




March 15, 2010

To: Transportation 2020 Committee
From: Will Kempton, Chief Executive Officer 
Subject: Measure M2 Comprehensive Transportation Funding Program Guidelines

Overview

Measure M2 allocates net revenues for the development of various competitive programs which will provide funding for local streets and roads projects including the countywide Regional Capacity Program. Measure M2 also includes competitive transit programs such as Transit Extensions to Metrolink, Metrolink Gateways, and Community-Based Circulators. Staff has worked with the members of the Technical Advisory Committee to develop a comprehensive set of guidelines for the local streets and roads competitive programs. The Measure M2 Comprehensive Transportation Funding Program guidelines are being presented for Board of Directors' review and approval.

Recommendations

- A. Approve the guidelines for the Comprehensive Transportation Funding Program.
- B. Direct staff to develop detailed revenue estimates and return for authorization to issue the first Measure M2 Regional Capacity Program annual call for projects.

Background

Measure M2 (M2) includes a number of competitive programs that provide funding for transit as well as local streets and roads projects. The framework and guidelines for the competitive transit programs will be developed under the guidance of the Transportation 2020 Committee (Committee). The focus of the Technical Advisory Committee (TAC) has been M2 Project O – the Regional Capacity Program (RCP). The RCP, in combination with matching funds, provides a significant funding source for improvements to the Orange County Master Plan of Arterial Highways (MPAH). The program also provides

for intersection improvements and other projects to help improve street operations and reduce congestion. The program allocates funds through a competitive process and targets projects that improve traffic by considering factors such as degree of congestion relief, cost effectiveness, project readiness, and other measures of effectiveness. The Comprehensive Transportation Funding Program (CTFP) will provide the procedures the Orange County Transportation Authority (OCTA) uses to administer the RCP as well as other competitive programs, giving guidelines on scoring and selection criteria, requirements for the receipt of funds, and procedures for project reporting.

On January 18, 2010, staff presented the draft CTFP procedures manual to the Committee for review and comment. Included in the Committee discussions at that time were local agency concerns about the proposed 75/25 initial/final payment distribution ratio. Local agencies felt this could present cash flow issues resulting from the larger amount reserved for payment upon submission of a final project report. Based on discussions with the TAC, local agencies preferred the current 90/10 payment distribution ratio. However, the Committee expressed concern over this large initial payment being provided at contract award, prior to any significant project expenditures. The Committee directed staff to discuss these issues with the TAC and return with recommendations along with the final draft of the CTFP procedures manual (Attachment A) for Committee review and approval.

Discussion

The CTFP procedures manual is meant to provide guidelines and procedures necessary for Orange County agencies to apply for transportation funding for any of the M2 competitive programs. Each program has a specific objective, funding source, and set of project selection criteria detailed in separate chapters contained within the manual. Non-Measure M programs may be added, modified, or deleted over time to reflect legislative action and funding availability. The CTFP procedures manual contains guidelines governing the programs below.

Local Streets and Roads Programs

The RCP replaces a number of current Measure M (M1) local and regional streets and roads competitive programs and will provide a more flexible mechanism for improvements to the MPAH network throughout Orange County. The RCP is made up of three individual program categories:

- The Arterial Capacity Enhancement improvement category provides funding for MPAH widening projects. This component closely resembles the MPAH program from M1. The primary objective of this improvement category is to complete the MPAH network through gap closures and the construction of missing segments, and to relieve congestion by adding capacity where needed.
- The Intersection Capacity Enhancement improvement category provides funding for operational and capacity improvements at intersecting MPAH roadways. This component closely resembles the Intersection Improvement Program from M1. This category helps to improve MPAH capacity and throughput by providing additional turn and through lanes at major intersections.
- The Freeway Arterial/Streets Transition improvement category focuses upon street to freeway interchanges. This component is similar to Regional Interchange Program from M1.

The Rail Grade Separation Program (RGSP) is under the umbrella of the RCP, but is not included as one of the competitive categories addressed above. Seven rail crossing projects along the MPAH network were identified by the California Transportation Commission to receive Trade Corridors Improvement Funds (TCIF). These TCIF allocations required an additional local funding commitment. To meet this need, the Board of Directors (Board) approved the commitment of approximately \$155 million in RCP funds. The RGSP captures these prior funding commitments. Calls for projects for grade separations are not anticipated in the future.

With the RCP, local agencies will be subject to similar requirements that preceded in M1 and must abide by additional policies established in accordance with the M2 Ordinance. Significant differences to note include:

- Local agencies must provide a dollar-for-dollar match (50 percent) to qualify for funding, but can earn lower match requirements if priority is given to other key objectives such as better road maintenance and regional signal synchronization. The minimum match is now 25 percent for local agencies that meet the criteria specified in the M2 Ordinance.
- Implementing agencies are limited to a one-time delay of up to 24 months per project. Agencies shall justify this request, receive city council (or in the case of the County of Orange, the Board of

Supervisors) concurrence, and seek approval of OCTA, the Technical Steering Committee (TSC), and the TAC as part of the semi-annual review process, with final approval provided by the OCTA Board. Delay requests have been identified as a significant issue in the current program. The M2 Ordinance mandate of a one-time delay, as well as the additional guideline requirements of seeking the various approvals for delays, will promote more timely delivery of projects.

- OCTA will now issue an annual call for projects (call) and will program projects for a three-year period based upon a current estimate of available funds. Previous practice was to issue a call every two to three years with a five-year programming cycle. However, it became evident over the course of the current program that the majority of project delays and delivery issues came from allocations programmed in years four and five. With an annual call and a shorter programming cycle, agencies will be in a position to apply for project funding as needed, and potentially avoid the issues that often came with projects programmed into years four and five.
- OCTA will now use a sequential funding approach. This creates a two-step process for an agency to receive complete project funding. Step One, also known as the planning phase, includes funding requests for planning/environmental, engineering, and right-of-way (ROW) engineering activities. Step Two, also known as the implementation phase, includes ROW acquisition and construction activities. Projects must complete the planning phase before an agency requests implementation phase funding during a call. A “fast track” option will be available for agencies that can demonstrate full funding is necessary for the timely implementation of the project; however, if an agency uses this option, no delay requests will be granted for the project.

This method will also help improve the timely delivery of projects. As an agency progresses from the early planning stages through to final design, costs estimates and implementation schedules can be updated based on the most accurate project information available. This will reduce agency funding shortfalls that have occurred in the past as a result of construction allocations being based on preliminary estimates.

- There is no established funding cap for the specific improvement categories. Funding availability by category will be reviewed during each call as project applications are reviewed and ranked. This will

allow the projects that are submitted to determine the distribution of available funding. This ensures project funding will go where it is needed most.

- A lead agency may request to transfer 100 percent of savings between the phases within a project with approval from the TAC and Board. However, agencies may only use savings as an aid for unanticipated cost overruns.

Payment Distribution Ratio

When the draft CTFP procedures manual was presented to the Committee on January 18, 2010, considerable discussion took place regarding the proposed 75/25 payment distribution ratio. Under this proposal, the initial payment would constitute 75 percent of the contract award or programmed amount, whichever is less. OCTA would release the remaining balance, approximately 25 percent of CTFP funds, when the project is complete and OCTA accepts the final report. The TAC had requested staff to convey the local agency desire that the initial/final payment distribution remain at the current ratio of 90 percent for initial payments and 10 percent for final payments.

During the Committee discussions regarding the payment options, concern was expressed that the larger final payment withholding could present potential cashflow issues for the local agencies. However, the Committee also expressed concern over the large initial payment being provided under the 90/10 payment ratio, as the 90 percent payment takes place at contract award, prior to any significant project expenditures. In addition, the Committee expressed concern regarding the risk that OCTA may bear in financing to meet its cash flow needs. The Committee directed staff to work with the TAC to develop options that would address both concerns.

The concerns raised by the local agencies in regard to the 25 percent final payment dealt primarily with situations where a final report could not be submitted due to outstanding project issues that are out of the local agency's control. In such situations, the local agency would have to carry the final 25 percent of the project cost until these issues were settled. Given the reduced funding available for local agencies, staff acknowledged this was an issue that needed to be addressed.

After the January 18, 2010, Committee meeting, staff discussed the various payment ratio issues with local agencies. The revised payment distribution ratio

(discussed below) was developed through discussions with OCTA staff and local agency representatives. Two changes are recommended to the 75/25 payment ratio that would include the ability to release more than 25 percent of the final payment for special conditions, as well as a dollar cap on the final payment amount.

The first recommended change involves a modification to the 75/25 payment ratio where a local agency cannot submit its complete final report within the six months (as required by the M2 Ordinance) due to circumstances beyond the agency's control. In such cases, an additional 15 percent payment could be requested for a partial submittal of the final report. This payment would be allowed with a TAC-approved extension of the final report submission deadline. A final payment of 10 percent would then be issued upon receipt of the completed final report.

The second recommended change addresses more complex projects that are of a larger dollar value. These projects would be multi-million dollar projects where the 25 percent final payment could impede the ability of a local agency to finance the local match plus the final payment amount. To address this issue, staff recommends that the final payment be capped at \$500,000 even if the final payment percentage falls below 10 percent (Attachment B). This ensures that no local agency is required to carry more than \$500,000 on top of their local match amount on any project.

Other CTFP Programs

Regional Traffic Signal Synchronization Program - this program includes competitive capital funding for the coordination of traffic signals across jurisdictional boundaries in addition to operational and maintenance funding. Program funding guidelines and project selection criteria are currently being developed with the Committee and Board. This program is included in the CTFP guidelines as a placeholder until the program framework and selection criteria are complete. At that time, the Board-approved program guidelines will be incorporated in the CTFP manual and a call will be scheduled.

