DLAE Name)
District Local Assistance Engineer
Caltrans, Office of Local Assistance
(District Address)

Date: _____
Project Number:
Project Title:

Dear (DLAE Name):

We request the California Transportation Commission allocate from the Environmental Enhancement and Mitigation (EEM) \$_____. This is the amount requested in the EEM program application for _____ (project location and description and what will be accomplished. The funding is for:

	<u>Total Cost</u>	<u>CTC Allocation Share</u>
Preliminary Eng.	\$ _____	\$ _____
Right-of-Way	\$ _____	\$ _____
Construction	\$ _____	\$ _____
Const. Eng.	\$ _____	\$ _____
Acquisition of Property	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____

Status of Projects:

Environmental:

- CEQA - Define project clearance type and date.
- NEPA - Define project clearance type and date (if applicable).

Engineering:

- The PS&E development was/will be completed on (date) (if applicable).
- R/W: The project right-of-way acquisition is scheduled to begin (date) (if applicable).
- Construction: The project advertisement is scheduled for (date) (if applicable).

The project was adopted in the CTC Program Adoption Resolution for FY20xx-20xx for amount of \$_____ under EEM Program for FY 20xx-20xx. We request that CTC vote the funds at its next available meeting.

Please advise us as soon as the fund allocation has been voted. You may direct any questions to (Name) at (phone number) and (e-mail).

CERTIFICATION:

I hereby certify I will:

1. Sign the Applicant-State Agreement (Agreement) within 90 days of the date on the Agreement cover letter from Caltrans.
2. Begin this project as soon as the Agreement is executed.
3. Let Caltrans know by April of the fiscal year in which the funds were allocated if we will not be able to implement the project, this allowing another project to receive an allocation. We understand our project will be put at the bottom of the list.
4. If property is being acquired, an Agreement Declaring Restrictive Covenants will be recorded and submitted to Caltrans.

Sincerely,

Signed: _____

Title: _____

This document is under "Policies, Procedures, Dates at website:

<http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>

Distribution: Local agency sends original to the DLAE

FOR CALTRANS USE:								
I hereby certify upon my own personal knowledge that budgeted funds are available for this encumbrance.								
Accounting Officer						Date:		\$
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$
Note to LPA; check Exhibit D for payment to escrow account.								

APPLICANT-STATE AGREEMENT NO. _____
ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM

STATE PROJECT NUMBER: EEM-
20xx/20xx FISCAL YEAR ALLOCATION

EA:

THIS AGREEMENT, made effective this ___ day of ___20xx, by and between _____ hereinafter referred to as "APPLICANT", and the State of California, acting by and through the California Department of Transportation (Caltrans), hereinafter referred to as "STATE."

WITNESSETH

WHEREAS, as provided by Streets and Highways Code Section 164.56, Senate Bill 117 (Statutes of 1999, Chapter 739) established the EEM Program as a permanent program, funds have been allocated to APPLICANT by the California Transportation Commission (CTC) after the PROJECT submitted by APPLICANT had been recommended for funding by the Resources Agency; and as described in the application (APPLICATION);

WHEREAS, STATE and APPLICANT now desire to enter into an Agreement relative to fund transfers and cost sharing on the described PROJECT.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - Project Administration and General Provisions

1. PROJECT shall mean that EEM PROJECT described in the APPLICATION submitted by APPLICANT and summarized in Attachment A to this Agreement including financing information as set forth in Section III of Attachment A to this Agreement.
2. APPLICANT shall adhere to: California Transportation Commission (CTC) *Guidelines for Allocating, Monitoring, and Auditing of Local Assistance Projects*, the *EEM Guidelines* at website: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>, under "Policies and Procedures," and the Resource Agency's *Environmental Enhancement and Mitigation Program Guidelines* at <http://www.resources.ca.gov/eem>.

3. The PROJECT submitted by APPLICANT, together with all conditions and assurances contained therein, and specifically including information on how the PROJECT shall be financed, are made an express part of this Agreement. Should any conflict exist between the APPLICATION and the Agreement, the Agreement shall prevail.
4. APPLICANT shall complete PROJECT, which shall be acquired, developed, designed and constructed as provided in this Agreement.
5. If PROJECT is located on STATE-owned right-of-way, APPLICANT shall comply with all applicable STATE design and construction standards and practices. If PROJECT is not on STATE-owned right-of-way, APPLICANT shall comply with the applicable design and construction standards and practices of the local government having jurisdiction over the PROJECT location.
6. In cases where the CTC approved funding is less than the amount for which APPLICANT originally applied due to a Budget Reduction on the project required by the State Resources Agency, APPLICANT is obligated to complete PROJECT without downscoping it, unless specifically authorized to do so, in writing, by the State Resources Agency. This will be accomplished by APPLICANT supplementing PROJECT costs with another funding source or by finding a less costly way to complete the PROJECT.
7. The estimated total cost of PROJECT is as shown in Section III of Attachment A of this Agreement. While APPLICANT may, with the STATE's written approval, award a contract in an amount exceeding the estimated total PROJECT cost specified in Section III-A of Attachment A of the Agreement, the allocation of STATE funds for PROJECT will never be greater than the amount specified in Section III-C of Attachment A of this Agreement.
8. Section III of Attachment A specifies the APPLICANT's estimated total PROJECT cost, each party's proportionate percentage of those costs and the maximum amount of STATE funds the CTC has authorized for the PROJECT. The STATE's proportionate share of funding is a certain percent of the estimated total PROJECT cost and approved scope of the PROJECT (STATE's PROPORTIONATE SHARE) and will be used as the reimbursement ratio on this project. In the event the actual cost of PROJECT exceeds the estimated total cost of the PROJECT, the STATE shall pay its PROPORTIONATE SHARE of the cost only up to the amount specified in Section III-C of Attachment A of the Agreement.
9. In the event the PROJECT scope decreases, a decrease in the STATE's PROPORTIONATE SHARE shall be made. In the event the actual cost of PROJECT decreases for any reason from the estimated total PROJECT cost specified in Section III of Attachment A, the allocation of STATE funds will be decreased proportionately with any decrease in APPLICANT's participating contribution so that the STATE's PROPORTIONATE SHARE of costs relative to TOTAL PROJECT COST remains as specified in Section III-B of Attachment A of the Agreement.
10. No changes of any kind may be made to the PROJECT without prior written notice to and written acceptance by the STATE of the proposed change. The STATE shall acknowledge a written notice of proposed change by either accepting or rejecting the proposed change in writing. In the event the STATE responds to a proposed change by stating that the proposed change requires discussion and amendment, such action shall constitute a rejection of the proposed change and any work performed in spite of that rejection shall not be eligible for reimbursement unless and until there is a written, duly executed amendment to this Agreement which addresses that work. Any amendment to this Agreement shall not be effective until executed by both parties. In addition, the parties should take special notice of ARTICLE XII, paragraph 6 of this Agreement.

11. After completion and acceptance of PROJECT by both APPLICANT and STATE, STATE shall pay STATE's PROPORTIONATE SHARE of the cost of PROJECT to APPLICANT, within sixty (60) days after receipt of a signed invoice for payment submitted by APPLICANT. At the option of APPLICANT, monthly or quarterly pro rata progress payments in arrears may be made on a reimbursement basis upon submittal of invoices by APPLICANT and approval by STATE of the PROJECT costs incurred. Pro rata payments will be based on the amount of the STATE fund transfer authorized herein in proportion to the total cost of PROJECT, including APPLICANT's contributions. An invoice format document is included as Attachment D, Exhibit 20 D of this Agreement.
12. If PROJECT involves work anywhere on the State Highway System, a separate standard form of encroachment permit between STATE and APPLICANT must be prepared and executed before PROJECT work may commence.
13. APPLICANT shall comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM (Attachment C) and further agrees that any agreement or service contract entered into by APPLICANT with a third party for performance of work connected with the PROJECT shall incorporate Exhibit B as a part of such agreement.
14. Upon completion of all work under this Agreement and prior to the expiration of this Agreement, APPLICANT shall prepare and file with STATE one (1) original Final Project Expenditure Report. The Final Project Expenditure Report must be submitted with the final invoice on the PROJECT.

ARTICLE II - Rights-of-Way

1. The acquisition, clearance, and improvement of rights-of-way necessary for the development of PROJECT shall be the responsibility of APPLICANT. Right-of-way acquisition and clearance costs may be included as a participating item of total PROJECT costs if included as part of the PROJECT scope of work.
2. APPLICANT shall perform all PROJECT right-of-way activities in accordance with applicable state laws and regulations unless the STATE determines, in writing, that the State Uniform Relocation Assistance and Real Property Acquisition Policies Act (Government Code Section 7260-7277) do not apply to PROJECT.
3. APPLICANT, as part of its PROJECT design responsibility, shall identify and locate all utility facilities within the PROJECT area. All utility facilities, including those not relocated or removed in advance of construction, shall be identified on PROJECT plans and specifications.
4. If any existing public and/or private utilities conflict with the construction of PROJECT, APPLICANT will make all necessary arrangements with the owners of such utilities for their protection, relocation, or removal. If utility relocation is required within STATE right-of-way, APPLICANT shall conform to STATE standards, policies and procedures. If utility relocation is outside of STATE right-of-way, APPLICANT shall conform to local government policies.
5. APPLICANT shall certify as to legal and physical control of that PROJECT right-of-way once it is ready for construction, and that the PROJECT right-of-way was acquired in accordance with applicable State laws and regulations, subject to review and concurrence by STATE, prior to the advertisement for bids for construction/development of PROJECT.

6. If right-of-way acquisition and clearance costs are included as a participating item of PROJECT costs, STATE shall provide funds only for purchase of the actual right-of-way required for PROJECT. If APPLICANT acquires right-of-way, which includes excess land, STATE will not participate in the cost of the excess portion. In the event land initially acquired as part of PROJECT is declared excess at a later date, APPLICANT shall reimburse STATE, no later than one hundred twenty (120) days after PROJECT completion or upon the subsequent sale of that excess land, for either the pro rata fair market value of that excess at the time of disposal or, if that property is retained by APPLICANT, the pro rata fair market value of the excess land at that time. The pro rata fair market value shall be based on the total of the STATE fund transfer amount applied toward purchase of the property in proportion to the total purchase price of the property.

ARTICLE III - Safety

1. APPLICANT shall comply with OSHA regulations regarding necessary safety equipment and procedures. If PROJECT work is to be performed within STATE right-of-way, APPLICANT shall also comply with safety instructions issued by the District Safety Officer and other STATE representatives. APPLICANT's and APPLICANT's personnel shall see that all individuals wear white hard hats and orange safety vests at all times while working within STATE right-of-way.
2. Pursuant to the authority contained in Section 591 of the Vehicle Code, STATE has determined that within such areas are within the limits of the PROJECT and are open to public traffic, APPLICANT shall comply with all the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. APPLICANT shall take all reasonably necessary precautions for safe operation of its vehicles and its agent's and the protection of the traveling public from injury and damage from such vehicles when performing work within STATE right-of-way.

ARTICLE IV - Inspection of Work

1. APPLICANT and any of its PROJECT subcontractors shall permit STATE to review and inspect PROJECT activities at all reasonable times during the performance period of this Agreement, including review and inspection on a daily basis.

ARTICLE V - Equipment Purchase

1. Prior authorization in writing by STATE shall be required before APPLICANT enters into any non-budgeted purchase order or subcontract exceeding \$500 for supplies, equipment, or consultant services. APPLICANT shall provide an evaluation of the necessity or desirability of incurring such costs.
2. For purchase of any item, service or consulting work not identified in APPLICANT's Cost Proposal and exceeding \$500 with written prior authorization by STATE, three (3) competitive quotations must be submitted with that request or the absence of bidding must be adequately justified.

3. Any equipment purchased as a result of this Agreement is subject to paragraph 3 of this Article V. APPLICANT shall maintain an inventory of all nonexpendable property, defined as property having a useful life of at least two years and an acquisition cost of \$500 or more. If purchased equipment needs replacement and is sold or traded in, STATE shall receive a proper refund or credit. Upon the expiration date of this Agreement, or if this Agreement is terminated, APPLICANT may either keep the equipment and credit STATE in an amount equal to its fair market value or sell such equipment at the best price obtainable at a public or private sale, in accordance with established STATE procedures, and credit STATE in an amount equal to the sales price. If APPLICANT elects to keep that equipment, fair market value shall be determined at APPLICANT's expense on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to STATE and APPLICANT. If it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by STATE.

ARTICLE VI - Management and Maintenance of Property

1. APPLICANT will operate, manage and maintain into the future all property acquired, developed, rehabilitated, or restored with funds transferred through this Agreement. With STATE's prior approval, APPLICANT or its successors in interest may transfer management and maintenance responsibilities over the property. If the property is not managed and maintained consistent with the PROJECT APPLICATION, APPLICANT or its successors in interest, at the discretion of STATE and within 45 days after receiving notice to APPLICANT by STATE, shall reimburse STATE an amount at least equal to the amount of STATE's funding participation in PROJECT together with all accrued interest at State Treasurer's pooled money investment account.
2. All real property, or rights thereto, acquired with these funds shall be subject to an appropriate form of restrictive title, or rights, covenants approved by STATE. If the PROJECT real property, or rights thereto, is sold, traded, condemned, or otherwise put to any use other than that use as approved in the Allocation for STATE funds, the State Highway Account, at the discretion of STATE and within 45 days notice to APPLICANT by STATE, shall be reimbursed an amount at least equal to the amount of the STATE's funding participation in PROJECT or the pro rata fair market value of the real property, or rights thereto, including improvements at the time of sale, whichever is higher. The pro rata fair market value shall be based on the proportions of the fund transfer amount applied toward the purchase of the property, or rights thereto, and the design and construction of improvements in proportion to the total purchase price of the real property, or rights thereto, and the cost of all improvements made prior to the time of sale.

ARTICLE VII – Retention of Records/Audit Review Procedures

1. For the purpose of determining compliance with Public Contract Code 10115, et seq., and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable, and other matters connected with the performance of the Agreement pursuant to Government Code 10532, APPLICANT, its contractors and their subcontractors and STATE shall each maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of this Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for four (4) years from the date of final payment under this Agreement. STATE, the State Auditor, the Federal Highway Administration (FHWA), or any duly authorized representative of the federal government shall have access to any books, records, and documents of APPLICANT that are pertinent to this Agreement for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished by APPLICANT or its contractors, if requested.

2. Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not satisfactorily disposed of by Agreement shall be reviewed by the Chairperson of the STATE Audit Review Committee (ARC). The ARC will consist of: the Assistant Director, Audits & Security (Chairperson); Deputy Director of Transportation Engineering; the Chief Counsel, Legal Division, or their designated alternates; and two representatives appointment by the Director of Transportation from private industry whose role will be advisory in nature only and without voting rights.
3. Not later than 30 days after issuance of the final audit report, APPLICANT may request a review by the ARC of unresolved audit issues. The request for review will be submitted in writing to the Chairperson of the ARC. The request must contain detailed information of the factors involved in the dispute as well as justifications for reversal. A meeting by the ARC will be scheduled if the Chairperson concurs that further review is warranted. After the meeting, the ARC will make recommendations to the Chief Deputy Director. The Chief Deputy Director will make the final decision for STATE within one (1) month following the receipt of the notification of dispute or following the ARC meeting recommendation date, whichever is later in time.
4. Neither the pendency of a dispute nor its consideration by STATE will excuse APPLICANT from full and timely performance of its obligations in accordance with the terms of this Agreement.
5. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this Article VII.
6. Expenditures of EEM program funds are subject to financial and compliance audits by the State Controllers Office and Caltrans Office of Audits and Investigations. These guidelines may be found in *Local Assistance Procedures Manual*, Chapter 10, "Consultant Selection," Exhibit 10-N, "Accounting and Auditing Guidelines for Contracts with Caltrans." Website: <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>

ARTICLE VIII – Allowable Costs and Payments

1. The method of reimbursement authorized by STATE for PROJECT expenditures made by APPLICANT under this Agreement will be based on actual costs incurred. STATE will reimburse the STATE's PROPORTIONATE SHARE of actual costs (based on Section III of Attachment A of this Agreement and including labor costs, employee benefits, travel, equipment rental costs, and other direct costs) incurred by APPLICANT in performance of the work. APPLICANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, fringe benefit rates, and other estimated costs set forth in APPLICANT's cost proposal (Attachment B this Agreement) unless additional reimbursement is provided for by Agreement amendment. In the event that STATE determines additional work beyond that specified in APPLICANT's cost proposal and this Agreement is required to produce a satisfactory PROJECT, the actual costs reimbursable by STATE may be increased by Agreement amendment to accommodate that additional work. The maximum total costs as specified in Section III of Attachment A of this Agreement, shall not be exceeded unless authorized by Agreement amendment.
2. Reimbursement for transportation and subsistence costs shall not exceed the rates to be paid nonrepresented/excluded State employees under then current State Department of Personnel Administration rules detailed in the Caltrans Travel And Expense Guide.
3. General and administrative PROJECT overhead is unallowable under the Resources Agency of California's *Environmental Enhancement and Mitigation Program Procedures and Criteria* guidelines.
4. Progress payments will be allowed and may be made no less than monthly in arrears based on PROJECT work performed and allowable incurred costs authorized as part of the PROJECT.
5. APPLICANT may not commence any reimbursable PROJECT development work or services or PROJECT

capital outlay work before both program adoption and funding allocation by the California Transportation Commission and execution of this PROJECT agreement by both APPLICANT and STATE. Reimbursement is subject to annual appropriation by the Legislature in the State Budget for the Environmental Enhancement and Mitigation Program Fund.

6. APPLICANT will be reimbursed, as promptly as fiscal procedures will permit upon receipt by STATE's Local Program Accounting Office in the Division of Accounting of signed invoices. One original and two copies of the invoice (in the format shown in Attachment D of this Agreement) shall be submitted after the performance of work for which APPLICANT is billing. Invoices shall include detailed back-up information supporting the work performed. The final invoice must contain the final cost and all credits due STATE, including credits or reimbursements due STATE for any equipment purchased under the provisions of Article V of this Agreement. The final invoice shall be mailed to the Caltrans District Director, ATTN: District Local Assistance Engineer, for PROJECT completion and final invoice approval. Progress invoices shall be mailed directly to STATE at the following address:

DEPARTMENT OF TRANSPORTATION
Division of Accounting, MS 33
Local Program Accounting Branch
P. O. Box 942874
Sacramento, CA 94274-0001

ARTICLE IX – Cost Principles

1. APPLICANT agrees to comply with: 1) The Resources Agency of California's *Environmental Enhancement and Mitigation Program Procedures and Criteria* at: <http://resources.ca.gov/eem.html>, and 2) California Transportation Commission *Guidelines for Allocating, Monitoring, and Auditing of Local Assistance Projects* and the *EEM Guidelines*, at: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm> under "Policies and Procedures."
2. APPLICANT agrees to comply with the following, as applicable:
 - A) The Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et seq., which shall be followed to determine the allowability of individual items of cost for which reimbursement is sought.
 - B) 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments.
 - C) Office of Management and Budget Circular A-122, Cost Principles for Nonprofit Organizations, which shall be used to determine costs of grants, contracts and other agreements with nonprofit organizations (excluding colleges, universities and hospitals).
 - D) Office of Management and Budget Circular A-122, Cost Principles for Nonprofit Organizations, which shall be used to determine costs of grants, contracts and other agreements with nonprofit organizations (excluding colleges, universities and hospitals).
 - E) Office of Management and Budget Circular A-21, Cost Principles for Educational Institution establishing principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

- F) Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Nonprofit Organizations.
3. Any costs for which payment has been made to APPLICANT that are determined by subsequent audit to be unallowable under Paragraphs 1 and 2 of this Article IX are subject to repayment by APPLICANT to STATE. In addition, APPLICANT will remit any interest earned on EEM funds to the STATE immediately upon escrow close.
 4. Should any conflict exist between the STATE guidelines as described in Paragraph 1 and 2 of this Article IX, the following order will prevail and be applied as follows: 1) Resources Agency of California's *Environmental Enhancement and Mitigation Program Procedures and Criteria* at <http://resources.ca.gov/eem.html>, 2) *California Transportation Commission Guidelines for Allocating, Monitoring, and Auditing of Local Assistance Projects*, and *Caltrans EEM Program Guidelines* at: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>, 3) 48 CFR, *Federal Acquisition Regulations System*, Chapter 1, Part 31 et seq.; 49 CFR, *Federal Acquisition Regulations System*, Part 18, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government*; OMB A-21, *Cost Principles for Educational Institutions*; OMB A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations*; OMB A-122, *Cost Principles for Nonprofit Organizations*; and OMB A-87, *Cost Principles for State and Local Government*.
 5. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this Article IX.
 6. Should APPLICANT fail to reimburse moneys due STATE within thirty (30) days of demand, or within such other period as may be agreed between the parties hereto, STATE is authorized to withhold future payments due APPLICANT from any source, including but not limited to the State Treasurer, the State Controller and the California Transportation Commission.

ARTICLE X - Subcontracting

1. APPLICANT shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by STATE, except that which is expressly identified in APPLICANT's Cost Proposal (Attachment B, Exhibit 20-D of this Agreement).
2. Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement and shall be applicable to all subcontractors.
3. Any substitution of subcontractors must be approved in writing by STATE.
4. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this Article X.

ARTICLE XI - Insurance

1. If the scope of APPLICANT services will not require APPLICANT or a subcontractor to enter upon STATE highway right-of-way, then the APPLICANT is not required to show evidence of general comprehensive liability insurance.

2. In the event that APPLICANT or an agent, contractor or subcontractor of APPLICANT will be present or working on STATE right-of-way, prior to commencement of the work described herein, the APPLICANT shall furnish to STATE a Certificate of Insurance stating that there is general comprehensive liability insurance presently in effect for APPLICANT and/or its agents, contractors, and subcontractors who will be working (in any manner) on STATE property with a Combined Single Limit (CSL) of not less than one million dollars (\$1,000,000) per occurrence.
3. The Certificate of Insurance must provide:
 - A. That the insurer will not cancel the insured's coverage without 30 days prior written notice to the STATE.
 - B. That the STATE, its officers, agents, employees, and servants are also included as additional named insured, but only insofar as PROJECT operations under this Agreement are concerned.
 - C. That STATE will not be responsible for any premiums or assessments on the policy.
4. APPLICANT agrees that all bodily injury liability insurance or self-insurance required herein shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, APPLICANT agrees to provide at least thirty (30) days prior to said expiration date, a new Certificate of Insurance or Certificate of Self-Insurance evidencing coverage as provided for herein for not less than the remainder of the term of the Agreement, or for a period of not less than one (1) year. New Certificates are subject to the approval of STATE and Department of General Services. In the event APPLICANT fails to keep coverage as herein provided in effect at all times, STATE may in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
5. If APPLICANT is self-insured, the EEM PROJECT APPLICANT shall submit a Certificate of Self-Insurance asserting that APPLICANT is covered for all purposes of liability for all work performed hereunder. STATE and APPLICANT acknowledge that only one Certificate of Self-Insurance will be required and that APPLICANT must maintain that level of Self-Insurance [not less than one million dollars (\$1,000,000)]. It is also understood that STATE, its officer, agents, employees, and servants, are included as covered for all purposes insofar as the operations of APPLICANT under this Agreement are concerned.

ARTICLE XII - Miscellaneous Provisions

1. Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by APPLICANT under or in connection with any work, authority, or jurisdiction delegated to APPLICANT under this Agreement. It is understood and agreed, that pursuant to Government Code Section 895.4, APPLICANT shall fully defend, indemnify and save harmless STATE and its officers, and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by APPLICANT under or in connection with any work, authority or jurisdiction delegated to APPLICANT under this Agreement. STATE reserves the right to represent itself in any litigation in which STATE's interest is at stake.
2. APPLICANT, the agents and employees of APPLICANT, in performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of STATE.

3. Following written notice and at least thirty (30) days to cure, STATE may terminate this Agreement with APPLICANT should APPLICANT fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, STATE may proceed with the PROJECT work in any manner deemed proper by STATE. If STATE terminates this Agreement with APPLICANT, STATE shall pay APPLICANT the sum of allowable costs due APPLICANT under this Agreement prior to termination, provided, however, that the cost of PROJECT completion to STATE shall first be deducted from any sum due APPLICANT under this Agreement, and the balance, if any, shall then be paid APPLICANT upon demand.
4. Without the written consent of STATE, this Agreement is not assignable by APPLICANT, either in whole or in part.
5. Time is of the essence in this Agreement. Two original signed copies must be returned within 90 days of date on the Caltrans cover letter.
6. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
7. The consideration to be paid APPLICANT, as provided herein, shall constitute full compensation for all of APPLICANT's allowable approved costs and expenses incurred in the performance hereof, unless otherwise expressly so provided.
8. APPLICANT warrants, by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by APPLICANT for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this Agreement without liability, pay only for the value of the work actually performed, or in its discretion, to deduct from the price of consideration, or otherwise recover from APPLICANT, the full amount of such commission, percentage, brokerage, or contingent fee.
9. In accordance with Public Contract Code Section 10296, APPLICANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal court has been issued against APPLICANT within the immediate preceding two-year period because of APPLICANT's failure to comply with an order of a Federal court that orders APPLICANT to comply with an order of the National Labor Relations Board.
10. APPLICANT shall disclose any financial, business, or other relationship with STATE, the Resources Agency, or the California Transportation Commission (CTC) that may have an impact upon the outcome of this Agreement. APPLICANT shall also list current associates or clients who may have a financial interest in the outcome of this Agreement.
11. APPLICANT hereby certifies that it does not now have nor shall it acquire any financial or business interest that would be in conflict with the performance of this Agreement.
12. APPLICANT warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any STATE or Resources Agency employee. For breach or violation of this warranty, STATE shall have the right in its sole discretion, to terminate the Agreement without liability, to pay only for the work actually performed, or to deduct from the Agreement price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

- 13. This Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or the Federal Government that may affect the provisions, terms, or funding of this Agreement in any manner.
- 14. This Agreement shall terminate on June 30, 20xx, or upon the earlier completion of PROJECT, whichever is first earlier in time, except that APPLICANT duties regarding the continuing operations and maintenance of PROJECT property, credits due STATE, and indemnification of STATE shall survive.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

APPLICANT

By: _____
Office of Program Management

By: _____
Signature of APPLICANT Representative

Division of Local Assistance
1120 "N" Street,
Sacramento, California 95814

APPLICANT Representative Name and Title

Address Agency

DATE: _____

Address City, State, ZIP

City, State, ZIP

E-mail Address of Project Manager

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PROJECT DESCRIPTION AND FINANCING

(Applicant: To make changes, cross out incorrect information, write in new and initial. Do not retype.)

APPLICANT:
PROJECT NAME:
COUNTY:

I. Project Location:

II. Project Description of Work Proposed (as set forth in Application No.____):

III Proposed Project Funding:

A. ESTIMATED TOTAL PROJECT COST: \$_____

Is this amount different from that set forth in the APPLICATION?

Yes

No

B. PROJECT FINANCING:

State Funding	\$	=% of total project cost*
Applicant Funding	\$	=% of total project cost
Federal Funding (if any)	\$0	
<hr/>		
Total Project Funding	\$	=100% of total project cost

* NOTE: This percentage is referred to in this Agreement as the STATE's PROPORTIONATE SHARE of costs and will be used as the reimbursement ratio on the project.

C. The maximum amount of STATE funding approved by the CTC that may be contributed to the PROJECT shall not exceed \$_____.

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COST PROPOSAL

(This must be completed by APPLICANT for all projects, except for acquisition-only projects, and returned with Applicant-State Agreement to the STATE.)

APPLICANT:
PROJECT NAME:
COUNTY:

Direct Labor:
(Labor rates must be calculated as actual dollar earned per hour and cannot include overhead costs.)

<u>Classification</u>	<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Project Manager			@	
			@	
			@	
			@	

Total Direct Labor Costs

Fringe Benefits:
(Benefits, such as vacation, medical, and retirement, etc., must be calculated as rates earned per hour.)

Other Costs: (Itemize with description, quantity, unit price, and total cost. Estimates acceptable.)

Travel Costs:
Equipment and Supplies:
Other Direct Costs:

Subcontractor Costs:
(Attach scope of work and detailed cost estimate for each subcontractor.)

Volunteer Services:

<u>Classification</u>	<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Volunteer			@	
			@	
			@	

Total Volunteer Labor Costs

Donations:
(Itemize with description, quantity, unit price, and total cost. Estimates acceptable.)

Materials:
Other:

Total Project Cost:

Distribution: Local agency attach this with the application

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FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this Agreement, APPLICANT will not discriminate against any employee for employment because of race, sex, color, religion, ancestry, or national origin. APPLICANT will take affirmative action to ensure that employees are treated during employment, without regard to their race, sex, color, religion, ancestry, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. APPLICANT shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.
2. APPLICANT will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment and Housing Commission, or any other agency of the State of California designated by the awarding authority for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.
3. Remedies for Willful Violation:
 - a) The State may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which APPLICANT was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that the APPLICANT has violated the Fair Employment Practices Act and had issued an order, under Labor Code Section 1426, which has become final, or obtained an injunction under Labor Code Section 1429.
 - b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services hereunder shall be borne and paid for by APPLICANT and by the surety under the performance bond, if any, and STATE may deduct from any moneys due or the thereafter may become due to APPLICANT, the difference between the price named in the Agreement and the actual cost thereof to STATE.

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SAMPLE OF EEM PROJECT INVOICES
(Prepare On Letterhead of Applicant)

Date of Invoice

(For Progress Invoice)

Department of Transportation
 Division of Accounting - MS 33
 Local Program Accounting Branch
 P.O. Box 942874
 Sacramento, CA 94274-0001

(For Progress Invoice)

Name, District Director
 Department of Transportation
 Attn.: Name, District Local Assistance Engineer
Street or P.O. Box
City, CA Zip Code

Billing No: **1,2,...., or Final**
 Invoice No: **Local Agency's Invoice No**
 Project Completion Date: **Final Date or "On-going" if not Final**
 County: **County Name**
 Expenditure Authorization No:

Reimbursement for Environmental Enhancement and Mitigation (EEM) funds is claimed pursuant to State Project No. _____, Applicant-State Agreement No. _____, Agreement Date_____.

Description of work covered by this Invoice: _____

	Preliminary Engineering	Construction Engineering	Acquisition and Incidentals	Construction Contract
Total Costs to Date**	_____	_____	_____	_____
Less: Nonparticipating Costs to Date	_____	_____	_____	_____
Total State Participating Costs to Date	_____	_____	_____	_____
Reimbursement Ratio	_____	_____	_____	_____
Subtotal of EEM Funding to Date	_____	_____	_____	_____
Less: Amount Claimed on previous invoice	_____	_____	_____	_____
Total Amount This Invoice	_____	_____	_____	_____

*** Note: The State will make the payment(s) on a reimbursement basis of its proportionate share of actual costs incurred to date after expenses and debts have been paid by the applicant. Timesheets, mileage logs, invoices, receipts, cancelled warrants, and other documents as applicable are required by the State as supporting documentation prior to each reimbursement.*

Distribution: Local agency send to the location stated above, as appropriate.

(APPLICANT: Complete the section below for EEM projects involving acquisition of real property rights, or rights thereto, if you request that State funds be deposited directly into an Escrow Account. This invoice with the required documents must be submitted 60 days prior to the close of escrow. For the list of required documents, see Exhibit H (Invoice Payment Request Letter) of EEM Guidelines at website: <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm> Caltrans will transfer funds to escrow account 30 days prior to escrow close.)

Pursuant to Attachment E (Remarks & Covenants) of above referenced Applicant-State Agreement, _____
(Name of Applicant)
requests and authorizes that the Environmental Enhancement and Mitigation (EEM) fund warrants be made out in the name of the _____ Title Company and mailed to _____
(Title/ CompanyAddress), Attention: _____
Escrow No. _____, Title Company Tax I.D. No. is: _____, Escrow Close Date: _____

I certify that the work covered by this Invoice has been completed in accordance with approved plans and Specifications, the costs shown in this Invoice are true and correct, and the amount claimed is due and payable within the terms of the Agreement. I will remit to the State any interest accrued on EEM funds depositing into an escrow, or other, account.

I further certify, if applicable, that acquisition of real property, or rights thereto, (has been) (will be) acquired in accordance with applicable state laws and regulations.

I further certify, if property or a conservation easement was or is being acquired, that acquisition of real property or rights thereto, has been acquired in accordance with applicable state laws and regulations, AND

- attached is a signed, notarized Agreement Declaring Restrictive Covenant (ADRC) including the Legal Description of Property and the Original EEM program application; and
- immediately upon escrow closing the ADRC will be recorded and the original will be sent to the Caltrans address stated on the ADRC; or
- if escrow has closed, applicant will attach the signed, notarized and RECORDED ADRC, including the Legal Description of Property and the Original EEM program application here.

APPLICANT understands that failure to submit a RECORDED ADRC immediately upon escrow closing will put EEM project funding at risk.

APPLICANT REPRESENTATIVE NAME & TITLE

Approved For Payment:

CALTRANS: (check appropriate line)

- Approved For Payment For Direct Deposit into Escrow: (Invoice can only be approved if Applicant has provided a signed and notarized ADRC, including a Legal Description AND the Original Application).
- Approved for Reimbursement: (Invoice can only be approved if the RECORDED ADRC with Legal Description and original invoice is attached.)

DISTRICT RIGHT-OF-WAY DIVISION CHIEF (if applicable)

REMARKS AND COVENANTS

*(APPLICANT; If your EEM projects involve acquisition of real property, or rights thereto, and you request EEM funds be deposited directly into an escrow account, you MUST complete the following paragraph below when you sign the Applicant-State Agreement. It is required to ensure timely payment.)**

Pursuant to the terms of Applicant-State Agreement No. _____, dated _____

and effective immediately, the _____

(Name of Applicant)

requests and authorizes that the EEM fund warrants be made out in the name of the

_____ and mailed to

(Name of Title Company)

(Address of Title Company)

Phone No. _____ Attention: _____

(Name of Escrow Agent)

For Escrow No. _____ Title Company Tax I.D. # _____

Escrow Close Date: _____

*APPLICANT will remit to the STATE interest accrued on this account immediately upon close of escrow.

Distribution: Local agency submits together with the Applicant-State Agreement to DLA HQ.

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Recording requested by and
when recorded mail to:

(Name), Local Assistance Engineer
State of California
Department of Transportation, District (District No.)
Office of Local Assistance
(Address)
(City, CA Zip)

(Space above for Recorder’s use.)
Applicant Must Record ADRC Immediately Upon
Close of Escrow and Send Original to Caltrans, or
Risk Project Funds.

SAMPLE

AGREEMENT DECLARING RESTRICTIVE COVENANTS (ADRC)

State Project Number: EEM-_____
Agreement Number: _____

This Agreement Declaring Restrictive Covenants, hereinafter referred to as “ADRC”, is entered into effective this _____ day of _____, 2xxx, by and between the _____, hereinafter referred to as “APPLICANT,” and the California Department of Transportation, hereinafter referred to as the “CALTRANS.”

- A. WHEREAS, APPLICANT acquires the real property described in Attachment A of Exhibit 20-E ADRC, attached hereto and incorporated herein by this reference, hereinafter referred to as “REAL PROPERTY,” in fee simple; and
- B. WHEREAS, the REAL PROPERTY possesses wildlife and habitat values, hereinafter referred to collectively as CONSERVATION VALUES, of great importance to the CALTRANS, APPLICANT and the People of the State of California; and
- C. WHEREAS, APPLICANT is authorized to hold property in fee simple for these purposes pursuant to Governing Body Resolution, and other California Law; and
- D. WHEREAS, the REAL PROPERTY is intended to provide mitigation of certain direct and/or indirect impacts of the transportation project described in Attachment B, “Original EEM Application” of Exhibit 20-E ADRC, attached and hereto incorporated herein by this reference; and
- E. WHEREAS, the APPLICANT is intend to use the REAL PROPERTY only as detailed in Attachment B of Exhibit 20-E ADRC, and for no purpose that are inconsistent with Attachment A, attached hereto and incorporated herein by this reference, hereinafter referred to as "ENHANCEMENT AND MITIGATION REQUIREMENTS"; and
- F. WHEREAS, CALTRANS will provide funds allocated by the California Transportation Commission to Applicant to purchase REAL PROPERTY to satisfy said ENHANCEMENT AND MITIGATION REQUIREMENTS; and

G. WHEREAS, both CALTRANS and APPLICANT desire and intend permanently restrict the REAL PROPERTY uses to preserve, protect, enhance, monitor and restore in perpetuity the CONSERVATION VALUES of the REAL PROPERTY so that the State of California shall be benefited and each successive APPLICANT of all or part of said REAL PROPERTY shall be benefited by the preservation of the species and habitat preserved and protected on the REAL PROPERTY in accordance with the MITIGATION REQUIREMENTS, hereinafter referred to as the "CONSERVATION PURPOSES."

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, each to the other as covenantors and covenantees, and expressly for the substantial benefits to be derived therefrom, and to bind their successors in interest, the said parties agree as follows:

Management and Maintenance of Property

1. Only the detailed uses described in Attachment A of Exhibit 20-E ADRC, attached hereto and incorporated herein by this reference, shall be made of the REAL PROPERTY. Any uses inconsistent with the uses explicitly stated in Attachment A of Exhibit 20-E ADRC, are not allowed.
2. Applicant will own, use, manage and maintain now and in the future, the REAL PROPERTY pursuant to this ADRC and consistent with the CONSERVATION PURPOSES, the MITIGATION REQUIREMENTS and the ADRC. If Applicant or Applicant's successors or assignees fail to use, manage and maintain the REAL PROPERTY consistent with the terms of the CONSERVATION PURPOSES, the MITIGATION REQUIREMENTS and this ADRC, Applicant or Applicant's successors or assignees will be required to cure said noticed violation within forty-five (45) calendar days of becoming aware of that violation. If Applicant or Applicant's successors or assignees fail to cure the violation within forty-five (45) calendar days of becoming aware or where the violation cannot reasonably be cured within forty-five (45) calendar days, fails to begin curing such violation within that forty-five (45) calendar day period, or fails to continue diligently to cure such violation until finally cured, such failure will be deemed as a default of this ADRC. If default occurs, the CONSERVATION PURPOSES will have deemed violated and Applicant or Applicant's successors or assignees must comply with the requirements set forth in Section 4 below.
3. All the REAL PROPERTY acquired to satisfy the MITIGATION REQUIREMENTS shall be subject to this ADRC. If REAL PROPERTY is sold, transferred, traded, or taken by an exercise of the power of eminent domain, in whole or in part, Applicant or Applicant's successors or assignees, shall notify CALTRANS of the proposed sale, transfer, trade or taking by sending written notice to: State of California, Department of Transportation, Legal Division - MS 57, 1120 N Street, Sacramento, CA 95814.
4. In the event of a default, sale, transfer, trade or taking, Applicant or Applicant's successors or assignees shall reimburse an amount either equal to CALTRANS' funding participation of \$_____ for the purchase and/or improvements of the REAL PROPERTY (determined to be _____%) subsequent fair market value, including improvements at the time of default sale, trade, transfer or taking, whichever is higher. Applicant or Applicant's successors or assignees shall not be obligated to repay the CALTRANS if the CALTRANS agrees in writing that Applicant or Applicant's successors or assignees may utilize those proceeds for the preservation of real property for equivalent environmental value conforming to the CONSERVATION PURPOSES when protected by similar conditions to the extent applicable.
5. With CALTRANS's prior written approval, Applicant or Applicant's successors or assignees may modify or transfer the Application, use, management and maintenance responsibilities established by the REAL PROPERTY restrictive covenants.

Term

6. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until revoked or amended pursuant to the Amendment and Revocation provisions of this ADRC.

Assignment

7. Without the prior written consent of CALTRANS, this ADRC is not assignable in whole or in part by Applicant or Applicant's successors or assignees.

Amendment and Revocation

8. Conditional upon CALTRANS receiving full fair market value return in the event of any reduction in the restrictions placed on the use of this REAL PROPERTY, unless the DEPARTMENT agrees in writing that Applicant or Applicant's successors or assignees may utilize the value received for the preservation of real property for equivalent environmental value conforming to the CONSERVATION PURPOSES when protected by similar conditions to the extent applicable, this ADRC and any amendments to it may be amended in any respect by the execution by the DEPARTMENT and Applicant or Applicant's successors or assignees of any written instrument amending or revoking this ADRC. The amending or revoking instrument shall make appropriate reference to this ADRC, and its amendments and shall be signed by both parties thereto, acknowledged and recorded in the Office of County Recorder of the counties in which the property is located.

Enforcement

9. Enforcement shall be by proceedings at law or in equity against any person or persons or party or parties violating or attempting to violate any covenant either restraining violation or to recovery of damages.

Indemnification

10. Neither the DEPARTMENT nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by APPLICANT or Applicant's successors or assignees under or in connection with any work, authority or jurisdiction delegated to APPLICANT or Applicant's successors or assignees under this ADRC. It is understood and agreed that pursuant to Government Code Section 895.4, APPLICANT or Applicant's successors or assignees shall fully defend, indemnify and save harmless the DEPARTMENT and all of its officers, and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code 810.8) occurring by reason of anything done or omitted to be done by Applicant or Applicant's successors or assignees under or in connection with any work, authority or jurisdiction delegated to Applicant or Applicant's successors or assignees under this ADRC. The DEPARTMENT reserves the right to represent itself in any litigation in which DEPARTMENT's interests are at stake.

Purpose of ADRC

11. This ADRC is solely for the purpose of protecting and maintaining the present and future restricted use of all the REAL PROPERTY solely for the MITIGATION REQUIRMENTS and these enhancements tied to the preservation of the CONSERVATION PURPOSE.

Severability

12. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby execute this ADRC by their duly authorized officers as of the date set forth above and agree to be bound hereby:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

APPLICANT'S NAME

Signature certifies ADRC-Attachments A and B are attached and ADRC has been signed and notarized by the Applicant.

Signature certifies ADRC-Attachments A and B are attached and the entire document will be recorded with the original and returned to Caltrans.

By: _____
(Signature)

By: _____
(Applicant's Representative Signature)

(Name), District Right-of-Way Division Chief

(Name and Title)

(Agency)

(City, State, Zip)

(Phone no.)

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LEGAL DESCRIPTION OF REAL PROPERTY

*(Insert the legal description of the property to be purchased by Applicant to satisfy the MITIGATION
REQUIRMENTS.)*

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ORIGINAL EEM APPLICATION

(Attach a clean copy of the original application sent to the Resource Agency for this project.)

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RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

District ____ Local Assistance Engineer
State of California
Department of Transportation
Division of Local Assistance
Address
City, CA, ZIP

SPACE BELOW FOR RECORDER'S USE
Applicant Must Record RCACE Immediately upon Close of
Escrow and send Original to Caltrans, or Risk Project Funds.

**ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM
RESTRICTIVE COVENANTS AGREEMENT FOR CONSERVATION
EASEMENT (RCACE)**

State Project Number: _____

Agreement Number: _____

This Restrictive Covenants Agreement for Conservation Easement, hereinafter referred to as "RCACE", is entered into as of this ____ day of _____, 20xx, by and between the State of California, acting by and through the California Department of Transportation, hereinafter referred to as "STATE", and _____, hereinafter referred to as "APPLICANT".

Recitals

WHEREAS, APPLICANT acquires the Conservation Easement described in Attachment A, "Legal Description of Conservation Easement," of Exhibit 20-E1 RCACE, attached hereto and incorporated herein by this reference hereinafter referred to as "EASEMENT," for the public purpose of undertaking EASEMENT as an EEM Program project;"

WHEREAS, APPLICANT will be the owner of the EASEMENT to be acquired which is described in Attachment A of Exhibit 20-E1 RCACE, attached hereto and incorporated herein by this reference;

WHEREAS, the EASEMENT to be acquired, developed, rehabilitated or restored pursuant to the Applicant-State Agreement No. _____ by the APPLICANT, will be operated, managed, and maintained into the future consistent with the description in Attachment B, "EEM Original Application" of Exhibit 20-E1 RCACE, attached hereto and incorporated herein by this reference;

WHEREAS, STATE has allocated funds to APPLICANT for EASEMENT as provided in section 164.56 of the Streets and Highways Code; and

WHEREAS, both APPLICANT and STATE desire and intend to restrict the EASEMENT uses to environmental enhancement and mitigation purposes and each successive owner of said EASEMENT shall be benefited by the preservation of EASEMENT for environmental enhancement and mitigation purposes.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, each to the other as covenantors and covenantees, and expressly for the substantial benefits to be derived there from, and to bind their successors in interest, the said parties agree as follows:

Condemnation Grid

If the EASEMENT described in Attachment A of Exhibit 20-E1 RCACE, of this Agreement, is taken, in whole or in part, by exercise of the power of eminent domain by any public, corporate, or other authority, the STATE shall make the determination if such a taking creates a loss of use as described in Attachment B of Exhibit 20-E1 RCACE, due to an unsustainable environmental habitat resulting from the material loss of water, access, ground water flows, etc., so as to annul the purposes intended to be achieved by the Conservation Easement. If the STATE determines there is such a loss, the Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of Grantee's and Grantor's interests at the time of this grant, it being expressly agreed that the Conservation Easement constitutes a compensable property right. Grantee shall be entitled to compensation in accordance with applicable law for the value of the EASEMENT taken and Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying Fee taken. The ratio of the value of the easement to the value of the underlying Fee is _____%, such amount having been determined at the time of the grant of this EASEMENT by that certain real property appraisal prepared by _____, dated _____, on file with the Grantee.

