



SACOG Board of Directors

**Item #15-5-17
Receive & File**

May 14, 2015

2015 SACOG Delivery Plan Update

Each year, SACOG Programming and Project Delivery staff help project sponsors deliver their transportation projects, focusing primarily on projects programmed with SACOG-controlled funds from the Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation (RSTP) programs and Regional Improvement Program (RIP or “STIP”). Attachment A lists the Delivery Plan’s purpose, goals, objectives, and strategies. Delivering a transportation project through the federal aid funding process can take years. SACOG’s staff and the Delivery Plan Process help simplify and shorten that process—sometimes to just months.

In September 2014, the SACOG Board approved the 2015 Delivery Plan Process (see Attachment B for the staff report). Outlined in this item were the timing, three tiers and overall process. New in 2015 was the implementation of a Delivery Plan Editor, an online interactive software program that synchronizes with data from the Metropolitan Transportation Improvement Program (MTIP). Utilizing the Delivery Plan Editor, SACOG has collected information from transportation project sponsors, prioritized delivery using the three tiers, and developed projections for the 2015 delivery season. The feedback from project sponsors has been positive on the new software’s ease of use and time savings. The available information has also made it easier for SACOG staff to adjust, react and predict anticipated delivery related to obligation authority (O.A.), or authorization to use federal funds.

Additional Funds through August Redistribution

From the project information collected, SACOG staff is forecasting that the region will once again be poised to garner additional funding in 2015; this is done through close monitoring of federal and statewide delivery. The federal government uses obligation authority (O.A.) to constrain the real dollars, or apportionment, that states and regions receive. As a result, states and regions are often left with apportionment balances that they cannot spend. For years, SACOG has successfully avoided this problem by garnering additional O.A. through “August Redistribution.” Each August, the federal government redistributes O.A. from states that have not obligated 100 percent of their O.A. to states that have. When California receives O.A. through August Redistribution, Caltrans passes on a portion of that O.A. to the regions that have over-delivered that year. For example, in 2014, SACOG over-delivered O.A. by \$21 million and garnered \$4 million, bringing our actual O.A. balance to -\$17 million.

2015 Forecast

Using a conservative estimate, project sponsors in 2015 could obligate \$53.4 million of the region’s \$35.4 million of O.A., taking our region’s balance to -\$18 million. As shown in the three 2015 delivery

scenarios in Attachment C, projects in the SACOG region could obligate from \$53.4 million to as much as \$68.5 million. Scenario 1 is what might happen if 100 percent of projects in Tiers 1 and 2 (projects funded with CMAQ or RSTP) delivered. Under Scenario 1, the region would deliver \$62.8 million in real dollars leaving a balance of -\$24.2 million O.A.

Scenario 2 mirrors Scenario 1, but factors in an additional delivery of \$5,692,000 in “Tier 3” RSTP loans to STIP-funded projects. Tier 3 projects are those projects that request to borrow CMAQ or RSTP funds. The 2015 Delivery Plan Process allows for loaning funds to such projects for delivery after May 1, 2015. SACOG considers these loan requests based on sponsors’ delivery needs, regional delivery targets, and available apportionment. Under Scenario 2, the region would deliver \$68.5 million, leaving a balance of -\$33.1 million O.A.

Scenario 3 builds on Scenario 2, but factors in a potential delivery failure rate of 22 percent. Actual delivery has been known to fail by as much as 30 percent due to delays in obligations, deobligations of past projects, and unexpected increases in apportionment and/or O.A. levels. In 2014, SACOG experienced a 22 percent rate of delivery failure. Using that rate, under Scenario 3, the region would deliver \$53.4 million, leaving a balance of -\$18.0 million O.A.

Attachment D lists all of the projects funded with RSTP and/or CMAQ funds that are scheduled to deliver in 2015. Projects with an estimated delivery after August 1, 2015, are broken out separately. These projects, should they be delayed by two months, would result in a delivery failure of \$22.1 million. Tier 3 projects are also broken out separately. These projects will borrow RSTP and pay back an equal amount with STIP funds.