Transit Extensions to Metrolink - this program establishes a competitive process to enable local jurisdictions to enhance regional transit capabilities through creation of new connections to the existing Metrolink system. Program funding guidelines and project selection criteria are currently being developed with the T2020 and Board. This program is included in the CTFP guidelines as a placeholder until the program framework and selection criteria are complete.

At that time, the Board-approved program guidelines will be incorporated in the CTFP manual.

Metrolink Gateways - this program establishes a competitive process for local jurisdictions to convert existing Metrolink stations into regional gateways for enhanced operations related to high-speed rail service. The selection criteria and program guidelines were approved by the Board in January 2009. A call was issued and the Board approved funding allocations in March 2009. The program guidelines are being included in the CTFP manual should any future calls be issued.

Community-Based Circulators - this program establishes a competitive process for local jurisdictions to develop bus transit services such as community based circulators, shuttles, and bus trolleys that complement regional bus and rail services, and to meet needs in areas not adequately served by regional transit. Program funding guidelines and project selection criteria are currently being developed with the Committee and Board. This program is included in the CTFP guidelines as a placeholder until the program framework and selection criteria are complete. At that time, the Board-approved program guidelines will be incorporated in the CTFP manual.

Next Steps

Staff is presenting the draft CTFP procedures manual for approval. Following the approval of the procedures manual, staff will prepare detailed revenue estimates for the first three-year programming cycle and will return for authorization to issue the first annual M2 RCP call.

Summary

M2 provides for intersection and arterial improvements to enhance transit and street operations and to reduce congestion. The CTFP will serve as the mechanism OCTA uses to administer the transit as well as the local streets and roads funding programs. The CTFP guidelines are being presented for Board approval.

Attachments

- A. Renewed Measure M – Comprehensive Transportation Funding Program - Procedures Manual - Fiscal Year 2010-11
- B. Initial/Final M2 Payments Based on \$500,000 Final Payment Cap

Prepared by:



Roger Lopez
Manager, Local Measure M Programs
(714) 560-5438

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741



COMPREHENSIVE TRANSPORTATION FUNDING PROGRAM

Procedures Manual
Fiscal Year 2010 - 11

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I. Overview

On November 6, 1990, Orange County voters approved Measure M, a 20-year half-cent local transportation sales tax. All major transportation improvement projects and programs included in the original Measure M have been completed or are currently underway.

Expected growth demands in Orange County over the next 30 years will require agencies to continue to invest in transportation infrastructure projects. A collaborative effort between County leaders and OCTA identified additional projects to fund through an extension of the Measure M program. Voters approved Renewed Measure M on November 7, 2006. Ordinance No. 3 outlines all programs.

Background

A robust freeway network, high occupancy vehicle & toll lanes, a master plan of arterial highways, extensive fixed route and demand response bus service, commuter rail, and bicycle/pedestrian facilities comprise Orange County's transportation system. Future planning efforts are considering high speed rail service as part of a statewide system. Separate agencies manage and maintain each transportation component with a common purpose: mobility.

Orange County Transportation Authority (OCTA) is responsible for planning and coordination of county regional transportation components. Local agencies generally oversee construction and maintenance of roadway improvements using a combination of regional and local funding sources derived from grants and formula distributions.

The Comprehensive Transportation Funding Programs (CTFP) represents a collection of competitive grant programs offered to local agencies. OCTA administers a variety of additional funding sources including Renewed Measure M, state/federal gas taxes and Transportation Development Act (TDA) revenues.

Procedures Manual Overview

This manual provides guidelines and procedures necessary for Orange County agencies to apply for funding of transportation projects contained within the CTFP through a simplified and consistent process. Each program has a specific objective, funding source and set of selection criteria detailed in separate chapters contained within the

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manual. OCTA may add, modify, or delete non-Measure M programs over time to reflect legislative action and funding availability.



II. Funding Sources

Renewed Measure M

Renewed Measure M (M2) is a 30-year, multi-billion dollar program extension of the original Measure M (approved in 1990) with a new slate of planned projects and programs. These include improvements to the County freeway system, streets and roads network, expansion of the Metrolink system, more transit services for seniors and the disabled as well as funding for the cleanup of roadway storm water runoff.

OCTA shall select projects through a competitive process for Project O (Regional Capacity Program), Project P (Regional Signal Synchronization), and the transit program (Projects S, T, V and W). Each program has a specific focus and evaluation criteria as outlined in the manual.

OCTA shall distribute Local Fair Share Program (Project Q) funds on a formula basis to eligible jurisdictions. The program receives eighteen percent (18%) of Net Revenues. The formula is based upon three components:

- Fifty percent (50%) based upon population
- Twenty-five percent (25%) based upon centerline miles on the existing Master Plan of Arterial Highways (MPAH)
- Twenty-five percent (25%) based upon jurisdictions share of countywide taxable sales

Projects that receive M2 Fair Share revenues are not subject to a competitive process. However, program expenditures must maintain certain eligibility criteria as outlined in the M2 Eligibility Guidance Manual. Jurisdictions must conform to annual eligibility requirements in order to receive fair share funding and participate in the CTFP funding process. Key requirements include:

- Timely use of funds (expend within three years of receipt)
- Meet maintenance of effort requirements
- Use of funding on transportation activities consistent with Article XIX of State Constitution
- Include project in six-year capital improvement plan (CIP)
- Consistency with MPAH, Pavement Management Program, and Signal Synchronization Master Plan



State/Federal Programs

OCTA participates in state and federal transportation funding programs based on competitive and formula distributions. OCTA typically earmarks this funding for major regional transportation projects. From time to time, OCTA may set aside funding, where permitted, for use by local jurisdictions through a competitive selection process. Arterial Highway Rehabilitation Program (AHRP), Transportation Corridor Improvement Funds (TCIF) and Regional Surface Transportation Program (RSTP) are examples of this funding distribution approach.

Call for Projects

OCTA issues calls for projects annually or on an as needed basis. Secure revenues sources, such as M2, will provide funding opportunities on an annual basis. OCTA will update program guidelines and selection criteria on even numbered years. OCTA will offer limited opportunity funding, such as a state-wide bond issuance or federal earmark, consistent with funding source requirements. OCTA may conduct concurrent calls for projects when necessary.



III. Definitions

1. "Competitive funds" refers to funding allocations received through the CTFP.
2. Renewed Measure M and M2 shall be used interchangeably to refer to the November 2006 voter extension of Measure M.
3. The term "complete project" is inclusive of acquiring environmental documents, preliminary engineering, right-of-way acquisition, construction, and construction engineering.
4. The term "funding allocation," "allocation," "project funding," "competitive funds," "phase" or any form thereof shall refer to the three project phases OCTA funds in the CTFP. Additionally, the "engineering phase" shall include the preparation of environmental documents, preliminary engineering, and right-of-way engineering, and the "right-of-way phase" shall include right-of-way acquisition, and the "construction phase" shall include construction and construction engineering.
5. The term "project completion date" refers to the date of the final invoice for either the engineering contract for the engineering phase or for the right-of-way phase, and the recordation date of the Notice of Completion (NOC) for the construction phase.
6. The term "Master Funding Agreements" or any form thereof shall refer to cooperative funding agreements described in Precept 4.
7. The term "agency," "agencies," or any form thereof shall refer to jurisdictions described in precept two.
8. Implementing agency is the lead agency for any proposed project.
9. Work Force Labor Rates (WFLR) include salaries plus fringe benefits.
10. Fully Burdened Labor Rates include WFLR plus up to 30 percent overhead allocation.
11. Match Rate refers to the match funding that a lead agency is pledging through the competitive process.
12. Escalation is the inflationary adjustment added to the application funding request (current year basis) based upon the rates established in Chapter 2.



13. Excess Right of Way (ROW) is ROW acquired for projects and deemed excess to the proposed transportation use.



IV. Precepts

1. The Orange County Transportation Authority (OCTA) Board of Directors approved these guidelines on **Month Date, 2010**. The purpose is to provide procedures that assist in the administration of the CTFP under M2 where other superseding documents lack specificity. OCTA, or an agent acting on the authority's behalf, shall enforce these guidelines.
2. All eligible Orange County cities and the County of Orange may participate in the M2 competitive programs and federal funding programs included in the CTFP.
3. To participate in the CTFP, OCTA must declare that an agency is eligible to receive M2 Net Revenues which include local fair share distributions. *OCTA shall provisionally approve allocations as part of the 2010 call for projects subject to subsequent attainment of M2 eligibility requirements. Provisional approval is dependent upon eligibility status for the FY20010/11 fiscal year.* Failure to meet minimum eligibility requirements after programming of funds will result in deferral or cancellation of funding.
4. The lead agency must execute a Master Funding Agreement with the OCTA. OCTA and lead agencies will periodically amend the agreement to reflect project schedule and funding changes through semi-annual adjustments, CIP revisions, and competitive calls for projects.
5. Local agencies shall scope projects, prepare estimates, and conduct design in cooperation with and in accordance with the standards and procedures required by the jurisdictions involved with the project (e.g., Caltrans, County, state/federal resource agencies).
6. Agencies should select consultants based upon established contract management and applicable public contracting practices, with qualification based selection for architectural/engineering (A/E) services, as well as competitive bidding environments for construction contracts in accordance with the Public Contracts Code. Agencies must meet procurement and contracting requirements of Non-Measure M funding sources which may exceed those identified in the CTFP.
7. Based upon funding availability, a "Call for Projects" shall be considered annually but may be issued less frequently.
8. OCTA shall program projects for a three year period, based upon an estimate of available funds.