The EEM grant made to the Grantee is for the purpose of acquiring an EASEMENT in the amount of \$_____ (the "EEM Grant"). The EEM Grant represents _____% (the "EEM Share") of the total cost of the Easement. If the EASEMENT is proposed to be taken in whole or in part, by exercise of the power of eminent domain, the condemning authority shall notify STATE of the proposed taking by sending written notice to: State of California, Department of Transportation, Attn: Legal Department, 1120 "N" Street - MS 57, Sacramento, California 95814, and the State Highway Account shall be reimbursed as follows: Grantee shall pay STATE the EEM Share, _____%, of net proceeds received by Grantee from any taking of the EASEMENT (after Grantee deducts costs incurred by Grantee from the gross proceeds received by Grantee in connection with the condemnation) to reimburse STATE for the EEM Grant.

Grantee shall not be obligated to pay STATE as set forth above if STATE approves in writing Grantee's use of those proceeds for the protection of equivalent environmental resources protected by similar conditions to the extent applicable.

If the EEM Share, _____%, of the net proceeds received by Grantee is less than the EEM Grant, \$_____, then Grantee shall pay STATE, from the balance of the net proceeds received by Grantee (i.e., the remaining _____% of the net proceeds which shall be referred to herein as the "Remainder Proceeds"), an amount sufficient that STATE is reimbursed a total of the EEM Grant, \$_____, or as close thereto as the Remainder Proceeds will allow. Grantee shall not be obligated to pay STATE any portion of the Remainder Proceeds, if the Remainder Proceeds are contractually required to be paid to any other source who provided funds for the acquisition of the Easement, or if STATE approves in writing Grantee's use of the Remainder Proceeds for the protection of alternative environmental resources subject to the protection of STATE's interests in those resources with similar conditions to the extent applicable.

Term

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until revoked or amended pursuant to the Amendment and Revocation provisions of this Agreement.

Assignment

Without the written consent of STATE, this Agreement is not assignable in whole or in part by APPLICANT.

Enforcement

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

Indemnification

Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by APPLICANT under or in connection with any work, authority or jurisdiction delegated to APPLICANT under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, APPLICANT shall fully defend, indemnify and save harmless the State of California, all officers, and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Gov. Code #8108) occurring by reason of anything done or omitted to be done by APPLICANT under or in connection with any work, authority or jurisdiction delegated to APPLICANT under this Agreement. STATE reserves the right to represent itself in any litigation in which STATE's interests are at stake.

Purpose of Agreement

This Agreement is solely for recording purposes and shall not be construed to alter, modify, amend, or supplement the Environmental Enhancement and Mitigation (EEM) Program Applicant-State Agreement No. _____, or the application for funds as prepared by APPLICANT.

Severability

Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby execute this Agreement by their duly authorized officers as of the date set forth above and agree to be bound hereby:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

APPLICANT

By: _____
(Signature)

By: _____
(Applicant Representative Signature)

(Name), District Right-of-Way Division Chief

(Name and Title)

(Agency)

(City, CA, Zip)

LEGAL DESCRIPTION OF CONSERVATION EASMENT

(For this EEM project, insert the legal description of the conservation easement to be purchased by the applicant consistent with the project application, or as approved by CTC or State.)

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EEM ORIGINAL APPLICATION

(Insert the original EEM application that was submitted to the Resources Agency.)

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CHANGE OF EEM APPLICANT STATUS REQUEST LETTER: PRE-ALLOCATION VOTE

(On original applicant's letterhead)

(Name), Local Assistance Engineer

Date:

Department of Transportation, District ____

Office of Local Assistance

(Address)

(City), CA (ZIP)

Dear M_____:

We hereby request to be placed on the next California Transportation Commission (CTC) agenda for approval to change applicant status from the (*original applicant agency*) to the (*new applicant agency*) for the Environmental Enhancement and Mitigation (EEM) Program (*project name*), Project No.____. Attached is a completed and signed Resources Agency EEM Program Application cover page, along with signed Assurances from the same application for the (*new applicant agency*). Also enclosed is an adopting Resolution by their governing board certifying willingness to carry out the project, and a 501(c)(3) (*if applicable*). The (*new applicant agency*) also agrees to execute an EEM Program Applicant-State Agreement in their name, along with providing tax identification information to the Caltrans Local Program Accounting Office in order to do business with Caltrans.

We also hereby request to be placed on the CTC agenda for an allocation vote along with the change of applicant status request. If the CTC approves the transfer of applicant status, the allocation vote will be in the name of the (*new applicant agency*). It is hereby mutually agreed by the signatures below that all rights, duties, obligations, responsibilities, benefits, payments, maintenance, and title of APPLICANT for this project be transferred from the (*original applicant agency*) to the (*new applicant agency*).

Please have documentation prepared with the (*new applicant agency*) as the sole responsible applicant.

(Signature)
(Name and title)
(Old applicant agency)
(Address)
(City), CA (ZIP)

(Signature)
(Name and title)
(New applicant agency)
(Address)
(City), CA (ZIP)
E-mail address:

CTC and CALTRANS APPROVED/DISAPPROVED:

CALTRANS EEM PROGRAM MANAGER

Department of Transportation,
1120 "N" Street - MS 1
Sacramento, CA 95814

Attachments

Distribution: Local agency sends to the location stated above.

CHANGE OF EEM APPLICANT STATUS REQUEST LETTER: POST-ALLOCATION VOTE*(On original applicant's Letterhead)*

(Name), Local Assistance Engineer

Date:

Department of Transportation, District _____

Office of Local Assistance

*(Address)**(City), CA (ZIP)*

Dear M_____:

We hereby request approval from the California Transportation Commission (CTC) to transfer the applicant status from the *(original applicant agency)* to the *(new applicant agency)* for the Environmental Enhancement and Mitigation (EEM) Program project *(project name and number)*. We also request to be placed on the next CTC agenda for their approval.

Attached is a completed and signed EEM Program Application cover page and signed Assurances for the same application from the *(new applicant agency)*. Also attached is an adopting resolution by their governing board certifying willingness to carry out the project, and their classification as nonprofit organization under section 501(c)(3) of the IRS code (if applicable). The *(new applicant agency)* agrees to execute an EEM Program Applicant-State Agreement, along with providing tax identification information to the Caltrans Local Program Accounting Office in order to do business with Caltrans.

It is understood the CTC's approval is conditioned upon receipt of a signed Assignment and Assumption Agreement (AAA) by *(original applicant agency)* and *(new applicant agency)*. The AAA will include as attachments the previously executed Applicant-State agreement and the original application.

Please have all necessary documentation prepared with the *(new applicant agency)* listed as the sole responsible applicant.

 (Signature)
 (Name and Title)
 (Original Applicant Agency)
 (Address), (City), CA (ZIP)

 (Signature)
 (Name and Title)
 (New Applicant Agency)
 (Address), (City), CA (ZIP)
 E-mail Address_____

CTC and CALTRANS APPROVED/DISAPPROVED:**CALTRANS EEM PROGRAM MANAGER**

Department of Transportation,
 1120 "N" Street - MS 1
 Sacramento, CA 95814

Distribution: Local Agency sends to the location stated above.

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INVOICE PAYMENT REQUEST MEMO FOR PROJECTS INVOLVING ACQUISITION OF REAL PROPERTY OR A CONSERVATION EASEMENT

(Prepared by applicant on applicant’s letterhead. Invoices with requests for direct deposit of EEM funds into an escrow account MUST be submitted to the District Local Assistance Engineer 60 days before the close of escrow date.)

To: District ___ Local Assistance Engineer (DLAE)
California Department of Transportation
Office of Local Assistance
(Address)

Date: _____

From: *(Applicant Name and Address)*

Subject: *(EEM Project Name, County)*

(Applicant: Select A or B, depending on action needed, and attached appropriate documents.)

A. Please remit EEM funds into Escrow Account as previously directed in the Applicant-Status Agreement, Attachment E, “Remarks and Covenants.” Please find the following required documents attached.

1. One original unrecorded EEM Agreement Declaring Restrictive Covenants or EEM Restrictive Covenants Agreement for Conservation Easements, with notarized signatures (with completed Exhibits), or other State-approved restrictive rights covenants agreement.
2. One original and two copies of the signed Invoice. *(On applicant’s letterhead)*
3. Copy of escrow instructions.
4. Copy of current appraisal.
5. Copy of Preliminary Title Report, with legal description of property or easement.
6. Close of escrow date_____ (must show date).

At close of escrow we will record the ADRC or RCACE and send you the original with other documents shown below.

B. We have closed escrow. Attached are the documents to close out the project.

1. Certified copy of recorded Grant Deed or Deed of Conservation Easement (CE).
2. Copy of closing escrow statement.
3. One original signed Final Project Expenditure Report* *(On applicant’s letterhead)*.
4. One original recorded ADRC.

(Applicant’s Representative Signature)

(Name and Title)

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**INVOICE PAYMENT REQUEST MEMO FOR PROJECTS INVOLVING ACQUISITION OF REAL
PROPERTY OR CONSERVATION EASEMENT**

(Prepared by District. Do not submit to Local Program Accounting until 60 days prior to close of escrow.)

To: Local Program Accounting
Accounting Office - MS 33
California Department of Transportation

Date:

Cc: HQ EEM Program Coordinator
Local Assistance Division - MS 1

From: District ____, Local Assistance Engineer: _____

Subject: *(EEM Project Name, County)*

(District: Circle A or B, depending on action needed, and attach appropriate documents.)

A. Attached are the documents needed to release funds to escrow account. I understand that Caltrans cannot remit the EEM funds until 30 days prior to escrow close date as shown below.

1. One original signed Invoice* and two copies *(on applicant's letterhead)*.
2. Copy of escrow instructions.
3. Signed original and two copies of the Final Project Expenditure Report *(prepared by applicant on applicant's letterhead)*.
4. Copy of current appraisal.
5. Copy of Preliminary Title Report, with legal description of property or easement.
6. Close of escrow date _____ (must show date).

B. Escrow has closed. Attached are documents to close out the project.

1. Certified copy of recorded Grant Deed or Deed of Conservation Easement (CE)
2. Copy of closing escrow statement
3. One original signed Final Project Expenditure Report* (on Applicant's letterhead)
4. Final Invoice

(District: Send the original recorded EEM Agreement Declaring Restrictive Covenants or EEM Restrictive Covenants Agreement for Conservation Easements with notarized signatures (with completed Exhibits) to EEM Coordinator HQ.

District Local Assistance Engineer

c: EEM Program Coordinator (with copies of attachments)

**PROCEDURES FOR EEM PROJECTS
INVOLVING ACQUISITION OF REAL PROPERTY OR CONSERVATION EASEMENT**

1. CTC adopts the annual EEM Program.
2. Applicant requests CTC funding allocation for the specific EEM project.
3. HQ EEM Program Coordinator prepares and forwards the following materials to the Applicant:
 - One (1) copy of the CTC-Stamped Resolution allocating funds to the project (when available).
 - One (1) original copy of the Applicant-State Agreement (Exhibit 20-D).
 - One (1) original copy of the Agreement Declaring Restrictive Covenants (ADRC) (Exhibit 20-E) or EEM Restrictive Covenants Agreement for Conservation Easement (Exhibit 20-E1).

One (1) cover letter which gives website location for: *California Transportation Commission Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects and EEM Guidelines* at <http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm> under Policies and Procedures, and Resources Agency's *EEM Program Procedures and Criteria* at: <http://resources.ca.gov/>.

Preparation of the **Applicant-State Agreement** by the HQ EEM Program Coordinator (except where noted) includes:

- Providing an Applicant-State Agreement Number.
- Providing a Project Number (application number).
- Providing the Expenditure Authorization (EA) Number.
- Stating the effective date of the Agreement.
- Stating the Applicant's name (must be consistent with CTC Resolution adopting EEM Program, if not, a "Change of EEM Applicant Status Request Letter" form must be completed).
- Completing Attachment A "Project Description and Financing" of Exhibit A, including project location, establishing EEM funding and local contributions along with percentages.
- Defining specific roles and responsibilities for all entities involved in performing the work on the project including management and maintenance of property, records retention, and audits.
- If Applicant wishes that State EEM funds to be deposited directly into an escrow account, Attachment E "Remarks and Covenants" of Exhibit D, must be completed by Applicant as follows:

"Pursuant to the terms of Applicant-State Agreement No. _____, dated _____ and effective immediately, the (*Name of Applicant*) _____ requests and authorizes the EEM fund warrants be made out in the name of the _____ (Escrow company) and mailed to _____ (Escrow Address) Attention: *Name of Escrow Agent* for Escrow No. _____ Phone # _____, Close of Escrow Date _____, Title Company Tax I.D.# _____."

Preparation by the HQ EEM Program Coordinator of the **Agreement Declaring Restrictive Covenants** (ADRC) for projects involving acquisition of property in fee title or the **Restrictive Covenants Agreement for Conservation Easement (RCACE)** for acquisition of a conservation easement includes:

- Providing the Project Number (application number), Applicant-State Agreement Number and Name,

- Effective date of the ADRC or Restrictive Covenants Agreement (to be completed by applicant),
 - Including Exhibit 20-E (Attachment A “Legal Description of Real Property”), (Attachment B “Original EEM Application”) to the ADRC or Exhibit 20 - E1 (Attachment A “Legal Description of Conservation Easement”) and (Attachment B “Original Application”) to RCACE, and
- For the acquisition of a conservation easement, the Applicant may, in lieu of executing the Restrictive Covenants Agreement, may include the following State-approved “condemnation” language in the Deed of Conservation Easement”:

CONDEMNATION: The Conservation Easement (“EASEMENT”), described in Attachment A, Exhibit 20-E1___ (“*Legal Description of Conservation Easement*” consistent with *EEM Grant Application*), attached hereto and incorporated herein by this reference, to be acquired, developed, rehabilitated or restored pursuant to the Applicant-State Agreement No. _____ by the APPLICANT, will be operated, managed, and maintained into the future consistent with Attachment B, Exhibit 20-E (“*Original EEM Grant Application*”), attached hereto and incorporated herein by this reference. If the EASEMENT is taken by the exercise of the power of eminent domain by any public, corporate, or other authority, the State of California, Department of Transportation (“STATE”) shall make the determination if such a taking creates a loss of use, as described in Attachment B, Exhibit 20-E (“*Original EEM Grant Application*”), due to an unsustainable environmental habitat resulting from the material loss of water, access, ground water flows, etc., so as to annul the purposes intended to be achieved by this EASEMENT.

If the STATE determines there is such a loss, the Grantee shall be entitled to compensation in accordance with applicable law for the value of the Conservation EASEMENT taken and Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying Fee taken.

The Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of Grantee’s and Grantor’s interests at the time of this grant, it being expressly agreed that this EASEMENT constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds.

Grantee shall be entitled to compensation in accordance with applicable law for the value of the EASEMENT taken and Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying Fee taken. The ratio of the value of the EASEMENT to the value of the underlying Fee is _____%, such amount having been determined at the time of the grant of this EASEMENT by that certain real property appraisal prepared by _____, dated _____, on file with the Grantee.

The EEM grant made to the Grantee is for the purpose of acquiring the EASEMENT in the amount of \$_____. The EEM Grant represents _____% (the “EEM Share”) of the total cost of the Easement. If the EASEMENT is proposed to be taken in whole or in part by exercise of the power of eminent domain, the condemning authority shall notify STATE of the proposed taking by sending written notice to: State of California, Department of Transportation, Attn: Legal Department - MS 57, 1120 N Street, Sacramento, California 95814, and the State Highway Account shall be reimbursed as follows: Grantee shall pay STATE the EEM Share, _____%, of net proceeds received by Grantee from any taking of the EASEMENT (after Grantee deducts costs incurred by Grantee from the gross proceeds received by Grantee in connection with the condemnation) to reimburse STATE for the EEM Grant.

Grantee shall not be obligated to pay STATE as set forth above if STATE approves in writing Grantee’s use of those proceeds for the protection of equivalent environmental resources protected by similar conditions to the extent applicable.

If the EEM Share, _____%, of the net proceeds received by Grantee is less than the EEM Grant, \$_____, then Grantee shall pay STATE, from the balance of the net proceeds received by Grantee (i.e., the remaining _____% of the net proceeds which shall be referred to herein as the "Remainder Proceeds"), an amount sufficient that STATE is reimbursed a total of the EEM Grant, \$_____, or as close thereto as the Remainder Proceeds will allow. Grantee shall not be obligated to pay STATE any portion of the Remainder Proceeds if the Remainder Proceeds are contractually required to be paid to any other source who provided funds for the acquisition of the EASEMENT, or if STATE approves in writing Grantee's use of the Remainder Proceeds for the protection of alternative environmental resources subject to the protection of STATE's interests in those resources with similar conditions to the extent applicable.

4. Applicant:

- Reviews the Applicant-State Agreement for accuracy and completeness.
- Forwards two (2) original signed Applicant-State Agreement to HQ EEM Program Coordinator for immediate processing, and sends one copy of the Applicant-State Agreement to the DLAE.
- Signs each original agreement discussed under Step 3. Signatures must be notarized to be approved.
- Prepares Invoice (See Attachment D of Exhibit 20-D, Applicant-State Agreement) only for applicants requesting direct deposit of EEM funds into an escrow account and includes Title Company information (for applicants seeking reimbursement of EEM funds after the close of escrow, see Section 20.8, Item 10 of this chapter for preparation of invoice).
- Obtains copy of Preliminary Title Report (covering subject acquisition) with legal description of property or easement.
- Obtains a copy of the Deed of Conservation Easement.
- Compiles draft escrow instructions.
- Obtains copy of current appraisal (supporting the purchase price agreed to between the seller and the applicant).
- If the warrant is to be picked up by Applicant's courier, compiles information with name of courier and Applicant's account number.
- Compiles all above required acquisition documents and sends entire package to DLAE along with the Invoice Payment Request Memo (Exhibit 20-H).

5. Caltrans HQ EEM Program Coordinator:

- Assigns project Expenditure Authorization (EA) number to Agreement.
- Forwards two (2) original Applicant-State Agreements to LPA.

6. Local Program Accounting:

- Encumbers project funds and certifies Agreements.
- Returns the Agreements to HQ EEM Program Coordinator to be conformed.

7. HQ EEM Program Manager:

- Returns one (1) original of the Applicant-State Agreement to Applicant.
- Conforms the original retained Applicant-State Agreement and forwards one copy each to the DLAE, LPA and EEM files.

8. District Local Assistance Engineer:

- Forwards acquisition documents to the District Right-of-Way Division Chief along with a copy of the

original EEM Grant Application and copy of the Applicant-State Agreement for Right-of-Way review and approval of acquisition.

9. District Right-of-Way Division Chief:

- Assures that the real property or conservation easement acquired is a part of the approved project (see Exhibit 20-D, “Applicant-State Agreement,” Attachment A, “Project Description and Financing”).
- Reviews the preliminary title report and assures it adequately covers the property or conservation easement for which the EEM funds have been allocated. Also assures the title for the property or conservation easement is sufficient for the proposed use and no adverse conditions affect title (see Exhibit 20-E, “Agreement Declaring Restrictive Covenants,” Attachment A “Legal Description of Real Property” or Exhibit 20-E1, “EEM Restrictive Covenants Agreement for Conservation Easement”, Attachment A “Legal Description of Conservation Easement”).
- Assures the management and maintenance of the real property or conservation easement (see Exhibit 20-E, “Agreement Declaring Restrictive Covenants,” Attachment B “Original EEM Application” or Exhibit 20-E1, “EEM Restrictive Covenants Agreement for Conservation Easement,” Attachment B “ EEM Original Application) is consistent with the original Grant Application and the “Applicant-State Agreement.
- Drafts further instructions to escrow agent by providing additional Caltrans instructions to the Title Company escrow instructions. If EEM funds are to be direct deposited into an escrow account, the instructions should included how the funds are to be used (i.e., for the purchase of the subject real property or conservation easement when escrow requirements have been met); requests that the ADRC or EEM Restrictive Covenants Agreement for Conservation Easements is recorded; a certified copy of the recorded Grant Deed, or Deed of Conservation Easement; and Closing Escrow Statement are forwarded to the District EEM Coordinator upon close of escrow.
- Assures that the “Condemnation” language is included in the Deed of Conservation Easement, if there is no Restrictive Covenants Agreement.
- Reviews the appraisal to assure the settlement price for the acquisition or conservation easement does not unreasonably exceed or fall below the fair market value for the property or easement. For most projects, this can be accomplished with a “desk review.”
- Reviews the Deed of Conservation Easement or EEM Restrictive Covenants Agreement for Conservation Easements to ensure it contains adequate language to protect the State’s investment if the easement is ever taken by the power of eminent domain.
- Approves the Invoice for payment, at this time, only for projects with direct deposit of EEM funds to an escrow account.
- Signs and notarize the ADRC or EEM Restrictive Covenants Agreement.
- Returns the documents to the DLAE.

10. District EEM Coordinator:

- Makes a copy of the signed, notarized ADRC or Restrictive Covenants Agreement and escrow instructions, then sends original ADRC, or Restrictive Covenants Agreement and escrow instructions to the title company.
- Forwards one original and two copies of the Invoice at this time only for projects with direct deposit of EEM funds to an escrow account along with Exhibit 20-H, “Invoice Payment Request Memo,” to HQ Local Program Accounting (LPA) for processing not more than 60 days prior to the close of escrow (for reimbursement of EEM funds after the close of escrow see Section 20-8, Item 10, “Invoice and Reimbursement Process” and Final Project Expenditure Report to close out of the project).

11. LPA:

- Ensures Title Company has a tax ID number on file with State, if not, LPA will contact applicant for necessary tax information to pay out EEM funds.
- Process the invoice for payment of EEM funds at this time only for direct deposit of EEM funds to escrow account, and forwards to Accounts Payable.

12. Accounts Payable:

- Processes request and forwards to State Controllers Office.

13. State Controller's Office:

- Sends check to Title Company.

14. Title Company:

- Records the grant deed and Agreement Declaring Restrictive Covenants or Restrictive Covenants Agreement with the county where property is purchased.
- Recorded ADRC or Restrictive Covenants Agreement is returned to District EEM Coordinator by county where property is purchased.
- Sends a copy of recorded grant deed or Deed of Conservation Easement and copy of closing escrow statement to District EEM Coordinator.

15. District Local Assistance:

- Forwards original recorded ADRC or Restrictive Covenants Agreement, copy of recorded grant deed or Deed of Conservation Easement, and closing escrow statement along with completed final report (see Chapter 20, Exhibit 20-M) to the Caltrans HQ EEM Program Coordinator.
- Forwards copy of closing escrow statement to LPA to close out project, along with Final Report.
- For Applicants with acquisition projects requesting reimbursement of EEM funds after the close of escrow, see Section 20-8, Item 10, "Invoice and Reimbursement Process" for processing the final invoice and Final Project Expenditure Report to close out of the project.

16. HQ EEM Coordinator

- Forwards copies of the recorded grant deed and ADRC or Restrictive Covenants Agreement to the Headquarters Office of Right-of-Way Engineering and Operations Research.
- Confirms original recorded ADRC or Restrictive Covenants Agreement and sends copies to applicant and District EEM Coordinator, and files original in DLA archives.

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CALIFORNIA TRANSPORTATION COMMISSION
Guidelines for Allocating, Monitoring, and
Auditing of Funds for Local Assistance Projects

Resolution G-99-25
Amending Resolution G-99-05

- 1.1 WHEREAS, Government Code 14529.1, requires the Commission to establish Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects, and
- 1.2 WHEREAS, on October 28, 1998, the Commission requested Caltrans to develop Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects and submit them to the Commission in January 1999, and
- 1.3 WHEREAS, the Caltrans proposed Guidelines for Allocating, Monitoring, and Auditing of Local Assistance Projects were presented and discussed at the January 14, 1999, Commission meeting, and
- 1.4 WHEREAS, the Commission adopted such Guidelines by Resolution G-99-05 on February 17, 1999, and
- 1.5 WHEREAS, the Commission conducted a public hearing on July 15, 1999, to consider proposed amendments to the Guidelines to more clearly address Environmental Enhancement and Mitigation (EEM) projects, and
- 1.6 WHEREAS, subsequent to July 15, 1999, two technical adjustments were proposed making the Guidelines consistent with the proposed STIP Guidelines relative to transfer of funds to Federal Transit Administration and clarifying the Guidelines relative to statutes related to Proposition 116 Bond Funds.
- 2.1 NOW THEREFORE BE IT RESOLVED, the Commission hereby adopts the amended_Guidelines for Allocating, Monitoring, and Auditing of Funds For Local Assistance projects thereby replacing the Guidelines adopted by Resolution G-99-05, and
- 2.2 BE IT FURTHER RESOLVED, the Commission requests Caltrans in cooperation with the Commission staff, to distribute copies of the Guidelines to each regional agency, each county transportation commission and representatives of local agencies and transit agencies.

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**CALIFORNIA TRANSPORTATION COMMISSION
GUIDELINES FOR ALLOCATING, MONITORING, AND AUDITING
OF FUNDS FOR LOCAL ASSISTANCE PROJECTS**

Resolution G-99-25
Amending Resolution G-99-05

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**CALIFORNIA TRANSPORTATION COMMISSION
GUIDELINES FOR ALLOCATING, MONITORING, AND AUDITING
OF FUNDS FOR LOCAL ASSISTANCE PROJECTS**

Resolution G-99-25
Amending Resolution G-99-05

I Authority and Purpose

The Commission is required by Section 14529.1 of the Government Code, as amended by Chapter 622, 1997 statutes (SB 45), to establish guidelines for Commission allocation of funds for local entity projects. The statutory intent of the guidelines is to protect the State's funds and to verify funds are used in a timely manner. The statutes provide the Commission the authority to establish guidelines to verify an entity receiving funds has the resources and capability to implement projects on a timely schedule, to establish a process for monitoring progress in implementing projects and expending funds and to require audits of allocated funds and project expenditures if necessary.

These guidelines become effective when adopted by the Commission. The Commission may revise these guidelines at any time after first giving notice of proposed amendments and conducting at least one public hearing.

II Scope Of Allocation Guidelines

These guidelines shall apply to all funds allocated by the Commission for all projects programmed in the STIP that are implemented by entities other than Caltrans. Funds allocated by the Commission for projects funded under the Environmental Enhancement and Mitigation (EEM) Demonstration Program shall be administered consistent with Section IX of these guidelines. For purposes of these guidelines, the term "local entity" includes regional agencies, local agencies, transit agencies, and for EEM projects, nonprofit agencies. The guidelines are intended to provide policy guidance and direction for actions as well as activity processes and procedures related to allocations for local grant projects (projects not implemented by Caltrans). Specific activities governed by these guidelines include requests for Commission allocations, Caltrans review of allocation requests, allocation of funds, expenditure of funds, reimbursements, monitoring and reporting and audits.

The statutes stress that the allocation guidelines shall be kept to a minimum needed to protect State funds and to provide for timely use of funds. In keeping with this statutory intent and with the Commission's objective that the STIP be implemented stressing, accountability, flexibility and simplicity, it is the Commission's intent that these allocation guidelines provide the basic policy guidance for allocation and expenditure of funds. The Commission further intends that Caltrans, in consultation with local entities and Commission staff, develop and maintain detailed procedures for administering the allocation and expenditure of funds for local entity grant projects. The procedures shall include but not be limited to instructions for initiating requests for fund allocation, for authorization to proceed with work, for submittal of invoices, for reimbursement of costs, for project closeouts and for audits. The procedures shall be consistent with the Commission's STIP Guidelines and with federal and State funding and accounting requirements.

III Local Entity Resources And Capability

The Commission will allocate funds for a local project only after the Commission is assured the responsible local entity has the resources and capability to implement the project as programmed, and to complete expenditure of funds in compliance with the timely use of funds requirements as specified in section V of these guidelines.

For streets and highway projects, an entity's resources and capabilities will be judged acceptable by the Commission with the approval of a Master Agreement between Caltrans and the entity. Master Agreement shall be amended to include new projects by approval of a Program Supplement to the Master Agreement. Caltrans will continue to assess local entity compliance with federal-aid and state local assistance statutes, regulations and procedures through the Caltrans Process Review Program.

For rail transit guideway projects, an entity's resources and capabilities shall be judged acceptable by the Commission upon Caltrans' approval of the Senate Bill (SB) 580 review required by Sections 14085 - 14088 of the Government Code. SB 580 requires a two-part review. The first part is focused on the entity and is generally a one-time review unless there are significant changes in the management, accounting, and reporting procedures of the entity. The second part of the review is focused on the proposed funding and schedule for the project.

For projects other than streets and highways and rail transit guideways, an entity's resources and capabilities will be judged acceptable by the Commission upon Caltrans' review and approval of the overall project description, scope of work, and financial plan submitted by the entity as part of the allocation request package.

IV Allocation Of Funds

The Commission will consider allocation of funds for a project or project component when it receives an allocation request and recommendation from Caltrans. All allocation requests shall be rounded to the nearest \$1,000. The request will include a determination of the availability of funding and a recommendation on the source of funding. The recommendation on the source of funding shall include the amounts by fund account i.e., State Highway Account or Public Transportation Account as well as the fund type within the account including type of federal funds. Caltrans' recommendation to the Commission for State, only funding of a project will be made in accordance with Caltrans current policy for exceptions to federal funding. The final determination of fund type available for a project will be made in the Commission's allocation of funds to the project. The Commission will approve the allocation only if the funds are available and are necessary to implement the project as programmed in the STIP. Allocations for right-of-way acquisition or construction will be made only after documentation of the required environmental clearance for the project. In compliance with Section 21150 of the Public Resources Code, Commission allocations to local agencies for project costs, other than for environmental studies and permits, will be made only after documentation of environmental clearance under the California Environmental Quality Act. All funds allocated are subject to the timely use of funds provision as described in Section V of these guidelines.

All allocations shall be rounded to the nearest \$1,000. The Commission will consider making an allocation which exceeds the amount programmed in the STIP, if a region or the interregional program have adequate reserves in the STIP, or if the Commission finds it can approve an advance to the county share or to the interregional share from STIP reserves. Unallocated amounts are available for allocation until the end of the fiscal year in which they are programmed in the STIP. Funds not allocated are subject to the timely use of funds provision described in Section V of these guidelines.

If a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the STIP, the implementing agency may request an allocation in advance of the programmed year. The Commission will consider making advanced allocations based on making a finding that the allocation will not delay availability of funding for other projects programmed in earlier years than the project to be advanced and with the approval of the responsible regional agency if county share funds are to be advanced.

When a local entity is ready to implement a project or project component, the entity will submit a request to Caltrans. Caltrans will review the request, prepare appropriate agreements with the entity and recommend the request to the Commission for action. The typical time required after receipt of the application to complete Caltrans review and recommendation and Commission allocation is 60 days. The specific details and instructions for the allocation, transfer and liquidation of funds allocated to local entities are included in the Procedures For Administering Local Grant Projects In The STIP in consultation with the Commission, regional agencies, local agencies and transit agencies.

The US Department of Transportation regulations require that transit projects using federal funds be transferred from Caltrans to the Federal Transit Administration (FTA) for the administration of the federal funds. The transfer requires FTA approval of a Grant Application from the responsible entity. In order to facilitate the transfer and assure timely use of funds, the Commission encourages all entities to submit a Grant Application to FTA soon after the project is programmed in the STIP to avoid delays in Commission allocation of funds for the project.

The Commission may delegate authority to Caltrans for making some fund allocations to local entities. If the Commission delegates such authority, Caltrans shall apply the conditions and standards in these guidelines to protect State funds and maintain local entity accountability for the project.

V Timely Use of Funds

Funds allocated for local entity project development or right-of-way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. For local grant projects, the local agency must invoice Caltrans for these costs no later than 180 days after the fiscal year in which the final expenditure occurred.

Funds allocated for construction, or for purchase of rail/transit equipment must be encumbered by the award of a contract within twelve months of the date of the allocation of funds. After the award of the contract, the local entity has up to 36 months to complete (accept) the contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and liquidation of funds if necessary to accommodate the proposed expenditure plan for the project. Federal funds, which are transferred to FTA after Commission allocation, as discussed in Section IV of these guidelines, will be considered encumbered and expended. The local entity has 180 days after contract acceptance to make the final payment to the contractor or vendor, prepare the final Report of Expenditure, and submit the final invoice to Caltrans for reimbursement.

The Commission may extend the deadlines for allocation of funds, for award of a contract, for transfer to FTA, for expenditures for project development or right-of-way, or for contract completion no more than one time, and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance, and will in no event be for more than 20 months.

Whenever allocated funds are not encumbered by the award of a contract or transferred to FTA, or expended within the deadlines specified above, all unencumbered or unexpended funds from the allocation will be rescinded except for Proposition 116 funds, in accordance with section 99612 of the Public Utilities Code. The Commission will not adjust the county or interregional share for any unencumbered balance of the allocation.

VI Monitoring And Reporting

Caltrans shall monitor funds allocated for project construction and purchase of equipment and provide monthly reports to the Commission of all projects for which a contract has not been awarded within six-months of the Commission's allocation.

Caltrans shall provide the Commission status reports on all fund allocations that are made by Caltrans in accordance with Commission delegation, which may have been made as specified in Section IV of these guidelines.

It is the Commission's intent that Caltrans, in consultation with regional agencies, develop and implement a process and mechanism to monitor and track local entity projects from the allocation of funds through project completion. The process should facilitate regional agency accountability, and provide for reporting to the Commission on the status of projects, expenditures, and reimbursements.

VII Authorization To Proceed And Reimbursements

Generally, the earliest date for which work will be reimbursed is the date of the fund allocation by the Commission. If federal funds are included in the allocation, the date of the allocation or date of approval of the Federal Authorization to Proceed (E-76), whichever is latest, establishes the earliest date for which work will be reimbursed.

All reimbursements for expenditures and costs are subject to the allocated funds being appropriated in the State budget approved by the Governor and execution of a Program Supplement, or a Fund Transfer Agreement. In no case shall reimbursements exceed the amount of funds allocated by the Commission. Reimbursements shall not be allowed for work, which is not included in the approved agreements with Caltrans. All reimbursed costs must be supported by an invoice documenting expenditures and costs.

VIII Project Completion And Audits

Local entities shall be responsible for establishing and maintaining records of project allocations, costs, expenditures and reimbursements. Upon completion of a project, the responsible entity shall be responsible for preparing a final project expenditure report documenting all project expenditures and reimbursements for submittal to Caltrans. Caltrans shall document and report on all allocated funds that were not expended.

Local entities receiving federal funds are subject to audit requirements of the Federal Office of Management and Budget's Circular A-133. A single audit is required if an entity receives more than \$300,000 in federal funds from all sources. Local entity expenditures for all local assistance programs are subject to financial and compliance audits by the State Controller's Office and by Caltrans' Office of External Audits. Normally, project audits are not necessary if expenditures for a project are covered by a single audit report accepted by the appropriate federal agency.

IX EEM Program

General. The EEM Program is an annual program of projects separate from the STIP. The EEM Program is funded with State Gas Tax Revenues from the State Highway Account. EEM projects must be consistent with the requirements of Article XIX of the State Constitution. The EEM Program shall be administered consistent with Section IX of these guidelines as well as the Environmental Enhancement and Mitigation Program Procedures and Criteria developed by the State Resources Agency, and the Applicant-State Agreement, Environmental Enhancement and Mitigation Program developed by Caltrans.

Eligible Costs. Generally, except as noted herein, all direct costs attributable to an EEM project are eligible for EEM funding. Eligible costs include: project development costs, *real property* acquisition costs, acquisition support costs, construction costs, and construction engineering costs. Ineligible costs include: general program administration and overhead costs, and costs incurred prior to Commission allocation of project funding, financial costs associated with borrowing funds to implement the project, costs of audits, and costs incurred after the end of the second fiscal year following the year in which the funds were allocated by the Commission.

Project Funding and Timely Use of Funds. When an entity is ready to implement a project, the entity will submit an allocation vote request to the appropriate Caltrans District. Caltrans will review the request, prepare appropriate agreements and recommend the request to the Commission for allocation action. The entity should allow up to sixty-days from the date of submittal until Commission action. The entity will advise Caltrans of changes in funding amounts and fund sources, and if the project will be re-advertised if bids are too high. Caltrans will approve minor changes in project scope, cost and shifting of funding between project elements. Commission approval is required on substantive changes in project scope. Cost increases must be covered with the applicant's own sources of funding.

Projects that cannot be made ready for Commission funding allocation during the State fiscal year, the program adopted will be dropped from the EEM program. Funding from the dropped project will be assigned to projects further down on the EEM program priority list, or elsewhere in the program. A project dropped from the program may compete for the EEM program in the following years.

The Commission will allocate funds for a project only during the fiscal year in which the project is programmed. The entity must complete the contract and receive reimbursement no later than the end of the second fiscal year following the year in which the funds were allocated. Allocated funds not expended by this deadline will be rescinded.

Reimbursements and Audits. The earliest date for which work will be reimbursed is the date of the fund allocation by the Commission. All reimbursements are subject to the allocated funds being appropriated in an adopted State budget. All expenditures will be subject to financial and compliance audits by the State Controller's Office and by Caltrans' Office of External Audits.

All reimbursements will be limited to the State's pro rata share of the project costs as stated in the Commission's fund allocation and in the Applicant-State Agreement.

Payments of EEM funds by the State to local entities will normally be made on a reimbursement basis after costs are incurred by the local entity. The local entity may request progress payments on a monthly or quarterly basis. At the request of an entity and Caltrans, the Commission may consider approving a one-time cash advance of funds if it can be demonstrated that such cash advance is necessary to ensure timely completion of the project.

This document is under "Policies and Procedures at website:
<http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>

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ASSIGNMENT AND ASSUMPTION AGREEMENT (PRIVATE)

**RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:**

Department of Transportation
Environmental Enhancement and Mitigation Program
Attn: Susan Harrington, Coordinator
1120 N Street (95814)
P. O. Box 942874 - MS 1
Sacramento, CA 94274-0001

Recorder stamp:
Applicant must record or funds are at risk.

ASSIGNMENT AND ASSUMPTION AGREEMENT (PRIVATE)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (AAA) is entered into, effective this _____ day of _____, 2003, by and between the _____ ("Assignor"), the STATE OF CALIFORNIA, ACTING BY AND THROUGH THE DEPARTMENT OF TRANSPORTATION ("Department") and the _____ ("Assignee").

RECITALS

- A. Assignor executed an Environmental Enhancement and Mitigation Agreement _____, dated _____, to acquire certain portions of real property located _____ County, California, more particularly described on Exhibit AAA-A (the "Property"), attached hereto and incorporated herein by this reference. Assignor, as the applicant for conservation land funds through the Environmental Enhancement and Mitigation Program administered by Department, has received or will receive funding which will allow Assignor to acquire the Property, and subsequently, convey the Property to Assignees. The Property is the total land _____ acquired by Assignor with funds from the Environmental Enhancement and Mitigation Program (the "Overall Project"). However, Assignor will convey property title as follows:
- B. As set forth in the Environmental Enhancement and Mitigation Program. Application submitted by Assignor, as "Applicant", (the "Application") attached hereto together with Exhibit of the Application, as Exhibit B, incorporated herein by reference, the purposes for acquiring the Property are broad. Furthermore, it is understood by Assignee that all uses, operations and maintenance of the Property will be to ensure in perpetuity the preservation, enhancement and protection of these stated Purposes.
- C. As a condition to Assignor's receipt of funds from the Environmental Enhancement and Mitigation Program for Overall Project, Assignor entered into an Applicant-State Agreement No. _____ Environmental Enhancement and Mitigation (EEM) Program, executed n _____, with Department, hereinafter referred to as "EEM Agreement". That EEM Agreement set forth provisions for the fund transfers and cost sharing of Applicant for the Overall Project, as described by Assignor, in the Application. As specified in Article XII, Paragraph 14 of the EEM Agreement, certain

provisions survive beyond the EEM Agreement termination date, and as such, Assignee will assume such obligations and responsibilities upon assignment thereof relative to the Property acquired by Assignee. Those provisions are set forth in Exhibit AAA-C, attached hereto and incorporated herein by this reference. If any reimbursement is required pursuant to Article VI of Exhibit AAA-C, said reimbursement amount shall be calculated at the same proportional rate as the ratio between the Property and the Overall Project.

- D. As another condition to Assignor's receipt of such funds from Department, Assignor executed an Agreement Declaring Restrictive Covenants (ADRC) dated _____, with Department. The ADRC provides among other things, that any owner of the Property will enter into covenant and agree to operate and maintain the Property pursuant to conditions and obligations described therein, and as set forth in the Application and EEM Agreement. The ADRC shall be recorded concurrently, with Assignor's acquisition of the Property as an encumbrance on the Property. After its acquisition, Assignor will convey the Property to Assignees, subject to the terms and conditions of the ADRC, and therefore, wishes to assign the obligations contained in the ADRC Application and surviving provisions in the EEM Agreement as set forth in Exhibit AAA-C and Paragraph C above, to Assignees upon Assignees' acquisition of the fee interest in the Property.
- E. The ADRC provides that Assignor may assign the ADRC, its rights and obligations thereunder to Assignees, subject to the written consent of Department. Assignor desires hereby to assign the ADRC, the Application and surviving provisions in the EEM Agreement as set forth in Exhibit AAA-C and Paragraph C above, and its rights and obligations thereunder to Assignees, and Assignees' desires to assume Assignor's rights and obligations under the ADRC, the Application and surviving provisions in the EEM Agreement as set forth in Exhibit AAA-C and Paragraph C above.
- F. All capitalized terms used in this AAA and not otherwise defined herein shall have the meanings attributed to them in the ADRC.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereunder and the mutual agreements set forth herein, the parties hereby agree as follows:

1. Assignor hereby assigns, transfers and conveys to Assignees all of Assignor's rights, title and interest as "Applicant" in and to the ADRC, the Application and EEM Agreement, specifically, those provisions of the EEM Agreement set forth in Exhibit AAA-C and Paragraph C above. Assignees hereby assumes and agrees to completely and timely perform, comply with and discharge, each and every obligation, covenant, representation, warranty, indemnification, duty and liability of Assignor under the ADRC, the Application and the EEM Agreement, specifically, those provisions of the EEM Agreement set forth in Exhibit AAA-C and Paragraph C above, in order to preserve, enhance and protect in perpetuity those Purposes stated above and identified in the EEM Application.

2. Department hereby consents to the assignment by Assignor and assumption by Assignee of Assignor's rights and obligations under the ADRC, the Application and EEM Agreement, specifically, those provisions of the EEM Agreement set forth in Exhibit AAA-C and Paragraph C above.

3. This AAA shall be recorded immediately following the recordation of the ADRC, which shall be recorded prior to the Grant Deed executed by MAS conveying the Property to Assignee being recorded.

4. If any party commences an action against another party arising out of, or in connection with this AAA, the prevailing party shall be entitled to recover from the losing party or parties its court costs and attorneys' fees and costs.

5. This AAA shall be governed by and construed in accordance with the laws of the State of California. Time is of the essence of this AAA. This AAA shall be binding upon and shall inure to the benefit of the parties and their successors and assigns. This AAA constitutes the entire agreement of the parties hereto on the matters covered. The invalidity or unenforceability of any provision(s) of this AAA shall not render any other provision(s) invalid or unenforceable.

6. This AAA may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one agreement.

IN WITNESS of the foregoing provisions the parties have signed this AAA as of the date set forth below.

ASSIGNOR

By: _____

Title: _____

Date: _____

ASSIGNEE:

By: _____

Title: _____

Date: _____

CONSENTED AND AGREED TO:

STATE OF CALIFORNIA, DEPARTMENT
OF TRANSPORTATION

By: _____

Title: _____

Date: _____

Notary Acknowledgments

LEGAL DESCRIPTION OF THE PROPERTY

(See attached)

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**ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM ORIGINAL
APPLICATION**

(See attached)

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FINAL PROJECT EXPENDITURE REPORT

(AGENCY LETTER HEAD)

Date:

Name, District Director
Department of Transportation
Street or **P.O. Box**
City, CA *Zip Code*
Attention: *Name*, District Local Assistance Engineer

Final Project Expenditure Report

Description/Location of Work:

Project Completion Date:

Expenditure Authorization State Project Number:

State-Local Entity Agreement Number:

State Funds Allocated:

Expenditures Incurred:

Total \$

- A. Payment to Contractor (Attach final pay estimate)
- B. Other Project Costs:
 - Preliminary Engineering
 - Construction Engineering
 - Any Additional Construction
 - Right-of-Way (Capital and Support)
- C. Liquidation Damages
- D. Outstanding Contractors Claims
- E. Property Acquisition (for land acquisition projects only)
- F. Others (specify)

Sources and Amounts of Additional Funds used:

State Funds Allocated but not used:

CERTIFICATION

I CERTIFY THAT: to the best of my knowledge and belief, the information in this report is a true and an accurate record of project costs. The work was performed in accordance with the CTC approved scope and State funding for the project.

Signature, Title and Unit of Local Agency Representative

PROJECT VERIFICATION: This verification of completion also constitutes approval to pay costs shown in the Final Invoice included in the Report of Expenditures. I have reviewed the job site and found the project completed in accordance with the scope and description of the project authorization document.