First Come, First Serve

The risk to SACOG’s Delivery Plan strategy is that, as shown in Scenario 2 (Attachment C), SACOG could run out of RSTP apportionment by \$1,800,274, which could cause some projects to fail delivery. These projects would need either to wait for their tier window in 2016, or else use “advance construction” – spending local dollars now and receiving postponed federal reimbursement. An alternative would be for SACOG to pursue loans of apportionment from other regions; SACOG would pursue loans only in the event of a strong likelihood of over-delivery.

Attachments

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Project Delivery Plan: Purpose, Goals, Objectives, and Strategies

Purpose:

The Delivery Plan is a tool that SACOG employs to achieve project delivery goals, objectives, and strategies.

Goals

1. Promptly implement the Metropolitan Transportation Plan/Sustainable Communities Strategy for 2035(MTP/SCS).
2. Ensure that no funding is lost from the region.
3. Win additional funding for the region.

Objectives

1. Help individual MTP/SCS projects deliver on time or earlier.
2. Deliver and exceed the region's annual O.A. early and before the end of the fiscal year.
3. Deliver or exceed the region's entire apportionment for CMAQ and RSTP early and before the end of the fiscal year.

Strategies

1. Coordinate with project sponsors, regional partners, federal partners, and Caltrans Local Assistance through phone calls, emails, and regular meetings.
2. Provide assistance, including helping sponsors surmount delivery obstacles and expediting amendments to the Metropolitan Transportation Improvement Program (MTIP).
3. Pursue creative approaches, such as offering Tier III loans, facilitating funding swaps, borrowing apportionments and/or obligation authority from other regions, and taking advantage of toll credits.



SACOG Board of Directors

September 11, 2014

Approve Delivery Plan 2015 Process

Issue: What process should be adopted for developing the 2015 SACOG Delivery Plan?

Recommendation: The Transportation Committee recommends that the Board approve the proposed 2015 Delivery Plan process.

Committee Action/Discussion: Each year, SACOG helps project sponsors deliver their projects with SACOG-controlled federal funds from the Congestion Mitigation and Air Quality (CMAQ) program, Regional Surface Transportation Program (RSTP), and Regional Improvement Program (RIP). Project sponsors navigate a complicated federal aid funding process to request and spend these funds in a timely manner. Delivery timing, prioritization tiers, and general practices are all outlined in an annually approved Delivery Plan Process. SACOG's annual Delivery Plan prioritizes who can request federal funds during the current Federal Fiscal Year (FFY) by balancing past commitments, funding availability, and project readiness.

2014 Delivery Plan Process

On September 26, 2013, the SACOG Board approved the 2014 Delivery Plan and Process, which concludes on September 30, 2014. The 2014 Delivery Plan Process added a new requirement for sponsors to send SACOG additional project cost and schedule information to enhance staff's ability to more accurately predict delivery. This additional information helped SACOG staff understand the risks associated with each project poised for delivery in FFY 2014. The information also helped target specific projects for advancement utilizing the delivery Tier process. Staff has been diligently working with project sponsors to maximize the use of federal funds and increase delivery. In the prior committee cycle, staff provided a status update. Once the FFY ends, staff will return in future committee meetings to highlight the results of the 2014 process.

New Tools Proposed for the 2015 Delivery Plan Process

SACOG staff proposes to continue the policy of gathering project delivery milestone and contact information. Instead of emails and spreadsheets, SACOG staff is developing online information-sharing tools to help increase the quality and frequency of updates. These tools will be applied to SACOG discretionary funding sources such as RSTP, CMAQ, and RIP funds, and will also be available to track projects included in Caltrans-managed local funding programs, such as the Highway Bridge Program (HBP) and the Highway Safety Improvement Program (HSIP). New funding sources such as the Active Transportation Program (ATP) will be tracked closely, as there are additional project delivery deadlines associated with California Transportation Commission (CTC) allocation requests and new ATP program guidelines.

As in past years, the 2015 Delivery Plan will continue to have three tiers that reward project sponsors for preparing shovel-ready projects as early as possible:

- Tier 1 projects have funding programmed in the current FFY and bond-funded projects programmed in any year of the Metropolitan Transportation Improvement Program (MTIP). These projects will have priority to request authorization for SACOG's federal funds until February 1, 2015.
- Tier 2 projects have RSTP and CMAQ funds programmed in any year of the MTIP. These projects will have priority to request authorization for SACOG's federal funds until May 1, 2015.