9. OCTA will base funding allocations on project cost estimates with up to 10 percent contingency for construction. During the programming process, OCTA adds an inflationary adjustment based upon the escalation rates shown in Chapter 2. OCTA shall round allocations up to the nearest thousand dollars after escalation. Agencies shall only use future year escalation rates for planning purposes.
10. OCTA shall program funds by fiscal year for each phase of a project.
11. An allocation for a specific project shall lapse if a contract is not awarded for that specific project within the fiscal year those funds are programmed.
12. OCTA shall reprogram funds derived from savings or project cancellation based upon final project status. A lead agency may request to transfer 100% of savings between the phases within a project with approval from the Technical Advisory Committee (TAC) and Board of Directors. Agencies may only use savings as an aid for unanticipated cost overruns.
13. OCTA shall consider matching fund credit(s) for an implementing agency's proposed projects current and applicable environmental clearance expenditures. OCTA will review and consider these expenditures on a case by case basis at the time of funding approval.
14. Match rate commitments identified by implementing agencies in the project grant application shall remain constant throughout the project. OCTA and implementing agencies shall not reduce match rate commitments or split the match rate by phase.
15. An approved CTFP project may be determined ineligible for funding at any time if it is found that M2 funding has replaced all or a portion of funds or commitments that were to be provided by other sources such as: development conditions of approval, development deposits, fee programs, redevelopment programs or other dedicated local funding sources (i.e., assessment districts, community facilities districts, bonds, certificates of participation, etc.). Appeals may be made in accordance with the Appeals section discussed later in this chapter.
16. OCTA may fund environmental mitigation as required for the proposed roadway improvement and as contained in the environmental document. Environmental mitigation shall not exceed 50 percent of the total eligible construction costs.
17. OCTA shall evaluate "whole" projects during the initial review process. Subsequent phase application reviews shall not include prior phases in the

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evaluation unless pledged as a match. The criteria for ranking project applications is included in this manual as part of each program component chapter.

18. Projects that receive competitive CTFP funds shall not use other competitive funds as a match source. Lead agencies may request project consolidation. The TAC and OCTA Board of Directors must approve consolidation requests. OCTA shall use the average match rate of the consolidated project's individual segments.
19. OCTA shall conduct a semi-annual review of all active CTFP projects. All agencies shall participate in these sessions through a process established by OCTA. Currently, OCTA administers program through OCFundtracker. OCTA shall: 1) verify project schedule, 2) confirm project's continued viability, 3) discuss project changes to ensure successful and timely implementation, and 4) request sufficient information from agencies to administer the CTFP.
20. Agencies shall submit payment requests to OCTA in a timely fashion. Agencies may request an initial payment for M2 (up to 75 percent of programmed amount as described in Chapter 10) once a contract has been awarded or once an agency initiates right-of-way activities. The final 25 percent of the available programmed balance will be released upon the submission of an approved final report. The final report retention shall be capped at \$500,000 per project. Should 25 percent of a project allocation exceed \$500,000, the payment percentages will be adjusted to ensure the final payment withheld does not exceed the \$500,000 cap.
21. An agency shall provide final accounting in an approved final report format (see Chapter 10 of this manual) within 180 days of phase completion. Delinquent final reports will be handled per the guidelines in Chapter 10. Failure to provide a final accounting shall result in repayment of applicable M2 funds received for the project phase in a manner consistent with the Master Funding Agreement.
22. In circumstances where a jurisdiction cannot file a final report within the 180 day time frame due to project close-out issues that are beyond the jurisdictions control, an extension may be requested through the TAC. Once the extension is approved through the TAC, the jurisdiction may request an additional 15 percent payment with the submission of a partial final report. The remaining 10 percent will be issued when the outstanding project close-out items are resolved and a complete final report is submitted.
23. The payment distribution ratio referenced in Precept no. 20 may be modified to a reimbursement process, at the discretion of the OCTA Board of Directors, in the event that financing or bonding is required to meet OCTA's cash flow needs.

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24. When a project phase is complete, an agency shall notify OCTA within 30 days of completion.
25. OCTA shall escalate project allocations for years two and three. Escalation will not affect a project match rate (percentage). OCTA will base escalation rates on the Engineering News Record (ENR) Construction Cost Index (CCI) 20-city average.
26. The OCTA Board of Directors may grant time extensions for special circumstances that are beyond the control of the implementing agency. An agency shall make a formal request for a time extension to OCTA as early as possible, preferably during a semi-annual review, but no later than June 30 of the fiscal year in which OCTA programs the allocation.
27. Implementing agencies may request a one-time delay of up to 24 months per project. Agencies shall justify this request, receive City Council/Board of Supervisor concurrence, and seek approval of OCTA staff, the TSC, and the TAC as part of the semi-annual review process.
28. Agencies may appeal to the TAC on issues that the agency and OCTA staff cannot resolve. An agency may file an appeal by submitting a brief written statement of the facts and circumstances to OCTA staff. The appellant agency must submit a written statement which proposes an action for TAC consideration. The TSC shall recommend specific action for an appeal to the TAC. The OCTA Board of Directors shall have final approval on appeals.

Applications

In order for OCTA to consider a project for funding, agencies shall submit applications for a call for projects by a deadline established by OCTA. The agency shall submit application and documentation via OCFundtracker as well as one hard copy of each complete application package as outlined in Chapter 9. Each program chapter includes evaluation criteria for the CTFP.

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25. OCTA shall escalate project allocations for years two and three. Escalation will not affect a project match rate (percentage). OCTA will base escalation rates on the Engineering News Record (ENR) Construction Cost Index (CCI) 20-city average.
26. The OCTA Board of Directors may grant time extensions for special circumstances that are beyond the control of the implementing agency. An agency shall make a formal request for a time extension to OCTA as early as possible, preferably during a semi-annual review, but no later than June 30 of the fiscal year in which OCTA programs the allocation.
27. Implementing agencies may request a one-time delay of up to 24 months per project. Agencies shall justify this request, receive City Council/Board of Supervisor concurrence, and seek approval of OCTA staff, the TSC, and the TAC as part of the semi-annual review process.
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Chapter 1 – Eligibility

Overview

To apply for the Comprehensive Transportation Funding Programs (CTFP), local agencies must fulfill an annual eligibility process. OCTA established this process to ensure that improvements are consistent with regional plans. Under previous County funding programs (e.g., AHFP, BPF) agencies had to meet similar requirements to be eligible for funding. The cities and county approved a process reflecting the eligibility criteria found in Measure M. Eligibility packages are due to OCTA by June 30 of each year.

In order to receive CTFP and M2 Fair Share funds, OCTA must deem agencies as eligible. OCTA shall annually distribute an eligibility information package to local agencies. Below is a brief list of requirements:

- Adoption of a Capital Improvement Program
- Adoption of a General Plan Circulation Element which does not preclude implementation of the MPAH
- Adoption of a local Pavement Management Program
- Adoption of a Local Traffic Signal Synchronization Plan
- Satisfied Maintenance of Effort requirements
- Approved Agreement to expend funds within three years of receipt
- Adopt an annual Expenditure report
- Submit Project Final Report for all Net Revenue projects

The M2 Eligibility Preparation Manual outlines the eligibility requirements in detail. OCTA updates the Eligibility Preparation Manual annually and encourages agencies to use it as a reference when preparing items to meet eligibility requirements. Agencies will submit a CIP through an electronic database application. OCTA develops a manual and workshop to prepare local agency staff for the annual eligibility process. OCTA will make both the manual and workshop information available on its website and forwards the link to all local agencies.

Additional Information Regarding MPAH

The agency's General Plan Circulation Element must be consistent with the Orange County MPAH. In order for an agency's circulation element to be consistent with the MPAH, it shall have a planned-carrying capacity equivalent to the MPAH for all MPAH links within the agency's jurisdiction. "Planned capacity" shall be measured by the number of through lanes on each arterial highway as shown on the local circulation element. Agencies are not considered "inconsistent" as a result of existing capacity limitations on arterials which are not yet constructed to the circulation element design.



Chapter 1 – Eligibility

The agency must also submit a resolution attesting that no unilateral reduction in lanes has been made on any MPAH arterials.

MPAH Consistency Review and Amendment Process

Through a transfer agreement with the County of Orange, OCTA assumed responsibility for administering the MPAH starting in mid-1995. As the administrator, OCTA is responsible for maintaining the integrity of the MPAH through coordination with cities and the County and shall determine an agency's consistency with the MPAH. In order to provide a mechanism to communicate MPAH policies and procedures, OCTA prepared the *Guidance for the Administration of the Master Plan of Arterial Highways*. The guidance document is to assist OCTA, the County, and the cities of Orange County to maintain the MPAH as a vital component of transportation planning in the County. The guidance document outlines, in detail, the MPAH consistency review and amendment process. Agencies can find contact information for OCTA staff assigned to MPAH administration in **[Appendix xx]**.

Exhibit 1-1

SAMPLE RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY/COUNTY OF _____
CONCERNING THE STATUS OF THE CIRCULATION ELEMENT
FOR THE CITY/COUNTY OF _____

WHEREAS, the City/County of _____ desires to maintain and improve the streets within its jurisdiction, including those arterials contained in the Master Plan of Arterial Highways (MPAH), and

WHEREAS, the City/County of _____ has endorsed a definition of and a purpose for, determining consistency of the City's Traffic Circulation Plan with the MPAH, and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County has adopted a resolution informing the Orange County Transportation Authority (OCTA) that the City's/County's Circulation Element is in conformance with the Master Plan of Arterial Highways and whether any changes to any arterial highways of said Circulation Element have been adopted by the City/County during Fiscal Years 20__ and 20__

WHEREAS, the City/County is required to send annually to the OCTA all recommended changes to the City/County Circulation Element and the County Master Plan of Arterial Highways for the purpose of re-qualifying for participation in Measure M Streets and Road Programs.

NOW, THEREFORE, BE IT RESOLVED THAT the City/County of _____ does hereby inform the OCTA that:

- a) The arterial highway portion of the City/County Circulation Element of the City is in conformance with the County Master Plan of Arterial Highways.
- b) The City/County attests that no unilateral reduction in through lanes has been made on any MPAH arterials during Fiscal Years 20__ and 20__.
- c) The City/County has adopted a uniform setback ordinance providing for the preservation of right-of-way consistent with the MPAH arterial highway classification.
- d) The City/County has adopted provisions for the limitation of access to arterial highways in order to protect the integrity of the system.