SIGNATURE: _____ **Date:** _____
District Local Assistance Engineer

SIGNATURE: _____ **Date:** _____
District Landscape Architect (if applicable)

This document is under "Policies and Procedures" at website:
<http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm>

SCOPE CHANGE REQUEST
(USE Local Agency Letterhead)

Date:

TO District Local Assistance Engineer: _____
Attention: *EEM Coordinator*: _____
Address of District Office: _____

RE: Request to Amend Project Scope for project # *EEM 20xx(XXX)*

Dear _____:

The (*Local Agency*) requests that the Department of Transportation approve proposal to amend the project scope for the above-captioned project to permit (*explain request and attach a chart comparing the original project commitments—what the money was going to purchase—and what the new proposal is*). The new project scope will still fulfill the commitments, goals, intentions made in project scope as stated in the (*Applicant-State Agreement #*) and the application for project *EEM 20xx (XXX)*. (*Attach a map if the request includes change of location from original location approved.*)

Please refer to the attached supporting documentation for additional information and a comparison of the original proposal to the new proposal. The proposed funding is

Original CTC Request	New CTC Request
\$	\$

Status of Project:

Environmental:

- CEQA – Categorical Exemption Section 15313, Class 13. To be filed upon approval of scope change.
- NEPA – NEPA is not required for this project.

Engineering:

- The PS&E development is not applicable to this project.
- Construction: Is not applicable to this project.

The project was adopted in the 20xx/20xx Environmental Enhancement and Mitigation program.

Please advise us as soon as Caltrans has made a determination regarding this scope change. You may direct any questions to (*Name*) at (*phone*) and (*e-mail*).

Sincerely,

Name and Title

Signature

Attachments

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CHAPTER 21 BICYCLE TRANSPORTATION ACCOUNT (BTA)**CONTENTS**

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CHAPTER 21 BICYCLE TRANSPORTATION ACCOUNT

21.1 INTRODUCTION

The Bicycle Transportation Account (BTA) provides state funds for city and county projects that improve safety and convenience for bicycle commuters. The program is consistent with the Legislature's intent when it adopted the California Bicycle Transportation Act:

"...to establish a bicycle transportation system...designed and developed to achieve the functional commuting needs of the employee, student, business person, and shopper as the foremost consideration in route selection, to have the physical safety of the bicyclist and bicyclist's property as a major planning component, and to have the capacity to accommodate bicyclists of all ages and skills".

As used in this chapter, "bicycle commuter" means a person making a trip by bicycle primarily for transportation purposes, including, but not limited to: travel to work, school, shopping, or other destination that is a center of activity, and does not include a trip by bicycle primarily for physical exercise or recreation without such a destination.

The Bicycle Facilities Unit (BFU) in the Division of Local Assistance (DLA) administers the BTA.

21.2 APPLICANTS

Cities and counties are eligible to apply for BTA funds. A city or county may apply for funds on behalf of another local agency that is not a city or county. The city or county assumes responsibility for the BTA application and the proper use and expenditure of BTA funds.

To be eligible for BTA funds, a city or county must prepare and adopt a Bicycle Transportation Plan (BTP) that complies with Streets and Highways Code Section 891.2 and the following:

- The governing body of a city or county must adopt the BTP by resolution or certify that it is current and complies with Street and Highways Code Section 891.2.
- The city or county must submit the BTP to the appropriate Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) for review and approval for compliance with Streets and Highways Code Section 891.2 and the regional transportation plan (RTP).
- Following regional approval, the city or county must submit the BTP, the resolution adopting the BTP, and the letter of approval from the MPO/RTPA to the BFU for review and approval.
- BTP adoption establishes eligibility for five consecutive BTA funding cycles. Example: BTPs adopted in 2004 and submitted December 1, 2004; with an application for 2005/2006 BTA funding would establish eligibility for state fiscal years 2005/2006, 2006/2007, 2007/2008, 2008/2009, and 2009/2010. The state fiscal year begins on July 1 and ends on June 30 of the following year.

- Information described in Streets and Highways Code, Section 891.2 items (a) through (k) must be contained within the BTP.

Please see Exhibit 21-A, “Bicycle Transportation Plan and Bicycle Transportation Account Procedures” in this chapter for details on the BTP approval process.

21.3 PROJECT CATEGORIES

BTA projects are intended to improve safety and convenience for bicycle commuters, and can include, but are not limited to any of the following:

- (a) New bikeways serving major transportation corridors
- (b) New bikeways removing travel barriers to potential bicycle commuters
- (c) Secure bicycle parking at employment centers, park-and-ride lots, rail and transit terminals, and ferry docks and landings
- (d) Bicycle-carrying facilities on public transit vehicles
- (e) Installation of traffic control devices to improve the safety and efficiency of bicycle travel
- (f) Elimination of hazardous conditions on existing bikeways
- (g) Planning
- (h) Improvement and maintenance of bikeways

Eligible project activities include:

- Project planning
- Preliminary engineering
- Final design
- Right of way acquisition
- Construction and/or rehabilitation

Cities and counties should submit applications only for those projects where right of way is free and clear of obstructions, encumbrances, disputes, and environmental hazards, and where cooperative agreements with organizations such as railroads, utility districts, flood control districts, coastal commissions, etc., have been executed.

BTA projects must be in compliance with the applicable provisions of the California Environmental Quality Act (CEQA) by the BTA application submittal date. The lead agency is responsible for preparing the required environmental documentation, making the appropriate environmental determination, and submitting it with the application.

Please see Exhibit 21-B “Project Application Form” in this chapter for the BTA application form.

21.4 RATING FACTORS AND CRITERIA

Eligible BTA projects are those that serve the functional needs of bicycle commuters. Accordingly, the BTA Evaluation Committee evaluates applications as Excellent, Good, Fair, Poor, or Ineligible according to the following criteria:

How well has the applicant demonstrated that the project:

- 1) Will be used primarily by bicycle commuters?
- 2) Has the potential to increase bicycle commuting?
- 3) Is the best alternative for the situation?
 - 4) Improves bikeways and/or amenities that support bicycle commuting e.g., bicycle parking, lockers, showers, lighting, call boxes, maps, and bicycle safety education programs.
- 5) Provides or improves bikeway continuity to activity centers such as public buildings, transit terminals, business districts, shopping centers, schools, etc.
- 6) Is consistent with the applicable BTP.

Other considerations used in evaluating BTA project applications include:

- 1) Citizen and community involvement
- 2) Cost of project and cost-effectiveness
- 3) Geographic distribution
- 4) Land use, population density, and settlement patterns
- 5) Local - State match ratio
- 6) Prior funding and project implementation.
- 7) Project readiness
- 8) Project type on-road (Class II & III Bikeways)/off-road (Class I Bikeways)/other
- 9) Projects initiating a community bikeway network
- 10) Transportation interface with other modes of transportation
- 11) Trip purpose work, school, shop, social/recreational, other
- 12) Urban/Rural balance

21.5 FUNDING CONSIDERATIONS

In the 2001/2002 through 2005/2006 fiscal years, \$7.2 million of BTA funds will be available annually. In the 2006/2007 fiscal year and beyond, \$5 million of BTA funds will be available annually.

The Department of Transportation (Caltrans) allocates and disburses monies from the BTA according to the following priorities:

- To Caltrans the amounts necessary to administer the program not to exceed one percent of the funds expended per year.
- To cities and counties - the remaining funds available in the account for bikeways and related facilities, planning, safety, and education.

The BTA is a reimbursement program. Funds are allocated to cities and counties on a matching basis that requires the applicant to furnish a minimum of 10 percent of the total project cost. The amounts allocated to each project phase and the ratio of local funds to BTA funds in the BTA application will determine the project reimbursement amounts. No applicant shall receive more than 25 percent of the total amount transferred to the BTA in a single fiscal year.

BTA funds may be used, where feasible, to apply for and match federal grants or loans. Federal and state grants or loans (from sources other than the BTA) may be used, where feasible, for the minimum required 10 percent local match.

BTA funds are appropriated each fiscal year in the state budget. Encumbrance of funds must occur within the fiscal year of appropriation. The funds are then available for expenditure during the succeeding two fiscal years. Final invoices must be submitted to the District Local Assistance Engineer (DLAE) by April 1 of the third fiscal year.

21.6 MILESTONES

Please see Exhibit 21-A “Bicycle Transportation Plan and Bicycle Transportation Account Procedures” for BTA milestones.

21.7 DESIGN STANDARDS

All bikeway projects shall be designed and constructed in accordance with the *Highway Design Manual, Chapter 1000 Bikeway Planning and Design*. Cities and counties are encouraged to address questions regarding compliance with Chapter 1000 to the DLAE, the non-motorized transportation design reviewer in the Sacramento Headquarters Division of Design, or the Bicycle Facilities Unit.

21.8 STATUS REPORTS

Caltrans may ask city and county agencies to provide an annual status report for BTA projects.

Please see Exhibit 21-E “Project Status Report” in this chapter for a suggested status report format.

21.9 SCHEDULE

Each year, the BFU sends a BTA project solicitation memo to the DLAE (see Exhibit 21-F “Caltrans District Local Assistance Offices” in this chapter). The memo includes information about the upcoming BTA cycle and requests that the DLAE forward the information to all cities and counties in their respective district. Applications from local agencies are typically due to the DLAE the first working day of December. The DLAE also receives and evaluates all BTA applications submitted by cities and counties in their district according to the evaluation criteria in Exhibit 21-C “District Bicycle Transportation Account Evaluation Form” in this chapter and forwards the applications and evaluations to the BFU typically by the first working day of January.

The BFU convenes the BTA Evaluation Committee to evaluate project applications for compliance with the California Bicycle Transportation Act and forwards the evaluations and a list of projects recommended for funding to Department management for review. Department management reviews the application evaluations and develops an approved list of funded projects.

For specific BTA processes, see Exhibit 21-A, “Bicycle Transportation Plan and Bicycle Transportation Account Procedures” in this chapter.

21.10 EVALUATIONS

To determine the cost-effectiveness of the BTA program, Caltrans requests that city and county agencies provide an evaluation of the effectiveness of completed BTA projects when requested by the BFU.

21.11 REFERENCES

- *Streets and Highways Code*, Section 890 - 894.2, Section 2106
http://www.leginfo.ca.gov/.html/shc_table_of_contents.html
- Caltrans *Highway Design Manual*, Chapter 1000
<http://www.dot.ca.gov/hq/oppd/hdm/hdmtoc.ht>
- Chapter 834, Statutes of 2000 (SB 1772)
<http://www.leginfo.ca.gov/bilinfo.html>
- American Association of State Highway and Transportation Officials (AASHTO), *Guide for the Development of Bicycle Facilities 1999*.

Note: The AASHTO document is for reference only. All Bicycle Transportation Account projects must comply with the requirements set forth in the Streets and Highways Code and the bikeway design standards in the Caltrans Highway Design Manual, Chapter 1000.

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BICYCLE TRANSPORTATION PLAN AND BICYCLE TRANSPORTATION ACCOUNT PROCEDURES

BICYCLE TRANSPORTATION PLAN (BTP) PROCESS

Responsible Unit	Action
DISTRICT	1. Following receipt of BTA application solicitation package from Bicycle Facilities Unit (BFU) (See step 3 in BTA Process), notifies city and county agencies of the deadline for submittal of BTA applications and Bicycle Transportation Plans (BTPs) needing BFU approval.
LOCAL AGENCY	2. Prepares BTP. 3. The governing body of the city or county adopts BTP by resolution. 4. Submits BTP to appropriate Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) for review and approval that it complies with Streets and Highways Code Section 891.2 and the regional transportation plan (RTP). 5. Submits BTP, adopting resolution, and MPO/RTPA letter of approval to BFU by BTA application deadline.
BFU	6. Reviews BTP and approves or disapproves per Streets and Highways Code Section 891.2 (See Exhibit 21-D "Bicycle Transportation Plan Checklist"). 7. Logs BTP, adopting resolution, and MPO/RTPA approval letter in BTP database. 8. Notifies local agencies of the results of plan review.

BICYCLE TRANSPORTATION ACCOUNT (BTA) PROCESS

Responsible Unit	Action
BFU	1. Determines amount of BTA funds available for programming. 2. Develops annual BTA application solicitation package and forwards package to districts typically by late summer/early fall.
DISTRICT	3. Sends BTA application solicitation package to cities and counties.

Bicycle Transportation Plan and Bicycle Transportation Account Procedures

- LOCAL AGENCY 4. Completes BTA application and sends signed original and one copy to the District Local Assistance Engineer (DLAE) typically by the first working day of December. The Department encourages applicants to contact the DLAE to ensure that all submitted BTA applications and information have been received.
- DISTRICT 5. Ensures application completeness, evaluates BTA applications according to evaluation criteria in Exhibit 21-C, "District Bicycle Transportation Account Evaluation Form" and forwards signed original application and Exhibit 21-C to BFU typically by the first working day in January. DLAE retains one copy of the application and Exhibit 21-C for district file.
- BFU 6. Reviews all submittals to determine applicant eligibility and application completeness, logs into database. BFU staff may contact an applicant or DLAE for information needed to make an eligibility determination. If an applicant is determined to be ineligible or the application is incomplete, the application will be rejected without evaluation.
- BFU EVALUATION COMMITTEE 7. Reviews all eligible and complete applications under a competitive process for bicycle commuter value and compliance with the California Bicycle Transportation Act. Forwards evaluations and a list of projects recommended for funding to Department management for review.
- DEPARTMENT MANAGEMENT 8. Reviews the application evaluations and the list of projects recommended for funding and develops an approved list of projects to be funded.
- BFU 9. Provides results of selection process on the Division of Local Assistance website at:
<http://www.dot.ca.gov/hq/LocalPrograms/bta/btaweb%20page.htm>.
Assigns BTA identification numbers to selected projects.
10. Develops Local Agency-State Agreement for each selected project. The Local Agency-State Agreement addresses project scope, schedule, cost, and reimbursement ratio.
- ACCOUNTING 11. Certifies availability of BTA funds.
- BFU 12. Signs agreements and sends to local agencies for signature.

-
- | | |
|--------------|---|
| LOCAL AGENCY | 13. Signs agreement(s), develops any required resolutions, and sends original executed agreement(s) and resolutions to BFU. Begins work on the projects after execution of the agreement(s). Construction may be performed by contract or local agency in accordance with the laws applicable to the local agency. |
| BFU | 14. Retains a copy of executed agreements in BTA files and forwards originals to Accounting and a copy to the DLAE |
| ACCOUNTING | 15. Provides original executed agreements to Office of State Controller. |
| LOCAL AGENCY | 16. Develops plans, specifications and estimates, and certifies that project complies with standards in the <i>Highway Design Manual, Chapter 1000</i> . Sends copy to BFU and DLAE if requested. |
| | 17. Submits progress pay invoices with itemized expenditures to BFU (step 20). Progress pay invoices are subject to DLAE inspection and approval upon BFU request. Submits final invoice with itemized expenditures to DLAE (step 18) by April 1st of the year that the funds are scheduled to lapse. Invoices must be original, signed by the responsible person in the local agency, submitted on local agency letterhead with local agency's address, current date, and DLAE signature block addressed to the California Department of Transportation. |
| DISTRICT | 18. Inspects project for completion and conformance with the approved Local Agency-State Agreement and, if applicable, Chapter 1000 of the Highway Design Manual. |
| | 19. Accepts project, validates invoice with signature block or stamp, and submits to BFU recommending payment of funds to local agency, |
| | OR |
| | Rejects the project and notifies local agency. Coordinates final project inspection with local agency until project is accepted and notifies BFU. |
| BFU | 20. Reviews and approves submitted invoice and forwards it to Accounting with request for payment to local agency. |
| ACCOUNTING | 21. Requests payment to local agency from the Office of State Controller. |
| CONTROLLER | 22. Pays local agency. |

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III. EVALUATION CRITERIA
(To be completed by applicant)

Eligible BTA projects are those that serve the functional needs of bicycle commuters. Accordingly, BTA project applications will be evaluated as Excellent, Good, Fair, Poor, or Ineligible according to the following criteria. In the space provided, describe how well the proposed project fulfills the following program criteria.

1. Will bicycle commuters be the primary users of the proposed project?

2. Does the proposed project have the potential to increase bicycle commuting?

3. Is the proposed project the best alternative for the situation?

4. Will the proposed project improve bikeways and/or amenities that support bicycle commuting e.g. bicycle parking, lockers, showers, lighting, call boxes, maps, and bicycle safety education programs?

5. Will the proposed project provide or improve bikeway continuity to activity centers such as public buildings, transit terminals, business districts, shopping centers, and schools, etc.?

IV. Project Budget

Funding	Engineering/Design	Right of Way	Construction	Total	Percent
BTA Funds					
Local Funds					
Other					
Total					

V. Project Screening Criteria**A. Local Match**

- Will applicant provide the local share as indicated in the project budget table above?
(Note: *The minimum local share required is 10% of the total project cost.*) Y N
- What is the projected completion date of the proposed project? Month _____ Year _____

B. Bicycle Transportation Plan (BTP)

- Name of BTP applicant is using to establish eligibility for BTA funding?
_____ BTP Adopted Date: _____
- Name of Regional Transportation Planning Agency (RTPA)
_____ BTP Approval Date: _____
- Is the BTP approved by the BFU? Y N
- Is the applicant submitting a BTP for BFU approval? Y N
- Is the project consistent with the BTP? Y N
- BTP page number identifying the proposed project. Page No.: _____

C. Evidence of California Environmental Quality Act (CEQA) Compliance

BTA projects must be in compliance with the applicable provisions of the California Environmental Quality Act (CEQA) by the BTA application submittal date. The lead agency is responsible for preparing the required environmental documentation, making the appropriate environmental determination, and submitting it with the application.

VI. Application Signature

An authorized representative of the applicant agency must sign the application. The undersigned affirms that the statements contained in the application package are true and complete to the best of their knowledge.

Name Date

Title

Distribution: Local agency sends original and one copy to the DLAE. DLAE forwards original to BFU and retains copy for district file.

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DISTRICT BTA EVALUATION FORM

District: _____ Date: _____ Fiscal Year: _____

Local Agency: _____

County: _____

Project Title: _____

How well has the applicant demonstrated that the project:

1. Will be used primarily by bicycle commuters?

Excellent Good Fair Poor Ineligible

2. Has the potential to increase bicycle commuting?

Excellent Good Fair Poor Ineligible

3. Is the best alternative for the situation?

Excellent Good Fair Poor Ineligible

4. Will improve bikeways and/or amenities that support bicycle commuting e.g. bicycle parking, lockers, showers, lighting, call boxes, maps, and bicycle safety education programs?

Excellent Good Fair Poor Ineligible

5. Will provide or improve bikeway continuity to activity centers such as public buildings, transit terminals, business districts, shopping centers, schools, etc.?

Excellent Good Fair Poor Ineligible

COMMENTS:

Distribution: DLAE sends copy to HQ BFU together with the originally signed Project Application Form.

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Bicycle Transportation Plan Checklist

BTP TITLE: _____

LOCAL AGENCY: _____ ADOPTED : Yes__ No__ DATE_____

REGIONAL TRANSPORTATION PLANNING AGENCY: _____ APPROVED: Yes__ No__ DATE_____

Yes	No	Requirement	Page No	Comments
		(a) The estimated number of existing bicycle commuters in the plan area and the estimated increase in the number of bicycle commuters resulting from implementation of the plan.		
		(b) A map and description of existing and proposed land use and settlement patterns which shall include, but not be limited to, locations of residential neighborhoods, schools, shopping centers, public buildings, and major employment centers.		
		(c) A map and description of existing and proposed bikeways.		
		(d) A map and description of existing and proposed end-of-trip bicycle parking facilities. These shall include, but not be limited to, parking at schools, shopping centers, public buildings, and major employment centers.		
		(e) A map and description of existing and proposed bicycle transport and parking facilities for connections with and use of other transportation modes. These shall include, but not be limited to, parking facilities at transit stops, rail and transit terminals, ferry docks and landings, park and ride lots, and provisions for transporting bicyclists and bicycles on transit or rail vehicles or ferry vessels.		
		(f) A map and description of existing and proposed facilities for changing and storing clothes and equipment. These shall include, but not be limited to, locker, restroom, and shower facilities near bicycle parking facilities.		
		(g) A description of bicycle safety and education programs conducted in the area included within the plan, efforts by the law enforcement agency having primary traffic law enforcement responsibility in the area to enforce provisions of the Vehicle Code pertaining to bicycle operation, and the resulting effect on accidents involving bicyclists.		
		(h) A description of the extent of citizen and community involvement in development of the plan, including, but not limited to, letters of support.		
		(i) A description of how the bicycle transportation plan has been coordinated and is consistent with other local or regional transportation, air quality, or energy conservation plans, including, but not limited to, programs that provide incentives for bicycle commuting.		
		(j) A description of the projects proposed in the plan and a listing of their priorities for implementation.		
		(k) A description of past expenditures for bicycle facilities and future financial needs for projects that improve safety and convenience for bicycle commuters in the plan area.		

Distribution: Copy to DLAE and HQ BFU

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BICYCLE TRANSPORTATION ACCOUNT PROJECT STATUS REPORT

Date: _____

Agency: _____

BTA Number (from Local Agency-State Agreement): _____

Description of Project: _____

Original Projected Award Date: _____ Current Projected Award Date: _____

If "current" award date is not the same as "original" award date, explain reason for change:

Original Estimated Project Completion Date: _____ Current Estimated Project Completion Date: _____

If "current" completion date is not the same as "original" completion date, explain reason for change:

Original Cost Estimate: _____ Cost Estimate as of this Report: _____

Reason for difference (increase or decrease).

Other Comments:

Prepared by: _____

Telephone: _____ E-mail: _____

Distribution: Copy to DLAE and HQ BFU

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See Chapter 1, Exhibit 1-A page 1-13 for CALTRANS DISTRICTS LOCAL ASSISTANCE OFFICES

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CHAPTER 22 OTHER STATE PROGRAMS**CONTENTS**

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CHAPTER 22 OTHER STATE PROGRAMS

22.1 PETROLEUM VIOLATION ESCROW ACCOUNT

INTRODUCTION

In the late 1970's, a series of Federal court decisions against various United States oil companies ordered refunds to the States for price overcharges on crude oil and refined petroleum products during the period of price control regulations (September 1973 through January 1981). Moneys collected and not yet disbursed to the States are held in a Federal Department of Energy's (DOE) escrow account. The disbursement of the funds to the States is generally made by the DOE's Office of Hearings and Appeal (OHA). Once the funds are received by California, they are held in the State's Petroleum Violation Escrow Account (PVEA).

In California, transportation related PVEA projects are administered by Caltrans. PVEA funds do not require a match and can be used as match for additional Federal funds.

To date, PVEA refunds have totaled more than \$4.7 billion, nationwide. California has received more than \$417 million since the beginning of the program with \$129 million allocated for transportation related projects and approximately \$102 million expended for transportation related projects.

ELIGIBILITY CRITERIA

To qualify for PVEA funding, a project must satisfy the following eligibility criteria.

- **PVEA projects must save or reduce energy** - Projects that implement or demonstrate are eligible for PVEA funding, however; studies are not fundable (a study may not result in project implementation and therefore not save energy).

Projects that appear to result in little energy savings or focus primarily on health and environmental concerns rather than energy savings will not be approved.

- **PVEA projects must provide restitution to the public within a reasonable time** - Actual energy savings must be quantifiable so that restitution to the public can be shown. For example, quantify how a project will make more efficient use of the corridor because of reduced traffic congestion, reduce the number of vehicle stops, or reduce the hours of traffic delay, etc.

Projects will not be approved if the benefits occur too far in the future to be considered restitutionary or if the benefits are too indirect or too remote.

- **PVEA funds must supplement, not supplant, those funds already available for the proposed project** - Existing State and local personnel (PYs) cannot be reimbursed with PVEA funds. However, it is permissible to hire or increase someone's timebase to accomplish a PVEA funded activity.

The majority of court decisions do not allow PVEA funds to be used for program administration.

- **All PVEA court decisions include mandatory reporting requirements** - Failure to submit the required reports on even one project will jeopardize the State's receipt of future PVEA funding.

PROJECT SELECTION/APPLICATION PROCESS

In California, PVEA funds are allocated through the Budget Act for Caltrans projects or through special legislation for allocation to state and local agency projects. The California Department of Finance determines which specific court cases fund the projects since the rules and procedures vary according to the specific court settlement. Each project must then be submitted as a proposal to the California Energy Commission and approved by the U.S. Department of Energy (DOE). Once DOE approves the project, PVEA resources can be encumbered.

Local agencies wanting to request PVEA funding for their project should contact their local State Legislator (Senate or Assembly).

Questions regarding the PVEA program may be directed to the District Local Assistance Engineer, or to Caltrans Federal Resources Office - Grants Program, MS #23, Sacramento, California, 94274-0001, telephone (916) 654-2350.

22.2 PROPOSITION 116 BICYCLE PROGRAM

INTRODUCTION

In 1990 California voters approved the Proposition 116 Clean Air and Transportation Act (P116) which provided \$1.9 billion for public transportation projects. P116 set aside \$20 million to local agencies for a competitive grant program for bicycle commuter facilities and \$73 million to non-urban counties for public transportation projects including bicycle facilities.

The CTC programmed the \$20 million for the competitive program in 1992 and 1993. Of the \$73 million in the non-urban counties program, the counties chose to use about \$19 million for bicycle facilities. The CTC programmed the \$19 million in 1993 and 1994.

Combining both programs, the CTC programmed a total of about \$39 million in State bond funds for 131 bicycle facility projects from 1992-1994. P116 funds are no longer available.

The Bicycle Facilities Unit (BFU) in the Office of Local Programs now provides support to the CTC staff and helps local agencies implement the bicycle facility projects funded by P116. The process is described on the next page.

ADMINISTRATIVE PROCESS

The BFU administers this program in agreement with the “Financial Guidelines for Local Agency Reimbursement” as adopted by the CTC.

<u>Responsible Unit</u>	<u>Activity</u>
LOCAL AGENCY	1 - Submits Allocation request to Bicycle Facilities Unit (BFU).
BFU	2 - Logs in allocation request, reviews the request for completeness, prepares and attaches a summary fact sheet, and distributes copies to CTC staff, Programming and Budgets.
BUDGETS	3 - Places allocation request on CTC agenda, prepares book item, reviews bond and tax compliance information, and issues project certification letter.
CTC	4 - Approves allocation.
CTC STAFF	5 - Sends approved resolution to BFU.
BFU	6 - Prepares Fund Transfer Agreement (FTA) and sends it to local agency.
LOCAL AGENCY	7 - Adopts resolution authorizing execution of FTA, completes and executes FTA, and sends it to BFU.
BFU	8 - Sends FTA to Accounting for funding certification.
ACCOUNTING	9 - Certifies funding and sends FTA to BFU
BFU	10 - Executes agreement. Sends two copies to Accounting and one copy to local agency, district, Records Management, Audits.
LOCAL AGENCY	11 - Implements project and submits invoices to BFU.
BFU	12 - Upon submittal of final invoice from local agency, BFU asks district to verify project completion. Upon verification, BFU reviews invoice and sends it to Accounting.
ACCOUNTING	13 - Sends invoice to State Controller with request for payment
CONTROLLER	14 - Pays local agency.

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CHAPTER 23 LOCAL AGENCY STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) PROJECTS

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CHAPTER 23 LOCAL AGENCY STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) PROJECTS

23.1 PURPOSE

Senate Bill 45 (SB 45), Chapter 622, Statutes of 1997, made major changes in the state's transportation programming process. The purpose of this chapter is to assist responsible local agencies, regional planning agencies, the California Transportation Commission (CTC) and Caltrans in the administration of local grant projects (all non-State Highway projects) programmed in the State Transportation Improvement Program (STIP). This chapter also addresses the Planning, Programming, and Monitoring (PPM) funds, Regional Surface Transportation Program (RSTP), Congestion Mitigation and Air Quality (CMAQ) Improvement Program, Transportation Enhancement (TE) Program, and Rideshare projects. This chapter contains procedures that replace the April 1, 1999, *Procedures for Administering Local Grant Projects in the State Transportation Improvement Program (STIP)*, and the November 9, 2001 version of this chapter.

Roadway projects programmed in the STIP that are 100 percent state funded and are **off** the State Highway System will be developed according to the design standards of Chapter 11 of the *Local Assistance Procedures Manual (LAPM)*. These projects may be treated as federal-aid funded for the purpose of selecting the appropriate design standard.

STIP projects **on** the State Highway System and administered by local agencies are processed by Project Management, not Local Assistance.

23.2 IMPACT OF SB 45 ON LOCAL GRANT PROCEDURES

The CTC *STIP Guidelines*, amended by the CTC on November 7, 2007, describe programming procedures relative to the fund estimate and the project selection process. The CTC *STIP Guidelines* may be accessed from the Internet at: http://www.dot.ca.gov/hq/transprog/ocip/stip/2008_stip_guidelines_110707amended.pdf. SB 45 enacted provisions regarding the timely use of funds for projects adopted into the STIP. For local grant projects, no adjustment will be made to the county share balance after the allocation for any amount not expended by the local agency. Also, time limits are applied to the allocation of funds programmed in the STIP. These procedures address the impact that the timely use of funds provision has on county share balances.

After a project is programmed in the STIP, three major steps in the administration of local grant projects are impacted by SB 45—fund allocation, project reimbursement, and project completion. Of these three steps, SB 45 had the most impact on the fund allocation process. Local entities, regional planning agencies, the CTC, and Caltrans all play an important role in this step. Procedures for project reimbursement and project completion have not been changed except for the time limits placed on reimbursements in the liquidation of the encumbered funds. Project implementation procedures (including environmental, right of way acquisition, design standards, preparation of plans, specifications and estimates [PS&E], and construction) were not changed by SB 45.

23.2.1 TIMELY USE OF FUNDS

The timely use of funds provisions enacted by SB 45 are intended to encourage local and regional agencies to accurately program, monitor and deliver projects in a timely manner. More accurate programming and delivery of projects enables the CTC to manage transportation funding more effectively. The information below is also included as Section 65 of the CTC *STIP Guidelines*.

There are several deadlines that must be met:

- Allocation – project components must be allocated in the year in which they are programmed.
- Expenditure – project expenditures for environmental studies and permits, PS&E, or right of way must occur by the end of the 2nd fiscal year following allocation.
- Award – construction contracts must be awarded within six months of the construction allocation. Please notify Caltrans districts when construction contracts are awarded. Notification is required within 60 days of contract award. Projects not awarded within four months are required to be reported to the CTC on a monthly basis.

ALLOCATION

Funds that are programmed for all components of local grant projects or for Caltrans construction costs are available for allocation only until the end of the fiscal year identified in the STIP. Whenever programmed funds are not allocated within this deadline, the project programming will be deleted from the STIP. The CTC will not make the funds immediately available to the county share or interregional share for reprogramming. The CTC will, however, adjust the share balance to restore the funds in the next county share period.

PROJECT DEVELOPMENT AND RIGHT OF WAY

For funds allocated for local project development (environmental studies and permits, PS&E) or right of way, costs must be incurred by the end of the second fiscal year following the fiscal year in which the funds were allocated. For local grant projects, the local agency must invoice Caltrans for these costs no later than 180 days after the end of the last eligible fiscal year of expenditure.

CONSTRUCTION AND EQUIPMENT PURCHASES

Funds allocated for construction or for purchase of equipment must be encumbered by the award of a contract within six months of the date of the allocation of funds. From the date of award of the contract, the local agency has up to 36 months to complete (accept) the contract. At the time of fund allocation the CTC may extend the deadline for completion of work (or purchase of equipment) and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project. For local grant projects, the local agency has 180 days after contract acceptance to make the final payment to the contractor or vendor, prepare the final Report of Expenditure, and submit the final invoice to Caltrans for reimbursement. Project completion (contract acceptance) is defined as when all work identified in the project agreement (program supplemental agreement) has been successfully completed and accepted by the officer or body constituting the awarding authority of the local agency.

Per Resolution G-06-08, adopted by the CTC in June 2006, Caltrans is required to provide monthly contract award status reports to the CTC on projects that have not been awarded within four months of the date of the CTC's allocation. Agencies should keep the District Local Assistance Engineer (DLAE) informed of contract advertisement and are required to inform them within 60 days of contract award. A standardized form has been developed for submittal of award data (see Exhibit 23-A, "Award Information for STIP Projects").

COMMISSION TIME EXTENSION

Upon the request of the regional agency or the agency responsible for project delivery, the CTC may grant a one-time extension to each of the deadlines specified above only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

Whenever allocated funds are not expended within the deadlines specified above, all unexpended funds from the allocation will be rescinded. Whenever construction allocations are not encumbered by the award of a contract within the deadline specified above, all unencumbered funds from the construction allocation will be rescinded. The CTC will not adjust the county share for any unencumbered balance of the allocation.

All requests for project delivery deadline extensions should be submitted directly to the appropriate Caltrans district at least 60 days prior to the CTC meeting before the specific deadline for which the particular extension is requested (e.g., 60 days prior to the June CTC meeting to request the extension of allocation deadlines). After reviewing the extension request for completeness, the District DLAE should send a signed copy to the Headquarters Division of Local Assistance STIP Coordinator at the following address:

Department of Transportation
Division of Local Assistance
STIP Coordinator, Office of Resource Management
P.O. Box 942874, MS 1
Sacramento, CA 94274-0001

The extension request shall describe the specific circumstance that justifies the extension, identify the delay directly attributable to that circumstance, and provide a timeline to justify the number of months requested. A time extension request form (see Exhibit 23-B, Request for Time Extension [Local STIP Projects]) has been developed for use by local agencies seeking extensions. Caltrans will review extension requests and forward them to the CTC for action. Extension requests do not require a 30-day notice period prior to being included in the CTC agenda.

Requests for time extensions are the responsibility of the implementing local agencies. Requests must be approved by the regional planning agency responsible for the programming of the project prior to submittal to Caltrans. Time extensions must be submitted separately from amendment requests. Incomplete extension requests will be returned to the District, and forwarded to the local agency for revisions.

INVOICES

Section 65 of the CTC *STIP Guidelines* also stipulates the requirements for timely submittal of invoices. The local agency must invoice Caltrans for project development and right of way costs no later than 180 days after the end of the last eligible fiscal year of expenditure. For construction costs, the local agency has 180 days after project completion to make the final payment to the contractor and prepare the final Report of Expenditures and final invoice, and submit to Caltrans for verification and payment. These requirements are also referenced in the Local Agency-State Agreement. Extension of the deadline for submittal of the final invoice may be approved by Caltrans to accommodate the settlement of contract claims. For further information regarding invoice processing refer to Chapter 5, “Accounting/Invoices,” of the LAPM.

PROJECT SCHEDULE CHANGES

Accurate schedules and strict compliance with the timely use of funds deadlines are essential to ensure that Caltrans has the legal authority to reimburse the local agency for eligible expenditures. If a local agency must significantly amend its schedule for a project component after funds have been allocated, it will be responsible for promptly notifying Caltrans of the changes, even if the schedule remains within the timely use of funds deadlines. This is especially critical when delays change the amount of funds required in a fiscal year. Failure to advise Caltrans of such changes could jeopardize the federal/state funds available for the project.

AB 1012 - USE IT OR LOSE IT

If the STIP project involves RSTP or CMAQ funding, “use it or lose it” fund rules apply to the apportioned federal funds. Guidelines for these fund rules can be found on the Local Assistance web site at: www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012.htm.

23.2.2 COUNTY SHARE BALANCES AND ADJUSTMENTS

NO ADJUSTMENT FOR UNDER EXPENDITURE OF ALLOCATED FUNDS

For the purposes of share balances, the amounts counted for local agency STIP projects will be the amounts actually allocated by the CTC. No adjustment will be made after the allocation vote for any amount not expended by the local agency. However, at the time of allocation request, a local agency can request a transfer of the funds to another project phase subject to the limitations described below.

SHIFTING ALLOCATED FUNDS BETWEEN PROJECT COMPONENTS

In order to provide a degree of flexibility to local agencies in administering projects, **allocated funds** may be shifted between project components without CTC action to accommodate cost changes within the following limits:

- Funds may be shifted between the two project development components (environmental studies and permits, and preparation of PS&E) up to the amount of allocation for each component.

- Funds may be shifted between project development, right of way, and construction, limited to within 20 percent of the amount allocated for either component. This means that the amount transferred by a local agency from one component to another may be no more than 20 percent of whichever of the components has received the smaller allocation from the CTC.

To take advantage of shifting allocated funds, a local agency must complete a revised Finance Letter and submit it to the Caltrans DLAE for review (see Exhibits 23-C and 23-D for the Finance Letter formats). The Finance Letter will then be forwarded to HQ Local Assistance, Office of Project Implementation, which will process a fund transfer letter and forward both to Local Program Accounting. The local agency will receive the original fund transfer letter acknowledging that the transfer has taken place.

Shifting of allocated funds between project components will not impact county share balances. County share balances will be based on the amounts allocated for each component.

23.2.3 STATE-ONLY FUNDING

The CTC will assume that all projects will meet federal requirements unless state-only (nonfederal) funding has been approved. Resolution G-01-26, passed by the CTC on August 23, 2001, established the “CTC State-Only Funding Policy” (see Exhibit 23-E). The CTC will review the state-only funding policy annually based on the balance in the State Highway Account.

In accordance with the “CTC State-Only Funding Policy,” currently programmed STIP projects that have been previously approved for state-only funds are still approved. Future requests for programming new projects within the following categories shall be given priority for state-only funding, pending review by Caltrans and confirmation to the CTC that sufficient funds are available.

- Projects with a total cost of \$750,000 or less
- Planning, Programming, and Monitoring activities
- Regional Rideshare and Traffic Demand Management activities
- Match for local federal funds

The CTC has not made a commitment for state-only funding for other projects. However, state-only funding may be approved pending review and approval of the project need for state-only funding and verification that sufficient funds are available. Project sponsors must follow the request for exceptions to federal funding as outlined in the CTC’s “CTC State-Only Funding Policy.”

To request an exception to the “CTC State-Only Funding Policy” (a request for state-only funding), the following information is required:

- A description of the project, specifically what work is being accomplished.
- Key timelines, including the beginning and ending dates of the project, proposed advertising date, contract and construction award dates.

- A detailed funding description of all elements of the project. This requires outlining all the funding sources for each phase of the project, when the funds are needed and a cash-flow projection.
- A reason why federal funds should not be used on the project.
- Regional agency concurrence with the request, if being requested by someone else.

The format provided in Exhibit 23-F, “Request for Exception to STIP State-Only Funding Policy,” should be used to request exceptions to the policy. Requests should be submitted to Caltrans district liaisons who will forward them to the appropriate program for review and submittal to Caltrans Budgets. Projects proposed for state-only funding are subject to Caltrans’ recommendation prior to the CTC approval.

23.2.4 PROGRAMMING

Several actions must take place during the programming of the STIP to establish the scope, estimated cost, and schedule of local grant projects. (See Flowcharts 23-1, “Allocation Procedures (Local STIP Projects)” and 23-2, “Reimbursement and Project Completion.”)

- The local agency completes a Project Study Report (PSR) or equivalent.
- The local agency completes and submits Project Programming Request (PPR) forms to the regional agency. These new forms and procedures supersede the Project Nomination (Fact & Funding) Sheets (see Exhibits 23-G “STIP Project Programming Request Form,” 23-H “STIP Project Programming Request Funding Information,” and 23-I “STIP Project Programming Request Instructions”).
- The regional planning agency adopts the project in the Regional Transportation Improvement Program (RTIP).
- The regional planning agency submits the RTIP to the CTC and Caltrans.
- The CTC conducts two separate STIP hearings, one in Northern California and one in Southern California.
- The CTC adopts the project into the STIP.

These actions are described in the *CTC STIP Guidelines* and summarized below.

PROJECT STUDY REPORT (PSR) OR EQUIVALENT

A new project may not be included in an RTIP without a complete PSR, or for local grant projects off the State Highway System, a PSR equivalent. This requirement applies to the programming of project development components as well as the right of way and construction components. This requirement does not apply to the programming of project planning, programming, and monitoring or to the STIP match of RSTP/CMAQ funds.

For a Transportation Enhancement (TE) project, a TE application prepared in accordance with the Department’s program guidelines is a PSR. A PSR is a report that meets the standards of the CTC’s PSR guidelines (see Exhibit 23-J, “Project Study Report Guidelines”). A PSR equivalent will, at a minimum, be adequate to define and justify the

project scope, cost, and schedule to the satisfaction of the regional agency. Though a PSR or equivalent may focus on the project components proposed for programming, it must provide at least a preliminary estimate of costs for all components.

Further guidance can be found in Caltrans' *Project Development Procedures Manual* (PDPM) or Project Development Procedures Manual Bulletins on the Division of Design web site at: www.dot.ca.gov/hq/oppd/pdpm/pdpmn.htm.

In addition, a draft PSR format for rehabilitation projects is provided on the Local Assistance web site at: www.dot.ca.gov/hq/LocalPrograms.

PROJECT PROGRAMMING REQUEST (PPR) FORMS

The local agency must submit a PPR form to the regional planning agency for each new project nominated in an RTIP. This includes the basic project information regarding the scope, cost and schedule. The PPR template for new projects and PPR instructions are provided on the Transportation Programming web site at: <http://www.dot.ca.gov/hq/transprog/ocip/2008stipdev.htm>.

This is the key document used as the basis to start the allocation process for STIP projects. It shall be submitted with the Request for Funding Allocation, as described below.

REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP)

Based on Project Programming Request submitted by local agencies, each regional planning agency adopts and submits an RTIP containing programming proposals from the county shares to the CTC for adoption. In addition to project nominations, a region, in its RTIP, may also propose to leave all or part of its county share unprogrammed, thus reserving that amount to build up a larger share for a higher cost project or otherwise to program projects in the county at a later time. Section 23 of the CTC *STIP Guidelines* addresses these reserves.

In addition to reserving county shares, agencies may elect to consolidate their county shares through pooling agreements or other methods as outlined in Section 28 of the CTC *STIP Guidelines*.

Reservations, advances, and pooling are methods to provide programming flexibility to planning agencies in developing their RTIPs.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Upon finding that the RTIP is consistent with the CTC *STIP Guidelines* and is a cost-effective expenditure of state funds, the CTC adopts the RTIP projects nominated from the county shares into the STIP. Although the PSR or equivalent is not submitted with the RTIP, the CTC or its staff may request copies to document project costs or deliverability.

STIP AMENDMENTS

The CTC may amend the STIP at the request of the regional planning agency that originally nominated the local grant project(s). (See Section 67 "STIP Amendments" in the CTC *STIP Guidelines*.) An amendment may change the scope, cost or program year of any STIP project, with the following exceptions:

- An amendment will not delete or change the program year of the funding for any project component after the beginning of the fiscal year for which it is programmed; or
- An amendment will not change the programming of any funds after they have been allocated.

Local agencies should be aware that the CTC will amend the STIP only after providing at least 30 days notice prior to the amendment.

All regional requests for STIP amendments shall be submitted directly to the appropriate Caltrans district office at least eight weeks prior to each CTC meeting. Caltrans Division of Transportation Programming will review proposed amendments and forward them to the CTC for notice and action. A complete request should include, but is not limited to, the following:

- A letter from the implementing/responsible agency clearly identifying the need for the programming change, assurances of full funding for the project and/or an explanation of future funding needs, if applicable. Include a summary of the proposed change and a detailed background of the project.
- Concurrence letters from the Regional Transportation Planning Agency (RTPA), if Regional Improvement Program (RIP) funds are involved, and letters of concurrence from the local agencies for projects that have a local contribution.
- A completed PPR form, including the Project Programming Number (PPNO), and location map(s). To amend an existing programmed project, a PPR form can be generated directly from CTIPS. This process will automatically populate the form with data from CTIPS. Current pre-populated PPR forms for existing projects are also provided on the Transportation Programming web site at: <http://www.dot.ca.gov/hq/transprog/ocip/2008stipdev.htm>.
- If local or non-STIP funds are involved in the project, please clearly identify the funding source. Examples of non-STIP funding sources include RSTP, CMAQ, Highway Bridge Program (HBP), Federal Transit Administration (FTA), Federal Demonstration/High Priority, Measure/Proposition funds, etc.

For each amendment that would delay the year of construction, the agency requesting the amendment should submit, in conjunction with the amendment request, a project construction STIP history. The request should identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each prior project construction STIP amendment including, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is the CTC's intent to review this history when considering a STIP amendment that would delay the year of construction.

FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM (FEDERAL TIP)

Before local agencies submit a Request for Authorization to Proceed (E-76) or before an Allocation Request can be approved, projects with any federal funding (STIP or local federal-aid) must be included in the Federal Transportation Improvement Program (FTIP), approved by the Federal Highway Administration (FHWA) and/or the Federal Transit Administration (FTA). For Metropolitan Planning Organizations (MPOs) recognized by

FHWA, the MPO is responsible for preparation of their Federal TIP and the processing of any amendments required by adoption of the STIP. For all new projects that fall outside an MPO's boundary/jurisdiction and require federal funding, Caltrans will process a Federal TIP amendment upon adoption of the STIP.

PROGRAMMING PROJECT COMPONENTS INDEPENDENTLY

Project components may be programmed independently. For example, a project may be programmed for environmental work only without being programmed for PS&E (Design). A project may be programmed for design without being programmed for right of way or construction. A project may be programmed for right of way without being programmed for construction. The project components will only be programmed if the CTC finds that the component itself is fully funded, either from STIP funds or from other committed funds.

ELIGIBILITY OF LOCAL ROAD REHABILITATION PROJECTS

The CTC *STIP Guidelines* define eligible projects on local road and transit systems to include rehabilitation work, but to exclude maintenance. The guidelines have indicated the CTC's intent that local road pavement rehabilitation projects be held to the same standard applied to the use of regionally-programmed federal funds (RSTP), even if the projects will be funded without federal funds.