- Tier 3 projects are those projects not programmed in the MTIP or have RIP funds programmed in later years. After May 1, 2015, project sponsors can request to borrow SACOG's federal funds to deliver a project earlier than its other identified funds might allow. SACOG will consider these requests based on sponsors' delivery needs, regional delivery targets, and available apportionment.

Staff recommends approval of the process outlined in more detail in Attachment A. The tier structure remains unchanged from 2014. However, staff is clarifying the application of Tier II to CMAQ- and RSTP-funded projects. Additionally, due to program requirements, projects funded with ATP cannot be advanced utilizing the tier system.

Approved by:

Mike McKeever
Chief Executive Officer

MM:SS:gg
Attachment

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PROPOSED 2015 DELIVERY PLAN PROCESS

Because of SACOG's past project delivery successes, the 2015 Delivery Plan proposes to use the same process as earlier plans. Projects will be classified under the following prioritized three tiers:

Classification	Project Group	Level of Priority
Tier 1	Projects programmed in the MTIP for FFY 2015 and programmed projects with Proposition 1B funds irrespective of year.	Priority until February 1, 2015
Tier 2	Projects programmed with RSTP and CMAQ in any year of the MTIP	Priority until May 1, 2015
Tier 3	Projects not programmed in the MTIP- or RIP-funded projects programmed in later years that desire a loan.	Will be considered after May 1, 2015

As shown in the above table, projects programmed in the SACOG MTIP for FFY 2015 and programmed projects with Proposition 1B funds in any year of the MTIP will be Tier 1 projects and given the highest priority. The hope is that between October 1, 2014, and February 1, 2015, sponsors of these projects will submit their fully completed Request for Authorization (RFA) to Caltrans District 3 Office of Local Assistance. Should there be problems fully completing the RFA and those problems carry over beyond February 1, 2015, that project will lose its highest priority status and compete with projects in Tier 2. This will continue until May 1, 2015 when SACOG will consider Tier 3 project loans for unprogrammed projects or projects with RIP funds programmed in later years. The 2015 Delivery Plan offers the opportunity to unprogrammed projects seeking loans for implementation from SACOG. The process and conditions for such loans are already well established in the SACOG region, and the proposed 2015 plan will adhere to them.

The following is the proposed plan schedule:

Date	SACOG Staff Activity
Aug 27, 2014	2015 Delivery Plan process presented to the Regional Planning Partnership
Aug 28, 2014	2015 Delivery Plan process presented to the Transportation Committee
Sep 18, 2014	SACOG Board approves 2015 Delivery Plan Process
Sep 19, 2014	SACOG requests 2015 project delivery information from sponsors
Oct 16, 2014	Deadline to submit project delivery information to SACOG
Oct 31, 2014	SACOG prepares Delivery Plan for Tier 1 and Tier 2 projects
Nov 2014 to Mar 2015	SACOG requests updated delivery information from sponsors and evaluates Tier 2 & 3 projects
Feb 1, 2015	Tier 2 opens
Mar 13, 2015	Deadline to submit updated project delivery information to SACOG
Apr 1, 2015	SACOG submits 2015 Delivery Plan to Caltrans
May 1, 2015	Tier 3 considered by SACOG staff
Apr 2015 to Sept 2015	SACOG requests updated delivery information from sponsors as needed

As in past years, staff proposes to expand SACOG's project delivery potential by borrowing apportionments and/or obligational authority (OA) or obtaining loans, as appropriate, from other regional agencies or from the state. Extending these practices for the 2015 Delivery Plan may help fund additional projects or keep funds within the region. With respect to borrowing or loaning funds, under normal circumstances, staff will take any proposed loan agreements to the Board for its review and approval prior to signature by the Chief Executive Officer. In the event that there is an urgent need for SACOG to execute a loan agreement, current Board delegation gives the Chief Executive Officer discretion to commit SACOG for such purposes. Consistent with past practices, staff would then report back to the Board at the earliest opportunity or in the year-end delivery update.