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Chapter 2 – Project Programming

Program Consolidation

M2 Regional Capacity Program improvement categories will combine projects into one application review and allocation process. The programs of the CTFP will act as the project funding source. The consolidation of programs will help eliminate confusion among the various requirements and allow the greatest flexibility for programming projects. Other funding programs such as M2 Transit (Projects S, T, V, and W) and AHRP have similar eligibility requirements, but OCTA will evaluate and approve these projects through a separate process.

Sequential Programming Process

Timely and efficient use of funding is a critical success factor for the CTFP. Historically, agencies were encouraged to develop long term projects spanning three or more years which often led to delays in implementing final project phases. This dynamic led to larger-than-anticipated funding program cash balances.

In response to concerns raised by the OCTA Board of Directors and the Taxpayers Oversight Committee responsible for M2 oversight, OCTA will use a shorter term and sequential funding approach for M2 projects. OCTA expects this new approach to aid in a more timely use of funding and limit the potential for unanticipated project completion delays inherent with long lead time projects.

Sequential funding is a two step process. Step One, also known as the planning phase, includes funding requests for planning/environmental, engineering and right of way engineering activities. Step Two, also known as the implementation phase, includes right of way acquisition and construction activities. Projects must complete the planning phase before an agency requests implementation phase funding during a call for projects. Exceptions to this rule include the following:

- An agency may request implementation funding prior to completion of the planning phase if the jurisdiction can demonstrate that the planning phase activities are underway and the agency will complete the activities within six months of the funding application submittal date.
- An agency may request right of way funding as part of the planning phase if the agency can demonstrate that the policy variance is necessary for timely implementation. The agency will seek implementation funding in the next call for projects and will waive the opportunity to request a project delay.



Chapter 2 – Project Programming

Each call for projects will cover a three-year period which overlaps subsequent future cycles as shown below.

M2 Funding Cycles

| Call | FY10/11 | FY11/12 | FY12/13 | FY13/14 | FY14/15 | FY15/16 |
|------|---------|---------|---------|---------|---------|---------|
| 2010 | X | X | X | X | | |
| 2011 | | X | X | X | | |
| 2012 | | | X | X | X | |
| 2013 | | | | X | X | X |

Funding targets for each cycle are based upon prior funding commitments, anticipated revenues, reprogramming of unused allocations (cancellations and savings), and a set aside for future funding cycles. The first year of each cycle will distribute 100% of expected revenues less prior commitments. The second year of each cycle will allocate 75% of projected revenues less prior commitments. The third year of each cycle will allocate 50% of projected revenues less prior commitments. The partial allocation of funding for years two and three preserve funding for future projects and act as a hedge against unanticipated revenue shortfalls that could jeopardize project delivery.

As part of each call for projects, OCTA will determine an appropriate balance between allocations made for the planning and implementation phases.

Funding Projections – Initial Call for Projects

Revenue estimates for M2 are updated annually. Programming decisions are based upon conservative economic assumptions provided by Southern California academic institutions. In the future, OCTA will add project cancellations and realized savings from completed projects to anticipated revenues for redistribution in the first year of each funding cycle. The M2 program is new and no project cancellation or savings exist for reprogramming. The first call for projects will cover fiscal years 2010/11 through 2013/14.



Chapter 2 – Project Programming

Initial Call for Projects Programming Estimates*

| Fiscal Year | Estimated RCP Programming |
|-------------|---------------------------|
| FY2010/11 | 5,110,000 |
| FY2011/12 | 21,690,000 |
| FY2012/13 | 17,190,000 |
| FY2013/14 | 12,070,000 |
| Total | \$ 56,060,000 |

* Estimates subject to change

Programming Adjustments

OCTA bases funding allocations on cost estimates that agencies provide and that OCTA validates against industry norms during the evaluation process. Agencies must provide estimates in current year dollars. OCTA will apply a construction cost index (CCI) adjustment to the first year of the funding cycle for implementation activities (right of way and construction) and is not subject to further adjustment.

Projects programmed in Year Two or Year Three include a CCI-based adjustment factor. Agencies shall not receive allocation increases. Cost overruns are the responsibility of agencies and may count against agencies' match commitment for eligible activities. Agencies may request scope adjustments to meet budget shortfalls when the agency can demonstrate substantial consistency and attainment of proposed transportation benefits compared to the original project scope.

The current escalation rates beginning FY 2010-11 are:

3.1 % for right-of-way
3.1 % for construction

When agencies are preparing applications, **all cost estimates must be in current year dollars (FY 2009).** OCTA will review each cost estimate thoroughly and will escalate costs based on the year OCTA programs the project allocation. For example, if an agency's cost estimate lists construction costs for a project at \$250,000 and OCTA programs the project for fiscal year 2012-2013, then OCTA will escalate the costs by 3.1 percent compounded annually beginning in fiscal year 2010-2011 (9.6 percent compound increase) and allocate \$266,000.

Project Cost Escalation

OCTA will escalate approved projects in years two and three. Escalation will not affect a project match rate (percentage) based upon the approved project application. OCTA will



Chapter 2 – Project Programming

base escalation rates for future years on Engineering News Record (ENR) Construction Cost Index (CCI) escalation rates.

Each March, OCTA shall validate the escalation rate that will be used for projects programmed in the next fiscal year beginning on July 1st. Agencies should be aware that the rate established by OCTA each March may be greater or less than the “planning” rate used when projects were originally approved for funding.

Project Readiness

Assembly Bill (AB) 1012, Chapter 783, Statutes of 1999, established firm “use it or lose it” deadlines for federal funds. Under AB 1012, if an agency does not obligate funds in a timely fashion then the county loses the funds and the state reprograms them. Large or complex projects are particularly vulnerable to AB 1012 implementation rules.

In an effort to better utilize project funding and maintain project schedules, programming of funding for CTFP under the tiered approach has been revised. In general, to program allocations for right-of-way or construction phases, a project must either have:

1. Approval for environmental clearance (CEQA for Measure M programs, NEPA and CEQA for federally funded programs), or;
2. Exempt (categorically or statutorily) under CEQA and/or NEPA (as applicable).

OCTA may consider exceptions to these programming rules, on a case by case basis, if an agency can confirm that a project will receive environmental clearance prior to the scheduled start of right-of-way and construction. OCTA will not approve payment requests for right-of-way and construction until a project receives environmental clearance.

Programming Policies

OCTA will not increase phase allocations after the initial programming for each phase except through project savings transfers, where applicable.

In order to receive right-of-way and construction allocations, a project must have all environmental clearances in place. OCTA shall not release final payment for the planning stage (includes final design) until confirmation of environmental clearance is provided.



Chapter 2 – Project Programming

Agencies are responsible for costs that exceed the project allocation, maintaining the project schedule, and maintaining the project scope.

An agency's allocation will lapse if the agency does not obligate the funds within the programmed fiscal year. An agency may request a delay in accordance with the time extension policy described at the end of this chapter.

As stated above, an agency's allocation is based on the project's cost as requested and programmed with established escalation rates. **If project costs escalate beyond original estimates and the agency is unable to cover additional costs, a request to reduce the project scope or limits will be considered where feasible.** All requests for changes in scope and limits must be submitted to OCTA in advance of the change. This request will be evaluated on a case-by-case basis and must be approved by the TAC and OCTA Board of Directors prior to initiation of the change by the lead agency. The agency must submit a letter to OCTA no later than June 30th of the year in which funds are programmed stating the reasons for cost increases, a proposal for project scope or limit reduction, and an explanation of why approval of the request is warranted. The review process is similar to the appeals process mentioned above.

Schedule change requests

Allocations approved as part of the CTFP process are subject to timely delivery requirements. Implementation schedules are determined by the lead agency (applicant). Contract work must be awarded prior to the end of the programmed fiscal year to encumber the funds. If work cannot be initiated within this time frame, a request to defer funding may be submitted to OCTA for consideration. Project status is reviewed every six months during the semi-annual review process. Expired project funding is subject to reprogramming in a subsequent call for projects.

Funding deferrals (delays) must be submitted to OCTA in conjunction with the semi-annual process. These reviews are typically held in Fall and Spring. Emergency extensions after the Spring semi-annual review may be considered on a case by case basis. The M2 Ordinance No. 3 permits a delay for up to 24 months. Projects that are expected to incur extensive delays beyond the parameters of the program should consider cancellation and reapplication at a future date. Advancement requests may be considered during the review process and may be approved subject to funding availability.



Chapter 2 – Project Programming

Project Advancements

Agencies wishing to advance a project by one fiscal year or more may request project advancement. The agency must demonstrate that a contract will be awarded or that funds will be obligated in the year which funds are requested to be advanced to. The allocation will be de-escalated according to the original escalation rate.

Requests can be submitted at any time during the fiscal year or as part of the semi-annual review process. All advancements will be reviewed by the TAC and approved by the OCTA Board. If approved, the agency and project will be required to meet the new fiscal year award or obligation deadline.

Should OCTA be unable to accommodate an advancement request for a project funded through Measure M, due to cash flow constraints, the agency may still move forward with the project using local funding. The lead agency must receive authorization/approval from OCTA prior to beginning work. The lead agency may subsequently seek reimbursement of CTFP funds in the fiscal year in which funds are programmed. Reimbursement shall follow the standard CTFP process described in Chapter 10.

Semi-Annual Review

OCTA staff will conduct a comprehensive review of CTFP projects on a semi-annual basis to determine the status of projects. These project updates will be provided by the local agencies and uploaded to OCFundtracker. Follow-up meetings to these updates will be held as needed. Semi-annual project reviews are usually scheduled to occur in September and March of each year.