Current federal standards for local grant projects funded with STP funds are described in Chapter 4, "Surface Transportation Program" of this manual and Chapter 11, "Design Standards," of the LAPM. Eligible rehabilitation work includes improvement of local roads through resurfacing, restoration, or rehabilitation (3R). This work is generally regarded as heavy, non-routine maintenance designed to achieve a ten-year service life. Eligible 3R work includes:

- Placing additional asphalt concrete over a structurally sound highway or bridge that needs treatment to extend its useful service life (keeping in mind added dead load or lower bridge rail heights when adding asphalt concrete on bridge decks)
- Restoration of a road, structure, or collateral facility (drainage, retaining wall, etc.) to the condition existing after original construction
- Upgrading guardrail or widening shoulders

Projects that provide less than a ten-year life are considered Preventive Maintenance. Eligible strategies include, but are not limited to, roadway activities such as joint and shoulder rehabilitation, heater re-mix, seal coats, and corrective grinding of Portland cement concrete pavement. These activities are also eligible provided that:

- The local agency certifies that it has a Pavement Management System (PMS).
- The decision process used by the city or county to determine project strategies was based on the established PMS.
- The PMS determined the project strategy to be cost-effective and have a service life of five years or more.
- The work does not degrade any existing safety or geometric aspects of the facility.

Routine maintenance, such as spot application projects (pothole repairs - other than removal and replacement of localized failures in areas to be resurfaced, cleaning drainage ditches and culverts, etc.), is not eligible.

Each local road rehabilitation project proposed for funding from the STIP is subject to verification at the time of allocation that the project meets the standard for rehabilitation and does not include ineligible maintenance costs. To ensure that local road rehabilitation projects meet CTC guidelines, the RTPAs must certify compliance prior to Caltrans processing requests for funding allocations. Exhibit 23-K, "Local Road Rehabilitation Project Certification," is to be used for this purpose. RTPAs may use this exhibit or equivalent. Also provided is Exhibit 23-L, "Pavement Management System (PMS) Certification," for those agencies requesting funding for projects with less than a ten-year service life.

ELIGIBILITY OF PLANNING, PROGRAMMING, AND MONITORING (PPM) ACTIVITIES

The CTC *STIP Guidelines* define eligible PPM activities as regional transportation planning (including the development and preparation of the regional transportation plan), project planning (including the development of project study reports or major investment studies, conducted by regional agencies or by local agencies in cooperation with regional agencies), program development (including the preparation of RTPs and studies supporting them), and monitoring the implementation of STIP projects (including project delivery, timely use of funds, and compliance with State law and the CTC guidelines).

ELIGIBILITY OF TRANSPORTATION ENHANCEMENT (TE) PROJECTS

Transportation enhancement activities must have a direct relationship to the surface transportation system by function, proximity or impact. The following activities are eligible Transportation Enhancement activities: 1) provision of facilities for pedestrians and bicycles, 2) provision of safety and educational activities for pedestrians and bicyclists, 3) acquisition of scenic easements and scenic or historic sites, 4) scenic or historic highway programs (including the provision of tourist and welcome center facilities, 5) landscaping and other scenic beautification, 6) historic preservation, 7) rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals), 8) preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails), 9) control and removal of outdoor advertising, 10) archaeological planning and research, 11) environmental mitigation to address water pollution due to highway runoff or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity, and 12) establishment of transportation museums.

The CTC will not program a TE project or allocate a project from a TE reserve without verification by Caltrans that the project is eligible for Federal TE funding. For details about TE eligibility, refer to Transportation Enhancements website at:

<http://www.dot.ca.gov/hq/TransEnhAct/TransEnact.htm>.

23.3 PROCEDURES FOR LOCALLY ADMINISTERED PROJECTS

Generally, there are four types of locally administered projects: local road rehabilitation; planning, programming and monitoring; transportation enhancement; and bicycle and pedestrian facilities. This section provides information for all projects. Additional

information on the individual project types can be found in Sections 23.4 through 23.7 of this chapter.

23.3.1 ALLOCATION OF FUNDS

ALL PROJECTS

Agencies must submit their requests for allocation to the Caltrans district prior to each CTC meeting, per the CTC Preparation Calendar. The CTC will consider allocation of funds for a project or project component when it receives an allocation request and recommendation from Caltrans. Caltrans' recommendation will include a determination of the availability of funding and a recommendation on the source of funding. The recommendation on the source of funding shall include the amounts by fund account, as well as the fund type (state or federal) within the account including the type of federal funds. The CTC will approve the allocation only if the funds are available and are necessary to implement the project as programmed in the STIP. Allocations for PS&E will be made only after documentation of environmental clearance under the California Environmental Quality Act (CEQA). Allocation for right of way acquisition or construction will be made only after documentation of required environmental clearance for the project (CEQA and NEPA, if appropriate). All fund allocations are subject to the timely use of funds provisions as described in Section 23.2.1 of this chapter. Generally, allocations must be received prior to the start of reimbursable work. See Section 23.3.2 of this chapter for exceptions to this rule.

All allocations shall be rounded to the nearest \$1000. The CTC will consider making an allocation which exceeds the amount programmed in the STIP if a region has adequate reserves in the STIP, or if the CTC finds it can approve an advance to the county share from STIP reserves. The regional planning agency responsible for programming the project shall approve requests for all allocations which exceed the amount programmed. The RTPA may also request the CTC to amend the STIP to increase the programmed amount. (See Section 23.2.4, "Programming," "STIP Amendments.") Programmed funds not allocated are subject to the timely use of funds provision described in Section 23.2.1 of this chapter

ALLOCATIONS IN ADVANCE OF THE PROGRAMMED YEAR

If a project, or project component, is ready for implementation earlier than the fiscal year that it is programmed in the STIP, the implementing agency may request an allocation in advance of the programmed year. The CTC may make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects programmed in earlier years than the project to be advanced and with the approval of the responsible regional agency if county share funds are to be advanced.

A local agency may request to allocate a portion of the programmed amount. If a local agency elects to receive only a portion of the amount programmed for a project, the remainder will automatically return to the unprogrammed county share, unless the local agency and region clearly identify the balance or portion of the balance that is to remain programmed for a later allocation for the same project. Additional information on county share balances can be found in Section 23.2.2 of this chapter and in the CTC *STIP Guidelines*.

AB 3090 - ARRANGEMENTS

Under Government Code 14529.7, as amended by AB 3090 (1992), the CTC, Caltrans, a regional agency, and a local agency may enter into either one of two types of arrangements under which a local agency pays for the delivery of a STIP project with its own funds in advance of the year in which the project is programmed.

Under the first type of arrangement, the local agency that advances the STIP project has another project or projects of equivalent value programmed in its place, and these arrangements are implemented by a STIP amendment designating the specified dollar amount for an “AB 3090 replacement project” without identifying the specific project to be implemented as the replacement.

Under the second type of arrangement, the local agency that advances the STIP project is programmed to receive a direct cash reimbursement, and those arrangements are implemented by a STIP amendment that gives approval to Caltrans to execute a reimbursement agreement and programs the reimbursement for the fiscal year in which the project was scheduled in the STIP or a later year.

Scheduled project reimbursements have the highest STIP priority among projects programmed within a fiscal year. The CTC has adopted separate AB 3090 Reimbursement Guidelines (Resolution G-02-13) that describe specific procedures for reimbursement arrangements.

Where a local agency proposes to use its own funds for early delivery of a project component programmed in the STIP for a future fiscal year, the CTC will consider approval of an AB 3090 **replacement project** under the following conditions:

- The regional agency approves the arrangement.
- The local agency has identified a local fund source for the project component, and there is a reasonable expectation that the AB 3090 approval will result in the acceleration of construction delivery of a STIP project.
- The local agency commits to award a contract or otherwise begin delivery of the project component within 12 months of the CTC’s approval, with the understanding that the arrangement may be cancelled if that condition is not met.
- The STIP amendment approving the arrangement will replace the project component with an unidentified replacement project in the same fiscal year.

Where a local agency proposes to use its own funds for early delivery of a project component programmed in the STIP for a future fiscal year, the CTC will consider approval of an AB 3090 **reimbursement** only when the following **additional** conditions are met:

- The regional agency explicitly finds the project to be the region’s highest priority among projects programmed for that fiscal year.
- The CTC determines that reimbursement would be consistent with the fund estimate.
- The source of local funds to be used to deliver the project could not or would not be made available for an AB 3090 replacement project. The request for AB 3090 reimbursement approval should identify the source of local funds to be used, why the funds would not be available for the STIP project without an AB 3090 direct reimbursement arrangement, and what the funds would be available for if not used for the STIP project.

- Before approving an AB 3090 reimbursement arrangement, the CTC will consider programming the reimbursement in a later fiscal year, consistent with the project's regional and state priority for funding and the projected availability of funds to support other projects. The CTC will not change the programming of the reimbursement after approval.
- The CTC will not approve AB 3090 reimbursement arrangements intended solely to protect a project from being reprogrammed or to protect a local agency's share of STIP funding.

The CTC will also consider approval of an AB 3090 reimbursement arrangement for a project component programmed in the current fiscal year if there are not sufficient funds currently available to approve a direct allocation. In this case, the AB 3090 approval will schedule the reimbursement for the next fiscal year or a later year.

In considering approval of AB 3090 reimbursement arrangements, the CTC intends to ensure that no more than \$200 million in reimbursements is scheduled statewide for any one fiscal year and that no more than \$50 million in reimbursements is scheduled for the projects of any single agency or county for any one fiscal year.

The use of RSTP or CMAQ funds by a regional agency that receives an apportionment of those funds under state law constitutes the use of the agency's own funds for the purpose of AB 3090 arrangements. Where RSTP, CMAQ, or other local federal aid funds are the identified local source of funds to deliver a STIP project under an AB 3090 arrangement, the CTC will consider approval only for an AB 3090 replacement project and not for a cash reimbursement.

23.3.2 STARTING WORK BEFORE ALLOCATION OF FUNDS – SB 184

Government Code Section 14529.17, as amended by SB 184 (2007), permits a regional or local agency to expend its own funds for a STIP project in advance of the CTC's approval of a project allocation, and to be reimbursed for the expenditures subsequent to the CTC's approval of the allocation. However, the statute does not require the CTC to approve an allocation it would not otherwise approve. To qualify for reimbursement of expenditures prior to the CTC's approval of a project allocation, the local agency must submit a project allocation request that includes a notice of the agency's intent to expend its own funds for the project prior to the allocation approval. The local agency should submit a copy of the allocation request to the Executive Director of the CTC at the same time it submits the original to Caltrans.

The local entity must comply with all legal requirements for the project and any project expenditures, including federal and state environmental laws. Projects programmed to receive federal funding still require federal authorization to proceed (E-76) prior to beginning federally reimbursable work. It is important that any local agency intending to take advantage of the reimbursement provisions of Section 14529.17 understand its obligations and the risk that is inherently involved.

Only those expenditures made by or under contract to a regional or local agency for a project that was and is programmed in the STIP are eligible for reimbursement allocations by the CTC. Project expenditures must be in accordance with the STIP at the time of expenditure and at the time of allocation. The following expenditures are not eligible for reimbursement allocations by the CTC:

- expenditures made prior to adoption of the project component in the STIP;

- expenditures made prior to the submittal of the allocation request or prior to the beginning of the fiscal year for which the project is programmed;
- expenditures that exceed the amount that was or is programmed in the STIP for the particular project component;
- expenditures made by Caltrans;
- expenditures made by a regional or local agency for a project component that was or is programmed for Caltrans implementation;
- expenditures made by a regional or local agency on the State Highway System, except in accordance with a project-specific cooperative agreement executed between the local agency and Caltrans; and
- expenditures made by a regional or local agency for a project component that was or is programmed for implementation by another regional or local agency, except in accordance with a project-specific agreement between the two agencies.

The CTC will approve reimbursement allocations only if the regional or local agency submits an allocation request prior to the first expenditure, and the CTC finds that there was no legal impediment to a CTC allocation, other than lack of state budget authority at the time of expenditure. If, at the time of the allocation request, the CTC finds that there is a lack of sufficient funding available, and that it would otherwise approve the allocation, then the CTC will approve the project for future allocation when funding becomes available. However, even the inclusion of a project in the STIP, the availability of state budget authority, and the lack of specific legal impediment do not require the CTC to approve an allocation where the CTC finds that the allocation is not an effective use of state funds, is inconsistent with the CTC's guidelines or policies, or is inconsistent with state or regional plans.

Failure to comply with the aforementioned conditions will render the subject project component and any subsequent components ineligible for reimbursement. Upon execution of the program supplement agreement, the CTC may delay reimbursement if programming or cash-management issues prevent immediate repayment following an allocation.

Allocations made under Government Code 14529.17 are subject to the timely use of funds deadlines described in Section 23.2.1 of this chapter.

PROCEDURES TO START WORK AHEAD OF ALLOCATION – SB 184

A local agency wanting to start work on a STIP project component ahead of allocation in conformance with Government Code 14529.17, as amended by SB 184 (2007), must submit, prior to first expenditure, a notification letter (see Exhibit 23-M, "Notice of SB 184 Project Start for Local STIP Projects") and a request for funding allocation (see Exhibit 23-O, "Request for Funding Allocation [Local STIP Projects]") to the Caltrans DLAE and to the Executive Director of the CTC. The notification letter must state the approximate date that the proposed reimbursement work will commence. The letter must identify the specific STIP project to which the Government Code 14529.17 provisions will apply.

For federally-funded projects, the Request for Authorization to Proceed (E-76), described in Section 23.4.1 of this chapter, must also be approved by FHWA prior to the start of work in order to be eligible for future federal reimbursement. Under Local Advance Construction procedures, the project will be authorized, but federal funds will not be obligated until after allocation. The Request for STIP Funding Allocation letter (explained later in these procedures) will state the actual date work for reimbursement will commence. Agencies will need to provide any required documents showing that state and federal requirements have been met. The effective reimbursement date will be indicated in the executed program supplement agreement.

23.4 PROCEDURES FOR LOCAL STIP PROJECT ALLOCATIONS

This section provides information for local STIP projects. General information for all project types can be found in Section 23.3 of this chapter

23.4.1 ALLOCATION OF FUNDS

After a local STIP project is adopted or amended into the STIP, the next step is to submit a Request for Funding Allocation to the DLAE. However, depending on the type of project and funding, several additional actions may be required to obtain authorization to proceed and establish the date for the start of reimbursable work. (See Flow Chart 23-1, “Allocation Procedures [Local STIP Projects].”) These additional actions may include the following:

- The local agency submits a Request for Funding Allocation.
- The CTC approves the allocation.
- The local agency submits a Request for Authorization to Proceed (for projects with federal funds).
- The FHWA approves the local agency’s Request for Authorization to Proceed (E-76) if federal funds are involved.
- Caltrans and the local agency enter into an Administering Agency-State Master Agreement (if not previously executed) and a Program Supplement Agreement.

Note: Caltrans does not verify the local agency’s capability to accomplish the specific project component as part of the allocation procedures. Instead, Caltrans maintains a process review program as the main method for determining if local agencies are in compliance with all applicable federal and state laws, related regulations, and procedures. If deficiencies are identified in a process review, local agencies, under sanctions imposed by Caltrans, may not be allowed to administer new projects until corrective action has been implemented. (Local agencies may appeal sanctions using the “Local Programs Dispute Resolution Process” described in Chapter 20, “Deficiencies and Sanctions,” Section 20.4 of the LAPM.)

REQUEST FOR FUNDING ALLOCATION (SEE EXHIBITS 23-N AND 23-O)

Local agencies are responsible for submitting requests for funding allocations for their projects in the adopted STIP. The requests shall be submitted to the DLAE for review and processing through Caltrans Headquarters, Division of Local Assistance (DLA) to the Division of Budgets. As long as the amount requested is equal to or less than the

programmed amount and does not change the description and/or scope of the project, formal concurrence from the regional planning agency is not required. All requests to split or combine projects shall be approved by the regional planning agency. Because of the potential impact the timely use of funds provisions have on county share balances, RTPAs are responsible for monitoring the amount and timing of all fund allocation requests. Caltrans will develop a reporting system to assist in this effort.

Note: If the RTPA's governing board passes a resolution requiring their approval prior to submittal to Caltrans, the local agency shall provide written evidence of such approval on the Request for Funding Allocation.

If changes have been made that require a STIP amendment, a copy of the regional planning agency's STIP amendment request shall be attached. Information regarding STIP amendments can be found in Section 23.2 of this chapter. Caltrans will process the fund allocation requests concurrently with the CTC approval action on the STIP amendment.

Local agencies requesting federal and/or state funds shall provide the following information in the Request for Funding Allocation:

Project Identification - the STIP identification (PPNO and EA) and project number (if previously issued by Caltrans), the project name and location, and the Assembly and Senate Districts. Note: PPNOs, EAs, and project numbers are issued by Caltrans. Regional agencies are required to request PPNOs at the time of project programming. EAs and project numbers are issued by Caltrans upon project initiation.

Description of Proposed Improvement - a detailed description of the project scope from the Project Programming Request. If the description has changed from the original Project Programming Request, attach written concurrence from the RTPA.

Output/Outcome – an Output is an action(s) to be taken or product (i.e., adding a number of new miles of lanes) and Outcomes can be described as quantifiable benefits or results (i.e., improved travel time by a number of minutes).

Fund Allocation Summary – the total amount of funding allocation including 1) STIP programmed amounts by fiscal year; and 2) the amount of previous and current fund allocations (by project component).

Project Funding Plan by Fiscal Year - the type of STIP funding, identification of all other sources of funding, and any specified funding conditions. If expenditures and reimbursement will extend beyond the fiscal year of allocation, provide a schedule by fiscal year of anticipated cash flow. (If attached Project Programming Request includes this detail, a separate funding summary is not required.)

Request for Additional STIP Funding – if the request exceeds the amount programmed for any component, provide information on the amount of additional funding required, county reserves available, county share advance (if county reserves are inadequate to fund the shortfall), and justification for the addition.

Status of Project – status of environmental studies, right of way certification, and estimated ready-to-advertise dates.

Estimated Timely Use of Funds Deadlines – the estimated deadlines for the various timely use of funds deadlines are based on the requested funding approval date (date of CTC meeting). Caltrans will identify the actual deadlines when the requested funding is approved.

Exhibit 23-N, a “Funding Allocation Checklist (Local STIP Projects)” is available to assist the local agency with determination of the proper form to use, approval authority, and calculation of the estimated timely use of funds deadlines. The checklist shall be completed by the local agency and attached to the request. A copy of the Project Programming Request shall also be attached to the request.

The local agency should allow 60 days from submittal of the Request for Funding Allocation to Caltrans until CTC approval.

For state-only projects with no other federal funds administered by the FHWA, the Request for Funding Allocation (including a State-only Finance Letter and a Funding Allocation Checklist) will serve as the basis for requesting the allocation, preparing the project agreement and setting up the project in the state accounting system. Exhibit 23-C, the “State-only Finance Letter,” provides the information needed by Caltrans to set up the project in the state accounting system.

REQUEST FOR AUTHORIZATION TO PROCEED (E-76) PACKAGE

To initiate the authorization to proceed for any phase of a federally-funded project, the local agency must prepare a “Request for Authorization to Proceed (E-76)” package. This package, along with required federal documents (Field Review Form, Finance Letter, Detail Estimate, Right of Way Certification, PS&E Checklist, Construction Administration Checklist, etc.), provides the information needed by Caltrans and the FHWA to formally authorize the start of each phase of reimbursable work, prepare the project agreement and set up the project in the federal and state accounting systems. Federal/state funded projects will be authorized in accordance with procedures described in the LAPM. Approval of the “Request for Authorization to Proceed (E-76)” by the FHWA establishes the date for the start of reimbursable work for each project component.

Normally, additional lead-time is needed to prepare the Request for Funding Allocation and prepare an agenda item for CTC action. Therefore, the funding allocation request may precede the Request for Authorization to Proceed. However, if all required information is available, both requests should be submitted at the same time.

Note: When beginning work ahead of allocation (see Section 23.3.2 of this chapter), the Request for Authorization to Proceed Package must be approved by the FHWA prior to the start of reimbursable work or advertisement of a construction contract on federally-funded projects, regardless of the allocation request date.

MASTER AGREEMENTS

The Administering Agency-State Master Agreements for Federal-aid Projects (see Chapter 4, “Agreements,” Exhibit 4-C of the LAPM) defines the general terms and conditions which must be met by the local agency to receive federal-aid and state funds. Caltrans currently has Master Agreements with most agencies with candidate projects in the STIP or FTIPs. Projects implemented by agencies with no recent experience using federal-aid funds administered by the FHWA (from the STIP or other sources) will require a new Federal Master Agreement before the local agency may start reimbursable work.

A separate Master Agreement for State Funded Projects has been developed for state-only funded projects. Caltrans will initiate a new state-only Master Agreement when local agencies submit their first request for funding allocation for projects with no federal funding.

THE COMMISSION FUNDING ALLOCATION

All appropriate submittals noted in the sections above must be complete before Caltrans will forward the request with the funding recommendation to the CTC for approval. Caltrans may request a copy of the PSR, or equivalent, to resolve issues regarding the project description and/or scope of the project. Incomplete submittals will be returned for correction.

FEDERAL AUTHORIZATION TO PROCEED (E-76)

For those local agencies that have a Master Agreement for Federal-aid Projects in place, Caltrans will submit the local agency Request for Authorization to Proceed (E-76) to the FHWA upon notification that the CTC has approved the allocation request. For agencies without a Master Agreement in place, an agreement will be initiated upon receipt of the initial Request for Authorization to Proceed

Note: For federally-funded projects programmed in the STIP where work will be started ahead of allocation pursuant to the guidelines in Section 23.3 of this chapter, the local agency will need to have an approved Request for Authorization to Proceed (E-76) prior to beginning reimbursable work or advertising the construction contract. The federal funds must be programmed in the approved FTIP prior to federal authorization at the time of Advance Construction (AC). The project component will be authorized using AC procedures, but federal funds will not be obligated until after allocation.

START OF REIMBURSABLE WORK

Generally, the earliest date for which work may be reimbursed is the date project funds are allocated by the CTC unless the local agency has previously submitted a project allocation request that includes a notice of the agency's intent to expend its own funds for the project prior to the allocation approval. In that case, if the agency has complied with all other applicable statutes and regulations, the CTC's allocation will specify the date of earliest reimbursement based on the original notification date. Caltrans will issue an allocation letter that states the effective date for the start of reimbursement for the particular project component. If federal funds are included in the allocation, the earliest date of reimbursement will not be earlier than the date of approval of the Federal Authorization to Proceed (E-76). For each reimbursable work phase, an E-76 is required for all federal-aid projects, including those projects where work begins prior to STIP fund allocation (see Section 23.3.2 of this chapter).

Note: Beginning work prior to allocation does not protect funds subject to the timely use of funds rules described in Section 23.2.1 of this chapter. Work performed prior to the adoption of the project or project component in the STIP is not eligible for reimbursement.

Execution of the program supplement agreement will be deemed a contractual obligation by the state for the payment of the state share of the project for eligible costs incurred after the effective date. Actual reimbursement for the eligible cost of work cannot occur in advance of entering into the program supplement agreement and, for federal projects, execution of the E-76 document.

23.4.2 REIMBURSEMENT

After the CTC allocates the funds and the start of reimbursable work has been authorized with an effective date, the following actions must be completed before the local agency can actually be reimbursed for the work:

- Appropriation of funds in the Budget Act
- Project specific agreement(s) is/are prepared and executed
- Local agency submits progress invoices

A summary of these procedures is listed below.

APPROPRIATION OF FUNDS IN THE BUDGET ACT

Funds for the Regional Improvement Program must be appropriated by the Legislature in the Budget Act before they may be encumbered.

PROJECT AGREEMENT

A project specific agreement (Program Supplement Agreement to the Administering Agency-State Master Agreement for highway projects) must be executed by both parties to encumber funds for a project in the state accounting system and to allow payments to be made to the local agency. Caltrans will prepare the Program Supplement Agreement and submit it to the local agency for signature upon notification that the CTC has allocated the funds (and FHWA has approved the Request for Authorization to Proceed for federal projects).

PROGRESS INVOICES

The local agency will be reimbursed for eligible participating costs in arrears upon submittal of progress invoices to Caltrans for expenditures actually made. The local agency must invoice Caltrans for reimbursement in accordance with the timely use of funds deadlines described above. Invoices shall be submitted no more frequently than monthly to minimize the administrative costs to the state and local agency. Local Agency progress invoices will be submitted to the appropriate District DLAE for review and approval to pay. Following District review, the progress invoices will be forwarded to the Division of Accounting for review and concurrence at the following address.

Department of Transportation
Division of Accounting, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

Final invoices shall follow the procedures outlined in Chapter 17, "Project Completion," of the LAPM. Invoices shall follow the sample format found in Chapter 5, "Accounting/Invoices," of the LAPM.

SHIFTING ALLOCATED FUNDS BETWEEN PROJECT COMPONENTS

As mentioned under "County Share Balances and Adjustments" in Section 23.2, local agencies will be required to submit a request to their DLAE to shift any funds along with a revised Finance Letter (see Exhibits 23-C and 23-D) to Caltrans for approval.

Local agencies are responsible for ensuring that funds are available in the appropriate project component before submitting invoices to Caltrans. Projects involving federal funds may also require a concurrent request for cost adjustments for the phases (components) involved.

23.4.3 PROJECT COMPLETION

REPORT OF EXPENDITURES/PROJECT CLOSEOUT REPORT

Upon acceptance of a completed project and final payment to the contractor, the local agency is responsible for preparing and submitting final report documents to Caltrans' DLAE, including the final invoice and final inspection form, which collectively constitute a Report of Expenditures or Project Closeout Report (see Chapter 17, "Project Completion," of the LAPM). The reports provide key information required to initiate timely project closure and payment. The reports should describe any change to the project and the reason for such change, when compared to the original scoping document. The reports and the final invoice will be submitted to the Caltrans DLAE by the deadlines indicated above in Section 23.2.

CALTRANS VERIFICATION

Caltrans will review the completed project and verify that it was completed in accordance with the scope and description of the project authorization documents before processing the final invoice. The local agency is responsible for maintaining written source document records that identify agency costs and project development payments made to consultants, vendors and contractors. Contract records must be retained by the local agency for a minimum period of three years from the date of final payment.

AUDIT REQUIREMENTS

Local agencies receiving federal funds are subject to the audit requirements of the federal OMB Circular A-133, available on the Internet at: www.whitehouse.gov/OMB/Circulars/. A single audit is required if an agency receives more than \$500,000 annually in federal funds from all sources. Local agency expenditures for all local assistance programs are also subject to financial and compliance audits by the State Controller's Office and Caltrans Audits and Investigations. Normally, individual project audits are not necessary if the expenditures for a project are covered by a single audit report accepted by the appropriate federal agency.

23.4.4 ADDITIONAL GUIDANCE ON LOCAL STIP PROJECTS

The preceding sections provide a brief summary of Reimbursement and Project Completion procedures for local STIP projects. (Flow Chart 23-2, "Reimbursement and Project Completion," shows the process from the appropriation of funds in the budget to payment of the final invoice.) For a detailed explanation of all the various procedures required to administer federal funded local highway transportation projects, see the LAPM. These procedures are based on the concepts of eliminating multiple reviews and delegating most project responsibilities and accountability to the administering agencies. Caltrans no longer approves local right of way certifications and PS&E packages. Instead, the local agency self-certifies right of way and PS&E.

Local grant projects must also meet the requirements of the California Environmental Quality Act (CEQA). The local agency is the lead agency under CEQA and provides CEQA approvals and clearances. Caltrans is only involved in the review of local agency CEQA documents which impact a state route through the Intergovernmental Review (IGR) planning process

23.5 PLANNING, PROGRAMMING, AND MONITORING (PPM) FUNDS

This section provides information for PPM funds. General information for all project types can be found in Sections 23.3 of this chapter.

Section 14527 of the Government Code, and the *CTC STIP Guidelines*, allow the programming of STIP funds by a region for project planning, programming and monitoring activities by the transportation planning agency. Programming of these funds comes from county shares and can be programmed for each year of the STIP. Agencies will receive state-only funding for eligible PPM activities. Caltrans has prepared standard agreements for the distribution of these funds. For agencies receiving \$300,000 or less in PPM funds per fiscal year, the standard agreement allows lump sum “up front” payments. Agencies receiving over \$300,000 per fiscal year will be paid on a reimbursed basis. Each agency is required to prepare a PPM plan to be included as part of the standard agreement.

Planning agencies shall request allocations and agreements for the upcoming year as they near completion of PPM expenditures for the current year.

23.6 RSTP/CMAQ MATCH RESERVES

This section provides information for match reserves. General information for all project types can be found in Sections 23.3 of this chapter.

The *CTC STIP Guidelines* allow the programming by a region of a reserve of state funds in the STIP to provide matching funds for federal RSTP and CMAQ funds. These state-only funds are programmed from the regions’ county shares for each year of the STIP. The reserves of state matching funds are available for any eligible federal RSTP and CMAQ projects that are also permissible under Article XIX of the California Constitution. The state-match amount must also be less than or equal to the required minimum non federal-match of federal participating costs, except when rounded to the nearest thousand.

Caltrans will prepare an allocation document each time match funds are approved for a project and forward copies to the appropriate regional planning agency. Because of the impact that the timely use of funds provisions have on county share balances, copies of allocation approval documentation will be provided to the responsible RTPA. The RTPAs will be responsible for monitoring the allocation of the reserves each year to ensure that all reserves programmed have been allocated before the end of the fiscal year.

23.7 RIDESHARE PROJECTS

This section provides information for rideshare projects. General information for all project types can be found in Sections 23.3 of this chapter.

The *CTC STIP Guidelines* allow the programming of noncapital expenditures for transportation demand management projects that are a cost-effective substitute for capital expenditures.

State-only funding will be provided for all projects to allow the same simplified process for all rideshare projects. As long as the local agency's request for funding allocation is equal to or less than the programmed amount for each rideshare project, the CTC will approve the request without further action. Because of the impact that the timely use of funds provisions have on county share balances, copies of allocation approval documentation will be provided to the responsible RTPA

The program supplement agreements allow lump sum "up front" payments for amounts of \$300,000 or less per fiscal year. Agreements for over \$300,000 per year will provide for payments on a reimbursed basis. Upon receipt of a request for a fund allocation from the project sponsor and allocation by the CTC, Caltrans will prepare the program supplement agreement and submit it to the local agency for execution. Project sponsors may request allocations and agreements for the following year as they near completion of expenditures for the current cycle of agreements.

23.8 REPORTING REQUIREMENTS

23.8.1 GOVERNMENT CODE 14529 (ADOPTED BY AB 872, AMENDED BY SB 184)

Government Code 14529 requires Caltrans to report to the Legislature starting July 1, 2000, and annually thereafter, on STIP-programmed projects where reimbursable work began prior to allocation. The report will include information about the projects implemented under provisions of Government Code 14529 (outlined in Section 23.3.2 of this chapter). Specifically, the report will indicate agreement processing times for each project and provide detailed reasons for all projects for which an agreement was not executed within the 90-day period provided in statute. A description of any actions taken by Caltrans during the prior fiscal year to streamline, expedite, and simplify Caltrans' process for executing the specified agreements to transfer funds is also required.

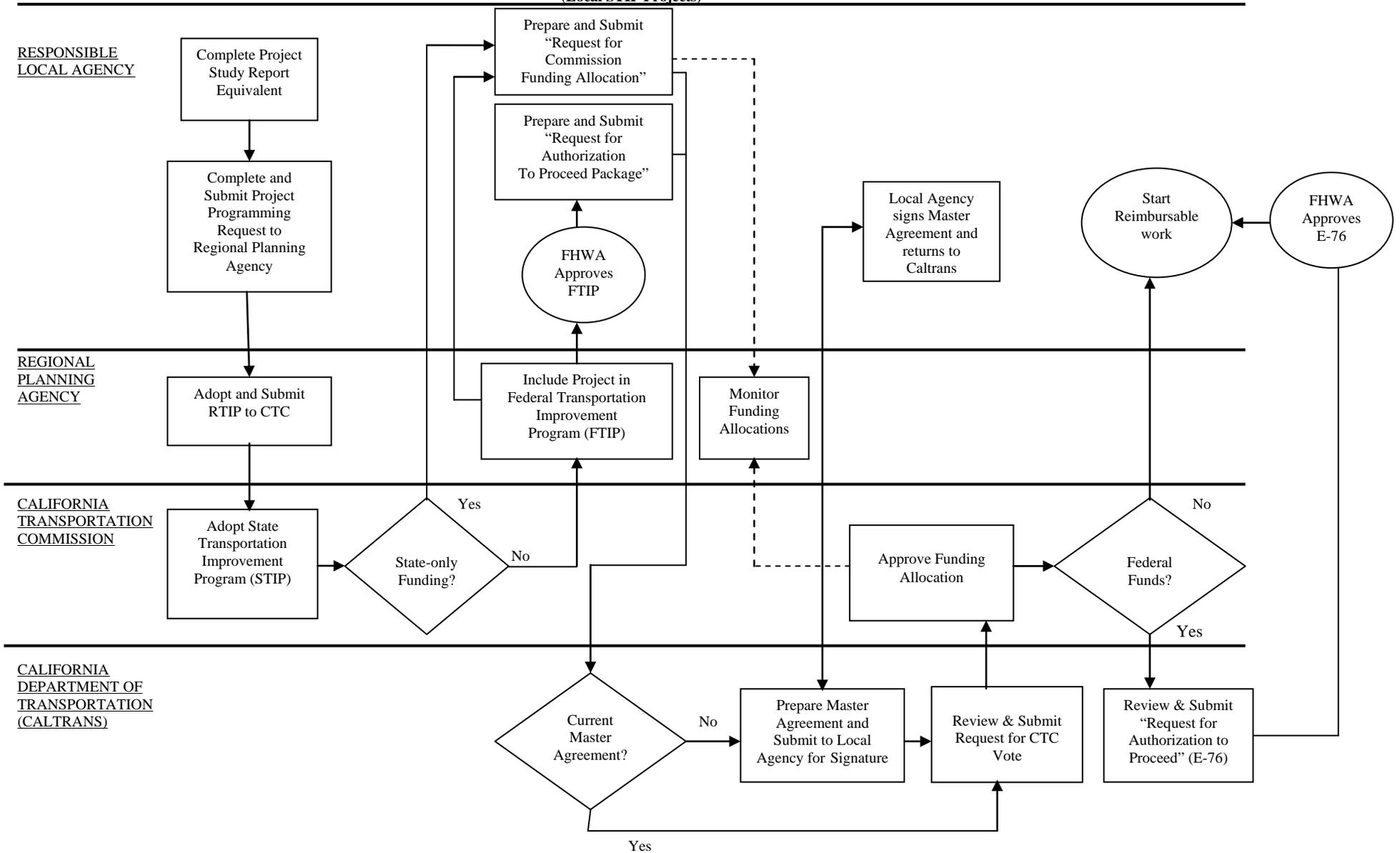
23.8.2 MONTHLY STATUS OF CONSTRUCTION CONTRACT AWARD

Per Resolution G-06-08, adopted June 8, 2006, Caltrans is required to report monthly to the CTC on the status of construction contracts that are not awarded within four months. The monthly report is presented to the CTC as a monthly book item on the meeting agenda. The report specifies if an agency is on track to award a construction contract by the deadline, or if the agency will be requesting a time extension.

23.9 REFERENCES

- OMB Circular A-110 and OMB Circular A-133
- CTC *STIP Guidelines*, amended November 7, 2007
- CTC Guidelines for Preparation of Project Study Reports
- *Project Study Report (Local Rehabilitation) Guidelines for 1998 STIP Projects off the State Highway System*
- Caltrans *Project Development Procedures Manual*, Appendix L – Preparation Guidelines for Project Study Report, June 18, 2009
- *Guidelines for Allocating, Auditing, and Monitoring of Local Assistance Projects*

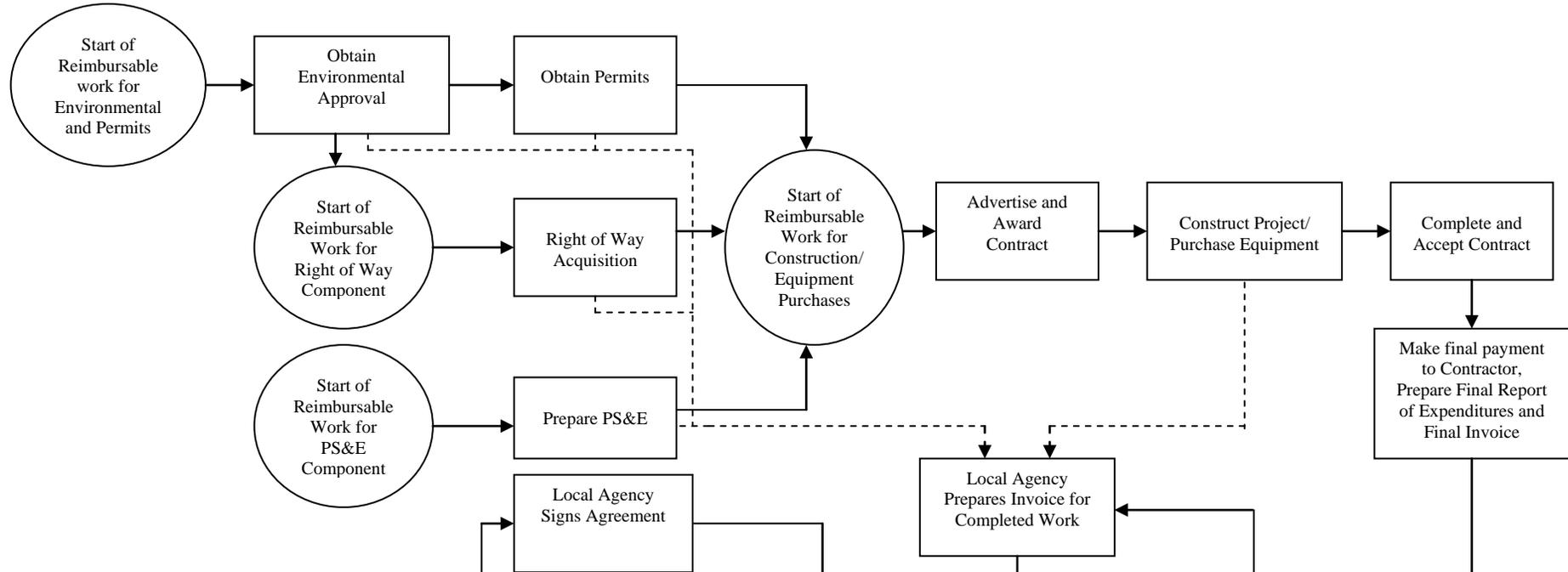
ALLOCATION PROCEDURES
(Local STIP Projects)



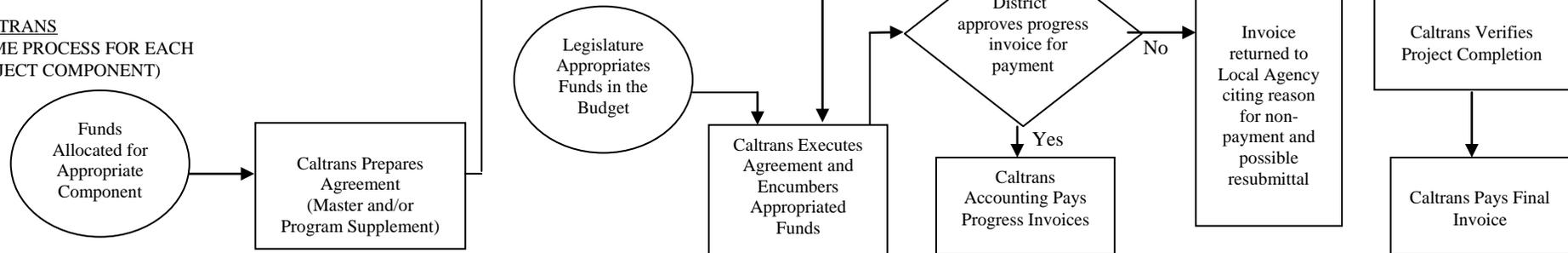
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REIMBURSEMENT & PROJECT COMPLETION

RESPONSIBLE LOCAL AGENCY



CALTRANS
(SAME PROCESS FOR EACH PROJECT COMPONENT)



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AWARD INFORMATION FOR STIP PROJECTS

Date: _____

To: _____
District Local Assistance Engineer
Caltrans, Division of Local Assistance

PPNO: _____

EA: _____

Project No.: _____

Project Description: _____

Date Project was Allocated: _____

Date Project was Advertised: _____

Award Date: _____

Award Amount: _____

Award Amount: _____
(STIP Portion only, if different from above)

Estimated Date of Completion: _____

Name of Contractor: _____

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**REQUEST FOR TIME EXTENSION
LOCAL STIP PROJECTS**

Local Agency Letterhead

To: (DLAE Name)
District Local Assistance Engineer
Caltrans, Office of Local Assistance
(District Address)

Date :
PPNO: _____
PROJECT #: _____
EA: _____
(Brief Project Description)
(Location) _____
(County) _____
Assembly District: _____
Senate District: _____

Dear (DLAE Name):

We request that the California Transportation Commission (CTC) approve a request for a time extension for this project.

A. Project description:

(Enter description of project, location and scope from Project Programming Request. Include programmed funding level by phase)

B. Project element for which extension requested: (check appropriate box)

Allocation* Expenditure Award Completion
(contract acceptance)

C. Phase (component) of project: (check appropriate box or boxes)

Environmental Studies & Permits Plans, Specs. & Estimate Right of Way Construction*

D. Allocation and deadline summary

Allocation Date By Phase (if applicable)	Allocated Amount By Phase (if applicable)	Original Deadline	Number of Months of Extension Requested	Extended Deadline

E. Reason for project delay

Indicate the reason for the project delivery delay. Please be concise. Specify the length of time the project will be delayed. Include a timeline to justify and support the number of requested extension months. **The length of extension requested cannot exceed 20 months and must be directly attributed to the reason for delay specified.**

* Per Section 66 of the CTC *STIP Guidelines*, “For each request to extend the deadline to allocate construction funds, the agency requesting the extension should submit, in conjunction with the request, a project construction STIP history. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each project construction STIP amendment, including, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is the CTC’s intent to review this history when considering a construction allocation extension request.”

F. Status of project milestones/revised project milestones

1) Completion of Environmental Document:

CEQA - Describe document type and date (original milestone date and revised date).

NEPA - Describe document type and date (original milestone date and revised date).

2) Right of Way Certification:

Indicate the date right of way was certified (or will be certified) for the project (original milestone date and revised date).

3) Construction:

Indicate the date the project will be ready to advertise or was advertised (original milestone date and revised date).

G. Timely Use of Funds

We request that the CTC approve this request at the _____ meeting, *or* by _____.

H. Local Agency Certification:

This Request for Time Extension has been prepared in accordance with the *Procedures for Administering Local Grant Projects in the State Transportation Improvement Program (STIP)*. I certify that the information provided in the document is accurate and correct. I understand that if the required information has not been provided this form will be returned and the request may be delayed. Please advise us as soon as the time extension has been approved. You may direct any questions to

_____ at _____
(name) (phone number)

Signature _____ Title: _____ Date: _____

Agency/Commission: _____

I. Regional Transportation Planning Agency/County Transportation Commission Concurrence:

Concurred

Signature _____ Title: _____ Date: _____

Agency/CTC _____

J. Caltrans District Local Assistance Engineer Acceptance:

I have reviewed the information submitted on the Request for Time Extension and agree it is complete and has been prepared in accordance with the *Procedures for Administering Local Grant Projects in the State Transportation Improvement Program*.

Signature _____ Title: _____ Date: _____

Attachments:

Distribution: (1) Original -DLAE (2) Copy- Division of Local Assistance, STIP Coordinator
(3) Copy - RTPA/County Transportation Commission

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REQUEST FOR TIME EXTENSION INSTRUCTIONS

This request for extension is initiated by the implementing agency, and prepared on their letterhead as a letter addressed to the District Local Assistance Engineer (DLAE). Requests must be received by the DLAE and the Division of Local Assistance STIP Coordinator (P.O. Box 942874, MS-1, Sacramento, CA 94274-0001) at least 60 days prior to the deadline for which the extension is being requested, but not later than 60 days prior to the date of the CTC meeting where the request will be considered/voted.

Date: Date of request preparation.

PPNO: Provide STIP project identifier. (Project programming number)

Project # and EA: These numbers will be available if the project has been allocated.

Brief Description: Provide a brief description of the project.

Location: Provide location of project.

County: County where project is located.

Assembly District: Enter appropriate district number.

Senate District: Enter appropriate district number.

Address: Send letter to District Local Assistance Engineer assigned to this project.

A. Project Description: Use the original description of the project location and scope from the Project Programming Request. Include amount programmed for the project, broken out by phase.

B. Project element: Check one box to indicate which element of the project needs to be extended. **A separate form is required for each project element.** Allocation time extension requests must be submitted separately from expenditure extension requests, etc.

C. Phase (component) of project: Check one box to indicate which phase of the project needs to be extended. Multiple phases can be checked on the same form if the request is for the same project element (extension type). For example, if the request is for an allocation time extension and an agency is requesting the extension for both the PS&E and R/W phases, one form can be used.

