



Regional Planning Partnership

July 22, 2009

2010 Project Delivery Plan Process

Issue: What should the process be for the 2010 Delivery Plan?

Recommendation: Review the proposed 2010 Delivery Plan process and provide comments for consideration by the Transportation Committee and the SACOG Board.

Discussion: While the 2010 Project Delivery Plan process is not yet finished, it is expected that when the final accounting is completed next month, the results will be very positive. This is particularly impressive when one considers that local agencies have also been engaged in delivering the American Recovery and Reinvestment Act (ARRA) projects. In order to foster and promote continued project delivery success, it is important to lay the groundwork now for the 2010 Federal Fiscal Year (FFY) which commences on October 1, 2009.

Last year, SACOG staff recommended advancing the deadlines for the 2009 Delivery Plan in order to encourage early delivery. The results were very favorable, in that at this point in time, virtually all of the region's Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) funds have been authorized. Next year, we expect a number of delivery challenges which will make early delivery important to maintaining the region's success in this area.

First, federal rescissions are becoming a way of life, and it is expected that the upcoming FFY will include continued rescissions or reductions, particularly since the existing transportation act appears headed for an extension of 18 months. Second, the overall funding picture at both the state and federal levels continues to be murky due to the economy, state budget problems, and uncertainties about the current Transportation Act which expires on September 30, 2009. Third, Caltrans Headquarters Local Assistance Division has moved up the date on which it releases Statewide Obligation Authority (OA) from June 1 to May 1. Lastly, other regional agencies are becoming more aggressive in their efforts to obtain OA, making it more difficult for the SACOG region to continue to count on getting more than its "fair share."

As a result, after consulting with Caltrans and local agencies, SACOG staff has developed the attached proposal for the RPP's consideration and comments. This process is almost identical to staff's proposal last year, which was adopted by the Board at its August 21, 2008, meeting and which has enjoyed such successful implementation.

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Attachment

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Proposed 2010 Delivery Plan Process

The SACOG region's delivery over the last ten years has been strong and over the last six years in particular has been exceptional. During this six-year period the region has been among the top leaders in the state for authorizing apportionments and using Obligation Authority (OA). In order to keep performing at this high level, SACOG staff has consulted with Caltrans and local agency staffs and proposes the changes referenced here to the existing process.

We recommend making a call for projects, in coordination with Caltrans District 3 and Headquarters, and compile an initial 2010 Delivery Plan in the next two months (no later than October 14, 2009). As part of this call, we would likely ask that submittals include the usual information: project title, phase of work, and intended source(s) of funds (i.e., RSTP, CMAQ, STIP), etc.

SACOG would monitor the Delivery Plan on a monthly basis and then in the spring (no later than March 10, 2010), in consultation with the local agencies prepare an updated 2010 Delivery Plan for submittal to Caltrans Headquarters. This would be based on an assessment of the region's delivery to date and the state's revised forecast of apportionments and OA. Any project approved in Tier I (2010 MTIP) for delivery for which a "clean" Request for Authorization (RFA) had not been received by Caltrans would lose its priority status. At this point, the project would remain in the plan, but SACOG would no longer hold its "place in line". Any Tier II (2011 MTIP) projects that were ready to deliver could then submit RFA's to Caltrans D-3. If on May 3, 2010, there were still undelivered projects in Tier I and Tier II, then Tier III (2011 and beyond) projects that were ready could come forward for obligation. After June 1, 2010, any remaining projects on the reserve list could be advanced for processing.

As part of the updated Delivery Plan, as we have done in past years, SACOG would attempt to expand our delivery potential by borrowing apportionments, as appropriate, from other regional agencies. Also, we would plan to continue to use as much OA as may be left on the table by other local agencies or by the state. This would provide again in 2009, it is hoped, the opportunity to fund additional work in the region.

Under normal circumstances, staff will bring any proposed loan agreements to the Board for its review and approval prior to signature by the Executive Director. In the event that there is an urgent need for SACOG to execute a loan agreement, current Board delegation gives the Executive Director authority to commit SACOG for such purposes. Consistent with past practice, staff will report back to the Board at the first opportunity.