Projects are reviewed to:

1. Update project cost estimates
2. Review the project delivery schedule
3. Determine the project's continued viability

Prior to each review meeting, OCTA staff will distribute a list of active projects to each local agency. Each agency will be contacted and asked to participate in the upcoming review where each agency's project schedules, cost estimates, and scope will be reviewed. Agencies will be given the opportunity to request program changes (e.g., delaying and advancing funds from one fiscal year to another) and each adjustment will be considered on a case-by-case basis. The agency should be prepared to explain any changes and provide all necessary supporting documentation. Generally, the local agency is responsible for the implementation of the projects as approved by OCTA, however



Chapter 2 – Project Programming

consideration will be given for circumstances beyond the lead agency's control that affect scope, cost or schedule.

Based on the semi-annual meetings, OCTA staff will develop and present recommendations for project adjustments to the TSC and TAC. Requests for project changes (delays, advancements, scope modifications) will be considered on an individual basis. The following action plan has been developed for the semi-annual review process:

- Require jurisdictions to submit status reports, project worksheets, and supporting documentation to OCTA for all project adjustments.
- Require local agencies to abide by **Time Extension Policy**:
 - Agencies may request a delay of up to 24 months. Jurisdictions will be required to justify this request and seek approval of OCTA staff, Technical Steering Committee (TSC), and the TAC as part of the semi-annual review process.
 - Approved schedule changes will require an update of the local jurisdiction's six-year CIP and the OCTA cooperative funding agreement.
 - Evidence of Council approval (resolution, minute order, or notification) must be provided prior to OCTA Board approval of delays.
 - An administrative extension may be granted for expiring M2 funds for a project phase that is clearly engaged in the procurement process (advertised but not yet awarded).



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Chapter 3 – Arterial Highway Rehabilitation Program



Program Overview

The Arterial Highway Rehabilitation Program (AHRP) has been developed to address long term pavement maintenance in Orange County. Specifically, the AHRP is designed to fund pavement rehabilitation and/or reconstruction projects on Master Plan of Arterial Highway (MPAH) arterial roadways throughout Orange County.

Eligible Expenditures

The following general type of projects will be eligible under this program:

- Overlay
- Rehabilitation
- Reconstruction

For each of these projects the following expenditures will be eligible:¹

- Engineering
- Construction
- Construction Engineering
- Bike lanes (striping only, must be on the Master Plan of County-wide Bikeways)
- Bus Turnouts (resurfacing only, must be on an OCTA route)
- Portland Concrete Cement (PCC) Bus Pads
- Replacement of parking lanes, curbs, gutters, catch basins, and minor profile revisions (i.e., curb to curb) as required by project
- Use of alternative materials such as rubberized asphalt, PCC, etc.
- Construction or modification of curb ramps within the limits of the project as necessary to satisfy Americans with Disabilities Act (ADA) requirements

Potentially Eligible Expenditures

Items that are potentially eligible under AHRP are:

- Sidewalks if mandated for ADA type improvement/upgrade and only up to 10% of the total improvement costs.

Ineligible Expenditures

Items that are not eligible under AHRP are:

- Landscaping
- New parking lanes, new curb and gutter

¹ For federally funded projects, expenditures prior to approval of the E-76 form will not be eligible.



Chapter 3 – Arterial Highway Rehabilitation Program

- Utility adjustments that do not have prior rights
- Materials Report or other planning activity
- Environmental Documentation
- Retroactive Design Engineering
- Expenditures incurred prior to E-76 approval for the respective project phase

Slurry seals or overlays with a depth of less than 1.2 inches (0.10') are considered routine maintenance and shall not be eligible.

Requirements

Project Eligibility

Projects submitted for this program must be on the MPAH. Streets or roads that are not on the MPAH are ineligible to participate in this program. In addition, only arterials designated by local agencies' Pavement Management Plans (PMP) as having a Pavement Condition Index (PCI) of 74 or less in accordance with the following table shall be eligible for funding. Thickness may be adjusted for rubberized asphalt according to industry and standard practices.

Pavement Condition Assessment Standards

| Condition Category | PCI Thresholds | Treatment | Eligible |
|--------------------|----------------|----------------|----------|
| Very Good | 86-100 | None Proposed | No |
| Good | 75-85 | Slurry Seal | No |
| Fair | 60-74 | Thin Overlay | Yes |
| Poor | 41-59 | Thick Overlay | Yes |
| Very Poor | 0-40 | Reconstruction | Yes |

Matching Funds

Agencies will be required to provide 50 percent matching funds for each candidate project. Surface Transportation Program or M2 CTFP funds may not be used as matching funds. M2 local fair share funds can be used as matching funds for any phase. Projects will be limited to a maximum total funding amount of \$400,000 or as otherwise approved. This cap provides an opportunity to fund more projects given the limited



Chapter 3 – Arterial Highway Rehabilitation Program

resources. Additional matching funds for corridor improvements may be considered after approval of the project priority list.

Engineering and Inspection Costs

Preliminary engineering and inspection costs will be limited to a maximum of 10 percent and 15 percent, respectively, of the total construction, and general overhead shall not exceed 30 percent of payroll and fringe benefits.

Application Process

Funding for this program has not yet been identified and is not included in the initial call for projects.

Agencies will be required to complete and submit application materials provided by OCTA. In addition, detailed cost estimates, field survey evaluation documentation, pavement condition indices from respective PMP's, and a council resolution authorizing the application will be required at the time of submittal.

Cooperative project development is encouraged. Projects located within neighboring jurisdictions require letters of support from the affected agency(ies).

Additional Requirements

Because AHRP funds may come from federal sources, additional steps are required to ensure proper receipt of funds.

1. Local agencies must execute a funding agreement for use of any federal funds.
2. Once projects are approved by OCTA they will be administered by Caltrans Local Assistance. They will require additional information and review of projects. It is imperative that local agencies contact Caltrans once funding is approved.
3. OCTA staff and Cities will jointly explore, on a case-by-case basis, the possibility of a funds exchange with Gas Tax or Measure M funds.
4. Projects must be included in the Regional Transportation Improvement Program (RTIP) before agencies can begin work. Local agencies will be responsible for including projects in the RTIP, OCTA will administer amendments as necessary.



Chapter 3 – Arterial Highway Rehabilitation Program

5. An agency must receive an "Authorization to Proceed" (an approved E-76 form from Caltrans). Caltrans Local Assistance is responsible for processing this form. Any activity undertaken by the local agency prior to approval of the E-76 form will not be reimbursed.

Chapter 4 – Transit Extensions to Metrolink (Project S)



Overview

This M2 program establishes a competitive process to enable local jurisdictions to enhance regional transit capabilities through creation of new connections to the existing Metrolink system. Projects must meet specific criteria in order to compete for funding through this program.

Program funding guidelines and project selection criteria are being developed. A transit call for projects may be issued in 2010.



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Chapter 5 – Metrolink Gateways (Project T)

Overview

This M2 program establishes a competitive process for local jurisdictions to convert Metrolink stations into regional gateways for enhanced operations related to high-speed rail service. Projects must meet specific criteria in order to compete for funding through this program. In addition, local agencies will be required to demonstrate the ability to fully fund operations on an ongoing basis using non-OCTA resources. Public-private partnerships¹ are encouraged but not required.

Objectives

- Modify existing Metrolink stations to accommodate high speed rail service
- Expand multi-modal transit options for regional travel
- Deliver infrastructure in the initial phase of high speed rail implementation where feasible

Project Participation Categories

Multi-modal transit facilities provide expanded transportation options for regional and long distance travel. These “hubs” provide a vital link in the mobility chain. Availability of viable stations is a critical consideration for high speed rail service implementation. Each host community has unique needs and expectations related to high-speed rail systems. Conditions will differ from one location to the next and projects pursued under this program have significant latitude in how they address the challenge of delivering supporting facilities for high speed rail services. The program categories listed below identify key project elements that can be pursued through the Project T funding source. Public-private partnerships and local funding sources may be used to leverage these elements.

- Station and passenger facilities necessary to support planned high-speed rail system²
- Parking structures related to expanded high-speed rail service
- Track improvements (e.g., track, switching, signal equipment)
- Traffic control enhancements for ingress/egress from public roadways
- Aesthetics limited to 10% of the Measure M funds (i.e., landscaping, non-standard lighting, on-site signage)
- On-site public art expenses limited to one percent of Measure M funds in order to improve the appearance and safety of the facility
- Off-site improvements cannot exceed 5% of Measure M funding request³
- Bond financing costs
- Construction Management (not to exceed 15% of construction cost)



Chapter 5 – Metrolink Gateways (Project T)

Commercial facilities that are not transit related are not eligible for Measure M funds.

Eligibility Requirements

Minimum eligibility and participation requirements must be considered before a project funding application should be submitted. Adherence to strict funding guidelines is required by the Ordinance. Additional standards have been established to provide assurance that M2 funds are spent in the most prudent, effective manner. There is no guarantee that funding will be approved during a particular call for projects. If no acceptable project is identified during a funding cycle, a subsequent call for projects will be scheduled at an appropriate time.

- Station must be identified in constrained or unconstrained chapters of the 2008 Regional Transportation Plan for the initial M2 funding cycle
- Agency must demonstrate sufficient funding for first five years of operation with financial plan outlining funding strategy for ongoing operations and maintenance (cannot include OCTA funding sources)
- Project applications must be for complete projects (environmental clearance through construction)
- Project application must meet minimum competitive score to be deemed eligible and “of merit” (as determined by OCTA Board of Directors)
- Capital improvements must adhere to public bidding requirements
- Complete applications must be approved by the applicant City Council prior to submittal to OCTA to demonstrate adequate community and elected official support for initial consideration
- Applicant must be eligible to receive Measure M funding (established on an annual basis) to participate in this program

Funding Estimates

Funding will be provided on a pay-as-you go basis. The program will make an estimated \$174.9 million (nominal dollars) available during the initial 20 year period of the program (Fiscal Year 2011 through 2030). Funding for the remaining ten-year period of M2 will not be programmed until a future call for projects is warranted. This approach provides a hedge against economic uncertainty and preserves funding for future system expansion.