D. Allocation and deadline summary:

Allocation date by phase (if applicable): Actual allocation dates **by phase** for all phases the request refers to.

Allocated amount by phase (if applicable): Actual allocated amount **by phase** for all phases the request refers to.

Original deadline: Indicate date that was originally set as the timely use of funds deadline.

Number of months of Extension Requested: Indicate in number of months of time requested for the extension.

Extended Deadline: Provide the proposed new deadline, with extension incorporated.

E. Reason for project delay: In order to grant an extension, the CTC must find that “unforeseen and extraordinary circumstances beyond the control of the responsible agency have occurred, which would justify the extension.” The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months. This is where you need to have a clear description of the circumstances delaying the project that leaves no question to the CTC that the circumstances are “unforeseen and extraordinary” and directly relates the number of months of the extension to the delay. The reason should be clear and concise.

A timeline is required in order to help support the reason for delay. Provide information about the next steps that need to be taken in order to meet the extended deadline and show how long it will take to complete each step. A timeline helps to show the CTC that the number of requested months of extension are justified.

* Per Section 66 of the CTC *STIP Guidelines*, “For each request to extend the deadline to allocate construction funds, the agency requesting the extension should submit, in conjunction with the request, a project construction STIP history. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each project construction STIP amendment, including, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is the CTC’s intent to review this history when considering a construction allocation extension request.”

- F. Status of project milestones/revised project milestones:** Provide information about the original milestone dates and the revised dates for Environmental Documents (CEQA and NEPA), Right of Way Certification, and Construction.
- G. Timely Use of Funds:** Provide which meeting your request should be heard or set a date that you need the approval. Refer to the CTC calendar posted on the web to determine the appropriate date, and keep in mind that Caltrans will need sixty days lead time to process the request prior to the CTC meeting.
- H. Local Agency Certification:** Provide information on who is the responsible party to contact with questions regarding this project and obtain signature of approving official.
- I. Regional Transportation Planning Agency (RTPA)/Metropolitan Planning Organization (MPO)/County Transportation Commission concurrence:** Obtain concurrence/approval from appropriate lead agency. Requests will not be processed without review and approval of the responsible RTPA/MPO/County Transportation Commission official.
- J. Caltrans District Local Assistance Engineer Acceptance:** After reviewing the request for extension, the DLAE will sign off and forward the request to headquarters (Local Assistance Office of Resource Management, Attention: STIP Coordinator) for processing to the CTC for vote.

STATE-ONLY FINANCE LETTER

DEPARTMENT OF TRANSPORTATION
DIVISION OF ACCOUNTING
LOCAL PROGRAM ACCOUNTING BRANCH

Date: _____
Agency: _____
Project No.: _____
EA No.: _____
PPNO: _____

Attention: _____

	TOTAL COST	PART. COST	STIP STATE-ONLY FUNDS	LOCAL FUNDS	OTHER FUNDS	OTHER FUNDS
Environmental & Permits						
Plans, Specs. & Estimate						
Right of Way						
Construction						
Contract Items						
Suppl. Work						
Contingencies						
Agency Furn. Mat.						
Constr. Engin.						
Force Acct. Amt.						
Construction Total						
TOTAL						

ALLOCATION BY:
CTC _____ DLA _____
Date _____

Signature: _____
Title: _____
For questions on finance letter, contact:
Printed Name: _____
Telephone No.: _____

REMARKS: _____

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STATE/FEDERAL FINANCE LETTER

DEPARTMENT OF TRANSPORTATION
ACCOUNTING SERVICE CENTER
LOCAL PROGRAM ACCOUNTING BRANCH

Date: _____
Agency: _____
Project No.: _____
EA No.: _____

Attention.: _____

	TOTAL COST OF WORK	TOTAL PARTICIPATING COST	FEDERAL FUNDS (Fed-aid code: _____)	LOCAL FUNDS	OTHER FUNDS Type:	OTHER FUNDS Type:
Agency Preliminary Engineering						
State Furnished Preliminary Engineering						
Overhead at _____%						
R/W Engineering & Administration Costs						
R/W Purchase Costs						
Relocation Assistance (SJ 3A055)						
Contract Items _____						
Utilities _____						
Contingencies _____						
Trainees _____						
Agency Furn. Mat. _____						
Contract Total _____						
Agency Construction Engineering						
State Furn. Construction Engineering						
Overhead at _____%						
State Furnished Materials Testing						
Overhead at _____% EA No. _____						
Force Account (Day Labor) - striping, etc.						
TOTAL:						

Federal Participation: _____%

Signature: _____

Questions regarding this finance letter should be directed to:

Printed name: _____

Reimbursement Ratio: _____%

Title: _____

Telephone number: _____

REMARKS:

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**CALIFORNIA TRANSPORTATION COMMISSION
STIP State-Only Funding Policy**

Resolution G-01-26

- 1.1 WHEREAS, the Commission's adoption of the 2000 STIP in December 2000 included a State only funding policy generally giving blanket approval for local projects under \$750,000 and, until March 2001, for all local road rehabilitation projects regardless of cost, and providing for approval of other projects on an exception basis, and
- 1.2 WHEREAS on March 28, 2001, the Commission approved the Department's request to extend the State Only Funding Policy for currently programmed STIP projects.
- 1.3 WHEREAS, the Commission's approval included an exception to the current policy and requires that any new request for State only funding, regardless of project cost, will need to submit an exception and approval for State only funding to the Department.
- 1.4 WHEREAS, the Commission indicated that the approval is an interim policy measure, and that future availability of state only funds and the State only funding policy will be reevaluated as part of the 2002 Fund Estimate.
- 1.5 WHEREAS on August 23, 2001, the Commission approved Resolution G-01-25 adopting the 2002 STIP Fund Estimate; and
- 1.6 WHEREAS, the Commission approved the allocation of State only funding for new projects which generally gives blanket approval for local projects under \$750,000, subject to the availability of funds,
- 2.1 NOW THEREFORE BE IT RESOLVED, that currently programmed STIP projects, which have been previously approved for state-only funds are still approved.
- 2.2 BE IT FURTHER RESOLVED, that future requests for programming new projects within the following categories shall be given priority for state-only funding, pending review by the Department and confirmation to the Commission that sufficient funds are available.
 - Projects with a total cost of \$750,000 or less;
 - Planning, programming and monitoring activities;
 - Regional rideshare and traffic demand management activities;
 - Match for local Federal funds.

- 2.3 BE IT FURTHER RESOLVED, that all other new projects programmed in the STIP, which are not in one of these categories, are required to be federalized. Exceptions to this requirement may be approved pending a review and approval of the project need for state-only funding and verification that sufficient funds are available.
- 2.4 BE IT FURTHER RESOLVED, that project exception requests for state-only funding shall be included in the submittal to the Commission of the 2002 Regional or Interregional Transportation Improvement Programs. These requests will be forwarded to the Department for review of the Region's justification on the appropriateness, benefit to accelerated delivery, and reduction in cost for individual projects; and, the availability of state-only funds. The Department shall offer technical advise to facilitate the use of federal funds in those instances when the Department does not recommend the designation of state-only funding at the time of programming. Regional agencies requesting state-only funding shall do so with the understanding that changes in the availability of state-only funding may necessitate shelving a project cleared for state only funding until such time as state-only funds become available, or federalizing the project.
- 2.5 BE IT FURTHER RESOLVED, that state-only funding approval for projects will be confirmed as part of the STIP adoption.
- 2.6 THEREFORE BE IT FURTHER RESOLVED, that the Department shall monitor the use and availability of state-only funds, report to the Commission annually in July on its findings with recommendations as necessary for modification of the policy.

**REQUEST FOR EXCEPTION TO
STIP STATE-ONLY FUNDING POLICY**

Local Agency Letterhead

To: Caltrans District Office – Programming Liaison
(Address)

Date: _____

Subject: Request for Exception to STIP State-Only Funding Policy

The City/County of (local agency name) hereby requests an exception to the STIP Project Funding Policy. State-only funds are requested for the following project:

PROJECT DESCRIPTION (specifically describe what work is being accomplished, include PPNO)

JUSTIFICATION:

- A. Type of Work
- B. Need for Project/Proposed Improvements
- C. Status of Project
 - 1. Beginning and Ending Dates of the Project
 - 2. Environmental Clearance Status
 - 3. R/W Clearance Status (if currently R/W certified as #3, when will the certification be upgraded to a #1 or #2?)
 - 4. Status of Construction
 - a) Proposed Advertising Date
 - b) Proposed Contract and Construction Award Dates
- D. Total Project Funding Plan by Fiscal Year (list all funding sources & anticipated fund usage by year – include all phases)
- E. State specific reasons for requesting State-Only fund and why Federal funds should not be used on the project.
- F. Allocation (if requesting allocation concurrent with exception request)
 - 1. Amount of Allocation Request
 - 2. Is this a partial allocation request? __Yes __No
 - 3. If this is a partial allocation, what will be the total cost of the project? When will the additional allocation be needed?
 - 4. Is the project identified as State-Only in the adopted programming document? __Yes __No

REGIONAL AGENCY CONCURRENCE:

(Name of Regional Agency) concurs with this request for an exception to the Project Funding Policy.

(Signature of Regional Agency Representative)

(Signature of Local Agency Representative)

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST
DTP-0001 (REV. 3/08)

General Instructions

<input checked="" type="checkbox"/> New Project		<input type="checkbox"/> Amendment (Existing Project)		Date:	
Caltrans District	EA	PPNO	MPO ID	TCRP No.	
County	Route/Corridor	Project Sponsor/Lead Agency	MPO	Element	
Project Title					
PM Bk	PM Ahd	Project Mgr/Contact	Phone	E-mail Address	
Location, Project Limits, Description, Scope of Work, Legislative Description					
Component	Implementing Agency	AB 3090	Letter of No Prejudice		
PA&ED		<input type="checkbox"/>	<input type="checkbox"/>		
PS&E		<input type="checkbox"/>	<input type="checkbox"/>		
Right of Way		<input type="checkbox"/>	<input type="checkbox"/>		
Construction		<input type="checkbox"/>	<input type="checkbox"/>		
Legislative Districts					
Assembly:		Senate:			
Congressional:					
Purpose and Need					
Project Benefits					
Project Milestone					Date
Project Study Report Approved					
Begin Environmental (PA&ED) Phase					
Circulate Draft Environmental Document			Document Type	N/A	
Draft Project Report					
End Environmental Phase (PA&ED Milestone)					
Begin Design (PS&E) Phase					
End Design Phase (Ready to List for Advertisement Milestone)					
Begin Right of Way Phase					
End Right of Way Phase (Right of Way Certification Milestone)					
Begin Construction Phase (Contract Award Milestone)					
End Construction Phase (Construction Contract Acceptance Milestone)					
Begin Closeout Phase					
End Closeout Phase (Closeout Report)					

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST
DTP-0031 (REV. 3/08)

Date:

County	CT District	PPNO	LCRP Project No.	EA
Project Title:				

Existing Total Project Cost									Implementing Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Proposed Total Project Cost									Implementing Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 1:	Existing Funding									Program Code
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Proposed Funding									Notes	
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total		
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Fund No. 2:	Existing Funding									Program Code
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Proposed Funding									Notes	
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total		
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

NOTE: THIS FORM CAN BE DOWNLOADED AT:
<http://www.dot.ca.gov/hq/transprog/ocip/2008stipdev.htm>.

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Project Programming Request Instructions

GENERAL INSTRUCTIONS

The California Transportation Commission (CTC) State Transportation Improvement Program (STIP) Guidelines requires a Project Programming Request (PPR) be prepared whenever a project is added to the STIP, or whenever there is a proposed change to a project in conjunction with an Amendment request. These sheets provide the information necessary to properly program or amend a project in the STIP in accordance with State statutes and CTC policies. PPR's are prepared by the Project Sponsor or implementing agency, with assistance from the Regional Transportation Planning Agency (RTPA), Caltrans District Office or Headquarters (HQ) Transportation Programming, as appropriate.

In addition to STIP funded projects, PPR forms are to be used for projects with Corridor Mobility Improvement Account (CMIA) Bond, State Route 99 Improvement Bond, Trade Corridor Improvement Fund (TCIF), and/or Transportation Congestion Relief Program (TCRP) funding.

The CTC STIP, Bond and TCRP Guidelines are located at:
<http://www.dot.ca.gov/hq/transprog/ocip/guidelines.htm>

PROJECT INFORMATION FORM

New project

For new projects to be programmed, the PPR template is located at:
<http://www.dot.ca.gov/hq/transprog/ocip/2010stipdev.htm>.

Amendment (Existing Project)

To amend an existing programmed project, a PPR can be generated directly from CTIPS. This process will automatically populate the form with data from CTIPS. To quickly set up a CTIPS account, please send an e-mail to the CTIPS Account Administrator., HQ Division of Transportation Programming,

Date

Date the PPR was last updated (in mm/dd/yy format).

Caltrans District

"Caltrans District" is the district in which the project is located.

EA

"Expenditure Authorization (EA)" is a unique, 5-digit number assigned by Caltrans for all on-system projects.

PPNO

"PPNO" is an identification number assigned by Caltrans District offices for all STIP and Bond projects. Caltrans HQ Transportation Programming assigns PPNOs for intercity Rail projects administered by the Caltrans Intercity Rail Program and programmed through the Interregional Transportation Improvement Program (ITIP).

TCRP No.

TCRP No. is a project identifier, which relates to the specific paragraph number in Government Code Section 14556.40, Article 5 of the TCR Act of 2000.

County

“County” is the full county name from which the Regional Transportation Improvement Program (RTIP) funds are being contributed. For projects programmed with Interregional Transportation Improvement Program (ITIP) funds, and no RTIP funds, the county in which the project is located is used. If project is located in a county other than the county contributing the RTIP funds, then the county in which the project is located would be identified in the “Location and Project Limits” section of the Fact Sheet.

Route/Corridor

"Route/Corridor" is the State Highway or intercity rail corridor on which the project is located.

Project Sponsor/Lead Agency

"Project Sponsor/Lead Agency" is the primary supporter for the project, and is usually, but not necessarily, the Regional Transportation Planning Agency (RTPA).

MPO

Metropolitan Planning Organization for project.

Element

"Capital Outlay (CO) (All On-system), Local Assistance (LA), Mass Transportation (MT), Intercity Rail (RAIL)", are the appropriate designations based on the type of project.

Project Title

“Project Title” is a concise statement of the Project Description.

PM Back and PM Ahead

“PM Back” is the Post Mile (PM) location on the State Highway or Intercity Rail line for the beginning project limits. “PM Ahead” is the Post Mile (PM) location on the State Highway or Intercity Rail Line for the ending project limits.

Project Manager/Contact, phone & e-mail

The “Project Manager” section identifies the individual responsible for delivering the project within cost, scope and schedule.

Location, Project Limits, Description, Scope of work, Legislative Description

The “Location and Project Limits” is a brief description of the project location. The location should start with a listing of the cities or communities in which the project is located followed by the cross streets or other distinguishing features that identify the beginning and ending project limits as appropriate. Long-distance Rail projects should include a listing of the counties in which the project is located followed by the cities or communities or other distinguishing features that identify the beginning and ending project limits. For rural projects, the nearest community should be identified along with the beginning and ending limits. The Description and Scope of Work is a brief description of the elements of work. Generally the description should be two lines or less, but more complex projects, with several different activities, may require more.

The Legislative description is for TCRP projects only. If the TCRP project is a split from larger project, give location and description of the split project.

Implementing Agency

“Implementing Agency” is the recipient of the funds allocated by the CTC and the agency responsible for delivering the project within cost, scope and schedule.

The identification of the Implementing Agency determines how project components are programmed, and therefore must be properly identified. Whenever Caltrans is identified as the Implementing Agency, Right of Way Support and Construction Support will be programmed separately from Right of Way Capital and Construction Capital. For Implementing Agencies other than Caltrans, Right of Way Support and Construction Support are programmed together with the Right of Way Capital and Construction Capital components.

Reimbursements

Select the appropriate choice from the drop down list, or leave blank if appropriate.

LONP (Letter of No Prejudice) is not currently in use (as of August 2009), but proposed legislation would allow its use on Prop 1B projects. Select "LONP" if an LONP has been approved by the CTC.

AB 3090 - Select "AB 3090" if an AB 3090 reimbursement has been approved by the CTC. See <http://www.dot.ca.gov/hq/transprog/ocip/guidelines.htm> for guidance.

SB 184 - Select "SB 184" if the CTC has been notified that the local agency intends to start work, or has started work, using local funding. See <http://www.dot.ca.gov/hq/transprog/ocip/guidelines.htm> for guidance.

Legislative Districts

"Legislative Districts" are the applicable Legislative District Number(s) in which the project is located.

Purpose and Need (Transportation problem to be addressed by project)

Provide brief purpose and explanation of the need for the project. This section provides an overview of the purpose of the project and helps justify the funding.

Project Benefits

Describe the expected project benefits. Some example benefits are: delay time savings (hours) and peak period time savings (min/veh), HOV lane miles added, mixed-flow lane miles added.

Project Milestones

Enter the proposed schedule or actual completion of various project milestones. Any project milestone revision to projects funded with Prop 1B Bond must be addressed on the Amendment Information form.

Project Location Map

Attach a detailed map showing specific features of the project surrounding area. The size and scale of the map depends on the type of project and the project limits.

PROJECT PROGRAMMING REQUEST Funding Information

GENERAL

The Funding portion of the Project Programming Request provides a detailed view of the proposed or amended project programming. This form distinctly identifies the various sources of funding that may be involved in a project. It delineates the programming breakdown for each funding source, and for each component within the funding source.

To nominate/program a new project, the Funding form is available for download at <http://www.dot.ca.gov/hq/transprog/ocip/2010stipdev.htm>.

To amend an existing programmed project, generate a PPR directly from CTIPS. This process will automatically populate the form with data from CTIPS. To quickly set up a CTIPS account, please send an e-mail to the CTIPS Account Administrator, HQ Division of Transportation Programming

Though the forms are formatted to suit a majority of situations that may arise in nominating/amending projects, PPRs are updated periodically for formatting purposes. Therefore, it is strongly recommended to download a new copy of the PPR every time their use is warranted.

A project receiving funds for a smaller distinct useable segment of an overall larger project displays only the funds contributing to the distinct useable segment. If funds are used in such a manner that the funds are not a distinct useable segment, then funding for the entire overall project must be displayed. Often, funding for larger projects may be split into smaller distinct useable segments or activities for programming and construction/contract award purposes. Caution must be used in displaying the various fund sources for these types of projects so that funding is not double counted when programmed.

Information entered in the proposed funding fields must be numbers only (no alpha characters, and no 'blanks' or 'spaces' from the space-bar). Otherwise the spreadsheet formulas will not function properly, resulting in incorrect programming.

FUNDING INFORMATION

General

All components proposed for programming **must** be fully funded. Generally the earlier components, such as project development, must be fully funded prior to programming later components such as construction. Future funding needs can be shown under a "Future Funding Needed" category.

For additional guidance on programming project components, see "Programming Project Components Sequentially" of the STIP guidelines.

In accordance with the CTC STIP Guidelines, all programmed component amounts must be escalated, and rounded to thousands.

Project Development Components

“Environmental Studies and Permits (E&P),” also referred to as “Project Approval and Environmental Document (PA&ED)” and “Plans Specifications and Estimates (PS&E)” is programmed in the fiscal year during which environmental studies will begin. Refer to “Program Year for Cost Components” of the CTC STIP guidelines for further information on programming Project Development components.

R/W Components

“Right of Way (R/W),” including Caltrans “Right of Way Support (R/W SUP),” is programmed in the fiscal year(s) during which Right of Way acquisition (including utility relocation) contracts will be executed. If the contracts are executed in a single year, the cost shall be programmed in that one fiscal year. The costs may be programmed in more than one fiscal year, as appropriate. Refer to “Program Year for Cost Components” of the CTC STIP Guidelines for further information. For Caltrans projects, STIP amendments for R/W Capital and R/W Support are only permitted in conjunction with the Annual Right of Way Plan. Refer to “STIP Amendments” of the CTC STIP Guidelines.

“Right of Way Support (R/W SUP)” is used only for projects implemented by Caltrans. For all other implementing agencies, Right of Way Support costs are included in the Right of Way Capital component.

Construction Components

“Construction (CON),” including Caltrans “Construction Support (CON SUP),” is programmed in the fiscal year during which the construction contract(s) will be advertised. All construction costs that are associated with a single construction contract should be listed in one fiscal year. If a project will have multiple contracts to be advertised in different fiscal years, then the construction costs (including Caltrans support costs) may be programmed in multiple years. In this case, a PPR must be completed for each segment.

“Construction Support (CON SUP)” is used only for projects implemented by Caltrans. For all other implementing agencies, Construction Support costs are included in the Construction Capital component.

Fiscal Years

Funding for each component is programmed according to appropriate fiscal year. The cost of each project component will be listed in the STIP no earlier than in the State fiscal year in which the particular project component can be delivered. Since the 2010 STIP covers the five-year period from FY 10/11 through FY 14/15, STIP funding may only be programmed in this five-year period. Any programming of STIP funds beyond the five-year period of the STIP must remain in the unprogrammed balance for programming in a future STIP cycle. Committed Non-STIP contributing funds for years beyond the five-year period of the STIP may be combined together into the “15/16+” column. Any additional funds needed, but not yet committed for the project, may also be shown for in the fiscal year 15/16+ column.

Program Code

Program Codes are used by Caltrans for the Transportation Accounting and Management System (TRAMS), to allow projects to be categorized for program and project tracking purposes. The codes are normally assigned by the Caltrans District Offices and are available at the following web site: http://onramp.dot.ca.gov/hq/accounting/Coding_Manual1/

Funding Agency

The “Funding Agency” is the agency providing the local non-state contributions to the project.

Fund Source

The source of funds contributed to the project (i.e., RIP, IIP, TCRP, Prop 1B Bond-CMIA, RSTP, CMAQ, Local Measure, etc.)

Notes

The “Notes” field is available to include any pertinent information regarding the funding. For example the fund source may be more fully described, or if funds are being reduced for a particular component, the reason for the reduction should be noted.

FUNDING TABLES

EXISTING FUNDING (This is a protected field)

The Existing Funding tables are generated directly from CTIPs and display current programming for the project. Any changes to existing funding must be explained using the Amendment form of the Project Programming Request.

PROPOSED FUNDING (This is an editable field)

The Proposed Funding tables display the proposed programming of funds for a new project or for a change to an existing project. The proposed funding is the summation of the existing funds and the increase/decrease that is being requested. For example, if a project has \$100,000 programmed in the current RTIP for PS&E in FY 10/11 and \$50,000 is proposed to be added to this component in the same year, the “Existing Funding” column will show \$100,000 for PS&E under 10/11 and the “Proposed RTIP Funds” column will show \$150,000 (sum of the existing \$100,000 and the \$50,000 increase requested) for PS&E under FY 10/11. Funding removed from an existing component is handled in a similar manner. If no change is being proposed to any of the information in the “Existing Funding” table, the information in the “Proposed Funding” table shall be exactly the same as in the “Existing Funding” table.

Please note the requirements of “Full and Partial Funding” in “Programming Project Components Sequentially” of the STIP guidelines.

PROPOSED TOTAL PROJECT COST (The contents in this table are calculated automatically)

The “Proposed Total Project Cost” table at the top of the funding information page provides an overview of the total funding proposed for each component of the project. All the information in this table is calculated automatically by summing up the values in the various fund source tables.

AMENDMENT INFORMATION

General

This form must be completed for STIP, TCRP and Bond Amendment requests. Amendment request submittal requirements are available at the following web site:

<http://www.dot.ca.gov/hq/transprog/ocip/2010stipdev.htm>.

An amendment may change the scope, cost, schedule or implementing agency of a project. In general, amendments for STIP, TCRP and Prop 1B Bond projects will be treated the same. However, there are some differences:

- Projects programmed in the STIP require at least 30 days public notice before the CTC will approve an amendment. TCRP and Prop 1B Bond project amendments may be approved at the same CTC meeting presented to the CTC. If a project is programmed using multiple funding sources, including STIP, the amendment request will be handled in the same manner as a STIP amendment.
- The CTC will not amend a project programmed in the STIP to delete or change the program year of the funding for any project component after the beginning of the fiscal year for which it is programmed.
- Amendments to projects programmed in the TCRP may be handled at the time of allocation of the component.

Project Background

Provide detailed background of the project, including project programming and amendment history.

Programming Change Requested

Provide a detailed description of the proposed programming action. Enough information should be provided in order to clearly explain the programming change to the CTC.

Reason for Proposed Change

Explain need for programming action and why it is needed now.

- For STIP projects, can this programming action wait until the next STIP Cycle?
- For Caltrans implemented projects, attach an approved Program Change Request (PCR).
- For TCRP projects, can this amendment wait until allocation of the component?

If Proposed change will delay one or more components, clearly explain reason for delay, cost increase related to delay, and how cost increase will be funded

For STIP projects, an amendment that would delay the year of construction, the agency requesting the amendment should submit a project construction history. It is the CTC's intent to review this history when considering an amendment that would delay the year of construction. See the STIP Guidelines for further guidance.

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CALIFORNIA TRANSPORTATION COMMISSION
Adoption of PSR Guidelines**Resolution G-99-33**
Replacing Resolution G-99-30

- 1.1 WHEREAS in accordance with section 65086.5(d) of the Government Code, the California Department of Transportation (Department), in consultation with cities, counties, regional transportation planning agencies, and County Transportation Commissions, prepared Project Study Report (PSR) Guidelines adopted by the Commission on September 12, 1991, and
- 1.2 WHEREAS the Guidelines require updating because of changes in regulations, policies, and statutes as a result of Senate Bill (SB) 45, and
- 1.3 WHEREAS the Department submitted revised Guidelines to the Commission on July 14, 1999, and
- 1.4 WHEREAS the proposed PSR Guidelines provide the policy, standards, and criteria the Commission expects that agencies will use in the development of PSRs, and
- 1.5 WHEREAS in accordance with section 65086.5(d) of the Government Code, the Commission is required to adopt the PSR Guidelines, and
- 1.6 WHEREAS Chapter 783 of the Statutes of 1999 (AB 1012, Torlakson) has been enacted and requires guidelines for an expedited process through which projects may comply with the requirement that a PSR be prepared in order for a project to be considered for programming in the STIP, and
- 1.7 WHEREAS the proposed PSR Guidelines meet the intent of the provisions for an expedited process as required in AB 1012.
- 2.1 NOW THEREFORE BE IT RESOLVED the California Transportation Commission does hereby adopt the PSR Guidelines as proposed, and
- 2.2 BE IT FURTHER RESOLVED the adopted PSR Guidelines shall supersede the PSR Guidelines adopted by the Commission on September 12, 1991.
- 2.3 BE IT FURTHER RESOLVED that Caltrans will report to the Commission on a monthly basis the number of PSRs that have been approved by the Department and the number of appeals that have been made to the Chief Engineer. The report will include a listing of the specific projects that have been appealed. Upon receipt of the report, the Commission may include, on a future meeting agenda, an item to discuss an appealed PSR.

**Guidelines
For The Preparation
Of
Project Study Reports**

I. Introduction

On September 12, 1991, the California Transportation Commission(CTC) adopted guidelines for the preparation of Project Study Reports (PSR) pursuant to Chapter 715, Statutes of 1990 (AB 2038).The purpose of the guidelines was to assure a consistent approach in the preparation of PSRs regardless of who prepared the document.

Chapter 662 of the Statutes of 1997 (SB 45, Koop – STIP Reform) was enacted on January 1, 1998, and has modified programming responsibilities for the State Transportation Improvement Program (STIP). Additionally, Chapter 783 of the Statutes of 1999 (AB 1012 Torlakson) was enacted on October 10, 1999, and provides provisions for an expedited process for projects to meet the requirement that a project study report be prepared to be considered for STIP programming. These guidelines have been prepared to be consistent with these legislation and supersedes the September 12, 1991, guidelines.

II. Applicability

These guidelines shall apply to all projects proposed for STIP programming through the Regional Transportation Improvement Program (RTIP) or the Interregional Transportation Improve Program (ITIP). Its purpose is to assure a consistent and uniform approach in the preparation of PSR and project study report equivalents once a decision has been made to prepare this report. The decision to prepare a PSR is a cooperative effort between the Caltrans Districts and their respective Regional Transportation Planning Agencies or County Transportation Commissions.

Additionally, some Regional Transportation Planning Agencies (RTPAs) or County Transportation Commissions may use the SB 45 Planning Memorandum of Understanding (MOU) to provide a framework under which the Caltrans Districts and Regional Transportation Planning Agencies or County Transportation Commissions will cooperatively work together and communicate throughout the planning process and through completion of the PSR, while other RTPAs or County Transportation Commissions may already have established ongoing procedures for cooperatively working together in developing PSR.

III. Definition

PSR and project study report equivalents are engineering reports whose purpose is to document agreement on the scope, schedule, and estimated cost of a project so that the project can be considered for inclusion in a future programming document such as the STIP. (PSRs are also used by Caltrans for certain project candidates for the State Highway Operation and Protection Program (SHOPP) and the Toll Bridge Program and for certain locally funded projects on the State highway system.)

PSRs are prepared for State highway projects. The format of a PSR and its content are outlined in *Caltrans Project Development Procedures Manual*. Project study report equivalents are prepared for projects not on the State highway system. A PSR equivalent contains the same information required in a PSR, but need not be in the same format as a PSR.

IV. Existing Law

Under State law (Government Code section 14529(e)), the State Transportation Improvement Program (STIP) is limited to projects submitted or recommended through the Caltrans Interregional Transportation Improvement Program (ITIP) or a region's Regional Transportation Improvement Program (RTIP). The law further provides that neither the ITIP nor and RTIP may include a project without a Project Study Report or project study report equivalent (Government Code sections 14526(b) and 14527 (g)).

Chapter 622 of the Statutes of 1997 (SB 45, Kopp) provided the framework to allow environmental and design support components to be programmed in the STIP prior to the programming of right of way and construction capital components. Chapter 783 of the Statutes of 1999 (AB 1012, Torlakson) has further emphasized the need and use of the PSR (Project Development Support) to facilitate the expeditious programming of projects while meeting the requirements of completing a PSR for STIP programming considerations. These guidelines provide the use of PSRs to program the project development support components. The PSR (Project Development Support) is the appropriate document for programming these support components.

Permanent *STIP Guidelines* have been adopted by the CTC to assist Caltrans and the regions in the development of the future STIP and to provide further guidance on the implementation of SB 45.

V. Preparation and Review

For projects on the State highway system, it is expected that during the development of a project and the preparation of the PSR, there is open and continuous communication between Caltrans, the sponsoring agency (if applicable), and the RTPA/County Transportation Commission.

Caltrans will work cooperatively with the sponsoring local agency and RTPA/County Transportation Commission to determine the appropriate programming strategy for the project. The PSR (Project Development Support) shall be used to facilitate the programming of support costs to complete the environmental process and/ or the design phase of a project.

Caltrans will prepare and approve PSRs on the State highway system or will review and approve PSRs prepared by local agencies for project proposed on the State highway system pursuant to Government Code section 65086.5(c). By statute, Caltrans is required to review and provide comments within 60 days of the PSR submittal by the local agency. Upon submittal of the revised PSR by the local agency, Caltrans is required to complete its review within 30 days. This process is repeated until the PSR is approved.

For projects not on the State highway system, PSR equivalents will be prepared by the local agency having jurisdiction on the local street or road. PSR equivalents for these projects do not require review and approval by Caltrans unless the proposed project impacts the State right of way or facility. If there is an impact, Caltrans review will only be on the portion of the State right of way or facility that is impacted.

VI. Approval Authority

Caltrans or local agencies are responsible for approving projects proposed on State highways or local streets and roads within their respective jurisdictions. Specifically:

1. Caltrans will approve all PSR for projects on State highway system.
2. The appropriate city or county will approve all project study report equivalents for projects that are on a local street or road within its respective jurisdiction.

Unless they are the lead agency for a project, Regional Transportation Planning Agencies and County Transportation Commissions do not approve PSRs or project study report equivalents. Regional Transportation Planning Agencies and County Transportation Commissions may, at their option, retain approval authority for project study report equivalents prepared for projects off the State highway system. However, prior to programming a project in the RTIP, Regional Transportation Planning Agencies and County Transportation Commissions are responsible to verify that a PSR or project study report equivalent has been prepared and that the information contained within is sufficient for programming purposes.

The PSR or project study report equivalent is not required to be submitted with the RTIP or ITIP. However, the CTC or its staff may request copies of a project's report to document the project's cost or deliverability.

VII. Executive Review Committee

An Executive Review Committee will be established in each District to ensure that the project scope, cost, and schedule address transportation needs and provide optimal traffic operations and safety for those who travel and work on the State highway system. Either Caltrans, the sponsoring local agency, or Regional Transportation Planning Agency/County Transportation Commission may request that a project be reviewed by the District Executive Review Committee. The Committee will assess whether the scope, cost and schedule have been adequately identified and addressed in the PSR..

The members of the Committee shall include the District Division Chief for Design, the District Division Chief for Planning, the District Division Chief for Program/Project Management, a Regional Transportation Planning Agency/County Transportation Commission representative, and a local agency representative. The RTPA/County Transportation Commission representative and the local agency representative shall be independent of the proposed project and will be appointed by the District Director. The Executive Review Committee will make a final recommendation to the District Director.

In the event that issues cannot be resolved through this Committee, a final appeal may be made to the Deputy Director for Project Development (Chief Engineer) for final consideration.

Caltrans will report on a monthly basis to the CTC the number of PSRs that have been approved by the Department and the number of appeals that have been made to the Chief Engineer. The report will include a listing of the specific projects that have been appealed. Upon receipt of the report, the CTC may include, on a future meeting agenda, an item to discuss an appealed PSR.

VIII. Intent

The CTC intends that Project Study Reports and Project study report equivalents will be prepared to the quality and breadth of examination necessary to define the scope, schedule, and cost estimate of a project. The CTC intends that the process and requirements for PSRs and project study report equivalents be as simple, timely, and workable as practical, given that they must be prepared at the front end of the project development process, before in-depth environmental evaluation and detailed design. They must provide a sound basis for commitment of future state funding and project delivery. A PSR or project study report equivalent also provides a key opportunity to achieve consensus on project scope, schedule, and proposed cost. The CTC also intends that PSRs and project study report equivalents will not forestall or preclude the programming of a project. Use of the PSR (Project Development Support) will enable the programming of the project development support components to allow engineering and environmental studies to proceed to evaluate the merits and feasibility of alternatives before a preferred alternative is selected for the programming of right of way and construction capital costs.

IX. Report Standards

The PSR or project study report equivalent shall be prepared under the direction of a California registered Civil Engineer. The document will be stamped and signed as such.

A Caltrans Project Manager will be assigned to every capital outlay project on the State highway system, including projects sponsored by a local agency. The Project Manager is the single focal point for the project, is responsible for obtaining consensus on project scope, cost and schedule, and is responsible for the delivery of a quality project on time and within budget. The Project Manager is responsible for all project development activities from project initiation through closeout of the construction contract. Similarly, for projects not on the State highway system, the responsible local agency will assign a Project Manager or will designate the person most knowledgeable about the project, who shall be responsible for answering all project-related questions from Caltrans or the CTC.

The PSR or project study report equivalent shall include, at a minimum, the following information as appropriate to address the specific project:

- Need and purpose for the project
- Background and project history
- Discussion and analysis of the alternatives (including project costs) that satisfy project need and purpose. The discussion of alternatives should include a Minimum Project Alternative. Project costs shall be summarized in the project components as follows:
 1. Completion of all permits and environmental studies
 2. Preparation of plans, specifications, and estimates
 3. Acquisitions of right of way
 4. Construction and construction management and engineering, including surveys and inspection

For projects on the State highway system, project component No.3 and No. 4 shall be further distinguished as follows:

- 3a. Right of way capital
 - 3b. Acquisition of right of way (support/soft costs)
 - 4a. Construction capital
 - 4b. Construction management and engineering, including surveys and inspection.
- System planning, including coordination and consistency with statewide, regional, and local planning
 - Inventory of environmental resources, identification of potential environmental issues and anticipated environmental processing type. Potential mitigation requirements and associated costs should also be identified.
 - Description of potential hazardous materials/waste problems and potential mitigation or avoidance. Associated costs should also be identified.
 - Identification of the potential or proposed sources of funding, project funding eligibility (e.g., "Federal aid eligible"), discussion of proposed implementation, and the tentative delivery schedule of the significant milestones. Significant milestones include:
 - Start Environmental Studies
 - Draft Environmental Document
 - Final Environmental Document
 - Begin Design Engineering
 - Completion of Plans, Specifications, and Estimates
 - Start Right of Way Acquisition
 - Right of Way Certification
 - Ready to Advertise
 - Start Construction (Contract Award)
 - Project Completion
 - Identification of the potential Programming and funding of the project
 - Appropriate supporting attachments (i.e., maps, advance planning studies, cost estimate sheets, etc.)
 - Project Nomination Fact Sheet as described in the *STIP Guidelines* shall be included as an attachment. Template for this Fact Sheet may be found on the Internet at:
<http://www.dot.ca.gov/hq/transprog/stip.htm>.

X. Cost Estimates

The PSR (and equivalent) cost estimate is to be based on preliminary-level engineering, but needs be to the level of detail that, when considering the project for programming, will provide a reasonable approximation of the funding and staff resources that will be needed to deliver the project within the proposed schedule as outlined in the report.

Project costs shall be summarized in the project components identified above in “Report Standards”. Although a PSR or project study report equivalent may focus on the project components proposed for programming (i.e., “completion of all permits and environmental studies”), a preliminary cost estimate for all project components must be included in the PSR or project study report equivalent. This will enable the RTPAs, County Transportation Commissions, Caltrans, and the CTC to evaluate future program needs for construction compared to anticipated future program capacity.

In preparing the capital cost estimates, the degree of effort and detail for each study is expected to vary depending on the complexity and sensitivity of the issues. A cost breakdown for each of the major elements (i.e., roadway, structures, utility relocation, right of way acquisition, etc.) of the project must be provided. A contingency factor to cover unanticipated items of work or cost increases may be applied. Generally, a factor of 25% is acceptable. However, a higher or lower percentage may be used, if justified. In addition, the accuracy of cost estimates is usually less for PSRs which involve project development support (also known as “PSR (Project Development Support)”) than it is for standard PSRs or project study report equivalents.

XI. Documents Meeting Report Standards

Although Regional Transportation Planning Agencies and County Transportation Commissions who are responsible for the programming of projects in the RTIP may, at their option, adopt additional standards, policies and procedures for projects off the State highway system, the use of the following documents meet the above-mentioned report standards:

1. Project Study Report and Project Study Report (Project Development Support) as outlined in Caltrans *Project Development Procedures Manual* (PDPM). This is the standard for all project proposed on the State highway system regardless of who prepares the document or is the project sponsor. Caltrans may in the future make changes to the PDPM which are technical in nature. Technical changes to the PDPM which relate to PSR will be shared with CTC staff. Changes to policy require adoption by the CTC

For retrofit noise barrier projects, the Noise Barrier Scope Summary Report (NBSSR) outlined in Caltrans *Project Development Procedures Manual* is an appropriate document.

The Caltrans *Project Development Procedures Manual* can be found on the Internet at: <http://www.dot.ca.gov/hq/oppd/>.

2. Preliminary Environmental Study (PES) form and the Field Review Form

as described in Caltrans *Local Assistance Procedures Manual (LAPM)*.

This is the standard for all projects proposed off the State highway system and is equivalent to the PSR. Agencies may also, at their option, adopt Caltrans' Project Study Report for use on projects that are not on the State highway system. Caltrans may in the future make changes to the LAPM which are technical in nature. Technical changes to the LAPM, which relate to project study report equivalents will be shared with CTC staff . Changes to policy require adoption by the CTC.

The Caltrans *Local Assistance Procedures Manual* can be found on the Internet at: <http://www.dot.ca.gov/hq/LocalPrograms/>.

3. Project Study Report (Local Rehabilitation). This document is an appropriate document for pavement rehabilitation projects proposed off the State highway system and can be used by agencies at their option. This PSR format was transmitted to all Regional Transportation Planning Agencies and County Transportation Commissions in a letter dated December 8, 1998, from Mr. Robert L. Buckley, Program Manager, Design and Local Programs.
4. Uniform Transit Application. The Commission's Uniform Transit Application is the appropriate document for transit projects.
5. TEA Application. An application prepared in accordance with the Commission's Transportation Enhancement Activities (TEA) program guidelines is the appropriate document for TEA projects.

**LOCAL ROAD REHABILITATION
PROJECT CERTIFICATION**

Local Agency Letterhead

To: (Regional Transportation Planning Agency)
(Address)

Date : _____

The City/County of _____ submits the following local road rehabilitation project for certification that the project is in compliance with California Transportation Commission guidelines.

Project Description: _____

Street/Road	From ----- to -----	<u>Local Road Facility</u> (Pavement, drainage structure, bridge, cut slope, embankment, etc.)	PPNO	<u>Rehabilitation Strategy</u> (Resurfacing, chip seal, seal coat, restoration of existing facility, etc.)	<u>Service Life (Years)</u>

The project listed above meets the following standards:

- The type of work is eligible for local road rehabilitation, and excludes routine maintenance work, as described in Section II-D-9, "Eligibility of Rehabilitation Projects" of the *Procedures for Administering Local Agency Grant projects in the State Transportation Improvement Program*.
- For pavement rehabilitation, the estimated number of years the work will extend the service life of the facility is documented in a PSR or equivalent signed by a registered civil engineer.
- Pavement rehabilitation strategies with less than 10 years service life have been determined by a Pavement Management System (PMS) to be cost-effective and have a service life of 5 years or more. (Attach PMS certification if appropriate.)
- The work does not degrade any existing safety or geometric aspect of the facility.

City/County Signature: _____ Title: _____

Regional Transportation Planning Agency/County Transportation Commission Certification:

The _____ (Regional Transportation Planning Agency/County Transportation Commission) certifies the projects listed above meet California Transportation Commission guidelines.

Signature: _____ Title: _____ Date: _____

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**PAVEMENT MANAGEMENT SYSTEM (PMS)
CERTIFICATION**

STATE TRANSPORTATION IMPROVEMENT PROJECTS

Local Agency Letterhead

To: (Regional Transportation Planning Agency/County Transportation Commission)
(Address)

Date :
PPNO: _____
Project Description:

The City/County of _____ certifies that it has a Pavement Management System (PMS) and the project meets the criteria described in Section 23.2 of this chapter. A system must be in place to meet standards for pavement rehabilitation projects programmed in the STIP.

The system was developed by _____ and contains, at a minimum, the following elements:

- Inventory of all existing pavements under the City/County jurisdiction.
Centerline miles _____
Total lane miles (or equivalent units) _____
The last update of the inventory was completed _____, 20__
- Identification of sections of pavement needing rehabilitation
Total lane miles (or equivalent units) _____
- Estimate of the cost to rehabilitate deficient sections \$ _____
- A procedure to identify rehabilitation strategies that are cost effective
(Briefly describe it on an attached sheet.)

You may direct any questions regarding the system to _____ at _____.
(Name) (Phone No.)

Signature _____ Title: _____

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NOTICE OF SB 184 PROJECT START FOR LOCAL STIP PROJECTS
This notice shall also include a request for funding allocation (Exhibit 23-O)

Local Agency Letterhead

To: Caltrans District Local Assistance Engineer (address)
California Transportation Commission Executive Director (address)
Date: _____

Subject: SB 184 Notification of the Start of Reimbursable Work Prior to Allocation

The (local agency name) hereby notifies the California Department of Transportation and the California Transportation Commission of its intent to expend its own funds prior to allocation for the following project:

PROJECT PROGRAMMING NUMBER (PPNO): _____

PROJECT PHASE(S), PROGRAMMED AMOUNT(S), AND PROGRAM YEARS INCLUDED IN THIS NOTIFICATION

PROJECT DESCRIPTION

The proposed date for reimbursed work to commence is: _____

Choose one of the following two paragraphs:

- Federal funds are involved for this project. The “Request for Authorization to Proceed” package is included as an attachment to this notification (or was submitted to the district on _____, or will be submitted to the district by _____).
- State-only funds are approved for this project pursuant to the current “Project Funding Policy” (or: pursuant to an exception granted on _____).

In beginning reimbursable work prior to allocation, (local agency name) understands that reimbursements will be made by the State, subject to annual appropriation by the Legislature, if all the following conditions are met:

- The California Transportation Commission (CTC) makes an allocation for, and Caltrans executes a program supplement agreement for the project.
- Expenditures made by the local agency are eligible for reimbursement in accordance with state and federal laws and procedures. In the event that expenditures made by the local agency are determined to be ineligible, the State has no obligation to reimburse those expenditures.
- The local agency complies with all legal requirements for the project, including, but not limited to, authorization by the federal government, if required, and the requirements of the California Environmental Quality Act (Division 13, Section 21000) of the Public Resources Code.
- Prior to the time of first expenditure, the regional or local entity shall request an allocation for the project, which shall include a notice to the Commission of its intent to expend its own funds.

Signature of Local Agency Representative

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FUNDING ALLOCATION CHECKLIST (LOCAL STIP PROJECTS)

PPNO: _____
EA: _____

(Brief Project Description.)

- Reimbursable work was started prior to this request for allocation.

Output/Outcome: _____

(Action taken/quantifiable benefits or results)

This checklist is to be completed by the local agency and attached to the Request for Funding Allocation. (Not required for PPM and Rideshare Projects.)