2015 Project Delivery Scenarios

Scenario 1: Tiers 1 and 2

Best possible scenario if SACOG does NOT issue Tier 3 loans

	Target	Possible Delivery	Balance
Obligation Authority	\$35,409,023	\$62,820,672	(\$24,171,649)
RSTP	\$43,605,650	\$39,713,924	\$3,891,726
CMAQ*	\$29,939,595	\$21,842,248	\$8,808,347

Scenario 2: Tiers 1, 2, and 3

Best possible scenario if SACOG DOES issue Tier 3 loans

	Target	Possible Delivery	Balance
Obligation Authority	\$35,409,023	\$68,512,672	(\$33,103,649)
RSTP	\$43,605,650	\$45,405,924	(\$1,800,274)
CMAQ*	\$29,939,595	\$24,371,248	\$5,568,347

Scenario 3: Tiers 1, 2, and 3 with 22% Failure

Most *likely* scenario, with Tier 3 loans, and 22% delivery failure rate

	Target	Possible Delivery	Balance
Obligation Authority	\$35,409,023	\$53,439,884	(\$18,030,861)
RSTP	\$43,605,650	\$35,416,621	\$8,189,029
CMAQ*	\$29,939,595	\$19,009,573	\$10,930,022

**This figure accounts for paying back a CMAQ loan of \$1,264,500 in 2015 to the San Luis Obispo Council of Governments. SACOG borrowed these funds in 2014 in order to deliver CMAQ projects a year early.*

2015 Delivery Plan (Obligation Authority for CMAQ and RSTP)*

Tiers 1 and 2

Project Sponsor (Sorted Alphabetically)	By Aug 1st.	After Aug. 1st	Total
City of Colfax			
Grass Valley Street Railroad Crossing Pedestrian and Bike Improvements (PLA25439)	\$300,000		\$300,000
City of Colfax Total	\$300,000		\$300,000
City of Davis			
Bicycle and Pedestrian Wayfinding & Data Collection Program (YOL19332)	\$192,000		\$192,000
City of Davis Total	\$192,000		\$192,000
City of Elk Grove			
40' Bus Replacements (SAC24735)	\$1,284,000		\$1,284,000
City of Elk Grove Total	\$1,284,000		\$1,284,000
City of Live Oak			
Live Oak Collaborative Highway 99 Streetscape Improvements (SUT18865)	\$810,000		\$810,000
City of Live Oak Total	\$810,000		\$810,000
City of Placerville			
Western Placerville Interchanges Phase 1B (ELD19358)	\$722,000		\$722,000
City of Placerville Total	\$722,000		\$722,000
City of Rocklin			
Pacific Street-Bikeway/Neighborhood Electric Vehicle Expansion Project (PLA25552)	\$1,400,000		\$1,400,000
City of Rocklin Total	\$1,400,000		\$1,400,000
City of Roseville			
2015 RSTP Arterial Microsurfacing Project (PLA25578)	\$6,374,233		\$6,374,233
Pedestrian Facilities Improvement Project (PLA25500)	\$562,525		\$562,525
Roseville CMS Installation Project - Pleasant Grove Blvd. (PLA25545)		\$100,000	\$100,000
City of Roseville Total	\$6,936,758	\$100,000	\$7,036,758
City of Sacramento			
Complete Street Rehabilitation - Power Inn Rd. (SAC24723)		\$2,480,448	\$2,480,448
Riverfront Reconnection Project-Phase I (SAC24705)	\$10,225,400		\$10,225,400
City of Sacramento Total	\$10,225,400	\$2,480,448	\$12,705,848
City of Winters			
Walnut Lane Roundabout (YOL19336)	\$646,269		\$646,269
City of Winters Total	\$646,269		\$646,269
City of Yuba City			
Feather River Bridge at 5th St (SUT10828)	\$2,159,000		\$2,159,000
City of Yuba City Total	\$2,159,000		\$2,159,000