Chapter 5 – Metrolink Gateways (Project T)

Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on projects with firm funding commitments and overall project readiness as shown on Table 5-1. In addition, projects will be evaluated based upon existing and future transit usage, intermodal connectivity, and community land use attributes. Although match funding is not required, projects that leverage M2 funds with at least 10% from other sources are encouraged and will be more competitive.

Application Process

Project allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to fully evaluate the project proposal as outline below.

- Complete information application
- Provide funding/operations plan
- Allocations subject to Master funding agreement

A call for projects for the initial funding cycle was issued in January 2009. The need for a future call will be determined by the OCTA Board of Directors. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

The funding plan shall include, at a minimum, the following information:

- Financials (Funding needs, match funding availability, operations funding assurances, public-private partnership arrangements, bond financing projections)
- Project development and implementation schedule
- High speed rail ridership projections
- Any additional information deemed relevant by the applicant

Applications will be reviewed by the Authority for consistency, accuracy and concurrence. Once applications have been completed in accordance with the program requirements, the projects will be scored, ranked and submitted to the T2020 Committee and Board of Directors for consideration and funding approval.

The final approved application (including Financial Plan) will serve as the basis for any funding agreement required under the program.



Chapter 5 – Metrolink Gateways (Project T)

Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning design, right of way acquisition, and related bond financing costs. Reimbursements will be disbursed upon review and approval of a complete expense report, performance report, and Consistent with master funding agreement.

Status Reports

Projects selected for funding will be subject to submittal of an annual financial plan update in order to receive project reimbursement payments during the following fiscal year. The updated financial plan will be due as a supplement to the annual Measure M eligibility process (typically due on June 30th).

Project Cancellation

Projects deemed infeasible during the planning process will be cancelled and further expenditures will be prohibited (except where necessitated to bring the current phase to a logical conclusion). Right of way acquired for projects which are cancelled prior to construction will require repayment to the contributing funding program(s) within a reasonable time as determined by the OCTA Board of Directors.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by OCTA Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board of Directors.

Proceeds from the sale of excess right of way acquired with program funding must be paid back to the project fund as described in the master funding agreement.



Chapter 5 – Metrolink Gateways (Project T)

Application Guidelines

Funding allocations provided through M2 are determined through a competitive application process. Project selection is based upon merit utilizing a series of qualitative and quantitative criteria. Candidate projects are required to submit a financial plan with sufficient data to enable an adequate evaluation of the application. Each jurisdiction is provided broad latitude in formatting, content and approach. However, key elements described below must be clearly and concisely presented to enable timely and accurate assessment of the project.

Financial Details

Each candidate project must include all phases through construction of facilities and implementation of service. The financial plan will include, at a minimum, the following information:

- Estimated project cost for each phase of development (planning, environmental, permitting, design, right of way acquisition, construction, and project oversight)
- Funding request for each phase of project implementation with match funding amounts and sources clearly identified
- Realistic project schedule for each project phase
- Demonstrated financial commitments for match funding and ongoing operations (through first five years of operation)
- Discussion of contingency planning for revenue shortfalls
- Revenue projections and methodology where on-site commercial activity or advertising revenue is expected to support implementation and/or operations costs
- Right of way status and strategy for acquisition
- Revenue sharing proposals (where applicable)

Technical Attributes

The formal application must include feasibility and efficacy components to demonstrate transportation benefit to ensure the selected project(s) meet the spirit and intent of M2. Merit will be demonstrated through technical attributes and industry standard methodologies. The following site-specific data will be included and fully discussed in the application:

- Current employment estimates within five mile radius of project site (cite reference)



Chapter 5 – Metrolink Gateways (Project T)

- Freeway lane miles with five mile radius of site (provided by OCTA upon request)
- Planned job density within 1,500' radius of project boundary based upon current General Plan
- Planned housing density within 1,500' radius of project boundary based upon current General Plan
- Daily transit boardings within five mile radius of project boundary (include rail and fixed route bus/shuttle)
- Daily transit boardings growth within five mile radius of project boundary with projection methodology fully presented for opening day operations
- Description of all transit modes serviced by the site at time of application
- Discussion of new transit modes (including high speed rail) served by the site as a result of proposed project (opening day)
- Service coordination plan (how will proposed project facilitate transfer between transit services?)

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Resolution: A Council Resolution authorizing request for funding consideration with a commitment of project match funding (local sources) and operating funds as shown in the funding plan.

Lease/Cost Sharing Agreements: Copies of leases, cost sharing (match funding), and/or land dedication documents. Confidential agreements may be included by reference when accompanied by affidavit from City Treasurer or Finance Director.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.

¹ Public-private partnerships are defined as direct financial contributions or right of way dedications for eligible program activities.

²Program should not build retail or other leasable space. Mixed Use and TOD elements will be the responsibility of others.

³ "Off-site" improvements adjacent to the project site such as monumentation, traffic control, etc.



Chapter 5 – Metrolink Gateways (Project T)

TABLE 5-1

Point Breakdown for Metrolink Gateways (Project T) Maximum Points = 100

| Financial Commitment (30 points) | | Transit Usage (20 points) | |
|---|-------------|---|-----------|
| Total Project Cost (information only) | | Existing transit boardings (within 5 miles) | |
| \$ (capital) | (No Points) | >75,000 a day | 4 points |
| | | 50,000 to 75,000 a day | 3 points |
| | | 25,000 to 49,000 a day | 2 points |
| | | <25,000 a day | 1 point |
| Percent of M2 for capital | | Transit boardings growth (within 5 miles) | |
| 50% or less | 16 points | >20,000 daily increase | 8 points |
| 51% to 65% | 12 points | 15,000 to 20,000 daily increase | 6 points |
| 66% to 80% | 8 points | 10,000 to 14,900 daily increase | 4 points |
| 81% to 90% | 4 points | <10,000 daily increase | 2 points |
| Level of commitment from private partners | | Consistent ridership projections | |
| Investment agreement (binding) | 8 points | 100% to 110% of OCTAM* | |
| Commitment letters | 2 points | 111% to 120% of OCTAM | |
| | | 121% to 140% of OCTAM | |
| OCTA concurrence with financial assumptions/analysis | | <i>*Projections below OCTAM get 8 points</i> | |
| Yes | 6 points | | |
| No | 0 points | | |
| Readiness (20 points) | | Intermodal Connections (18 points) | |
| High-speed rail system status | | Number of current transit modes provided | |
| In constrained 2008 RTP | 10 points | >6 | 5 points |
| Added in unconstrained RTP | 2 points | 4 to 6 | 3 points |
| | | <4 | 1 point |
| Land acquired for total project | | Future increase in the number of transit modes | |
| Yes | 5 points | >5 added | 10 points |
| No | 0 points | 3 to 5 added | 6 points |
| | | <3 added | 2 points |
| Project design status | | OCTA concurrence with intermodal analysis | |
| Design complete | 5 points | Yes | 3 points |
| Environmental complete | 3 points | No | 0 points |
| PSR equivalent complete | 1 point | | |
| Regional Markets / Land Use (12 points) | | | |
| Adjacent freeway lane miles (within five miles) | | | |
| >500 lane miles | 3 points | | |
| 400 to 500 lane miles | 2 points | | |
| <400 lane miles | 1 point | | |
| Current employment (within 5 miles) | | | |
| >350,000 | 3 points | | |
| 200,000 to 350,000 | 2 points | | |
| <200,000 | 1 point | | |
| Planned job density within 1,500 feet | | | |
| >2.0 avg. floor area ratio | 3 points | | |
| 1.5 to 2.0 avg. floor area ratio | 2 points | | |
| <1.5 avg. floor area ratio | 1 point | | |
| Planned housing density within 1,500 feet | | | |
| >35 dwelling units/acre | | | |
| 20 to 35 dwelling units/acre | | | |
| <20 dwelling units/acre | | | |

* OCTAM - Orange County Transportation Analysis Model



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Chapter 6 – Community Based Transit/Circulators (Project V)



Overview

This M2 project establishes a competitive program for local jurisdictions to develop local bus transit services such as community based circulators, shuttles and bus trolleys that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit.

Program funding guidelines and project selection criteria are being developed. A transit call for projects may be issued in 2010.



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Chapter 7 – Regional Capacity Program

Introduction

The Regional Capacity Program (RCP) is a competitive program that will provide more than \$1 billion over a thirty year period. The RCP replaces the current Measure M Local and Regional streets and roads competitive programs.

Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX of the State Constitution. In the case of any ambiguity related to Article XIX, the California State Controllers Gas Tax Guidelines will provide additional clarification.

The MPAH serves as the backbone of Orange County's arterial street network. Improvements to the network are required to meet existing needs and address future demand. The RCP is made up of three (3) individual program categories which provide improvements to the network:

- The Arterial Capacity Enhancements (ACE) improvement category complements freeway improvement initiatives underway and supplements development mitigation opportunities on arterials throughout the MPAH. This RCP component closely resembles the MPAH program from the original Measure M.
- The Intersection Capacity Enhancements (ICE) improvement category provides funding for operational and capacity improvements at intersecting MPAH roadways. This RCP component closely resembles the Intersection Improvement Program (IIP) from the original Measure M.
- The Freeway Arterial/Streets Transition (FAST) focuses upon street to freeway interchanges. This RCP component is similar to Regional Interchange Program (RIP) from original Measure M and includes added emphasis upon arterial transitions to interchanges.

Projects in the arterial, intersection and interchange improvement categories are selected on a competitive basis. All projects must meet specific criteria in order to compete for funding through this program.