TYPE OF PROJECT

- | | |
|--|---|
| <input type="checkbox"/> New Highway Facility | <input type="checkbox"/> Storm Damage Repair |
| <input type="checkbox"/> Widen Existing Facility | <input type="checkbox"/> Local Road Rehabilitation |
| <input type="checkbox"/> Pedestrian and bicycle facilities | <input type="checkbox"/> Reconstruction (See Section III.A.3 of Procedures for definition)(describe)_____ |
| <input type="checkbox"/> Soundwalls | <input type="checkbox"/> Transportation System Management |
| <input type="checkbox"/> Grade separation | <input type="checkbox"/> Safety |
| <input type="checkbox"/> Intermodal facilities | <input type="checkbox"/> Other (describe)_____ |
| <input type="checkbox"/> Transportation Enhancement (TE) | |

Fund Allocation Summary

20__ STIP (as amended) Regional Improvement Program			Fund Allocation		
Project Component	Amount	Fiscal Year	Previous	This Request	Total
Environmental Studies & Permits	\$ _____	____/____	\$ _____	\$ _____	\$ _____
Plans, Specifications & Estimate	\$ _____	____/____	\$ _____	\$ _____	\$ _____
Right of Way	\$ _____	____/____	\$ _____	\$ _____	\$ _____
Construction	\$ _____	____/____	\$ _____	\$ _____	\$ _____
Total	\$ _____		\$ _____	\$ _____	\$ _____

HIGHWAY FUNCTIONAL CLASSIFICATION

(Check appropriate box)

A Eligible for Federal-aid

- | | |
|---|---|
| <input type="checkbox"/> Urban Principal Arterial | <input type="checkbox"/> Rural Principal Arterial |
| <input type="checkbox"/> Urban Minor Arterial | <input type="checkbox"/> Rural Minor Arterial |
| <input type="checkbox"/> Urban Collector | <input type="checkbox"/> Rural Major Collector |

B Ineligible for Federal-aid

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Urban Local | <input type="checkbox"/> Rural Minor Collector |
| | <input type="checkbox"/> Rural Local |

STATE-ONLY FUNDING APPROVAL

1. Indicate type of funding

- Federal/Local (Skip to question #5)
- Federal/State (Skip to question #5)
- State-only

2. Is the State-only funding approved?

- Yes
- No

If "Yes," indicate the type of approval and then skip to question #5

- Project included in an approved projects list (attach approved projects list)
 - 1998 STIP Projects Flagged for State-Only
 - Grandfathered Projects – '96 STIP
 - Projects Granted SOF
- Capital project under \$750,000 (total amount programmed for all components in the STIP)
- State funds used to match federal funds
- Granted state-only funding exception by Caltrans after publication of the current approved projects list (attached copy of approval)

3. Is this a local road rehabilitation project equal to or greater than \$750,000 identified in the 1998 STIP Augmentation?

- Yes
- No

In accordance with CTC policy, state-only funding was to be provided for all rehabilitation projects identified in the 1998 STIP Augmentation, regardless of cost. However, this was not a commitment that state-only funding would be available at the time of allocation. If the answer to this question is "Yes," attach specific reasons why federal funds should not be used on the project at this time. See the current "STIP State-Only Funding Policy" (<http://www.dot.ca.gov/hq/transprog/>) for evaluation criteria Caltrans will consider before approving this request.

4. If the answers to questions 2 and 3 are both "No," complete the Checklist and submit the "Request for Exception to STIP State-Only Funding Policy" form, for approval by the CTC. (Regional Transportation Planning Agency concurrence required.)

LOCAL ROAD REHABILITATION PROJECTS

5. Has the RTPA certified that the project meets the standard for rehabilitation?

- Yes
 No

If "Yes," attach copy of Local Road Rehabilitation Project Certification and skip to next section.

If "No," this Request for Funding Allocation will not be processed until the Certification is provided.

ENVIRONMENTAL CLEARANCE REQUIREMENTS

6. Is this request limited to funding for the Environmental Studies component?

- Yes
 No

If "No," a completed CEQA Environmental Document is required.

For certain types of projects that do not result in either direct or indirect change in the physical environment, a formal CEQA document may not be needed. An example of this type of project is installing bicycle racks on buses. Consult Caltrans Environmental office for interpretations.

7. Is final CEQA determination a categorical exemption (CE)?

- Yes
 No

If "Yes," skip to question #9.

If "No," go to question #8.

8. Did local agency submit final CEQA environmental documentation to CTC?

- Yes
 No

If "Yes", please provide Resolution E#:_____. This can be obtained from the CTC "Action Taken Report" at <http://www.dot.ca.gov/hq/transprog/ctcliason.htm>.

If "No," local agency needs to submit environmental documentation to support CEQA determination to: CTC, 1120 N Street, MS 52, Sacramento, CA 95814. This is required to obtain subsequent allocation approval by CTC.

(Note: Notice of Preparation (NOP) and Draft Environmental Impact Report (DEIR) should be forwarded to the CTC to allow the CTC to provide comments in its role as a responsible agency – see CEQA Lead Agency Responsibilities letter dated 4/20/2009 from Division of Local Assistance.)

9. Is this request for a project with any federal funds (STIP or non-STIP)?

- Yes
 No

If "No," skip question 8, a NEPA Environmental Document is not required.

10. Is this request for Right of Way or Construction funding?

- Yes
 No

If "Yes," a completed NEPA Environmental Document is required.

CONSULTANT CONTRACT PREAWARD AUDIT REQUIREMENTS

11. Will consultants perform any portion of the work on the requested component?

- Yes
- No

If “Yes,” answer the following questions. If “No,” skip to question #13.

Any contracts \geq \$1 million?

- Yes
- No

If “No,” Pre-award audit not required, skip to question #13.

12. Status of the audit

- Completed (attach “Audit Disposition” letter)
- To be completed by Caltrans (“Pre-award Audit Request Letter” must be sent to DLAE).
- To be completed by local agency or hired Certified Public Accountant at a later date. Submit “Audit Disposition” letter to the DLAE prior to entering into a contract with the consultant(s).

ESTIMATED TIMELY USE OF FUNDS DEADLINES

13. Requested Funding Allocation Approval date _____

14. Is this request for Project Development costs (Environmental Studies or PS&E)?

- Yes
- No

If “Yes,” complete the following:

Estimated expenditure deadline for this project development allocation: _____

(Enter June 30th of the end of the second fiscal year after the requested approval date.) **Expenditures after this date will not be reimbursed and no adjustment will be made to the county share balance for the under-expenditure unless the CTC extends the deadline.**

15. Is this request for Right of Way costs?

- Yes
- No

If “Yes,” complete the following:

Estimated expenditure deadline for this right of way allocation: _____

(Enter June 30th of the end of the second fiscal year after the requested approval date.) **Expenditures after this date will not be reimbursed and no adjustment will be made to the county share balance for the under-expenditure unless the CTC extends the deadline.**

16. Is this request for Construction costs?

- Yes
- No

If “Yes,” complete the following:

Estimated award deadline for this allocation: _____

(Enter the date that is 6 months after the date of the requested approval date.) **If the project is not awarded by this date, the funding will be rescinded with no adjustment to county shares unless the CTC extends the deadline.**

Based on the requested funding approval date shown above, we estimate that we will award a contract for this project on _____ (enter date) and complete the contract on _____ (enter date).

Estimated expenditure deadline for this construction allocation _____ (Enter the date that is 36 months after the estimated award date shown above.) **If it is estimated the contract will not be completed and accepted by this date, attach justification for the extra time required to complete the contract.**

REGIONAL TRANSPORTATION PLANNING AGENCY CONCURRENCE

- 17. Will this request require approval of an exception to the policy described in the current CTC-adopted “STIP State-Only Funding Policy?” (Question 2)
 - Yes
 - No

- 18. Will this request change the project description, scope, exceed the amount programmed, or require an advance? (Questions 7, 8 and 9)
 - Yes
 - No

- 19. Has the RTPA passed a resolution requiring their concurrence on all requests for STIP funding allocations?
 - Yes
 - No

If the answer to question 17, 18, or 19 is “Yes,” the RTPA must sign the “Request for Funding Allocation” form.

Prepared by: _____ Date: _____ Phone No. _____

Title: _____

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**REQUEST FOR FUNDING ALLOCATION
LOCAL HIGHWAY PROJECTS
Local Agency Letterhead**

To: (DLAE Name)
District Local Assistance Engineer
Caltrans, Office of Local Assistance
(District Address)

Date: _____
PPNO: _____
EA: _____
(Brief Project Description) _____
(Location) _____
(County) _____
Assembly District: _____
Senate District: _____

Dear (DLAE Name)

We request that the California Transportation Commission allocate (total dollar amount of this request) of Regional Improvement Program or Interregional Improvement Program funding for this project.

Project Description:

Enter description of project location and scope from Project Programming Request.

Output/Outcome:

Enter action(s) to be taken and quantifiable benefits or results.

A. Fund Allocation Summary

<u>Project Component</u>	Fund Allocation (This Request)
Environmental Studies & Permits	\$ _____
Plans, Specifications & Estimate	\$ _____
Right of Way	\$ _____
Construction	\$ _____
Total	\$ _____

B. Total Project Funding Plan by Fiscal Year

List all funding sources and anticipated fund usage by year. If there are any funding conditions, describe type of conditions, i.e., proportional split of funds across all components, STIP funds first, etc. (If attached Project Programming Request includes this detail and it is still current, it is not necessary to repeat the information here.)

C. Type of STIP Funding

Indicate type of STIP funding required. (Federal/State or State-only)

D. Request for Additional STIP Funding

If this request exceeds the amount programmed for any component, provide justification and the following information:

Additional funding required \$ _____
County reserves available \$ _____
County share advance required \$ _____ (If county reserves are inadequate to fund the shortfall)

E. Request for Advance of STIP Funding

If this request for funding is for STIP funding programmed in a future Fiscal Year, provide justification.

F. Status of Project

1) Completion of Environmental Document:

CEQA - Describe document type and date. (Required for all components except environmental studies)

- if the document type is ND, MND, or EIR, provide E Resolution #: E - __ - __

If the project is not exempt from CEQA, all CEQA environmental submittals shall be coordinated directly with the CTC. The lead agency ensures that the necessary environmental documents are brought forward to the CTC for action prior to allocation of funds to receive an E Resolution number.

NEPA - Describe document type and date. (Required for Right of Way and Construction, if applicable)

2) Right of Way Certification:

If this request is for Federal Construction funding, indicate the date right of way has been certified (or will be certified) for the project.

3) Construction

If this request is for Construction funding, whether project is ready to advertise (or the date the project will be ready to advertise.)

G. Timely Use of Funds

We request that the CTC allocate these funds [at the _____ meeting *or* by _____.]
(use appropriate wording per Checklist instructions)

(Indicate the actual date that work on the project component commenced, if work on this component started prior to allocation as allowed by the provisions of Government Code 14529.17, as amended by SB 184. Eligible work will be reimbursed subject to the limitations described in Government Code 14529.17)

H. Local Agency Certification:

This Request for Funding allocation has been prepared in accordance with the *Procedures for Administering Local Grant Projects in the State Transportation Improvement Program (STIP)*. I certify that the information provided in the attached checklist is accurate and correct. I understand that if the required information has not been provided this form will be returned and the funding allocation may be delayed. Please advise us as soon as the fund allocation has been approved. You may direct any questions to

_____ at _____
(Name) (Phone No.)
Signature: _____ Title: _____ Date: _____

I. Regional Transportation Planning Agency/County Transportation Commission Concurrence:
(See attached Request for Funding Allocation Checklist for requirements.)

Concurred:

Signature: _____ Date: _____
(Title) (Agency/Commission)

J. Caltrans District Local Assistance Engineer Acceptance:

I have reviewed the information submitted on the Request for Funding and agree it is complete and has been prepared in accordance with the procedures outlined in Chapter 23 of the *Local Assistance Program Guidelines*.

Signature: _____ Date: _____
(Title)

Attachments:

- Project Programming Request
- Funding Allocation Checklist
- For Transportation Enhancement (TE) projects, attach the DLA approved TE application
- Others (as required, i.e., State-only funding exception approval, Justification for construction deadlines longer than 36 months, Pre-award Audit Request, Audit Disposition letter, State-only Finance Letter, Local Road Rehabilitation Project Certification, etc.)

Distribution: (1) Original + 1 copy to DLAE
(2) Copy to Regional Planning Agency/County Transportation Commission

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CHAPTER 24 FEDERAL SAFE ROUTES TO SCHOOL**CONTENTS**

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CHAPTER 24 FEDERAL SAFE ROUTES TO SCHOOL

24.1 INTRODUCTION

Building on the success of California's Safe Routes to School Program (SR2S) and other similar programs in other states, Congress authorized a five-year federal funding program to achieve the same purpose nationwide: 1) to enable and encourage children in kindergarten through eighth grade (K-8), including children with disabilities, to safely walk and bicycle to school, 2) to make walking and bicycling to school a more appealing mode choice, and 3) to facilitate the planning, design, and implementation of projects that will improve safety, environment, and overall quality of life.

Section 1404 of Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), authorized the federal Safe Routes to School (SRTS) Program in August, 2005. Consistent with other federal-aid programs, each State Department of Transportation is held responsible for developing and implementing the program. For more information on the program, go to the Safe Routes to School (SRTS) web site at: <http://www.dot.ca.gov/hq/LocalPrograms/saferoutes/saferoutes.htm>

Some expected outcomes of the program include:

- Increased bicycle and pedestrian traffic safety around schools
- More children walking and bicycling to and from schools
- Decreased vehicular traffic congestion around schools
- Reduced childhood obesity
- Improved air quality, community safety and security, and community involvement
- Improved partnerships among schools, local agencies, parents, and other stakeholders

The SRTS program is unique in its overriding emphasis on community participation in the development and implementation of a project. By involving the public, schools, parents, teachers, children, local agencies, the business community, key professionals, and others, a comprehensive and integrated solution to improve safety is likely to develop and be sustained beyond the life of the project. Applications must be for either infrastructure or non-infrastructure projects. Infrastructure projects are capital improvements within a two-mile radius of a grade school or middle school that make it safer or more convenient for children and adults who walk or bicycle to school; i.e. installation of crosswalks, gap closures along sidewalks or bicycle trails, signage. Non-infrastructure projects are education, encouragement, enforcement activities that promote walking and bicycling to school; i.e. public safety awareness campaigns, installation of bicycle racks and lockers in schools, acquisition of mobile vehicle speed monitoring equipment that can be transported from school to school.

Applications that seek SRTS funding for both infrastructure and non-infrastructure in a single application will be disqualified. Those that have the best chance of being funded are those that are clearly for one or the other and contain key elements referred to as the **5 Es - Education, Encouragement, Enforcement, Engineering, and Evaluation.**

- **Education** - Teaching children and adults about the broad range of transportation choices, instructing them in important lifelong bicycling and walking safety skills, launching driver safety campaigns in the vicinity of schools, and involving parents in safety programs.
- **Encouragement** – Using events and activities to promote walking and bicycling; i.e. Walk to School Days, Walking Wednesdays, voluntary Walking School Buses.
- **Enforcement** – Partnering with local law enforcement to ensure traffic laws are obeyed in the vicinity of schools (this includes enforcement of speeds, yielding to pedestrians at crossings, proper walking and bicycling behaviors) and initiating community enforcement such as crossing guard programs or pedestrian right of way/speed compliance operations.
- **Engineering** – Creating operational and physical improvements to the infrastructure surrounding schools that reduce speeds and potential conflicts with motor vehicle traffic, and establish safer and fully accessible crossings, walkways, trails, and bikeways.
- **Evaluation** – Evaluation is a requirement on all projects. Awardees (or the responsible agency) must submit a completed Student Tally and Parent Survey to the National Center for Safe Routes to School within two (2) months prior to and after project implementation during the regular school year. The data must be collected at the target school(s) on two separate days of the same week and sent in hard copy to the National Center for SRTS at this address:

National Center for Safe Routes to School
Attn: Data Center
730 Martin Luther King Jr. Blvd., Suite 300
Chapel Hill, NC 27599

This exercise is intended to assess the project's effectiveness by first establishing a baseline on parental attitudes and the number of children currently walking/ bicycling, and then later, measuring any changes in these areas as a result of the project.

Community volunteers such as service clubs would be natural partners in supporting an SRTS project. For example, members of the Boy Scouts could conduct a walkability audit around a school route to identify the problems, and the information collected might be shared at a city/county workshop to determine the best infrastructure improvement for that route. Any costs associated with education/encouragement/enforcement elements in a typical infrastructure project must be funded by funds that are not from the federal SRTS program. The same applies to engineering elements in a typical non-infrastructure project. Costs associated with evaluation are reimbursable in both project categories.

It should be emphasized that the SRTS Program is a reimbursement program.

Awardees must use their own funds first and submit invoices to Caltrans Local Program Accounting (LPA) for payment. See Chapter 5 "Accounting/Invoices," of the *Local Assistance Procedures Manual (LAPM)*. The LAPM can be found at the Division of Local Assistance (DLA) web site at:

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

24.2 ROLE OF CALTRANS

The California Department of Transportation (Caltrans) administers the SRTS Program in the DLA in partnership with the District Local Assistance Engineers (DLAE) in each of the 12 Districts.

Typical roles include the following:

DLA Safe Routes to School Coordinator

- Provides statewide program guidance to the Districts; i.e., provides project evaluation materials and instructions; assists in the formation of committees to score non-infrastructure projects upon request by the District; conducts outreach through various networks, the Safe Routes to School web site, and at conferences/meetings/workshops.
- Tracks statewide project implementation; reassigns unused funds returned to the DLA.
- Chairs the SRTS Advisory Committee meetings; participates on the SRTS Partnership Network and on bicycle/pedestrian working groups; i.e., California Pedestrian Advisory Committee (CalPed), Active Transportation and Livable Communities (ATLC), the Bicycle/Pedestrian Steering Committee, and the Bicycle/Pedestrian Blueprint subcommittee.
- Obtains the Department's approval on recommended project lists; provides the Districts with an approved project list.
- Forms a DLA management group to validate District project selections.

District Local Assistance Engineers (DLAE)/District SRTS Coordinators

- Notifies applicants of the results after each call for projects.
- Serves as the main point of contact in project implementation after notifying successful applicants of award. DLAEs will accept the Request for Authorization to Proceed by the awardee and prepare the E-76 which initiates the process of obligating funds for the project.
- Serves as the main point of contact on all project-specific questions.
- Forms District project review committees for infrastructure projects and non-infrastructure projects. Develops a recommended project list for transmittal to the DLA SRTS Coordinator and inputs application data into a database.
- Maintains ongoing communication with DLA, public agency awardee, or lead agency.

DLA Area Engineers

- Coordinates with DLAEs on activities related to project implementation.
- Authorizes federal-aid funds on behalf of the FHWA.
- Executes project agreements with local agencies on behalf of the State.
- Interprets and administers procedures, programs, and guidelines required to implement state and federally funded projects, including Title VI requirements and related statutes.

24.3 PARTNERSHIP ROLE OF THE CITY/COUNTY/MPO/RTPA WITH THE NONTRADITIONAL AWARDEE

The City/County/MPO/RTPA serves as the responsible agency for the nontraditional awardee. Nontraditional awardees include: nonprofit organizations, school districts, health/education departments, hospitals, and federally recognized Native American Tribes. This arrangement should be formalized through a signed Memorandum of Understanding (MOU) or Interagency Agreement between the City/County and the nontraditional awardee. If the responsible agency requires compensation for the additional workload involved, a reasonable portion of SRTS funds may be used for payment. That expense must be shown on the Project Cost Estimate. Typical duties of the responsible agency include, but are not limited to:

- Ensures that federal-aid transportation requirements are being met by the nontraditional awardee and the procedures in the LAPM are being followed.
- Submits invoices and progress reports on behalf of the nontraditional awardee.
- Ensures that the Student Tally and Parent Survey are submitted.
- Ensures timely project delivery.

24.4 ROLE OF SRTS ADVISORY COMMITTEE

This multidisciplinary group is comprised of representatives from urban and rural cities and counties, the DLAEs, the SRTS National Partnership, bicycle/pedestrian advocacy organizations, the State Departments of Education and Health Services, the enforcement unit at the State Office of Traffic Safety, the Association of Cities/Counties/Schools Partnership, the Federal Highway Administration (FHWA), the Native American Liaison at Caltrans, and other Caltrans staff. They convene on an as-needed basis to provide policy guidance and program direction. Typical roles include:

- Provides feedback and input to the SRTS Coordinator regarding any proposed changes to the program.
- Participates on project selection committees as needed, or recommends qualified individuals to serve on those committees.
- Assists in conducting SRTS Program outreach and publicize calls for projects through their networks.

24.5 ELIGIBLE APPLICANTS

Any state, local or regional agency, school district, and nontraditional entity as defined in Section 24.3 above are eligible to apply for funds. **Failure to comply with federal requirements may result in mandatory repayment to the State of all SRTS funds received.**

Prior to applying, applicants must familiarize themselves with Title 23 of the U.S. Code of Federal Regulations, LAPM and the *Local Assistance Program Guidelines* (LAPG) to determine whether they have the capacity to comply with the provisions therein.

When seeking federal funds for infrastructure projects a signature from a city/county Public Works Official must accompany the application certifying that the facility will be operated and maintained by that local agency after construction.

24.6 FUNDING

Funds will be apportioned on the basis of student enrollment in each District. SRTS projects are 100 % reimbursable where a determination has been made that all work is eligible. No local match is required.

A statewide funding target of seventy percent (70%) for infrastructure projects and up to thirty percent (30%) for non-infrastructure projects has been established as the goal. California's apportionment total over the life of SAFETEA-LU is approximately \$68 million. Two Federal Fiscal Years (FFY) worth of projects will be programmed in the 4-year Federal Statewide Transportation Improvement Program (FSTIP) in each cycle. Refer to the Safe Routes to School web site for dollar amounts available in each call for projects at: www.dot.ca.gov/hq/LocalPrograms/saferoutes/saferoutes.htm. No Caltrans District will receive less than \$1 million in a cycle.

INAPPROPRIATE USES OF SRTS FUNDS

States are not permitted to use funds for projects that do not specifically serve the stated purpose of the SRTS Program, nor should they be used for recurring costs, except as specifically provided in the legislation. For example, program funds should not be used to pay crossing guard salaries as these are recurring costs. Funds may, however, be used to fund a crossing guard training program.

It is inappropriate for the SRTS funds to be used on projects that are primarily intended to make pick-up and drop-off more convenient for drivers rather than to improve child safety and/or walking and bicycling access. Additionally, funds spent on education programs that are primarily focused on bus safety and/or improvements to bus stops are inappropriate uses of program funds.

24.7 FEDERAL REQUIREMENTS

Awardees must comply with the provision of Title 23 of the U.S. Code of Federal Regulations and the processes and procedures contained in the LAPM and the Master Agreement with Caltrans which contains among other provisions, nondiscrimination assurances. Infrastructure projects and non-infrastructure projects will be placed under different Master Agreements. Again, non-infrastructure and infrastructure project applications involving nontraditional awardees must be signed by a top official from a City/County/MPO/RTPA documenting that they will serve as the responsible agency over the nontraditional awardee.

Reimbursement invoices will be paid by the LPA at Caltrans Headquarters. Refer to Chapter 5, "Accounting/Invoices," of the LAPM for the invoice form. An "Authorization to Proceed with Construction" (Exhibit 3-D "Request for Authorization to Proceed with Construction," of the LAPM) must be obtained before advertisement.

Any work performed by the applicant prior to receiving written "Authorization to Proceed" is not eligible for reimbursement.

Key provisions in the LAPM include but are not limited to:

- National Environmental Policy Act (NEPA) documentation is required on all projects. Refer to the LAPM, Chapter 6, “Environmental Procedures,” for guidance and procedures on complying with NEPA and other federal environmentally related laws.
- SRTS projects that require right of way acquisitions are discouraged. If the project requires additional right of way (the acquisition of real property), the provisions in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 apply. Contact the DLAE for consultation and assistance prior to beginning any right of way work. For more information, refer to Chapter 13, “Right of Way,” of the LAPM. If the project affects school property, it could trigger the need for a Section 4(f) (Protection of Publicly Owned Park, Recreation Area, Wildlife or Waterfowl Refuge, or Land from Historic Sites) evaluation under the NEPA umbrella.
- All bicycle facilities and sidewalks shall be designed in accordance with *California Manual on Uniform Traffic Control Devices* (California MUTCD) and Chapter 11, “Design Standards,” of the LAPM. This chapter also includes design provisions to meet the Americans with Disabilities Act (ADA) requirements.
- If the agency/organization requires the consultation services of architects, landscape architects, land surveyors, or engineers, the procedures outlined in Chapter 10 “Consultant Selection,” of the LAPM must be followed.
- The contract documents are required to incorporate applicable federal requirements such as Davis Bacon wage rates, competitive bidding, Disadvantaged Business Enterprise (DBE)/Equal Employment Opportunity (EEO) provisions, etc. For more information, refer to Chapter 9, “Civil Rights and Disadvantaged Business Enterprises,” and Chapter 12 “Plans, Specifications & Estimate,” of the LAPM.

24.8 PROJECT APPLICATIONS, SELECTION, AND PROGRAMMING

The application form is posted on the SRTS web site. Also see **Exhibit 24-A** “Application Form for Safe Routes to School Funds,” in this chapter. Applicants may submit more than one application. After a call for projects is made, applicants will have approximately twelve (12) weeks to prepare their application(s). A submittal deadline date will be cited when the call is announced. The “Next Steps” document posted on the Safe Routes to School web site at:

<http://www.dot.ca.gov/hq/LocalPrograms/saferoutes/saferoutes.htm> provides an overview of the steps involved in implementing a project.

The project selection process will consist of two steps:

- 1) Separate committees for infrastructure and non-infrastructure applications will be formed in the Districts to objectively and fairly evaluate all applications. It will be the District’s responsibility to form the District committees and develop a recommended project list. Upon request, the DLA Safe Routes to School Coordinator will assist in identifying individuals at the local level who are qualified to evaluate non-infrastructure projects. Districts will score and select infrastructure and non-infrastructure projects up to their funding limits using standardized instructions and guidelines provided by the DLA Safe Routes to School Coordinator. These guidelines will instruct District reviewers on what to look for when evaluating projects and in selecting qualified individuals to serve as reviewers.

- 2) DLA managers will then “validate” the project lists from each District to check for eligibility; ensure that the project is within the funding limit for the District; ensure that the project’s cost and scope are reasonable, and that the agencies that are selected have a history of delivering projects in a timely fashion.

Districts with leftover funds that cannot fully fund their next highest rated project will have the option of: 1) downsizing their next highest priority project, or 2) returning remaining funds to the DLA for re-distribution.

The DLA will provide copies of the project list to the Division of Transportation Programming (Programming) which is responsible for notifying MPOs to amend new SRTS projects into the FTIP and amending projects for non-MPO counties into the FSTIP. This step takes between two (2) to six (6) months.

Awardees will be responsible for contacting their MPO to find out whether their project has been amended into the FSTIP by going to:

http://www.dot.ca.gov/hq/transprog/federal/ftip_amendments/tip_2006.htm

24.9 PROGRESS REPORTS

A Progress Report will be used to document completed activities for infrastructure and non-infrastructure projects. Refer to the Safe Routes to School web site to download the “SRTS Project Progress Report for Infrastructure and Non-Infrastructure Projects.” It must be completed no less than every six (6) months and mailed to the DLAE. Non-compliance could place the project on an inactive list which could result in funds being deobligated.

24.10 DEADLINES

The Request for Authorization to Proceed should be submitted to the DLAE soon after the project is amended into the FSTIP, since projects must be obligated within six (6) months after being programmed. “Obligated” means that the FHWA has approved federal SRTS funds for that project. The six (6) month time frame begins at the time the project is amended into the FSTIP.

Invoices for payment must be submitted at a minimum every six (6) months in order for a project to be considered active. Refer to the LAPM for the Invoice Form (Exhibit 16-L “Sample Federal-Aid Invoice”).

Projects must be delivered—the final invoice paid, and the project closed out within four (4) FFYs after the project is obligated. A FFY runs from October 1 to September 30.

24.11 BEFORE/AFTER REPORTS

Within two (2) months prior to and after project implementation during the regular school year, the target school(s) must collect data on two (2) separate days within the same week, using the Student Tally and Parent Survey posted on the Safe Routes to School. They are posted on the Safe Routes to School web site. This data must be submitted in hard copy to the National Center for SRTS. Refer to Section 24.1 “Evaluation” in this chapter for the address.

24.12 PROJECT CATEGORIES

(A) INFRASTRUCTURE

DEFINITION

Infrastructure projects are engineering projects or capital improvements that will substantially improve safety and the ability of students to walk and bicycle to school. They typically involve the planning, design, and construction of facilities within a two-mile radius from a grade school or middle school.

The maximum funding cap for an infrastructure project is \$1 million. Caltrans does not set minimum caps. The project cost estimate may include eligible direct and indirect costs.

ELIGIBLE PROJECTS

Projects that are proposed on State right of way should have a letter of acceptance from the State; i.e., District Director or Deputy Director of Maintenance and Operations approval. Eligible projects may include but are not limited to:

- New bicycle trails and paths, bicycle racks, bicycle lane striping and widening, new sidewalks, widening of sidewalks, sidewalk gap closures, curbs, gutters, and curb ramps. Also includes new pedestrian trails, paths, and pedestrian over and under crossings, roundabouts, bulb-outs, speed bumps, raised intersections, median refuges, narrowed traffic lanes, lane reductions, full or half-street closures, and other speed reduction techniques.
- Included in the category of traffic control devices are: new or upgraded traffic signals, crosswalks, pavement markings, traffic signs, traffic stripes, in-roadway crosswalk lights, flashing beacons, bicycle-sensitive signal actuation devices, pedestrian countdown signals, vehicle speed feedback signs, pedestrian activated upgrades, and all other pedestrian and bicycle-related traffic control devices. Note: Applications that include traffic control devices that require minimum “warrants” to be satisfied prior to their installation must attach the warrant sheets to the application. Traffic Control Devices which are not in compliance with the *FHWA Manual on Uniform Traffic Control Devices (MUTCD)* and the *California Supplement* will not be approved for installation unless the applicant receives approval to experiment with a traffic control device under the processes described below. A local agency which proposes to install an experimental traffic control device on a public roadway shall follow the process prescribed in Section 1A.10, of the California MUTCD. The California MUTCD is available at the following web site: www.dot.ca.gov/hq/traffops/signtech/mutcdsupp/.

The local agency shall also comply with the experimental process of the California MUTCD Committee. For more information on that process go to: www.dot.ca.gov/hq/traffops/signtech/newtech/others/guidelines-exp.pdf.

(B) NON-INFRASTRUCTURE PROJECTS

DEFINITION

Non-infrastructure projects are education/encouragement/enforcement activities that are intended to change community behavior, attitudes, and social norms to make it safer for children in Grades K-8 to walk and bicycle to school.

Non-infrastructure projects should increase the likelihood of programs becoming institutionalized once in place. Deliverables from a non-infrastructure project must be clearly stated in the application and tangible samples must be attached to the final invoice or Progress Report; i.e., sample training materials or promotional brochures.

The funding cap for a non-infrastructure project is \$500,000. Multi-year funding allows the applicant to staff up and deliver their project over the course of four (4) years, thereby reducing overhead and increasing project sustainability. Caltrans does not set minimum caps. Each applicant must determine for itself how much funding is needed to cover their own administrative costs.

ELIGIBLE PROJECTS

Eligible projects may target a single local school or school district, or the State as a whole. In Cycle 1 the University of California, San Francisco was selected to serve as a resource to all grade schools and middle schools statewide once under agreement and fully staffed up.

The most effective non-infrastructure activities are conducted within the framework of a community coalition. Thus, it is strongly suggested that an SRTS community coalition be established. A Walkable/Bikeable Community Workshop convenes community stakeholders to identify, and then pursue concrete steps to make the community more walkable and bikeable. The workshop serves as the impetus to bring together key partners, including schools, elected officials, local government, parks and recreation, law enforcement, emergency services, public health, business owners, residents, advocacy groups and other organizations that can serve as core members of a community coalition to design and implement a plan which incorporates the five Es. Examples of non-infrastructure projects might include but are not limited to:

AT LOCAL/REGIONAL/DISTRICT LEVEL

- Hires a Program Manager to coordinate SRTS efforts and volunteers at several schools.
- Conducts a Walkable Community Workshop which includes a walk and bike audit.
- Provides a community with walkability checklist.
- Provides modest incentives for SRTS contests, and incentives that encourage more walking and bicycling over time.
- Pays for a substitute teacher if needed to cover for faculty attending SRTS functions during school hours.
- Procures equipment and training needed for establishing crossing guard programs.
- Conducts outreach to local press and community leaders.
- Pays for the cost of additional traffic enforcement or equipment needed for enforcement activities.

- Pays for traffic education and enforcement in the vicinity of schools.
- Forms student sessions on bicycle and pedestrian safety, health, and environmental impacts.
- Develops “Suggested SRTS Maps.”

24.13 REFERENCES

GENERAL

- Title 23, United States Code of Federal Regulations, Sections 120 and 152
- California Streets and Highways Code, Sections 890-894 and 2330-2334
- Caltrans *Local Assistance Program Guidelines* (LAPG)
- Caltrans *Local Assistance Procedures Manual* (LAPM)
- Department of Labor Home Page at: <http://origin.www.gpo.gov/davisbacon/>
- Safe Routes to School Guide: <http://www.saferoutesinfo.org/guide/>
- Caltrans Bicycle and Pedestrian Program Contacts:
- <http://www.dot.ca.gov/hq/tpp/offices/bike/contacts.html>
- Caltrans Division of Local Assistance Home Page:
<http://www.dot.ca.gov/hq/LocalPrograms/>
- Pedestrian and Bicycle Information Center Federal Highway Administration Safe Routes to School: <http://safety.fhwa.dot.gov/saferoutes/index.htm>

INFRASTRUCTURE PROJECTS

- Caltrans *Highway Design Manual*
- *Manual on Uniform Traffic Control Devices* and *MUTCD California Supplement*
- *AASHTO: A Policy on Geometric Design of Highways and Streets*
- *Standard Environmental Reference* (SER) web site at:
<http://www.dot.ca.gov/ser/vol1/vol1.htm>

NON-INFRASTRUCTURE PROJECTS

- Walking School Bus: <http://www.walkingschoolbus.org/>
- National Highway Traffic Safety Administration:
<http://www.nhtsa.dot.gov/people/injury/pedbimot/bike/Safe-Routes-2004/pages/section-2.htm>

EXHIBIT 24-A

Application for Federal Safe Routes to School Funding

Check one:

This application is for: Infrastructure project
 Non-infrastructure project

This application is to be completed when seeking funds for infrastructure and/or non-infrastructure projects from the federal Safe Routes to School (SRTS) program. It consists of six (6) parts which asks for the following information:

PART 1: General Information About the Applicant**PART 2:** General Information About the Project**PART 3:** Organization Background and Capacity**PART 4:** Detailed Information About the Project**PART 5:** Project Cost Estimates**PART 6:** Project Delivery Schedule

NOTE: Applicants can recreate this application form, however, the format and all questions must remain exactly the same as presented and submitted with attachments in hard copy to your Caltrans District Local Assistance Engineer (DLAE). Please submit three (3) sets of the application package to the DLAE in your Caltrans District Office. Refer to the DLA web site for the DLAE in your District and their mailing address: <http://www.dot.ca.gov/hq/LocalPrograms/dlae.htm>.

Applications from nontraditional applicants (school districts, nonprofit organizations, public health/education departments, federally recognized Native American Tribes, hospitals) must be accompanied by a signature from a top official from a City/County/Metropolitan Planning Organization (MPO)/Regional Transportation Planning Agency (RTPA) certifying that they will agree to be the responsible agency over the nontraditional awardee. If a nontraditional applicant is awarded funds for an infrastructure project, a signature is required from a public works official from the public agency certifying that they agree to operate and maintain the facility after construction.

An incomplete application will be disqualified from review. The entire application text must not exceed 30 pages. Maps, photographs, and Letters of Support may be included in the application package separately as attachments and will not be counted as part of the 30 page limit. **All Letters of Support to Caltrans must be directed to “To Whom it May Concern.” Do not send them directly to the Director at Caltrans Headquarters or District Director.**

Applications must be stapled in the upper left-hand corner. Those bound by any other means will not be accepted; i.e., binders, protective covers, spiral threading, etc. If you wish to submit a transmittal letter, please attach it to the application with a removable binder clip.

PART 1: General Information About the Applicant

Name of applicant (or responsible agency):

If a nontraditional applicant, name of responsible City/County/MPO/RTPA that has agreed to partner with the applicant:

Name and title of contact person responsible for this project:

Name, title, and signature of top official from a City/County/MPO/RTPA (if applicable):
_____ (Type here and sign below)

Mailing address of responsible contact person responsible for this project:

Street address: _____ City: _____ County: _____ Zip: _____

Telephone number of contact person responsible for the project: _____

E-mail address of contact person responsible for the project: _____

Fax number of contact person responsible for the project: _____

PART 2: General Information About the Project

Check all of the areas that you will use SRTS funds for:

Education Encouragement Enforcement Engineering

State Legislative District(s): Senate _____ Assembly _____

Caltrans District: ____

Metropolitan Planning Organization (MPO)/Regional Transportation Planning Agency (RTPA):

Project title:

Clearly state the specific deliverables that will result from your project:

Identify other safety efforts already underway in your locale that may complement your project:

Brief description of project:

Brief description of targeted location; i.e., urban/rural/suburban setting, geographic characteristics, etc.:

Identify the names of school(s) in the target area, the total student enrollment in each of the schools, and approximate number of children who currently walk/bicycle to school:

If submitting more than one application, the priority number of this application: _____

Total number of project applications being submitted: _____

PART 3: Organization Background and Capacity

1. Provide a brief overview of your organization if the applicant is a nontraditional applicant (example, a mission statement, geographical area served, experience with projects similar to the one proposed, etc).

PART 4: Detailed Information About the Project(s)

When seeking funds for infrastructure projects, the following four (4) documents must be attached to this application:

1. A clear, color rendering of a general map showing the location of all proposed improvements and their proximity to the school and school routes within the two-mile radius.
2. A clear site plan for each improvement location showing existing and proposed conditions, preferably in color.
3. Detailed Engineer's Estimate (use form posted on the Division of Local Assistance Home Page in the internet under SRTS located at: www.dot.ca.gov/hq/LocalPrograms).
4. Completed "warrant" sheets per the California MUTCD for projects with traffic control devices (if required).

For both infrastructure and non-infrastructure projects, applicants are encouraged to provide letters of support from project partners and advocacy groups. These letters should be attached to the back of this application and do not count toward the total number of pages that are allowed.

Please respond to the following eight (8) statements when seeking infrastructure or non-infrastructure funds. They must be answered in sufficient detail and clarity to enable the review committee to fully understand your proposed project. They will be evaluated against all the other project proposals received. Refer to Section 24.6 of the SRTS Guidelines which explains the project selection process.

NOTE: The Evaluation element is a requirement of the program. It is not an option. It involves preparation of the Student Tally and Parent Survey at the beginning and end of the SRTS project in the target school(s). Forms along with data collection descriptions and instructions are posted on the Safe Routes to School web site. All applicants must provide the requested data to the National Center for Safe Routes to School at the completion of their project. The purpose is to determine the project's effectiveness in increasing the number of children walking and bicycling to school.

1. Describe the extent to which your project incorporates elements of the following 5 Es, and identify the individual and agency/organization responsible for the implementation of each element (maximum: 20 pts.)

If an Infrastructure Project:

- Engineering – Participation by engineers in providing correct technical information, oversight of construction facilities, conducting engineering studies, providing engineering data, consulting with engineers, etc. (11 pts.)

- Education – Programs that improve safety and convenience for children who walk or bicycle to school; i.e., public safety awareness campaigns or safety training. (3 pts.)
- Encouragement – Activities that promote walking and bicycling to school; i.e., providing incentives to children who are physically active, introducing children and parents to walking and bicycling through Walk to School Day events, “Walking Wednesdays,” purchasing and distributing bicycle helmets, etc. (3 pts.)
- Enforcement – Participation by law enforcement in the development and implementation of a project; i.e., ensuring safe speed limits are posted near schools, ticketing abusers, conducting safety check points, etc. (3 pts.)

If a Non-infrastructure Project:

- Education – See description above. (10 pts.)
- Encouragement – See description above. (5 pts.)
- Enforcement – See description above. (3 pts.)
- Engineering – See description above. (2 pts.)

2. Cite the names and organizations/agencies that contributed to the development of a plan for this application and explain how they will continue to be involved in the project if it is funded; that is, formation of an ongoing “team.” (10 pts.)

- Was there representation from the school, parents, professionals in the areas of health, transportation, enforcement, local elected officials, and other key members of the community in formulating this project? (5 pts.)
- Describe the collaborative process followed in the development of this project and the individual contributions of each. (5 pts.)

3. Does the applicant have a commitment from other agencies and organizations to have a role in implementing the project once awarded? (maximum: 5 pts.)

- Cite the name, title, and contact information of the individual responsible for ensuring completion of this project. (3 pts.)
- Has the commitment been formalized? Please describe. (2 pts.)

4. Describe in detail any other efforts within the agency or organization that are planned or underway to support or compliment the proposed project. (maximum: 10 pts.)

- Cite any funding commitments that have been made by agencies or organizations to sustain this project. (5 pts.)
 - Is this project consistent with the goals and objectives of local or regional planning documents; i.e., City/County Master Plan or General Plan, School Safety Plan, Circulation Plan, etc.? (5 pts.)
-

-
5. Describe the safety-risks children currently encounter at the project location when walking or bicycling to school. Include supporting data such as accident reports, survey results, etc. (maximum: 15 pts.)
- How was the determination made for each of the risks? (3 pts.)
 - Describe the extent and severity of the risks; namely, fatalities, injuries. (2 pts.)
 - Describe the safety-risks; namely, high vehicular speeds along two-lane roadways without sidewalks exposing children to debris, mud, overgrown vegetation, etc. or recently reported abductions/kidnappings/peer bullying/gang assaults reported against children along commute routes. (10 pts.)
-
6. Describe how this project will correct the risks identified above. (maximum: 15 pts.)
- Describe the specific “fixes” for each of the risks identified above. (10 pts.)
 - Describe the range of alternatives considered. (5 pts.)
-
7. Describe how this project will increase walking and bicycling to school. (maximum: 15 pts.)
- What barriers will be removed to allow for increased walking and bicycling? (10 pts.)
 - Describe how increased walking and bicycling among students will be sustained. (5 pts.)
-
8. Describe in detail, your agency or organization’s capacity to undertake this project. (10 pts.)
- Cite how the lead agency has managed other federal grants. (5 points)
 - Who (staff persons and/or volunteers) will be working on this project and what are their roles and responsibilities? (2 pts.)
 - Do you have other funding resources available for this project in addition to SRTS funds to cover any cost overruns? (3 pts.)
-

PART 5: Project Cost Estimate

Please provide cost estimate figures in the formats displayed below.

FOR INFRASTRUCTURE PROJECTS:

PROJECT COST ESTIMATE (as applicable)**

	SRTS \$	Other \$	Total \$
Preliminary Engineering			
Environmental			\$0.00
PS&E			\$0.00
Right of Way			
Engineering			\$0.00
Appraisals & Acquisitions			\$0.00
Utilities			\$0.00
Construction			
Construction			\$0.00
Construction Engineering			\$0.00
Before/After Evaluation			
City/County Partnership Costs			
			\$0.00
Subtotal	\$0.00	\$0.00	\$0.00
Contingency*			\$0.00
Total Project Cost**	\$0.00	\$0.00	\$0.00

*Contingency "Total Cost" may not exceed 10% of the "Subtotal"; however, exceptions will be considered on a case-by-case basis.

**SRTS funds may not exceed \$1,000,000

Has a non-infrastructure grant been submitted or approved to complement this infrastructure improvement?

Yes No

FOR NON-INFRASTRUCTURE PROJECTS:

PROJECT COST ESTIMATE (as applicable)**

	SRTS \$	Other \$	Total \$
Staff Time			\$0.00
Contractual Services*			\$0.00
Materials			\$0.00
Other Direct Costs			\$0.00
Before/After Evaluation			\$0.00
City/County Partnership Costs			\$0.00
Total**	\$0.00	\$0.00	\$0.00

*No copyright permitted on materials.

**SRTS funds may not exceed \$500,000.

PART 6: Project Delivery Schedule

Please provide estimated completion dates for the major milestones on your project.