Project Sponsor (Sorted Alphabetically)	By Aug 1st.	After Aug. 1st	Total
El Dorado County			
Bass Lake Road Overlay (ELD19386)	\$900,000		\$900,000
El Dorado Trail Ext. - Los Trampas Dr to Halcon Rd (ELD19364)	\$7,000		\$7,000
El Dorado Trail Ext. - Missouri Flat Rd to El Dorado Rd (ELD19371)	\$15,000		\$15,000
New York Creek Trail East - Phase 2 (ELD19375)		\$10,000	\$10,000
Silva Valley Pkwy Class I/II Bike Path - Harvard Wy to Green Valley Rd (ELD19372)		\$108,000	\$108,000
El Dorado County Total	\$922,000	\$118,000	\$1,040,000
PCTPA			
Placer County Congestion Management Program (PLA25468)	\$170,008		\$170,008
Placer County Freeway Service Patrol (PLA25543)	\$68,750		\$68,750
PCTPA Total	\$238,758		\$238,758
Placer County			
Auburn Folsom Rd Class II Bike Lane (PLA25472)	\$1,058,240		\$1,058,240
CNG Bus (PLA25583)		\$450,000	\$450,000
HMA Overlay, Various County Roads (Yr2) (PLA25562)	\$2,809,435		\$2,809,435
King Rd. Safety Lane Widening (PLA25512)		\$300,000	\$300,000
Placer County Total	\$3,867,675	\$750,000	\$4,617,675
RT			
South Sacramento Corridor Phase II Operating Assistance (REG17954)	\$2,000,000		\$2,000,000
RT Total	\$2,000,000		\$2,000,000
SACOG			
Bike Share (VAR56126)		\$3,805,000	\$3,805,000
Connect Card (VAR56028)	\$250,000		\$250,000
Planning Programming and Monitoring (RSTP) Phase 2 (VAR56101)	\$215,967		\$215,967
Transportation Demand Management (TDM) Phase 3 (VAR56184)	\$1,200,000		\$1,200,000
SACOG Total	\$1,665,967	\$3,805,000	\$5,470,967
Sacramento County			
Complete Streets Rehabilitation (SAC24729)	\$3,714,900		\$3,714,900
Complete Streets Rehabilitation of Fulton Avenue - 1 (SAC24730)	\$722,700		\$722,700
Fair Oaks Boulevard Improvements Phase 2 (SAC16800)		\$1,404,574	\$1,404,574
Fair Oaks Boulevard Improvements, Phase 3A (FOBI-3A) (SAC24748)	\$903,006		\$903,006
Hazel Ave Widening, Phase 2 (SAC24625)		\$10,031,000	\$10,031,000
Road Rehab (SAC24768)		\$539,435	\$539,435
Sacramento County Total	\$5,340,606	\$11,975,009	\$17,315,615

Project Sponsor (Sorted Alphabetically)	By Aug 1st.	After Aug. 1st	Total
Sutter County			
Brittan Elementary School Pedestrian Improvements (SUT18869)		\$467,000	\$467,000
Sutter County Total		\$467,000	\$467,000
Town of Loomis			
2017 CIP Road Maintenance Project (PLA25579)	\$269,632		\$269,632
Town of Loomis Total	\$269,632		\$269,632
Yolo County			
CR 27 Complete Streets Road Reconstruction (YOL19334)	\$736,500		\$736,500
Yolo County Total	\$736,500		\$736,500
Yuba County			
Mathews Ln. and Ramirez Rd. Farm-to-Market Project (YUB16040)	\$2,080,700		\$2,080,700
Olivehurst Ave. Complete Street (YUB16012)	\$1,327,950		\$1,327,950
Yuba County Total	\$3,408,650		\$3,408,650
Total	\$42,933,215	\$19,695,457	\$62,628,672

Tier 3 (RSTP loans to be paid back with STIP)*

Project Sponsor (Sorted Alphabetically)	By Aug 1st.	After Aug. 1st	Total
City of Davis			
Third St. Improvements Project (YOL19301)	\$3,292,000	\$0	\$3,292,000
City of Davis Total	\$3,484,000		\$3,484,000
City of West Sacramento			
Pioneer Bluff Bridge Phase 2 - Village Parkway Extension (YOL19329)	\$0	\$2,400,000	\$2,400,000
City of West Sacramento Total	\$0	\$2,400,000	\$2,400,000
Total	\$3,484,000	\$2,400,000	\$5,884,000

All Tiers (1, 2, & 3)*

Grand Total	\$46,417,215	\$22,095,457	\$68,512,672
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**Does not include \$1,264,500 CMAQ apportionment loan payback to to San Luis Obispo Council of Governments. SACOG borrowed these funds in 2014 and will pay them back in 2015. The loan is for apportionment and not O.A., and therefore will not count toward SACOG's delivery of O.A.*