Also included under the RCP is the Rail Grade Separation Program (RGSP), which is meant to address vehicle delays and safety issues related to at-grade rail crossings. Seven rail crossing projects along the Master Plan of Arterial Highways (MPAH) network were identified by the CTC to receive Trade Corridors Improvement Funds (TCIF). These TCIF allocations required an additional local funding commitment. To meet this



Chapter 7 – Regional Capacity Program

need, the Board approved the commitment of \$160 million in Regional Capacity Program funds to be allocated from M2. The RGSP captures these prior funding commitments. Future calls for projects for grade separations are not anticipated.



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Chapter 7 – Regional Capacity Program

Section 7.1 – Arterial Capacity Enhancements (ACE)

Overview

The MPAH serves as the backbone of Orange County's arterial street network. Improvements to the network are required to meet existing needs and address future traffic demand. The ACE improvement category complements freeway improvement initiatives underway and supplements development mitigation opportunities.

Projects in the ACE improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

Objectives

- Complete MPAH network through gap closures and construction of missing segments
- Relieve congestion by providing additional roadway capacity where needed
- Provide timely investment of M2 Revenues

Project Participation Categories

The ACE category provides capital improvement funding (including planning, design, right-of-way acquisition and construction) for capacity enhancements on the MPAH for the following:

- Gap closures – widen MPAH roadway for full width where bottleneck exists
- Roadway widening where additional capacity is needed
- New roads / extension of existing MPAH facility

Eligible Activities

- Planning, environmental clearance
- Design
- Right of way acquisition
- Construction (including curb-to-curb, landscaping, lighting, drainage, etc.)

Potentially Eligible Items

- Direct environmental mitigation
- Storm drains/catch basins
- Sound walls (in conjunction with roadway improvement mitigation measures)



Chapter 7 – Regional Capacity Program (ACE)

- Aesthetic improvements including landscaping (up to 25% of construction costs)
- ITS infrastructure (advance placement in anticipation of future project)
- Rehabilitation and/or resurfacing of existing pavement when necessitated by proposed improvement (such as change in profile and cross section)

Environmental mitigation will be allowed only as required for the proposed roadway improvement, and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 50% of the total eligible construction costs.

Longitudinal storm drains are eligible for program participation when, in the opinion of the TAC, the storm drain is an incidental part (cost is less than 50% of the total eligible improvement cost) of an eligible improvement. Program participation shall not exceed 25% of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ACE Program funding.

Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.

Ineligible Expenditures

Items that are not eligible under the ACE Program are:

- Rehabilitation (unless performed as component of capacity enhancement program)
- Reconstruction (unless performed as component of capacity enhancement project)
- Grade Separation Projects
- Right of way acquisition greater than the typical right of way width for the applicable MPAH Roadway Classification. Eligibility for additional right of way to accommodate significant pedestrian volumes or bikeways shown on a Master Plan of Bikeways will be considered for reimbursement on a case by case basis. Where full parcel acquisitions are necessary to meet typical right of way requirements for the MPAH classification, any excess parcels shall be disposed of in accordance with the provisions of these guidelines and State statutes.

Funding Estimates

Funding will be provided on a pay-as-you go basis. The RCP will make an estimated \$1.1 billion (in 2005 dollars) available during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is



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shared with intersection, interchange and grade separation improvement categories. No predetermined funding set aside has been established for street widening.

Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, proposed Vehicle Miles Traveled (VMT), level of services benefits, match funding and overall facility importance. Technical categories and point values are shown on Tables 7-1 and 7-2. Data sources and methodology are described below.

Existing Average Daily Trips (ADT): Current 24-hour traffic counts or OCTA Traffic Flow Map data for proposed segment. “Current” counts are defined as those taken for a typical mid-week period within the preceding 12-month period. New facilities will be modeled through OCTAM and requests should be submitted to OCTA with sufficient time to generate report prior to submittal of application.

Vehicle Miles Travelled (VMT): Centerline length of segment proposed for improvement multiplied by the existing ADT for the proposed segment length.

Current Project Readiness: This category is additive. Points are earned for each satisfied readiness stage at the time applications are submitted. Right of Way (All easements and titles) applies where no ROW is needed for the project or where all ROW has been acquired/dedicated). Right of Way (all offers issued) applies where offers have been made for every parcel where acquisition is required and/or offers of dedication have been received by the jurisdiction. Final Design (PS&E) applies where the jurisdiction's City engineer or other authorized person has approved the final design. Preliminary design (35% level) will require certification from the City Engineer and is subject to verification. Environmental Approvals applies where all environmental clearances have been obtained on the project.

Cost Benefit: Total project cost (including unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum match requirement. M2 requires a 50% local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30% and a local match of 45% is pledged, points are earned for the 15% over-match.



Chapter 7 – Regional Capacity Program (ACE)

Transportation Significance: Roadway classification as shown in the current Master Plan of Arterial Highways (MPAH).

MPAH Needs Assessment Category: Segment designation as shown in the Regional Capacity Program Assessment study.

Operational Efficiencies: This category is additive. Each category, except Active Transit Routes, must be a new feature added as a part of the proposed project.

- Pedestrian Facilities: Placement of a new sidewalk where none currently exists along entire segment of proposed project.
- Meets MPAH configuration: Improvement of roadway to full MPAH standard for the segment classification.
- Active Transit Route(s): Segments served by fixed route public transit service.
- Bus Turnouts: Construction of bus turnouts.
- Bike Lanes: Installation of new bike lanes (Class I or II)
- Median (Raised): Installation of a mid-block raised median where none exists today. Can be provided in conjunction with meeting MPAH standards.
- Remove On-street Parking: Elimination of on-street parking in conjunction with roadway widening project. Can be provided in conjunction with meeting MPAH standards and installation of new bike lanes.
- Other (Golf cart paths in conformance with California Vehicle Code and which are demonstrated to remove vehicle trips from roadway).

Improvement Characteristics: Select one characteristic which best describes the project:

- Gap Closures: Elimination of an existing bottleneck.
- New Facility/Extensions: Construction of new roadways.
- Bridge crossing: Widening of bridge crossing within the project limits.
- Adds capacity: Addition of through traffic lanes.
- Improves traffic flow: Installation of a median, restricting cross street traffic, adding midblock turn lanes, or elimination of driveways.

Level of Service (LOS) Improvement: This category is a product of the existing LOS based upon volume/capacity-- or v/c -- and LOS improvement "with project". **Projects must meet a minimum existing LOS of "D" (.80 v/c) to qualify for funding.**

Application Process

Project allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting



Chapter 7 – Regional Capacity Program (ACE)

documentation that will be used to evaluate the project proposal as outline below. Detailed instructions and checklists are provided in Chapter 9.

- Complete application
 - Funding needs by phase and fiscal year
 - Match funding source
 - Supporting technical information
 - Project development and implementation schedule
 - Right of way status and strategy for acquisition
 - Any additional information deemed relevant by the applicant
- Allocations subject to Master Funding Agreement

A call for projects for the initial funding cycle is expected to be issued in 2010, or as determined by the OCTA Board of Directors. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

Applications will be reviewed by the Authority for consistency, accuracy and concurrence. Once applications have been completed in accordance with the program requirements, the projects will be scored, ranked and submitted to the TSC, TAC and Board of Directors for consideration and funding approval.

Minimum Eligibility Requirements

Projects must have an existing LOS “D” or worse to qualify for funding in this program. New facilities will be considered where the project results in a positive overall LOS reduction in traffic on parallel existing facilities based upon Orange County Traffic Analysis Model (OCTAM).

All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.

Matching Funds

Local agencies are required to provide match funding for each phase of the project. As prescribed by Ordinance No. 3, the minimum local match requirement is 50% with potential to reduce this amount if certain eligibility requirements are met.

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:



Chapter 7 – Regional Capacity Program (ACE)

Council Approval: A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of project match funding (local sources) must be provided with the project application.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.

Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and right-of-way acquisition. Reimbursements will be disbursed upon review and approval of a complete initial payment submittal, final report and consistency with Master Funding Agreement or cooperative agreement if federal funds are awarded.

Project Cancellation

Projects deemed infeasible during the planning phase will be cancelled and further expenditures will be prohibited (except where necessary to conclude the current phase). Right of way acquired for projects that are cancelled prior to construction will require repayment to the contributing funding program(s) within a reasonable time as determined by the OCTA Board of Directors.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation, which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board of Directors. See Chapter 11 for detailed audit requirements.



Chapter 7 – Regional Capacity Program (ACE)

Proceeds from the sale of excess right of way acquired with program funding must be paid back to the project fund as described in Chapter 10 and described in the Master Funding Agreement.



