



SACOG Board of Directors

Item# 17-10-7
Consent

October 12, 2017

Approve 2018 SACOG Delivery Plan Process

Issue: Should the Board approve the proposed SACOG Delivery Plan Process for 2018?

Recommendation: The Transportation Committee unanimously recommends that the Board approve the 2018 Delivery Plan Process.

Committee Action/Discussion: Staff proposes to manage the 2018 Delivery Plan using the same process as in prior years. 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 /STIP). These funds are awarded to project sponsors who have successfully competed in prior Flexible Funding Round programs (Regional/Local, Community Design, Bicycle & Pedestrian, Air Quality, etc.). Project sponsors navigate a complicated federal aid funding process to request and spend these funds in a timely manner.

Over the last several years, delivery timing, prioritization tiers, and general practices have all been outlined in an annually approved SACOG Delivery Plan Process. This process prioritizes who can request federal funds from SACOG during the current federal fiscal year (FFY) by balancing past commitments, funding availability, and project readiness.

The 2018 Delivery Plan Process provides the policy guidance for the FFY that runs between October 1, 2017, and September 30, 2018. As in prior years, the Delivery Plan Process proposes three tiers, described below, that reward project sponsors for preparing shovel-ready projects as early as possible:

- Tier 1 projects have funding programmed in the current FFY of the Metropolitan Transportation Improvement Program (MTIP). These projects will have priority to request authorization for SACOG's federal funds until February 1, 2018.
- 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, 2018.
- Tier 3 projects are those projects not programmed in the MTIP or that have RIP/STIP funds programmed in later years. After May 1, 2018, project sponsors can request authorization to encumber borrowed RSTP or CMAQ funds to deliver a project earlier than its other identified funds might allow. SACOG will consider these requests, taking into account sponsors' delivery needs, regional delivery targets, and available

apportionment.

This 2018 Delivery Plan process is outlined in more detail in Attachment A. Due to program requirements, projects funded with Active Transpiration Program funds cannot be advanced utilizing the tier system.

Delivery Plan Policies and Guidance

This may be the last year that SACOG brings an annual delivery plan policy for Board action. Staff plans to return to the Committee in November with the draft of a comprehensive delivery guidance document, vetted with stakeholders, that would establish the current annual delivery process as an ongoing policy. The draft document will also update and clarify other delivery policies and practices to provide more detailed written guidance for project sponsors receiving SACOG funds in the four-county region.

Quarterly Reporting via Project Delivery Coordination Groups

SACOG also intends to continue using face-to-face communication to maintain and improve project delivery. Beginning in 2017, as discussed with the Board, SACOG began asking sponsors for quarterly progress updates on their projects. However, rather than request that sponsors submit *written* quarterly reports, staff has begun meeting at least quarterly with public works staff of each city and county, forming local “project delivery coordination groups” in all six counties in the region, including El Dorado and Placer counties. These sessions are designed to inform local jurisdictions on funding opportunities such as SB 1; share updates on project progress and challenges; involve Caltrans Local Assistance early on in supporting project delivery; and educate and assist staff on technical programming and project delivery rules and requirements and overcoming roadblocks to help projects keep moving forward in a timely manner. Staff has received positive feedback from attendees that they are finding these meetings helpful and efficient. Staff plans to continue these quarterly coordination meetings at least through 2018 as a means both of monitoring delivery progress and providing support and assistance to project sponsors.

Approved by:

James Corless
Chief Executive Officer

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Attachments

Key Staff: Kirk Trost, Chief Operating Officer/General Counsel, (916) 340-6210
Matt Carpenter, Director of Transportation Services, (916) 340-6276
José Luis Cáceres, Transportation Planner, (916) 340-6218
Sharon Sprowls, Senior Program Specialist, (916) 340-6235

Attachment A

PROPOSED 2018 DELIVERY PLAN PROCESS

The 2018 Delivery Plan proposes to use the same tier process as earlier plans.

Projects will be classified under the following prioritized three tiers:

Classification	Project Group	Level of Priority	Obligation Authority (OA)
Tier 1	Projects programmed in the MTIP for FFY 2018.	Priority until February 1, 2018	Subject to SACOG OA limitation
Tier 2	Projects programmed with RSTP and CMAQ in any year of the MTIP	Priority until May 1, 2018	Subject to SACOG OA limitation
Tier 3 project loans	Projects not programmed in the MTIP- or RIP/STIP- funded projects programmed in later years that desire a loan.	Will be considered after May 1, 2018	Subject to California OA availability

As shown in the above table, projects programmed in the SACOG MTIP for FFY 2018 will be Tier 1 projects and given the highest priority. The expectation is that between October 1, 2017, and February 1, 2018, 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, 2018, that project will lose its highest priority status and will compete with projects in Tier 2. This will continue until May 1, 2018, the earliest date when SACOG will allow approved Tier 3 project loans to request authorization. Tier 3 project loans are for unprogrammed projects or projects with RIP funds programmed in later years. The 2018 Delivery Plan offers the opportunity to un-programmed 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 2018 Delivery Plan will adhere to them.

SACOG's Obligation Authority (OA) limitation is calculated based upon prior year delivery. The amount of OA available for SACOG to use in 2018 will be determined by delivery outcomes from the 2017 cycle. It is determined by SACOG's regional delivery, statewide delivery, and the proportion of over-delivery by the state and regional agencies.

Regional OA can be used to increase obligation authority on existing federal earmarks. However, this does not calculate into a region's ability to access above and beyond its own OA and increase a future share of August redistribution. Only under limited circumstances would an OA request be considered. Such action would be considered a loan with terms to be agreed upon similar to the Tier 3 loan process.

As in past years, staff proposes to expand SACOG's project delivery potential by borrowing apportionments and/or obligation authority (OA) or obtaining loans, as appropriate, from other regional agencies or from the state. Extending these practices for the 2018 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.

Balancing Project Delivery / Delivery Failure