Target Dates for Infrastructure Projects:

- 1. Obtain Authorization to Proceed with Preliminary Engineering (PE) _____
- 2. Complete Student Tally and Parent Survey..... _____
- 3. Complete the NEPA document _____
- 4. Submit first invoice _____
- 5. Complete final design and Plans, Specifications, & Estimate (PS&E)..... _____
- 6. Obtain Authorization to Proceed with Right of Way _____
- 7. Obtain Right of Way Clearance (certification)..... _____
- 8. Obtain project Authorization to Proceed with Construction _____
- 9. Award Construction Contract _____
- 10. Complete construction _____
- 11. Submit second Student Tally and Parent Survey results _____
- 12. Submit final invoice with a report of expenditures, and close out the project _____

Target Dates for Non-Infrastructure Projects (as applicable):

- 1. Obtain Federal Authorization to Proceed _____
- 2. Submit Student Tally and Parent Survey results _____
- 3. Submit first invoice _____
- 4. Complete project and produce deliverables _____
- 5. Submit second Student Tally and Parent Survey results _____
- 6. Submit final invoice with a report of expenditures and close out the project _____

Distribution: 1) Applicants, 2) DLAES, 3) Chief, DLA, 4) Chief, Project Delivery & Safety
5) DLA Safe Routes to School Coord., 6) DLA Area Engineers

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FINANCIAL GUIDELINES
FOR LOCAL AGENCY REIMBURSEMENT

Flexible Congestion Relief program
Traffic System Management program
Transit Capital Improvement program
Environmental Enhancement & Mitigation program
State rail bond programs (Proposition 108 & 116)

As Adopted by the
California Transportation Commission
on June 20, 1991

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FINANCIAL GUIDELINES

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FINANCIAL GUIDELINES For Local Agency Reimbursement

I. STATUTORY AUTHORITY AND PURPOSE

A. AUTHORITY

These Financial Guidelines are called for in Section 164.4 of the Streets and Highways Code, which requires the guidelines be prepared by the Department of Transportation (Caltrans) in consultation with local transportation officials, and adopted by the California Transportation Commission (Commission). These financial guidelines take effect as of July 1, 1991, and their requirements apply to project approval, funding allocation, and reimbursement activities from that date onward, superseding interim guidelines under which Caltrans operated before that date.

The Commission may revise the financial guidelines as necessary, as changes may be made in financial policy, in consultation with local transportation officials and Caltrans.

B. PURPOSE AND INTENT

The statutory purpose of the Financial Guidelines is to establish financial policies that will be applied to local agency projects in the State transportation program. The Legislative intent in requiring the establishment of Financial Guidelines is to insure that, before candidate projects reach the funding stage, all local agencies understand the financial policies that will be applied to fund requests. Section 164.4 of the Streets and Highways Code also expresses the Legislature's intent that:

- (1) The costs of administering the programs are minimized through simplification of processes.
- (2) State funds are not used to pay local costs associated with administering the programs.
- (3) Local funds are not used to pay State administrative costs.
- (4) Appropriate controls are in place to ensure accountability for fund and project management.

In line with legislative intent, the Commission intends that these guidelines be set out as a practical handbook for agencies that have not previously sought State funding. The financial guidelines describe a State reimbursement process, because the State generally does not provide local agency grants in the form of up-front funding.

C. PROGRAM COVERAGE

These guidelines apply to all projects to be built by local agencies using partial or full State funding from the following State programs:

- Traffic System Management (TSM) program,
- Flexible Congestion Relief (FCR) program,
- Transit Capital Improvement (TCI) program, and
- Environmental Enhancement & Mitigation (EEM) program.

These guidelines apply in general terms to all projects to be built by local agencies using State bond funding, which to date include the following State programs:

- Commuter & Urban Rail Transit program in the STIP from Proposition 108 of 1990 and future bond acts of 1992 and 1994,
- Clean Air & Transportation Improvement Act projects from Proposition 116 of 1990,

with the understanding that all projects using State bond funding must also comply with additional specific guidelines from Caltrans and the State Treasurer's Office, with extra steps and requirements necessary for the State bond process.

These guidelines do not apply to projects for which the only Federal or State funding comes under the following programs:

- State/Local Partnership program,
- direct Federal local assistance programs, such as UMTA capital grants, FAU and FAS, and
- projects in any program to be built by Caltrans with local funding participation.

The statute requires financial guidelines only for the Flexible Congestion Relief (FCR) and Traffic System Management (TSM) programs, but the Commission approves local agency grants for the Transit Capital Improvement (TCI) program, Environmental Enhancement & Mitigation (EEM) program, and State rail bond projects as well. The Commission intends that these financial guidelines apply to local agency grants from all of these programs (although additional steps beyond these guidelines are necessary for rail bond projects), so that the process of getting State reimbursement can be as uniform and straightforward as possible.

D. ACTIVITY COVERAGE

These guidelines apply only after projects have already gotten into a State program. They cover activities relating to State financial reimbursement during or after project implementation:

- submittal of the project for approval that it fulfills the intent of State programming;
- request for allocation of funding to the project from within the State program;
- progress reporting and project inspection;
- billing for reimbursement of project expenditures with State funds; and
- project completion and audit.

Earlier activities relating to programming, including application to get into the State program, State review and priority setting, and State programming, are covered elsewhere in STIP/RTIP guidelines and a series of guidelines for each of the State programs.

To meet Legislative and Commission intent, these guidelines in large measure compile existing financial policies from various State, Federally and locally funded programs. Therefore, rather than establishing new financial policies, these guidelines bring together, restate, and simplify existing key financial policies and procedures.

E. COOPERATIVE EFFORT

Close working relationships must be maintained at the State and local level from the preliminary planning stages through project completion. Projects rarely can be moved from programming through construction without changes that affect cost or schedule. The process of getting a project into the State program, building it, and getting State reimbursement has many steps where the State and local agencies must interact. It is through these partnerships that general types of problems as well as specific problems can be identified and avoided or solved.

Both the Commission and Caltrans are partners with the local agency on a project. Caltrans will handle business with the Commission on a routine basis for all but the largest and most involved projects. Caltrans' District will be the local agency's normal State contact point.

The close working relationship with Caltrans is particularly important for projects using Federal funds, because of Federal procedural requirements, and rail bond projects, with extra steps in the State process and critical timing issues.

Caltrans district also provides technical assistance and advice for any of the steps in the State process or documents needed for State approvals.

II. ELIGIBILITY

A. ELIGIBLE AGENCIES

These financial guidelines apply to any local agency seeking State funding as reimbursement for a project in the State Transportation Improvement Program (STIP), Traffic System Management (TSM) program, Transit Capital Improvement (TCI) program, Environmental Enhancement & Mitigation (EEM) program or State rail bond programs. The agency to be reimbursed should be the government agency responsible for the financial and construction management of the project. This could include cities, counties, transit operators, county sales tax authorities, regional transportation planning agencies, and other special districts, except in the EEM program quasi-public, non-profit, and private agencies are also eligible to finance and build projects.

B. ELIGIBLE PROJECTS AND FUNDING SOURCES

These financial guidelines govern local agency reimbursement for projects in the programs listed above in Section I-C, from the following funding sources:

- State Highway Account, with State and in some cases Federal funds for the FCR and TSM programs,
- Transportation Planning & Development Account, with State funds for the TCI program,
- Environmental Enhancement & Mitigation Fund, with State funds for the EEM program (which are State highway revenues so EEM projects must be regarded as highway projects within these financial guidelines),
- Passenger Rail and Clean Air Bond Fund, with State bond funds from Proposition 108 of 1990 and future bond acts scheduled for 1992 and 1994, and
- Clean Air & Transportation Improvement Fund, with State bond funds from Proposition 116 of 1990.

Funding from any of these accounts and funds is subject to annual appropriation by the Legislature in the State Budget, including the bond programs for which the Legislature must appropriate debt service payments which control the level of bonds that can be issued.

As a general policy, the State will use Federal funds only on State highway system projects. Projects off the State highway system should be proposed under the assumption that they will be funded with State and local funds only. This will simplify the process for local agencies. This policy is subject to change if State revenues decline, or new Federal programs or funding policies are set up in the new Federal Surface Transportation Act of 1991. Exceptions to this general policy will primarily apply to large projects where Federal funds could conserve a significant amount of State resources. The State will attempt to identify such exceptions at the time of program adoption, because current Federal procedures will have to be followed throughout the project process.

C. ELIGIBLE COSTS

As a general rule, all costs attributable to a transportation project are eligible for funding. These include direct costs for engineering, right-of-way, and construction, and indirect agency overhead costs related to the project. Agency costs for program administration are not eligible. State reimbursement for certain kinds of costs is limited, as laid out below in Chapter IV.

All direct costs are generally eligible:

- Project Development: Eligible costs include all preliminary work up to contract award related to the project, including but not limited to environmental studies, preliminary surveys and reports, laboratory work, soil investigations, preparation of plans, designs, specification, advertising for bids and awarding contract as well as Project Development Oversight, Project Development Contract Administration and Right of Way staff support costs;
- Right of Way: Costs associated with real property acquisition including relocation assistance payments, property demolition and clearance, certification, utility relocation costs and right of way staff support, are eligible for reimbursement. Any costs associated with acquisition and disposal of excess land and any right of way acquired prior to environmental clearance or prior to the project's adoption into the State program are not reimbursable;
- Construction Engineering: Eligible costs include actual inspection and supervision of construction work, construction staking, laboratory and field testing, preparation and processing of field reports and records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities; and
- Construction: Eligible costs include all work performed through construction contracts and contract change orders, as well as State or local agency furnished materials and equipment.

Indirect support costs that are spread among and attributable to more than one cost activity or functional unit are eligible for State reimbursement, according to Section 8752.1 of the State Administrative Manual. Eligible indirect costs include:

- Agency management: Personal services costs, for unit, bureau, division, and departmental administrative, supervisory and executive staff;
- Support units: Personal services costs, including clerical support, housekeeping, etc.; and
- Operating expenses and equipment costs for work on the project which has not been included as part of direct costs.

Ineligible Costs: A local agency may not bill the State for reimbursement for four types of costs:

- General program administration costs of the agency, such as the effort involved in preparing and reviewing project and program proposals, preparation and processing of funding requests, inter-agency coordination and agreement preparation costs, and general costs associated with program implementation and management;
- Any kind of work done before a project is adopted into the State program or any costs incurred in excess of a project approval;
- Financial costs of local agency borrowing that may be used to cover expenditures during project implementation (State policy on advancing funds in local agency hardship situations is laid out in Chapter VII below);
- Final audit of the project.

These costs will be funded by the agency incurring the costs.

III. STEPS FOR STATE APPROVAL

A. COMMISSION APPROVALS OF PROJECT AND FUNDING

The Commission takes two actions for a project with a local agency grant. The Commission must approve that a project has met the intent of what is in the State program, and allocate funding to the project from within the program and State Budget. The Commission's two steps are called project approval and funding allocation, and are described in more detail in Commission Resolutions #G-91-9 and G-91-10.

Project approval is the Commission's contract with the local agency for State funding participation in the project, as shown in the appropriate State program, for future funding allocation subject to annual

legislative appropriation. In making a project approval, the Commission approves the project concept, the amount of State participation in project funding, and a proposed reimbursement schedule for the State funding share, and verifies that any other funding needed to complete the project is committed. A project approval reserves the State funding within the program, and allows work to be undertaken to complete the project for later State reimbursement.

The Commission may make a project approval covering all aspects of a project, or a series of partial project approvals for certain component stages, or a provisional project approval. Local agencies commonly will apply for a partial project approval for preliminary engineering and environmental work, and later seek project approval covering final engineering, right-of-way, and construction. The Commission may also give provisional project approval with stated conditions that must be fulfilled subsequently, for example where the financial plan for later stages of a large project is uncertain or incomplete.

The Commission requires a description of scope, work schedule, cost, and reimbursement schedule when making a partial project approval covering project development (non-capital) work only. A local agency may apply for a partial project approval for project development any time after a project has been adopted into the State program.

For a project approval covering construction, however, the Commission requires:

- A completed environmental document including project description and cost;
- A project schedule including agency responsibilities and major cost components through project construction;
- A project financial plan showing all funding sources and the stages of the project to which each will be applied; and
- A cash expenditure and reimbursement plan showing a schedule of both project cash expenditures by the local agency and expected State reimbursements.
- Compliance with any applicable Commission policies and program guidelines.

The Commission expects the amount and detail of information about a project to correspond to the size and complexity of the project and State funding participation. A financial plan and cash reimbursement plan can be one-line statements for smaller projects that expect State reimbursement in a single lump sum after project completion. However, the funding request must identify the State fiscal year in which reimbursement will be requested.

Funding allocation assigns State funding to projects within a given fiscal year from the legislative appropriation in the State Budget, for reimbursement of expenditures on the project, following the cash expenditure plan for the project and progress in completing work. Funding allocation is a ministerial action unless the Legislature does not appropriate enough funds for all projects during a fiscal year, or progress toward completing the project fails to occur. The Commission only makes funding allocations cumulatively to a project up to the total State funding share shown for the project in the State program.

The Commission may make project approval and funding allocations simultaneously for project development stages, or for small projects where all State reimbursement is to be done within one fiscal year. A project approval may extend across several fiscal years, but a funding allocation is tied to a specific fiscal year budget, and covers activities that can only extend out for three years.

If a local agency needs approval to begin expending local funds for use as future local match for State reimbursement, or if a local agency needs State funding in advance to manage project cash flow, an additional step is required at the front end of this process. The Commission must approve advance expenditure for use later as local match, or State funding in advance. The Commission has adopted guidelines for approval of advance expenditure for future local match, dated May 1991, per Chapter 993 of 1990 Statutes (SB 2800). The subject of advancing State funds is discussed below in Section VII.

B. CALTRANS APPROVALS FOR PROJECT ADMINISTRATION

Caltrans takes three actions on a project in its role as administrator of a local agency grant. Caltrans must approve the agency's capability to do the project, the project components and expected repayment schedule, and the completed work for final payment. Caltrans' three steps are called master agreement, project agreement, and project completion. Caltrans uses existing legal documents to complete its approval steps, but the documents are different for highway or transit projects.

Master agreement is Caltrans' review and approval of a local agency's financial and project management process. For highway projects, this first step is called a master agreement; for transit guideway projects the first step is called SB 580 review. A local agency is encouraged to get a master agreement or SB 580 review done early, soon after it gets a project in the State program, especially if its project is a large and complex one, or its later approvals may be slowed down. A separate master agreement is not needed for every project if a local agency has a recent master agreement covering work of similar complexity.

Project agreement is Caltrans' contract with the local agency for the project concept and completion of work, and the State reimbursement for progress of work. The project agreement is called a program supplement for highway projects, and for transit projects it is called the Fund Transfer Agreement. It covers specific project details, activities, and schedules, for future monitoring and audit. Commission project approval usually comes before Caltrans' project agreement, but Caltrans must complete its project agreement before or immediately following Commission funding allocation.

Specific guidance and sample documents explaining these steps in more detail are available, for highway projects from Caltrans District Local Street & Road branch or Caltrans Headquarters Office of Local Streets and Roads, and for transit projects from Caltrans District Public Transit branch or Caltrans Headquarters Division of Rail. Examples of these documents are attached (see Appendices A-1 through A-4).

Project completion is Caltrans' approval that all work identified in the Program Supplement or Fund Transfer Agreement and amendments has been completed and final costs are known. Caltrans may inspect the completed project in whatever detail it finds necessary, depending on how closely it has followed project construction. With project completion Caltrans releases final reimbursement payment to the local agency.

IV. PROJECT REQUIREMENTS

A. GENERAL REQUIREMENTS FOR ALL PROJECTS

The Commission allocates funding to specified projects, not to an agency or its overall program. Funds may only be expended for the project for which they were allocated.

The Commission has a policy that State funds shall be used on a project with a mix of several funding sources spread proportionally throughout the project, unless the Commission has agreed to a different distribution beforehand. In general, this means that if State funds are 40% of a project's total cost, State funds will be 40% of each component or individual contract within the project, or will be 40% of the cost of several components or individual contracts going simultaneously.

The Commission also expects local agencies to make timely use of State funds which are allocated to projects, so that funds do not sit encumbered but unused in State accounts when they could otherwise be made available for other projects elsewhere. This provision is particularly important for transit projects using State rail bonds, because of State arbitrage requirements on tax exempt bonds and State bond interest carrying costs for allocated funds. These requirements are spelled out in more detail in Commission Resolution #G-89-13, the Commuter & Urban Rail Transit program guidelines, and State bond program guidelines from Caltrans and the State Treasurer's Office.

B. SEQUENCE OF WORK AND FUNDING ACTIONS

Local agencies must be specific about the kinds of expenditures and fiscal year timing when requesting reimbursement. The State Budget authorization for expenditure of State funds for local reimbursement is tied to fiscal year limits, and the Commission must allocate funds from the program to specific projects and project activities before any reimbursements can be made. State Budget requirements are different for highway and transit projects, by statute.

All State expenditures to reimburse local agencies covered in these financial guidelines fall under the Local Assistance category in the State Budget, which has specific requirements. The following is a general guide for project timing under the Local Assistance category, with several exceptions and clarifications described elsewhere throughout this Chapter IV:

- local agency may start reimbursable project development work any time after the date a project is adopted into a State program;
- local agency cannot undertake reimbursable capital outlay work before both project approval by the Commission and project agreement with Caltrans;
- local agency cannot actually get reimbursement for any work being done until after funding allocation by the Commission;
- local agency is expected to start project development work no later than three months after Commission funding allocation for that purpose, and is expected to award a construction contract within six months of Commission funding allocation for project construction;
- local agency must complete both the work to be reimbursed and the actual reimbursement payment within two years following the fiscal year in which the Commission makes a funding allocation.

The following exceptions and clarifications should be noted:

- State reimbursement for non-capital expenditures is limited by statute and Commission policy, as described below in Sections IV-C and IV-D.
- Project development work done after adoption of the program, but prior to a Commission funding allocation, may be reimbursed, but is done by the local agency at risk that the State Budget may not have enough funding for full reimbursement in the current year.

- Local agencies may request and the Commission may approve a funding allocation during the fiscal year in which work is to be started, or up to three months beforehand. A funding allocation made during the last three months of a fiscal year may include simultaneous approval of further funding allocation for the next fiscal year. Actual reimbursement can take place only after the State Budget has been enacted and signed.
- For the TSM and EEM programs, the Commission must make the funding allocation(s) to a project during the fiscal year in which the project is in the program, because program authority expires at the end of each fiscal year (although budget authorization for expenditures and reimbursements does not), as described below in Section IV-E.
- For the TCI program, the Commission by statute has three fiscal years to make the funding allocation(s) to a project, starting at the fiscal year in which the project is in the program (with two additional years to complete work and reimbursement after the year of allocation).
- For the FCR and rail bond programs, the Commission makes the funding allocation(s) to projects when work is ready for reimbursement or construction is to begin, in competition among other projects seeking the funding available from that fiscal year's State Budget.
- A local agency should consider how long it will take to complete work and get reimbursement when deciding the amount and timing of funding allocation request(s) to the Commission. This is especially critical for projects funded with State bonds. Commission funding allocation for construction (and construction engineering) typically covers the entire cost of the project, or the stage being approved, unless construction is expected to extend beyond three years. Caltrans will need about 60 days for project completion approval and payment of final reimbursement.
- Commission policy calls for work to begin in a timely way after a funding allocation. If work has not been started within the time allowed, the local agency must explain to the Commission the reason for the delay and when progress will commence. The Commission may choose to withdraw the allocation and consider other allocation requests to ensure timely use of funds.
- Commission policy calls for timely billing for reimbursement as well. The Commission expects the local agency to bill for reimbursement within 120 days of making expenditures. The Commission may hold up further funding allocations to local agencies that fail to do so.

- State reimbursement cannot exceed the project's funding allocation. If work proceeds faster than expected, some reimbursement may have to be delayed until another funding allocation can be made.

If the local agency gets a project ready to begin construction earlier than the year shown in the State program, it may inform the Commission and Caltrans that it intends to undertake construction immediately for later reimbursement. It also may ask for allocation of State funding during the current fiscal year (and any subsequent years before the fiscal year in which the project is programmed), but the Commission may deny that request if sufficient State Budget authority is not available programwide.

Some projects, especially in the FCR and rail bond programs, will require more than one fiscal year to complete. Depending on the dollar amount and length of time required to complete, Caltrans may choose to fund the project from more than one State Budget. When this occurs, the local agency will determine the amount of funds required in each fiscal year for the project in the cash expenditure and reimbursement plan, and Caltrans and the Commission will distribute the funding allocation across State Budget appropriations.

While prudent management of State resources may dictate funding project construction in more than one fiscal year, this will not require that local agencies request separate funding allocations for each year. Caltrans is responsible for tracking commitments across fiscal years and ensuring that these commitments have budget funding priority. This funding technique will not require additional action by the Commission.

C. SPECIFIC REQUIREMENTS FOR TRANSIT PROJECTS ONLY

The Commission has adopted policies on proportional use of State funding, timely use of funds, hazardous materials cleanup, cost savings incentives, minimum farebox revenue shares, and start of passenger service which apply to local agency transit projects. These guidelines are not intended to supersede existing Commission policies for transit projects, including policies and procedures for the guideway encumbrance and liquidation process.

In addition to the Commission and Caltrans approvals required by these guidelines, projects using State bond funding require two additional approvals. Caltrans must distribute funds approved by the Commission among component contracts within the project, and Caltrans (or the Commission for Proposition 116 bonds) must certify project progress before the Treasurer can sell State bonds to provide the funds for reimbursement. These additional steps are explained in detail in separate guidelines from Caltrans and the State Treasurer's Office for State bond programs.

Unlike for the highway program, the STIP Fund Estimate does not set aside funds for capital support for transit projects. Any reimbursement a local agency needs or expects for transit project development costs must be included in the amount shown as the State funding share in the State program.

The main purpose of State transit programs is capital construction for transit services. The Commission intends that for transit projects reimbursement for non-capital expenditures not exceed 25% of the State funding share for projects, unless specified otherwise in the project description in the State program or the Commission's project approval.

State Highway Account funds currently cannot be used for transit rolling stock, per State Constitution Article XIX. The Commission may make a funding allocation for rolling stock purchase or rehabilitation only from other funding sources.

D. SPECIFIC REQUIREMENTS FOR HIGHWAY PROJECTS ONLY

The amount of State and Federal funds available for projects in the STIP each year is constrained by the State Budget. In years when more projects are delivered ready for funding than there is funding available, projects must be put "on the shelf" for funding from a later fiscal year. If the State is putting its FCR projects on the shelf, local agency FCR projects will go on the shelf too, and be funded in turn according to current State policy for managing shelf projects.

State statute for the highway program limits the cost of preliminary engineering, environmental clearance, and design engineering to 20% of capital outlay costs programwide, and the State holds construction engineering costs to 15% of capital construction costs programwide. In practice, in a program where grants are made to a large number of local agencies, the State must limit engineering reimbursement to these totals on a project-by-project basis. This funding policy applies to the total support, direct and indirect costs as described above, associated with the project.

For the highway program, the STIP Fund Estimate automatically sets aside funds for capital support equal to 35% of the capital program amount. Any local agency with a project in the program may get reimbursed for its capital support work, but it must ask for the reimbursement in its project approval since reimbursement is not automatic.

In essence, local agencies can apply for reimbursement for 135% of the amount in the State program for highway projects, for all engineering and capital costs cumulatively. Savings in an early stage of a project may be used to cover cost increases in a later stage, as described in Section VI-B. Any cost beyond this amount, or any capital support costs beyond the 35% cap, must be covered by the local agency.

The 35% for support cost is not a funding guarantee. Should the Legislature appropriate less than 35% for programwide support cost, the amount available for reimbursement of local support cost will be similarly reduced.

In situations where unexpected events or particularly unique project requirements indicate that capital support costs may exceed these guidelines, the local agency should consult in advance with Caltrans to resolve such issues in an equitable manner prior to incurring the additional cost.

E. OTHER SPECIFIC REQUIREMENTS FOR CERTAIN TYPES OF PROJECTS

Annual program projects: The TSM, TCI, and EEM programs are annual programs. Projects that cannot be made ready during the program year will be dropped from the program, with funding assigned to projects further down the priority list or elsewhere in the program. A project dropped from the program may re-compete for the program two or three years following, in competition with other projects nominated that year, or the next year if it drops out early enough to make application deadlines.

A project in an annual program must be ready so that submittal, project approval, and funding allocation can be done by the Commission before the end of the fiscal year and project construction award can be done no later than six months afterward. Substitute projects from lower on the priority list must meet the same timing deadlines. If sufficient substitute projects ready to go cannot be found, or if programwide costs end up below the program level after all projects for the year have been finished, funds not used will be carried over to be appropriated for a future program year. The Commission may withdraw project approval and funding allocation if the local agency fails to award a construction contract within six months. The local agency may ask the Commission in writing for an extension, which the Commission may grant if the circumstances warrant it.

Projects with right-of-way earnings: For some projects, excess right of way may be acquired and later sold, or right-of-way properties may be leased or rented while awaiting construction. The State must get its proportional share of net income.

The State will provide reimbursement only for the purchase of right of way that is required for the project. When a local agency acquires right of way that includes excess land, the cost of the excess portion must be excluded from the reimbursement request submitted to Caltrans. In situations where land initially acquired as part of the project and reimbursed with State funds is declared excess at a later date, the local agency must reimburse the State for either the fair market value, assessed at the time disposal or retention is decided, or a pro rata share, whichever is greater, of the excess property no later than 120 days after project completion.

Local agencies are required to share with the State proceeds from income generating property in proportion to the State's participation in the acquisition of the property, through the time of project completion. Certain costs and expenses directly related to the rental property may be paid from the rental proceeds. The State allows the same costs and expenses to be deducted from gross income as are allowed under Federal-aid program guidelines and regulations. The Commission in its project approval or Caltrans in the Program Supplement or Fund Transfer Agreement may lay out further or different specific agreements concerning rental income and expenses, in accord with specific Commission policy.

The documentation provided to the Department will identify the gross rental income, eligible costs paid from the rental proceeds. and the net income from the property for purposes of calculating the State and local shares of the net proceeds. The State's share of any net rental income may be paid to the State on a monthly or quarterly basis or reflected as an offset against reimbursement requests. The State will not participate in losses incurred as a result of rental property activities.

V. PROJECT SUBMITTAL, APPROVAL, AND REIMBURSEMENT PROCESS

A. LOCAL AGENCY PROJECT SUBMITTAL

When an agency is ready to implement a project or project element (i.e., environmental studies, design engineering, right-of-way, construction) already in the State program, the agency should ask for project approval by letter to Caltrans District Director of Transportation. This letter or submittal package has no specified format, but detail of information should be appropriate to the complexity of the project, as specified above in Section III-A.

The first submittal for a project must serve the Commission for project approval, and Caltrans for a master agreement and program supplement (or SB 580 review and Fund Transfer Agreement) as well, for either a whole project or project components; it may also include a funding allocation from the Commission for the current fiscal year. Later requests on a given project may cover later project components or funding allocations for subsequent components or fiscal years.

The project submittal for construction funding should include the following information unless the information has previously been submitted:

- Environmental clearance documentation, including project description and cost;
- Any changes in description, scope, schedule or project cost which deviate from information previously provided to Caltrans or the Commission;

- Separate identification of any non-capital expenditure reimbursements, from capital outlay;
- A total expenditure plan which includes a schedule of all work phases and estimated completion dates (see Appendix A-5 for example);
- A quarterly cash expenditure and reimbursement plan which identifies estimated cash reimbursements by quarter for the duration of the project or project element (see Appendix A-5 for example);
- Any specified Commission information needs or policy commitments, such as timely or proportional use of funds, that apply to the project; and
- The amount of any requested funding allocation, describing type of expenditure

B. STATE APPROVAL PROCESS

Appendix A-6 illustrates the processing of project submittals and funding requests by Caltrans. Separate charts are included for transit projects as their processing steps are different than highway projects. Appendix A-7 shows a checklist of documents needed for each step. Requests for supplemental funding allocations will be processed in the same manner as original requests.

The Commission intends to deal with submittals for project approval and requests for funding allocation in a timely fashion. Project submittals and funding requests are forwarded through Caltrans' Headquarters Division of Budgets to the Commission. The Commission meets once a month, and typically will take up a submittal or request at its next meeting if it is known in time for the agenda cutoff date and information appears to be complete. The local agency should allow for 60 days from submittal to Caltrans District until Commission approval.

The Commission receives comments or recommendations from Caltrans along with a project approval submittal or funding allocation request from the local agency. Caltrans' recommendation on a funding allocations request will include:

- status of program appropriations for the fiscal year,
- availability of State cash to support the proposed reimbursement schedule, and
- a status report on existing allocations made to the local agency for programs covered under these guidelines and the amount of expenditures incurred against those allocations to date.

This will provide the Commission with some assessment of the local agency's ability to use funds on a timely basis. The Commission will allow a local agency to present its case if it finds that funds are not being used in a timely way. Caltrans, after first consulting with the local agency, also may recommend adjustments to the proposed expenditure plan based on:

- availability of State funds, consistent with programwide policy for dealing with shortage of State funds, or
- changes in schedule that may have occurred since the expenditure plan was prepared.

The Commission will allocate funds only when funds are available and when it is satisfied the funds will be used in a timely way according to the expenditure plan and progress on project activities within the local agency's control. The Commission expects Caltrans to tell the Commission immediately whenever funding for a program is no longer available, and further funding allocation requests are being held.

Once Caltrans has been notified of both Commission approval and completion of the agreement(s) with the local agency, it will set up a process to release funding for reimbursement for project expenditures, no more often than on a monthly basis as agreed in the contract. Local agencies then submit billing vouchers to their Caltrans District for reimbursement.

C. ENCUMBRANCE AND TRANSFER OF FUNDS

Commission allocation of funds and execution of the Program Supplement or Fund Transfer Agreement by the local agency and Caltrans constitutes an encumbrance of the funding allocation. This will also apply to supplemental allocations and transfer of allocations from one project element to another project element. Since encumbrances can only be made after a fiscal year budget has been enacted, Caltrans may have to hold up execution of the Program Supplement or Fund Transfer Agreement near the beginning of a fiscal year pending signing of the State Budget.

The local agency must submit billings to Caltrans District to get reimbursed. Billings can be submitted to the Caltrans District as agreed in the contract, but no more frequently than monthly to minimize the administrative costs to the State and local agency.

Caltrans District Local Street & Road branch or Public Transit branch must confirm progress of work and approve progress billings. Caltrans may inspect progress of work. Local agencies should expect Caltrans to approve project completion before paying on a billing for final State reimbursement.

Once the State has transferred to a local agency a reimbursement payment for an eligible expenditure, the funds belong to the local agency.

D. PROJECT COMPLETION AND AUDIT

Upon completion of a project, the local agency is responsible for preparing a Final Project Expenditure Report. The report should identify the resources allocated to the project, expenditures incurred, sources of funds used on the project, and the amount of State resources allocated to the project which were not used and can revert to the appropriate State fund. The Final Project Expenditure Report must be completed within 120 days of project completion, and sent to Caltrans District Office.

The Final Audit, to be accomplished at the local agency's expense, may be done on an individual project basis, or may be performed at the same time as the agency's annual Single Audit. The final audit options available to a local agency are specified in the master agreement or SB 580 review.

If an individual project audit is done, the auditor must prepare a Final Audit Report. If the agency chooses the Single Audit option, a Management Letter will be required for State funding on TSM and FCR projects. In either case, the audit will include compliance tests required by the Single Audit Act and its implementing directive, OMB Circular A-128. The compliance testing should ensure controls are in place to assure that:

- (1) Reimbursement claims submitted to the State for the project are supported by payment vouchers and canceled checks.
- (2) Charges for the various categories of eligible costs incurred by the local agency are fully supported.
- (3) Ineligible costs were not claimed reimbursable on the project.

The Final Audit Report must be completed within one year of project completion.

Project completion is defined as when all work identified in the Program Supplement or Fund Transfer Agreement and amendments has been completed and final costs are known. The report documents (Final Project Expenditure Report or Final Audit Report and Management Letter) will be sent to the appropriate Caltrans District office. Failure to comply with these reporting requirements may result in withholding of future allocations by the Commission.

VI. PROGRESS REPORTS AND PROJECT CHANGES

A. PROGRESS REPORTS

Caltrans will provide limited project review and oversight as needed to approve reimbursement payments and project completion. It does not intend to manage project work, project plans, or project construction unless Federal funds are being used on the project. For projects using Federal funding, existing procedures for Federal projects must be followed. A local agency already certified to construct projects to approved FAU or FAS standards may be self-certified to build a project.

The Commission is concerned that projects proceed as scheduled and that funds are expended on a timely basis. Therefore, local agencies should prepare progress reports quarterly for transit projects and annually for highway projects, unless otherwise specified in the project agreement, and submit these reports to the Caltrans District. Caltrans will prepare a summary report for the Commission to keep the Commission informed on progress. The reports submitted by the local agency should:

- Identify progress to date versus planned progress;
- Identify any significant deviations from the original plans and explain how these deviations will impact project completion; and
- Indicate if funds are being expended in a timely fashion consistent with the plans submitted for the project.

These progress reports will reflect current costs, schedules, and expenditure projections, but they do not absolve the local agency of responsibility to notify the State whenever changes in costs, schedules, or expenditure projections are necessary. These issues must be addressed promptly when known, as specified below in this Chapter VI.

B. PROJECT COST CHANGES

Local agency grants are for a fixed amount as described in the State program. In general, cost increases must be covered with local funds (which can include Federal funds allocated directly to local agencies).

Project cost changes can be expected, from environmental or design decisions, from contractor's bidding, or during construction. Caltrans and the local agency should work together to identify potential cost increases early, and mutually identify and settle on funding options.

When the cost of the project and project elements will exceed the amount identified in the State program, the local agency has at least the following options:

- Fund the additional cost with available local resources;
- Change the scope of the project to fit within the funding in the State program;
- Fund the additional cost in one project element with identified savings from another project element, as described below;

- Readvertise a project for new contractor bids;
- Request additional funding from the Commission; and
- Drop the project as no longer cost effective.

Caltrans must approve a change in project scope or shift of funding between project elements. The Commission must approve any additional State funding or substantive change in project scope. A local agency should inform Caltrans if it is putting in additional local funding or readvertising if bids come in too high.

If a local agency does not need the full 20% of project capital cost for preliminary engineering, environmental clearance, and design engineering, or the full 15% of construction cost for construction engineering, any savings may be applied to cover cost increases in the capital construction of the project, subject to the approval process outlined below.

The Commission encourages cost savings on projects, to conserve funding so that more future projects can be funded in the program. The Commission has a cost savings incentive policy for the TCI program, whereby a local agency may apply project cost savings to another project in the same corridor in a future year of the program. The Commission will retain cost savings on any project within the same program for future programming, and a county may become entitled to more programming if project cost savings result in State expenditures below the statutory county minimums.

The Commission can consider additional State funds for cost increases, but must be able to identify a source of State funding that could be used to cover a cost increase. The Commission has no unprogrammed contingency reserves. Final project costs are not known until after completion of construction and final billing, so cost savings from other projects generally are not known and available in a timely way.

The Commission thus has the following options:

- Disapprove State funding for the cost increase;
- Delay or reduce the State funding for another project within the same program, and generally with the same local agency grant recipient, thereby creating available funds for the cost increase;
- Approve additional funding from a future program in a subsequent fiscal year; and
- Withdraw State funding from the project if a cost effective project that satisfies the State program can no longer be built.

The Commission generally will not cover cost increases for reasons of overextended local program, inflation in right-of-way or construction costs, changes in the economic climate in the construction industry, unforeseen environmental costs, or changes in scope proposed locally.

C. CHANGES IN SCHEDULE

If a local agency must significantly amend its financial or cash expenditure and reimbursement plan for a project, it will be responsible for notifying Caltrans promptly of the changes and submitting new plans. This is especially critical when delays change the amount of funds required in a fiscal year, or affect requirements for local match of State funds. Failure to advise Caltrans of such changes could jeopardize the State funds available for the project.

VII. POLICY ON ADVANCING FUNDS

Local agency projects in the State program will normally be funded on a reimbursement basis, and State bond-funded projects must be. However, one-time advance of funds, in an amount deemed necessary by Caltrans and the local agency, and approved by the Commission, will be considered from funding sources other than State bonds if the local agency can demonstrate that such an advance is necessary to ensure timely completion of the project. Such advances will be considered on a project by project basis and will be tailored to the individual cash flow requirements of the particular project. This advance will be deducted from the final payment(s) for the project unless earlier repayment is agreed upon by the State and the local agency.

VIII. PROJECT CANCELLATION

Project cancellation can occur only through mutual agreement among the State, Commission and the local agency. The Commission or Caltrans may propose project cancellation at the point of project approval, project agreement, or funding allocation, or if the local agency fails to make suitable progress on the project; the local agency may propose to drop the project at any point when it is unable or unwilling to continue. Specific terms of the project cancellation will be executed in a separate agreement between the State and local agency, and approved by the Commission.

The agreement that results in project cancellation shall revert any outstanding allocations to the original funding source. The State will participate in the proceeds from the disposition of any tangible property acquired with State funds on the project. The local agency will reimburse the State for its share of fair market value of property sold.

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STATE-LOCAL ENTITY MASTER AGREEMENT NO. _____

**TRAFFIC SYSTEMS MANAGEMENT/FLEXIBLE CONGESTION RELIEF PROGRAMS
(Pursuant to S&H Code Section 164 et seq)**

DISTRICT LOCAL ENTITY

THIS AGREEMENT, made in duplicate this ____ day of _____ 199____, by and between _____, a city, county, or LOCAL ENTITY, as defined in streets and Highways code Section 164, hereinafter referred to as "LOCAL ENTITY", and the State of California, acting by and through the department of Transportation, herein referred to as "STATE".

WITNESSTH

WHEREAS, as provided by Sections 164.1, 164.2 and 164.4 et seq. of the streets and Highways Code, LOCAL ENTITY, has applied for State funds to be used for an "Eligible Project" as defined in the Traffic Systems Management and Flexible Congestion Relief Guidelines.

WHEREAS, STATE is required to enter into an agreement with LOCAL ENTITY to delineate certain responsibilities relative to prosecution of the said PROJECT.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - Project Funding

1. The policies for project funding relative to cost eligibilities, allocations, cost increases, encumbrances and liquidations etc. will be governed by the Financial Guidelines for TSM/FCR Projects as approved and modified by the California Transportation Commission.

ARTICLE II - CONTRACT ADMINISTRATION

1. Projects shall be constructed as provided in the Traffic Systems Management (TSM) and Flexible Congestion Relief (FCR) Program Guidelines, the TSM/FCR Financial Guidelines and in this agreement.

2. Unless otherwise provided in the Program Supplement, attached hereto as Exhibit A, the LOCAL ENTITY shall advertise, award and administer the contract.

3. Guideway projects are subject to the requirements stated in Article 6 of the Government Code, Section 14080 and following.

4. The estimated cost and scope of PROJECT will be as shown in the Program Supplement and limited to the amounts approved in the STIP or TSM plan by the California Transportation Commission (CTC). A contract for an amount in excess of said estimate may be awarded and expenditures may exceed said estimate provided LOCAL ENTITY will provide the additional funding or a supplemental allocation is requested and approved by the CTC.

5. Subsequent to the CTC allocating the State funds and the LOCAL ENTITY has entered into: a State Local Entity Master Agreement; and a project specific Program Supplement, the LOCAL ENTITY may request and receive payment for eligible work as follows:

(a) STATE will pay the eligible participating costs upon LOCAL ENTITY submittal of acceptable monthly progress pay estimates for expenditures. *

(b) If PROJECT is a cooperative project and includes work on a STATE highway, PROJECT shall be the subject of a separate cooperative agreement between the STATE and LOCAL ENTITY.

* Except as provided in the TSM/FCR Financial Guidelines, Section V, Policy on Advancing Funds, projects requiring \$250,000 or less may be funded on an advance basis if requested by the LOCAL ENTITY.

6. The legislature of the State of California and the Governor of the State of California, each within their respective jurisdiction, have prescribed certain employment practices with respect to contract and other work financed with State funds. LOCAL ENTITY shall ensure that work performed under this agreement is done in conformance with the rules and regulations embodying such requirements where they are applicable.

7. After completion of all work under this agreement and after all costs are known, LOCAL ENTITY shall contract for a financial audit of the project costs. The Final Audit, to be accomplished at the LOCAL ENTITY'S expense, may be done on an individual project basis, or may be included in the LOCAL ENTITY'S annual Single Audit. If an individual project audit is done, the auditor must prepare a Final Audit Report. If the LOCAL ENTITY chooses the Single Audit option, a Management Letter be required for the State Share funding. In either case, the audit will include compliance tests required by the Single Audit Act and its implementing directive, OMB Circular A-128. The compliance testing should ensure controls are in place to assure that:

- (a) Reimbursement claims submitted to the State for the project are supported by payment vouchers and canceled checks.
- (b) Charges for the various categories of eligible costs incurred by the LOCAL ENTITY are fully supported.
- (c) Ineligible costs were not claimed as reimbursable on the project.
- (d) Preliminary and construction Engineering and do not exceed the prescribed limits.

8. The Final Project Expenditure Report must be completed within 120 days of project completion and should be in the format described in Volume I, Section 19, Exhibit 19-1a of the Local Programs Manual. The Final Audit must be completed by December 30th following the fiscal year of project completion. Project completion is defined as when all work identified in the approved Project Application and Program Supplement Agreement has been completed and final costs are known. The report documents (Final Project Expenditure Report and Final Audit Report) will be sent to the appropriate STATE District office. Failure to comply with these reporting requirements may result in withholding of future allocations.

9. The State reserves the right to conduct technical and financial audits if it is determined necessary. After the financial audit, LOCAL ENTITY shall refund any excess State funds reimbursed.

10. Should LOCAL ENTITY fail to pay STATE claims within 30 days of demand, the STATE, acting through STATE Controller, may withhold an equal amount from future apportionments due the LOCAL ENTITY from the Highway Users Tax Fund. The STATE may, at its option, apply any monies due the LOCAL ENTITY by the STATE to pay these claims.

11. When THE PROJECT includes work to be performed by a railroad, the contract for such work shall be entered into by LOCAL ENTITY. LOCAL ENTITY shall enter into agreement with the railroad providing for maintenance of the protective devices or other facilities installed under the service contract.

ARTICLE III - ENGINEERING

1. "Project Development Costs" includes all preliminary work up to contract award related to the project, including but not limited to environmental studies, preliminary surveys and reports, laboratory work, soil investigation, preparation of plans, specifications and estimates, advertising for bids, awarding contract as well as Project Development Contract Administration and right of Way staff support costs.

STATE FUNDS for Project Development Costs are limited to 20% of the value of the project including construction and right of-way acquisition cost.

2. "Construction Engineering" eligible costs include actual inspection and supervision of construction work, construction staking, laboratory and field testing, preparation and processing of filed reports, and records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

STATE FUNDS for Construction Engineering (CE) are limited to 15% of the construction cost of the project.

3. Unless the parties shall otherwise agree in writing, LOCAL ENTITY'S employees or engineering consultant shall be responsible for all engineering work. When construction engineering is performed by STATE, charges therefore shall include an assessment on direct labor costs in accordance with Section 8755.1 of the State Administrative Manual. The portion of such charges not financed at State cost shall be paid from funds of LOCAL ENTITY.

ARTICLE IV - RIGHT-of-WAY

1. All related rights-of-way as are necessary for the construction Project shall be acquired by LOCAL ENTITY, and no contract for construction of PROJECT or any portion thereof shall be advertised until the necessary rights-of-way have been secured.
2. The furnishing of rights-of-way as provided for herein includes but may not be limited to:
 - (a) all real property required for THE PROJECT free and clear of obstructions and encumbrances.
 - (b) the payment of damages to real property not actually taken but injuriously affected by the proposed improvement.
 - (c) the cost of relocating owners and occupants pursuant to Government Code Sections 7260-7277.
 - (d) the cost of demolition and sales of all improvements on the right of way.
 - (e) the cost of all utility relocation, protection or removal.
 - (f) the cost of all hazardous materials and wastes clean up.
 - (g) the costs which arise out of delays to the contractor because utility facilities have not been removed or relocated, or because rights-of-way have not been made available to the contractor for the orderly prosecution of the work.
3. Should LOCAL ENTITY, in acquiring right-of-way for PROJECT, displace an individual, family, business, farm services shall be provided as required by California Government Code, Sections 7260-7277.

ARTICLE V - MISCELLANEOUS PROVISIONS

1. The cost of maintenance performed by LOCAL ENTITY forces during any temporary suspension of the work or at any other time may not be charged to the PROJECT.
2. Neither STATE nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by LOCAL ENTITY under or in connection with any work, authority, or jurisdiction delegated to LOCAL ENTITY under this agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, LOCAL ENTITY shall fully indemnify and hold STATE harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by LOCAL ENTITY under or in connection with any work, authority, or jurisdiction delegated to LOCAL ENTITY under this agreement.
3. Neither LOCAL ENTITY nor any officer or employee thereof, shall be responsible for any damage or liability occurring by reasons of anything done or omitted to be done by STATE under or in connection with any work, authority, or jurisdiction delegated to STATE under this agreement. It is also understood and agreed that pursuant to Government Code Section 895.4, STATE shall fully indemnify and hold LOCAL ENTITY harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by LOCAL ENTITY under or in connection with any work, authority, or jurisdiction delegated to LOCAL ENTITY under this agreement.
4. Auditors of STATE shall be given access to LOCAL ENTITY'S books and records for the purpose of verifying costs and pro rata share to be paid. All project documents will be available for inspection by authorized State personnel at any time during project development and for a three-year period from date of final payment under the contract or one year after the audit is completed or waived by the STATE, whichever is longer. If a STATE audit is conducted, the source of local match funds will be checked to determine if the source complies with the program requirements.

ARTICLE VI - ACCOMMODATION OF UTILITIES

1. utility facilities may be accommodated on the right-of-way provided such use and occupancy of the right-of-way does not interfere with the free and safe flow of traffic or otherwise impair the roadway or its scenic appearance; and provided a Use and Occupancy Agreement, setting forth the terms under which the utility facility is to cross or otherwise occupy the right-of-way must include the provisions set forth in volume I, Section 12 of the LOCAL PROGRAMS MANUAL published by the STATE, unless otherwise approved by the STATE.

2. If any protection, relocation or removal of utilities is required within STATE'S right-of-way, such work shall be performed in accordance with STATE policy and procedure. LOCAL ENTITY shall require any utility company performing relocation work in the STATE'S right-of-way to obtain a State Encroachment Permit prior to the performance of said relocation work. Any relocated utilities shall be correctly located and identified on the as-built plans.

ARTICLE VII - CONDITION OF ACCEPTANCE

As a condition of acceptance of the State Funds provided for this project, LOCAL ENTITY will abide by the State policies, procedures and guidelines pertaining to the TSM/FCR Programs.

IN WITNESS WHEREOF, the parties have executed this agreement by their duly authorized officers.

STATE OF CALIFORNIA
Department of Transportation

LOCAL ENTITY

By _____
District Director of Transportation

By _____

Date _____

Date _____

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SB 580 REVIEW POLICIES, PROCEDURES

AND

PERFORMANCE STANDARDS

- **management control**
- **public hearings**
- **location studies**
- **preliminary engineering investigations**
- **environmental impact studies**
- **plans, specifications and estimates**
- **property acquisition**
- **relocation assistance**
- **contract provisions for bidding, change orders, payments and audits, and contractor claims**

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EXHIBIT A

District	LOCAL ENTITY
Agreement No.	

STATE-LOCAL ENTITY PROGRAM SUPPLEMENTAL AGREEMENT

1. Description of Work Proposed:

2. Proposed Project Funding:

	Total Cost	State Funds	Local Funds
Prelim Engr	\$	\$	\$
Right of Way	\$	\$	\$
Constr. Engr.	\$	\$	\$
Construction	\$ _____	\$ _____	\$ _____
Totals	\$	\$	\$

3. Special Covenants related to WORK:

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FUND TRANSFER AGREEMENT

COVERING GUIDEWAY ALLOCATIONS OF

Agreement No. _____

Sheet 1 of 2

FUND TRANSFER AGREEMENT

COVERING GUIDEWAY ALLOCATIONS OF
STATE HIGHWAY ACCOUNT (ARTICLE XIX) FUNDS

and

TRANSPORTATION PLANNING AND DEVELOPMENT ACCOUNT FUNDS

This Agreement, entered into on _____, is between _____, a public entity, hereinafter referred to as RECIPIENT, and

STATE OF CALIFORNIA, acting by and through its Business, Transportation and Housing Agency, Department of Transportation, hereinafter referred to as STATE.

1. RECIPIENT has applied to the California Transportation Commission for funds for the purpose of _____.
(name of project).

2. California Transportation Commission has allocated funds for (one phase of) said project in Resolution _____, attached, as part of the Standard Provisions of Grant and made a part of this agreement.

3. STATE has prepared "Standard Provisions of Grant," attached and made a part of this Agreement, which sets forth the general terms and conditions under which said funds are to be expended.

4. STATE and RECIPIENT have negotiated and RECIPIENT has submitted "Project Description," attached, as part of the Standard Provisions of Grant and made a part of this Agreement, which describes the entire project to be implemented by RECIPIENT.

5. STATE and RECIPIENT have negotiated and RECIPIENT has submitted "Scope of Work," attached as part of the Standard Provisions of Grant and made a part of this Agreement, which sets forth the tasks and the estimated amounts of progress payments to be made from funds payable under this Agreement. State funding limits established in each original or amended "Scope of Work" shall not be exceeded without a subsequent amendment and encumbrance.

6. The STATE fund certification and approval of Scope of Work document is attached as part of the Standard Provisions of Grant and made a part of this Agreement.

7. This Agreement will terminate on _____ unless earlier terminated upon written notice from STATE to RECIPIENT.

8. This Agreement may be modified, altered, or revised with the written consent of RECIPIENT and STATE.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

RECIPIENT

BY _____
DICK MEADOWS
Departmental Contract Officer

BY _____

STANDARD PROVISIONS OF GRANT

Covering Allocations of
State Highway Account (Article XIX) Funds
and
Transportation Planning and Development Account Funds

The recipient of State Highway Account (Article XIX) or Transportation Planning and Development Account funds, referred to herein as RECIPIENT, has agreed to accept the provisions contained herein as a condition of its acceptance of a grant from either of these sources. The State of California, acting through the Department of Transportation, referred to herein as STATE, shall have the administrative responsibilities described in these provisions.

I. RECITALS

1. The RECIPIENT proposes to implement a project described in the attached Project Description. The Project Description has been prepared by RECIPIENT and approved by STATE.
2. The RECIPIENT has received an allocation of guideway funds to complete all or a portion of the project, as set forth in the attached allocation resolution, and in accordance with applicable provisions of the Public Utilities Code or the Streets and Highways Code.
3. The RECIPIENT has submitted a Scope of Work document to STATE, describing tasks to be accomplished with its fund allocation, and the document has been approved by STATE.

II. PROJECT DESCRIPTION

1. The RECIPIENT shall submit to STATE, for approval, a Project Description. This document shall describe the entire project, including all work necessary to complete the undertaking.
2. For projects being partially funded by the Federal Urban Mass Transportation Administration (UMTA), and for which a Federal Full Funding Agreement has been signed, the Project Description shall consist of the "Description of Local Activities," the "Local Activities Budget," the "Description of UMTA Project," and the "UMTA Project Budget" shown in the Full Funding Agreement.

3. The Project Description shall also include a project financial plan showing major activities by fiscal year and fund source. The financial plan shall be of the same format as that submitted in RECIPIENT's State application for funds.
4. For projects with no Federal Full Funding Agreement, the Project Description shall include a narrative description of the activities necessary to complete the undertaking. This Project Description shall also include a financial plan as described in Paragraph 3 above.

III. SCOPE OF WORK

1. The RECIPIENT shall be responsible for performance of the work described in the approved Scope of Work document for the particular phase of the project corresponding to its allocation of State guideway funds. The work description contained in the document is referred to herein as "the Project Phase."
2. A Schedule of Tasks and Estimated Progress Payments is included in the Scope of Work document. STATE need not reimburse RECIPIENT in a cumulative amount greater than the cumulative amount shown in the Schedule for any time period.

IV. PAYMENT

1. Funds allocated for use on the Project Phase shall be payable to RECIPIENT on a reimbursable basis.
2. The RECIPIENT agrees to contribute at least the statutorily required amount of the cost of the Project Phase, or the amount specified in the allocation, whichever is greater, from funds available to it. The RECIPIENT shall contribute its required amount of the cost of the Project Phase in accordance with a schedule of payment prepared by RECIPIENT and attached to the Scope of Work document.
3. Not more frequently than once a month, RECIPIENT will prepare and submit in triplicate to STATE, Progress Payment Vouchers consistent with the Scope of Work document, in the format that is attached to the Standard Provisions of Grant. Each such voucher will be accompanied by a report describing the overall work status and progress on tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the Scope of Work document which were accomplished prior to the date of allocation and for which costs are to be credited toward the required local contribution described in Section IV, Paragraph 2, of these Provisions. Final payment vouchers shall be submitted not less than three months prior to the last date on which a payment can be made from the allocated funds, as specified in the Scope of Work document. Reimbursement will be made only for work performed after the date of this agreement and prior to the submittal date of the final voucher.

4. STATE reserves the right to terminate its share of funding for the Project Phase upon written notice to RECIPIENT in the event that RECIPIENT fails to proceed with the work in accordance with the Scope of Work document or otherwise violates the conditions of these Provisions or the allocation such that substantial performance of the Project Phase is significantly endangered. In the event of such termination, RECIPIENT shall be reimbursed STATE's share of allowable project costs incurred prior to the date of termination. Any such termination shall be effected by delivery, to RECIPIENT, of a Notice of Termination, which shall become effective not less than 30 days after receipt, specifying the reason for the termination; the extent to which performance of work under these provisions is terminated; and the date upon which such termination becomes effective. During the period before the effective termination date, RECIPIENT and STATE shall meet to attempt to resolve the dispute without proceeding to termination of the Agreement.

V. REPORTS AND RECORDS

1. In carrying out work on the Project Phase, RECIPIENT may enter into contracts with other public agencies or private firms, in accordance with Federal and State third-party agreement provisions.
2. The RECIPIENT and its contractors shall establish and *maintain* records pertaining to the fiscal activities of the Project Phase. RECIPIENT and contractor accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged to the Project Phase, including properly executed payrolls, time records, invoices and vouchers. All fiscal and accounting records and other supporting papers of RECIPIENT and its contractors connected with the performance of the contract shall be maintained for a minimum of three years from the date of final payment under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State of California. In conducting an audit of the costs claimed under these Provisions, STATE will rely to the maximum extent possible on any audit arranged by RECIPIENT pursuant to the provisions of Federal and State laws. In the absence of such an audit, any audit work performed by RECIPIENT's external auditors and/or the Federal Government will be considered.
3. The RECIPIENT and its contractors agree that the contract cost principles, CFR 48, "Federal Acquisition Regulations System," Chapter 1, Part 31, shall be used to determine the allowability of individual items of cost.

The RECIPIENT and its contractors also agree to comply with Federal procedures in accordance with 49 CFR, Part 18, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments."

4. Project equipment, capital outlay and materials and other procured services, purchased by RECIPIENT under these Provisions shall be procured according to the governing law and procedures of RECIPIENT, and in accordance with administrative requirements.
5. The RECIPIENT will insert clauses to the effect of Paragraphs 2, 3, and 4, above, in all its contracts funded by STATE under these Provisions.

6. (a) RECIPIENT and STATE agree to conduct, on a quarterly basis, on-site reviews of all aspects of the progress of the project.
- (b) RECIPIENT agrees, in each quarterly progress review, to inform STATE regarding (1) whether the Project is proceeding on schedule and within budget, (2) any requested changes to the Project Management Plan, (3) major construction accomplishments during the quarter, (4) any problems or anticipated problems which could lead to delays in schedule, increased costs, or other difficulties, (5) the status of the Project Budget and, (6) the status of critical elements of the Project.
- (c) The quarterly reviews will include consideration of whether activities are within the scope of the Project and in compliance with State laws, regulations, administrative requirements, and implementation of the Project as STATE considers appropriate.
- (d) If at any time during the performance of the Project, RECIPIENT and STATE determine that the Project Budget may be exceeded, RECIPIENT shall take the following steps:
 - (1) Notify the designated STATE representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify potential cost savings or other measures which will bring the budget into balance, and
 - (2) Schedule the projected overrun for discussion at the next subsequent Quarterly Review meeting.

VI. GENERAL PROVISIONS

1. In the performance of work under these provisions, RECIPIENT and its contractor(s) will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex*, age*, national origin, or physical handicap*. The RECIPIENT and its contractor(s) will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex*, age*, national origin, or physical handicaps*. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The RECIPIENT and its contractor(s) shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment Practices Section.
2. The RECIPIENT and its contractor(s) will permit access to his/her records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the awarding authority, for the purpose of investigation to ascertain compliance with this Fair Employment Practices Section.
3. Minority Business Enterprise: In connection with performance of the Project Phase for which this allocation is made, RECIPIENT will strive to meet its commitments and goals with regard to

the maximum utilization of minority business enterprises and will use its best efforts to ensure that minority business enterprises shall have the maximum practicable opportunity to compete for work under these Provisions.

4. The grant administrators for the parties shall be: for STATE, the District Director of Transportation for the district in which the Project is located, and for RECIPIENT, its General Manager or designee.
5. These Standard Provisions of Grant, the Allocation Resolution, the Project Description and the Scope of Work document approved by STATE constitute the entire terms of the grant between the parties for the work to be performed pursuant to this grant. The Project Description and/or the Scope of Work document may be modified, altered, or revised with the written consent of RECIPIENT and STATE.
6. Additional funding for subsequent phases of the project may be granted through amendment to this agreement by the attachment of a new allocation resolution, and submission by RECIPIENT of a revised Scope of Work document. When necessary, the Project Description shall also be revised with the amendment.

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STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION
DMT-007 (8/86)

PROJECT PROGRESS PAYMENT VOUCHER (BILL)
GUIDEWAY/TRANSIT CAPITAL IMPROVEMENTS

PROGRESS PAY FINAL
CONTRACT # _____
E.A. # _____
PAYMENT PERIOD _____ to _____

PROJECT TITLE _____

SUBMITTED BY _____ DISTRICT _____
(Name of Recipient)

(Address)

ALLOCATION Resolution No. _____ Date Allocated _____

Amount Allocated \$ _____ % of Local Match _____

Source of Allocation TP & DA SHA Fiscal Year of Allocation _____

- 1. Balance of allocation beginning of this billing period (Line 5. pervious bill) \$ _____
 - 2. Total project Disbursements subject to reimbursement (Attach supporting documents) \$ _____
 - 3. Maximum reimbursement requested by this voucher
- ($\frac{\text{Amount of Line 2}}{1+\% \text{ as decimal of local match}} = \text{MAXIMUM STATE REIMBURSEMENT/THIS PERIOD}$) \$ _____

TO BE FILLED OUT BY STATE REPRESENTATIVE

- 4. Funds to be reimbursed this billing period \$ _____
- 5. Balance of allocation (Line 1 less Line 4) \$ _____

CERTIFICATION	
I certify the charges for work billed are proper and that the project progress is commensurate with cash disbursements being claimed on Line 2 above.	
Signed _____ (Representative of Recipient and Title)	Date _____
I have review the disbursement and the progress of work on the project specified above and recommended payment in the amount shown on line 4 (If Line 4 is less than Line 3 the reduction will be documented by letter).	
Signed _____ (Department of Transportation District Representative)	Date _____
I certify that funds have been allocated for this project and that there is sufficient balance in this allocation to cover the reimbursement in line 4.	
Signed _____ (Department of Transportation District Accounting Officer)	Date _____

- White * CT District Accounting
- Yellow * DMT/PD&E
- Blue * Transit Agency Final
- Pink * DFOC * Special Budgets
- Green * District Representative
- Gold * Transit Agency Suspense

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Name of Recipient:
 Name of Project:
 Resolution No.:
 Date of Resolution:
 Amount of Resolution:
 Fund Source:
 Expiration Date of Funds:

SCOPE OF WORK
 SCHEDULE OF TASKS AND ESTIMATED
 PROGRESS PAYMENTS

QUARTER	TASKS **	ESTIMATED FUNDS NEEDED EACH QUARTER			
		Current State Allocation	Other State Allocation	Federal	Local
First Fiscal Year *:					
July-Sept.	_____	\$ _____	\$ _____	\$ _____	\$ _____

Oct.-Dec.	_____	\$ _____	\$ _____	\$ _____	\$ _____

Jan.-March	_____	\$ _____	\$ _____	\$ _____	\$ _____

April-June	_____	\$ _____	\$ _____	\$ _____	\$ _____

Second Fiscal Year					
July-Sept.	_____	\$ _____	\$ _____	\$ _____	\$ _____

Oct.-Dec.	_____	\$ _____	\$ _____	\$ _____	\$ _____

Jan.-March	_____	\$ _____	\$ _____	\$ _____	\$ _____

April-June	_____	\$ _____	\$ _____	\$ _____	\$ _____

- * Commencing with the fiscal year during which the current State allocation was made
- ** Indicate by an asterisk the tasks completed in the quarter
- *** Continue for succeeding fiscal years, if necessary

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AGREEMENT NO. _____

PROJECT DESCRIPTION

(PLEASE REPLACE THIS PAGE WITH YOUR PROJECT DESCRIPTION)

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AGREEMENT NO. _____
ATTACHMENT III

Name of Recipient:
Name of Product:
Resolution Number:
Date of Resolution:
Amount of Allocation:
Fund Source:
Expiration Date of Funds:

SCOPE OF WORK APPROVAL

The Department of Transportation hereby certifies that the attached "Scope of Work" documents has been submitted by the recipient named above and that its description of tasks to be accomplished with the allocated funds is complete and in conformance with the allocating resolution specified above.

Deputy District Director for Planning and Public Transportation

Date:

Source		Charge		Exp Auth	Special Designation		Agency Object	Amount	Fiscal Year	Encumbrance Document Number
Dist	Unit	Dist	Unit		Sub Job No	Bridge No				
I hereby Certify upon my own personal knowledge that budgeted funds are available for the period and purposes of the expenditure stated above.							SIGNATURE OF ACCOUNTING OFFICER			DATE
ITEM		CHAPTER		STATUTES		FISCAL YEAR				

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AGREEMENT NO. _____
ATTACHMENT IV

CTC RESOLUTION

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AGREEMENT NO. _____
ATTACHMENT V

LOCAL AGENCY RESOLUTION

(PLEASE REPLACE THIS PAGE WITH YOUR RESOLUTION)

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SAMPLE EXPENDITURE PLAN

Project I.D. No. _____
 Planning Program No. _____
 District _____ Co _____ Rte _____ PM _____

File No. _____
 Fiscal Year _____
 (for CTC use only)

- Environmental Clearance attached (If not previously submitted)
- Other _____

PROJECT ELEMENT	Year 1	Year 2	Year 3	Year 4	Year 5
Project Development <i>Completion Date</i>	\$15,000	\$35,000	\$20,000	--	--
Right of Way <i>Completion Date</i>	--	\$25,000	\$25,000	--	--
Construction Engineering <i>Completion Date</i>	--	--	\$10,000	\$15,000	\$5,000
Construction <i>Completion Date</i>	--	--	\$40,000	\$100,000	\$60,000

SAMPLE QUARTERLY CASH DISBURSEMENT PLAN

Project I.D. No. _____
 Planning Program No. _____
 District _____ Co _____ Rte _____ PM _____

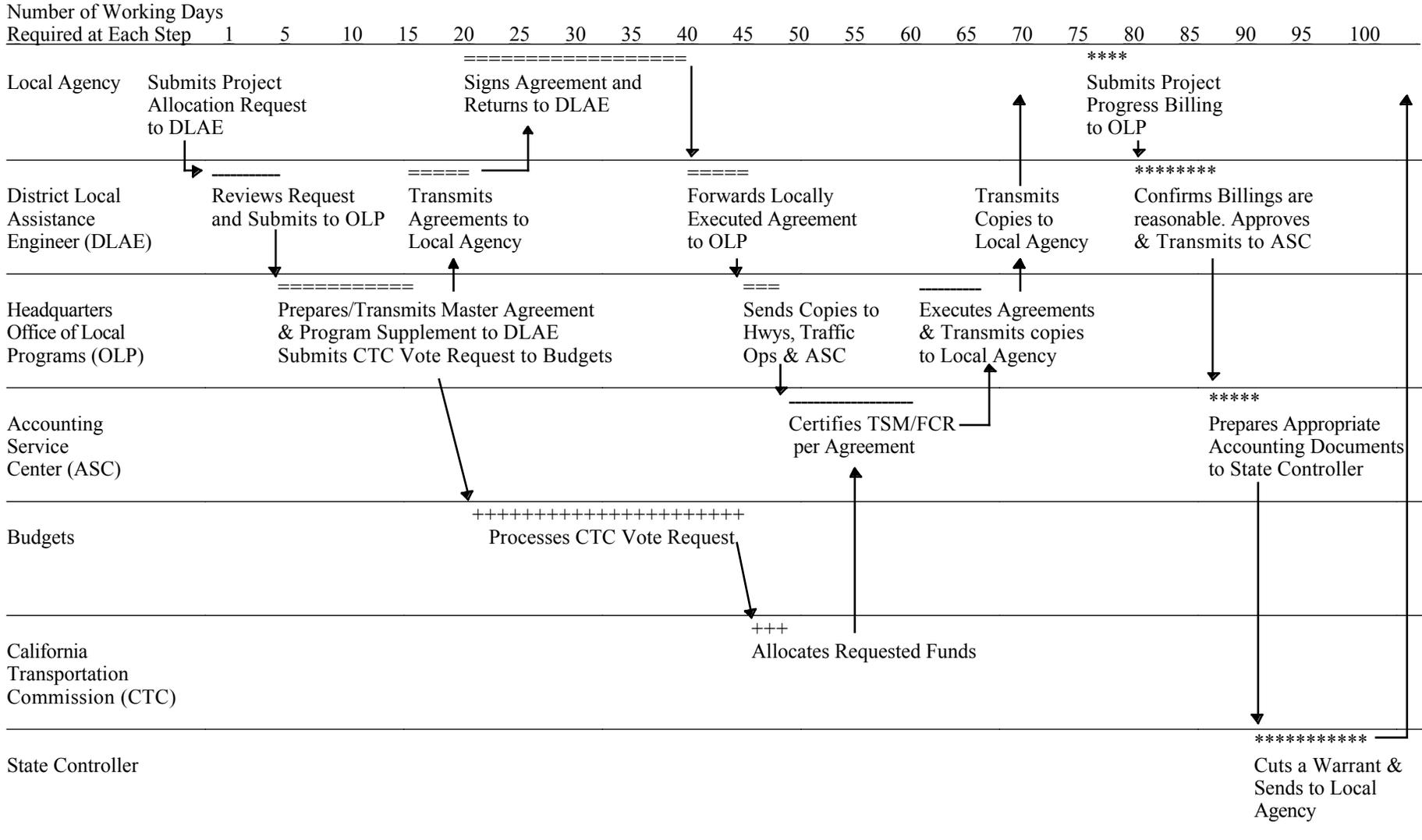
File No. _____
 Fiscal Year _____
 (for CTC use only)

FISCAL YEAR	July/Sept.	Oct./Dec.	Jan./Mar.	Apr./June
1991/92	--	\$5,000	\$5,000	\$5,000
1992/93	\$10,000	\$15,000	\$17,000	\$18,000
1993/94	\$22,000	\$22,000	\$26,000	\$25,000
1994/95	\$28,000	\$29,000	\$29,000	\$29,000
1995/96	\$25,000	\$25,000	\$15,000	--

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PROJECT ALLOCATION & ROUTINE BILLING PROCEDURES

FOR NON-TRANSIT FCR/TSM PROJECTS

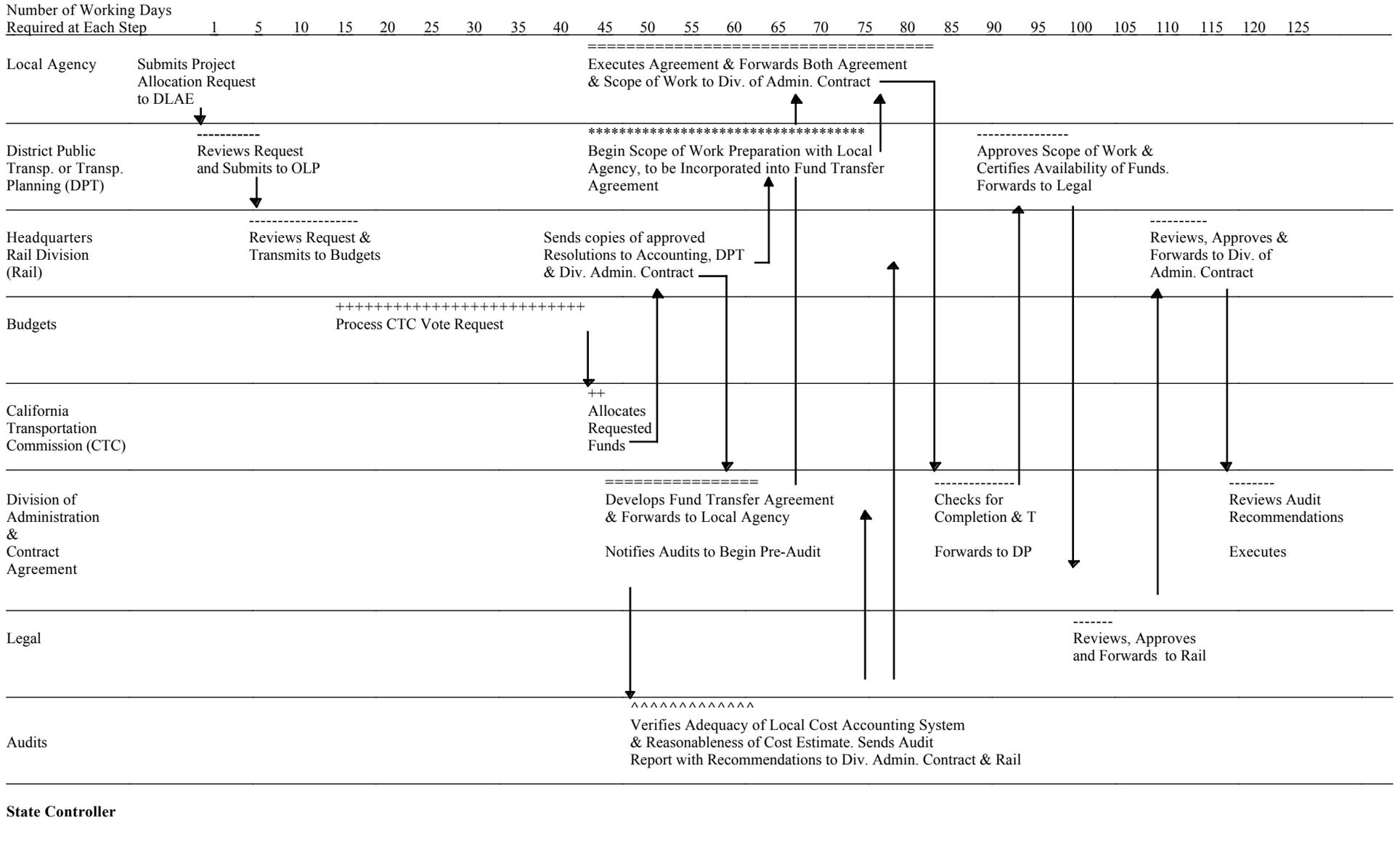


LEGEND ===== Agreement Development ————— Allocation Process
 ++++++ CTC Vote Request Process ***** Routing of Billing Procedures

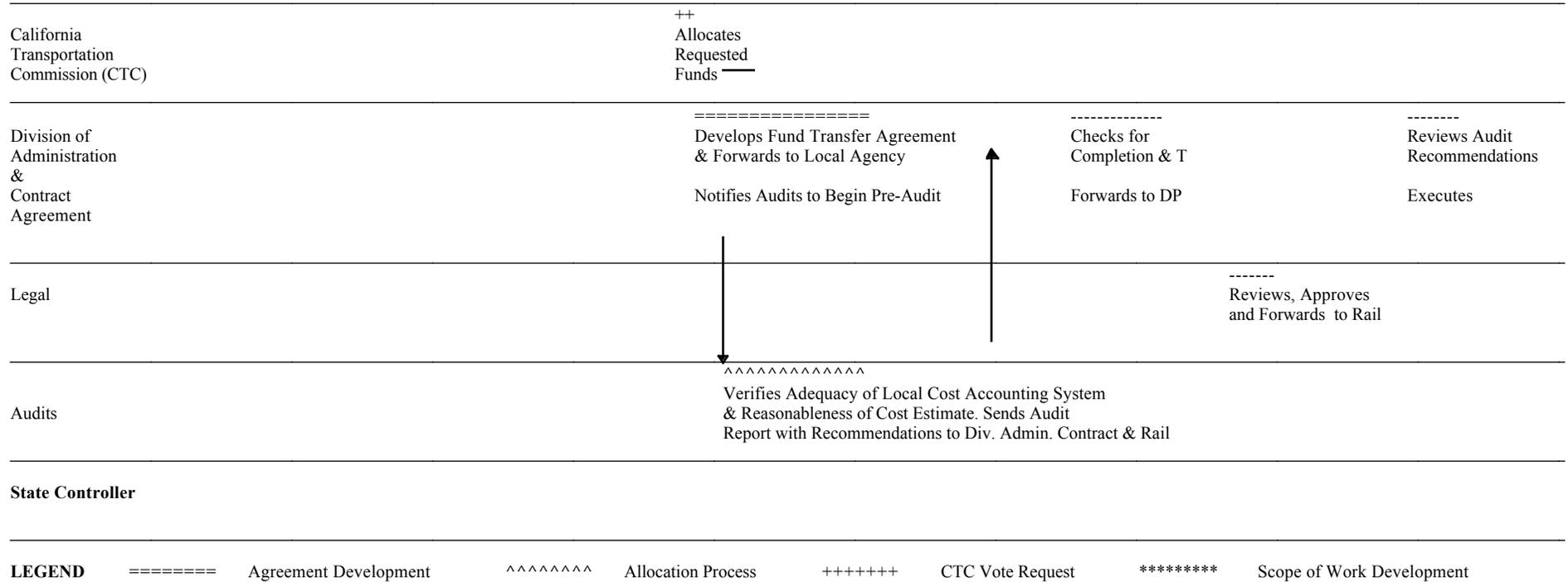
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PROJECT ALLOCATION & ROUTINE BILLING PROCEDURES

FOR TRANSIT FCR & TSM PROJECTS



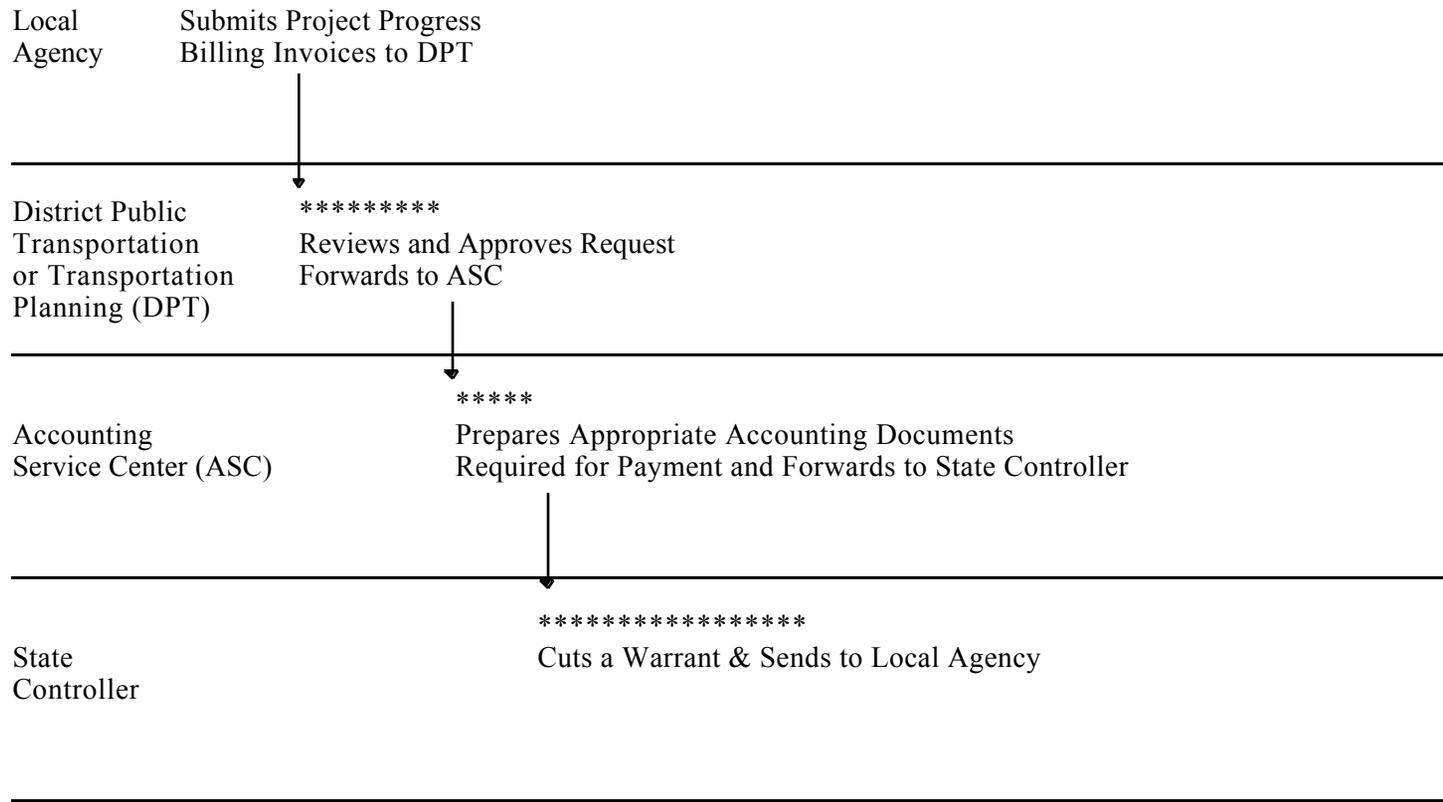
State Controller



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PROJECT BILLING PROCEDURES
 for
 TRANSIT FCR & TSM PROJECTS

# of Working Days Required at Each Step	1	5	10	15	20	25	30	35	40
---	---	---	----	----	----	----	----	----	----



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HIGHWAY & TRANSIT DOCUMENTATION CHECKLIST

Highways

Both

Transit

- project must be included in an adopted STIP, approved TSM Plan or approved 116 application

PROJECT APPROVAL SUBMITTAL

- project approval letter
 - completed environmental documents including project description and cost
 - project schedule, including agency responsibilities & major cost components through project construction
 - project financial plan showing all funding sources and stages where each will be applied
 - a quarterly cash expenditure & reimbursement plan
 - any Commission Policy commitments

FUNDING ALLOCATION REQUEST

- | | | |
|---|---|--|
| <ul style="list-style-type: none">• Master Agreement• Supplemental Agreement | <ul style="list-style-type: none">• funding allocation request letter<ul style="list-style-type: none">- any changes in description, scope, schedule or project costs which differ from previously submitted information- progress compared against cash expenditure and reimbursement plan- amount of requested allocation | <ul style="list-style-type: none">• 580 Review (for policies, procedures & performance standards, see A-9)• Fund Transfer Agreement |
|---|---|--|

REIMBURSEMENT BILLING

- | | |
|--|---|
| <ul style="list-style-type: none">• annual progress reports submitted to the appropriate Caltrans' District Office• progress billings submitted to the appropriate Caltrans Local Assistance Branch | <ul style="list-style-type: none">• Quarterly Progress review as indicated in the Fund Transfer Agreement• progress billings submitted to the Caltrans' District Public Transit Branch |
|--|---|

PROJECT COMPLETION

- final project expenditure report
- final audit

APPENDIX B FINANCING THE STATE FUNDED HIGHWAY PROGRAM

CONTENTS

Section	Subject	Page Number
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	Legislature	1
	CTC	1
	Budget Process Calendar	2
	Budget Timeline	2
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APPENDIX B FINANCING THE STATE FUNDED HIGHWAY PROGRAM

I. STATE BUDGET PROCESS

The State Budget process is a continuous operation carried out at various levels within the State of California. The process includes the development, review and adoption of the State's annual financial plan or budget. There are two major decision-making groups in the budget process: the Governor (Executive Branch), and the Legislature. Together, they determine what is or are not included in the budget. Separately, each plays a distinct role in the development and approval of the budget.

EXECUTIVE BRANCH

Article IV, Section 12, of the State Constitution requires the Governor to annually submit to the Legislature, by January 10, a budget for the upcoming fiscal year. The Governor assigns the responsibility for the preparation of the budget to the Director of the Department of Finance and his staff. The Department of Finance works with the various Agencies and Departments on the preparation of the Governor's Budget. The Agency's Secretaries, as a part of the Governor's Cabinet, are called upon to guide the Departments for which they have responsibility. The Departments, in turn, are responsible for the development of the budget for their program areas on behalf of the Governor. It is also the Departments' responsibility to administer and carry out the decisions made during the budget process.

LEGISLATURE

Article IV, Section 12, of the State Constitution requires the Legislature to adopt an annual budget. All funds under the custody of the State (this includes federal-aid funds) must be appropriated by the Legislature before they can be expended. The Legislature approaches its consideration of the Governor's Budget, as it does for all other legislation, as a representative body of the people of the State of California. Since the Government achieves most of its objectives through programs and activities funded by the budget, its review by the Legislature including input from the public, has direct impact upon State policy and may result in significant changes to existing program objectives and activities. The Legislature assigns the in-depth review of the Governor's Budget to the Legislative Analyst's Office which is a non-partisan staff to both Houses of the Legislature. The Legislative Analyst's Office makes recommendations to the Legislature after this review.

CTC

An additional decision-making body in directing transportation policy and programs is the California Transportation Commission (CTC). The CTC plays a dual role by providing input to the Legislature on the adequacy of the Department's Budget in meeting the State transportation objectives and goals, as well as participating in the administration of the budgeted funds for the Department. The primary responsibility for the CTC lies in its authority to allocate funds for all capital projects and local assistance funds which have been appropriated in the annual budget.

THE BUDGET PROCESS CALENDAR

<u>DATE</u>	<u>ACTIVITY</u>
May	1 Budget Guidelines Issued
June	2. Finance Budget Policies
April-June	3. District/Divisions Develop Budget Requests
June	4. Program Managers Formulate Issues
June-July	5. Budgets reviews Preliminary Budget Change Proposals (BCPs)
July-August	6. Director's Decision
September 15	7. Caltrans Proposed Budget to Business, Transportation & Housing Agency (BT&H) and Department of Finance
October-November	8. BT&H Agency hearings
November	9. Governor's Review
December 1	10. BCPs to Legislative Analyst
January 10	11. Governor's Budget - Budget Bill
February	12. CTC Response to Legislature
February	13. Legislative Analyst's Report
March-April	14. Response to Legislative Analyst Report
April	15. Budget Augmentation
March April	16. Supplemental Legislative Analyst Report
April-June	17. Legislative Review
June 30	18. Governor Signs Budget Bill

BUDGET TIMELINE

The following describes the major activities of the budget process:

1. Budget Guidelines Issued (May - 14 months prior to fiscal year)

Caltrans - Division of Budgets (Budgets) issues budget guidelines to the districts/divisions and the program managers/advisors.

2. Finance Budget Policies (June)

Various Budget Letters, price data, and schedules are issued by the Departments of Finance and General Services, and the State Controller, as part of the budget process.

3. Districts/Divisions Develop Budget Requests (April - June)

The focus of budget requests should be on transportation policy, emphasizing what is to be accomplished and how the objectives and goals of the Department are to be achieved. This process is a necessary step, as it is at the district/division level that the actual programs of the Department are carried out and needs are known.

The Division of Local Assistance (DLA) determines Local Assistance Capital Outlay Budget. The budget is an estimate of what the capital outlay requirements will be for each of the local assistance programs.

4. Program Managers/Advisors Formulate Issues (June)

The program managers assign review of budget requests to the appropriate Headquarters' functional program advisors. During their review, the program advisors must take into consideration the current program definitions to make sure that the changes requested are consistent with the stated definitions.

5. Preliminary BCPs (June - July)

The main purpose of this review is to ensure that the BCP is sound and, to the greatest extent possible, will survive the review of the Department of Finance and the Legislative Analyst's Office.

6. Director's Decisions (July - August)

The Director has the responsibility to decide which BCPs will be included in the Department's proposed budget for submittal to the Department of Finance and the BT&H Agency.

7. Departments Proposed Budget BT&H Agency and Department of Finance (September 15)

By September 15, the Department must submit its proposed budget to the BT&H Agency and to the Department of Finance. The proposed budget is structured by program rather than by district/division and is composed of two major parts: 1) Baseline, and 2) BCP

1) The Baseline Budget provides for current programs and activities at adjusted cost levels (Price Letter information) for current and budget years, but does not include any policy or program changes.

2) The BCPs are prepared in response to the Department's desire to change its programs or activities, or to increase or decrease its resources from the level in the Baseline Budget.

8. Agency Hearing (October - November)

During the months of October and November, the Secretary of the Agency, assisted by the Department of Finance, conducts meetings with representatives of the Department to review the Baseline Budget and BCPs.

9. Governor's Review (December)

The Secretary of the Agency with the Director of Finance, present to the Governor the BCPs which require Executive Office review.

10. BCPs to Legislate Analyst (December)

Copies of all BCPs included in the Governor's Budget are forwarded on December 15, to the Legislative Analyst's Office by the Department of Finance.

11. Governor's Budget/Budget Bill (January 10)

On January 10, the Governor submits to the Legislature a budget containing itemized statements of recommended sources and uses of resources for all Departments and activities in the State. This is the printed budget and is referred to as the Governor's Budget.

12. CTC Response to Legislature (February)

Chapter 1106, Statutes of 1977, (AB 402), requires the CTC to submit annually to the Legislature an evaluation of the Governor's Budget and the adequacy of resources available to the Department.

DLA reviews the proposed local assistance budget and provides input on the adequacy of the proposed budget to meet the needs of the local assistance program.

13. Legislative Analyst's Report (February)

The Legislative Analyst reviews the Governor's Budget and prepares its report, "Analysis of the Budget Bill," which is issued in February.

14. Response to Legislative Analyst's Report (March - April)

After the Legislative Analyst's Office issues its report, "Analysis of the Budget Bill," the Department prepares responses to the issues raised in the Report.

15. Budget Amendments (April)

When there is a need for adjustments to the Governor's Budget, the Department prepares a written request to the Department of Finance (called a Finance Letter). Agency and the Department of Finance reviews the requests and decides which requests, if any, should be sent to the Legislature as revisions to the Governor's Budget.

16. Supplemental Leave Analyst's Report (March - April)

After the Legislative Analyst has reviewed outstanding issues and received input from the Department, the "Supplemental Analysis of the Budget Bill" is prepared.

17. Legislative Review (April)

The Financial Committee of each House appoints subcommittee and assigns them review responsibility for portions of the Budget Bill. After completion of its hearing, each subcommittee prepares a report with recommendations on its assigned positions of the Budget Bill and presents it to its respective financial committee for action.

18. Governor signs Budget Bill (June 30)

The Budget Bill becomes the Budget Act after it is passed by both Houses and signed by the Governor.

19. Division of Local Assistance receives local assistance budget allocation. (July)

DLA compares the allocations in the Budget Bill to what was requested earlier. Allocations are then divided among the different local assistance programs.

II. PROGRAM MANAGEMENT

Part of the responsibilities of the Office of Resource Management and STIP coordination of the DLA, working with Local Programs Accounting, is to ensure individual program allocation are used effectively and that actual expenditures are within the appropriations made in the Budget Act.

BUDGETED FUNDS

The expenditures of budgeted funds can be spread over several years. There are two important concepts to be considered when talking about expenditures:

- **Availability:** the time period during which budgeted funds may be committed for a purpose, whether by payment or by encumbrance.
- **Liquidation:** the period of time following the end of availability when an encumbrance may be paid off. Liquidation may occur during the availability period.

III. PROJECT EXPENDITURES

As noted in Chapter 1, “Introduction/Overview” of this manual, the legislature has created many different State funded local assistance programs to help finance local transportation projects. Because each of the programs was developed to meet different purposes, the reimbursement process varies from program to program. Each program chapter outlines the reimbursement process for that program. In addition, there is the CTC “Financial Guidelines,” attached as Appendix A that supplements the reimbursement process for several of the programs.

AGREEMENTS

In general, once the Budget Bill is signed by the Governor, the State local assistance funds allocated for that fiscal year are available for expenditure. The key element that has to take place with all the State funded local assistance programs before any expenditures can take place is the execution of an “Agreement.” Depending on the program this could involve a Master Agreement, Program Supplement Agreement and/or a yearly specific Agreement for the funds allocated for that fiscal year, see Chapter 4 “Agreements” in the *Local Assistance Procedures Manual (LAPM)*.

More than one local agency has lost out on State funds for their project because they did not execute an Agreement in a timely manner. In the Budget Act or when the programs are established by legislation most of the programs have set “Availability” periods for when the funds are available for encumbrance. To encumber the funds, it requires the **execution** of an Agreement. Just having an Agreement issued by DLA does not guarantee that funds will remain encumbered for a project. If an Agreement is not returned before the end of the availability period then the funds that were encumbered will have to be disencumbered and transferred to another project or program that can use the funds before the end of the availability period.

Local agencies are advised to make sure that when they receive an Agreement that they execute the Agreement in a timely manner. In addition, local agency should read through the individual program guidelines outlined in the following chapters so that they are aware of cut off dates for the availability of the funds. As part of reengineering, the District Local Assistance Offices no longer have the staff to monitor the Agreement; local agencies are now responsible for tracking their own Agreements.

INVOICES

Even with an executed Agreement there is no guarantee that the encumbered funds will always be there. Most State local assistance programs have set “liquidation” periods established by legislation or in the Budget Act. Therefore, local agencies are advised to submit invoices in a timely manner or not receive all the funds that were encumbered for their project. In addition, local agencies should read through the individual program guidelines outlined in the following chapters, so that they are aware of liquidation time limits. Again as part of reengineering, the District Local Assistance Offices no longer have the staff to monitor project progress, local agencies have been delegated this responsibility.

IV. FUTURE FINANCING RECOMMENDATIONS.

Even with the difference in the reimbursement process for each program, most will find that these processes are far simpler than the reimbursement process required for federal-aid programs. Even though these processes might be simpler that does not mean they are perfect. If you think that there might be areas for improvement, we would welcome your suggestions. As you read the guidelines for each of the different programs you will note that most of the programs have had changes to the procedures and processes. These changes came as a result of recommendations made by those of you that utilize the programs.

Recommendations can be made directly to the District Local Assistance Engineer (DLAE), to the DLA, or through legislative representative in your area. Some of the major changes to the reimbursement process have come from recommendations made via the various organizations, like: Coalition of Self-help Counties, League of California Cities and County Engineers Association of California. You are encouraged to discuss and work with these organizations on any changes which you think should be made.