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TABLE 7-1

Regional Capacity Program Street Widening

| | Category | Points Possible | Percentage | |
|--------------------------------------|----------------------------------|-----------------|-------------|------------|
| <i>Facility Usage</i> | | | | 25% |
| | Existing ADT | 10 | 10% | |
| | Existing VMT | 10 | 10% | |
| | Current Project Readiness | 5 | 5% | |
| <i>Economic Effectiveness</i> | | | | 20% |
| | Cost Benefit | 15 | 15% | |
| | Funding Over-Match | 5 | 5% | |
| <i>Facility Importance</i> | | | | 20% |
| | Transportation Significance | 5 | 5% | |
| | MPAH Assessment Category | 10 | 10% | |
| | Operational Efficiency | 5 | 5% | |
| <i>Benefit</i> | | | | 35% |
| | Improvement Characteristics | 10 | 10% | |
| | Level of Improvement and Service | 25 | 25% | |
| TOTAL | | 100 | 100% | |



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Chapter 7 – Regional Capacity Program (ACE)

TABLE 7-2

Point Breakdown for Widening Projects Maximum Points = 100

| Facility Usage | | | Points: 25 | Facility Importance | | | Points: 20 |
|---|----------|--|---------------|---|--|--|------------------|
| Existing ADT | | | | Transportation Significance | | | |
| Range | | | Points | Range | | | Points |
| 40+ | thousand | | 10 | Principal or CMP Route | | | 5 |
| 35 - 39 | thousand | | 8 | Major | | | 4 |
| 30 - 34 | thousand | | 6 | Primary | | | 3 |
| 25 - 29 | thousand | | 5 | Secondary | | | 2 |
| 20 - 24 | thousand | | 4 | Collector | | | 1 |
| 15 - 19 | thousand | | 3 | MPAH Assessment Category | | | |
| 10-14 | thousand | | 2 | Range | | | Points |
| 5 - 9 | thousand | | 1 | Category 1 | | | 10 |
| <5 | thousand | | 0 | Category 2 | | | 8 |
| VMT | | | | Category 3 | | | 6 |
| Range | | | Points | Category 4 | | | 4 |
| 22+ | thousand | | 10 | Category 5 | | | 2 |
| 18 - 21 | thousand | | 8 | Operational Efficiencies | | | Maximum 5 points |
| 14 - 17 | thousand | | 6 | Characteristics (i.e.) | | | Points |
| 11 - 13 | thousand | | 5 | Pedestrian Facilities (New) | | | 3 |
| 8 - 10 | thousand | | 4 | Meets MPAH Configs. | | | 3 |
| 5 - 7 | thousand | | 3 | Active Transit Route(s) | | | 2 |
| 3 - 4 | thousand | | 2 | Bus Turnouts | | | 2 |
| 1.5 - 2 | thousand | | 1 | Bike Lanes (New) | | | 2 |
| <1,500 | thousand | | 0 | Median (Raised) | | | 2 |
| Current Project Readiness | | | Max Points: 5 | Remove On-Street Parking | | | 1 |
| Range | | | Points | Other | | | 2 |
| Right Of Way (All easement and titles) | | | 3 | Benefit: | | | Points: 35 |
| Right Of Way (All offers issued) | | | 1 | Improvement Characteristics | | | Points |
| Final Design (PS&E) | | | 1 | Gap Closure | | | 10 |
| Preliminary Design (35%) | | | 1 | New Facility/Extension | | | 8 |
| Environmental Approvals | | | 1 | Bridge Crossing | | | 8 |
| Points are additive, ROW limited to highest qualifying designation | | | | Adds Capacity | | | 6 |
| | | | | Improves Traffic Flow | | | 2 |
| Economic Effectiveness | | | Points: 20 | LOS Improvement | | | Max Points: 25 |
| Cost Benefit (Total \$/ADT) | | | | Calculation: LOS Imp x LOS Starting Pt. | | | |
| Range* | | | Points | Existing LOS Starting Point | | | |
| <25 | | | 15 | Range | | | Points |
| 25-49 | | | 13 | 1.05+ | | | 5 |
| 50 - 74 | | | 11 | 1.00 - 1.04 | | | 4 |
| 75 - 99 | | | 9 | .95 - .99 | | | 3 |
| 100 - 149 | | | 7 | .90 - .94 | | | 2 |
| 150 - 199 | | | 5 | .80-.89 | | | 1 |
| 200 - 249 | | | 4 | LOS Improvement W/Project (exist. volume) | | | |
| 250 - 299 | | | 3 | Range | | | Points |
| 300 - 349 | | | 2 | .20+ | | | 5 |
| 350+ | | | 1 | .16-.19 | | | 4 |
| Funding Over-Match (local match/project cost) minus minimum local match requirement | | | | .1 - .15 | | | 3 |
| Range* | | | Points | .05 - .09 | | | 2 |
| 30+ | % | | 5 | <.05 | | | 1 |
| 25-29 | % | | 4 | | | | |
| 20 - 24 | % | | 3 | | | | |
| 15 - 19 | % | | 2 | | | | |
| 10 - 14 | % | | 1 | | | | |
| 0-9 | % | | 0 | | | | |
| *Range refers to % points above agency minimum requirement | | | | | | | |



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Chapter 7 – Regional Capacity Program

Section 7.2 – Intersection Capacity Enhancements (ICE)

Overview

The MPAH serves as the backbone of Orange County's arterial street network. Intersections at each intersecting MPAH arterial throughout the County will continue to require improvements to mitigate current and future needs. The ICE improvement category complements roadway improvement initiatives underway and supplements development mitigation opportunities.

Projects in the ICE improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

For the purposes of the ICE improvement category, the limits of an intersection shall be defined as the area that includes all necessary (or planned) through lanes, turn pockets, and associated transitions required for the intersection. Project limits of up to 600 feet for each intersection leg is recommended.

Objectives

- Improve MPAH network capacity and throughput along MPAH facilities
- Relieve congestion at MPAH intersections by providing additional turn and through lane capacity
- Improve connectivity between neighboring jurisdiction by increasing throughput
- Provide timely investment of M2 Revenues

Project Participation Categories

The ICE category provides capital improvement funding (including planning, design, right of acquisition and construction) for intersection improvements on the MPAH network for the following:

- Intersection widening – constructing additional through lanes and turn lanes, extending turn lanes where appropriate, signal equipment
- Street to street grade separation projects

Eligible Activities

- Planning, environmental clearance
- Design (plans, specifications, and estimates)
- Right of way acquisition



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- Construction (including bus turnouts, curb ramps, median, and striping)

Potentially Eligible Items

- Storm drains/catch basins
- Landscaping and other aesthetic enhancements (limited to 25% of construction cost)
- Signal equipment (as incidental component of program)

Ineligible Items

- Right of way acquisition greater than the typical right of way width for the applicable MPAH Roadway Classification. Additional turn lanes not exceeding 12 feet in width needed to maintain an intersection LOS D requiring right of way in excess of the typical right of way width for the applicable MPAH classification shall be fully eligible. Where full parcel acquisitions are necessary to meet typical right of way requirements for the MPAH classification any excess parcels shall be disposed of in accordance with the provisions of these guidelines and State statutes.

Environmental mitigation will be allowed only as required for the proposed roadway improvement, and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 50 percent of the total eligible project costs.

Longitudinal storm drains are eligible for program participation when, in the opinion of the TAC, the storm drain is an incidental part (cost is less than 50 percent of the total eligible improvement cost) of an eligible improvement. Program participation shall not exceed 25 percent of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ICE improvement category funding.

Soundwalls are eligible only if they are required as part of the environmental clearance for the proposed project. Program participation for soundwalls shall not exceed 50 percent of the total eligible project costs.

Funding Estimates

Funding will be provided on a pay-as-you go basis. The RCP will make an estimated \$1.1 billion available (in 2005 dollars) during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with road widening, interchange and grade separation improvement categories.



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No predetermined funding set aside has been established for intersection improvements.

Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, level of services benefits, match funding and overall facility importance. Technical categories and point values are shown on Tables 7-3 and 7-4. Data sources and methodology are described below.

Average Daily Traffic (ADT): Sum of the Average ADT from current traffic count or OCTA Traffic Flow Map for each arterial. Average ADT for the east and west legs of the intersection will be added to the average ADT for the north and south legs.

Current Project Readiness: This category is additive. Points are earned for each satisfied readiness stage at the time applications are submitted. Right of Way (All easements and titles) applies where no ROW is needed for the project or where all ROW has been acquired/dedicated). Right of Way (all offers issued) applies where offers have been made for every parcel where acquisition is required and/or offers of dedication have been received by the jurisdiction. Final Design (PS&E) applies where the jurisdiction's City Engineer or other authorized person has approved the final design. Preliminary design (35% level) will require certification from the City Engineer and is subject to verification. Environmental Approvals applies where all environmental clearances have been obtained on the project.

Cost Benefit: Total project cost (included unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum match requirement. M2 requires a 50% local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30% and a local match of 45% is pledged, points are earned for the 15% over-match.

Coordination with Contiguous project: Projects that complement a proposed arterial improvement application with a similar implementation schedule earn points in this category.

Transportation Significance: Roadway classification as shown in the current Master Plan of Arterial Highways (MPAH).



Chapter 7 – Regional Capacity Program (ICE)

MPAH Needs Assessment Category: Segment designation as shown in the Regional Capacity Program Assessment study.

Operational Efficiencies: This category is additive. Each category must be a new feature added as a part of the proposed project.

- Bike Lanes/Bus Turnouts: Extension of bike lanes (Class I or II) through intersection or construction of a bus turnout as a new feature.
- Lowers density: Addition of through travel lanes.
- Channels traffic: Addition and/or extension of turn pockets.
- Pedestrian Facilities: Placement of a new sidewalk if none currently exists.
- Grade separations: Street to street grade separations and do not apply to rail grade separation projects which are covered by the grade separation program category.

Level of Service (LOS) Improvement: This category is a product of the existing ICU score and the LOS improvement score. **Projects must meet a minimum existing peak hour LOS of “D” (.80 ICU) or worse to qualify for funding.**

Application Process

Project allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outline below.

- Complete application
 - Funding needs by phase and fiscal year
 - Match funding source
 - Supporting technical information
 - Project development and implementation schedule
 - Right of way status and strategy for acquisition
 - Any additional information deemed relevant by the applicant
- Allocations subject to master funding agreement

A call for projects for the initial funding cycle is expected to be issued in 2010, or as determined by the OCTA Board of Directors. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

Applications will be reviewed by the Authority for consistency, accuracy and concurrence. Once applications have been completed in accordance with the program requirements, the projects will be scored, ranked and submitted to the TSC, TAC and Board of Directors for consideration and funding approval.



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Minimum Eligibility Requirements

Projects must have a minimum peak hour LOS “D” or worse. Worst peak hour period is used for this evaluation and eligibility purposes.

All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.

Matching Funds

Local agencies are required to provide match funding for each phase of the project. As prescribed by Ordinance No. 3, the minimum local match requirement is 50% with potential to reduce this amount if certain eligibility requirements are met.

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Approval: A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of project match funding (local sources) must be provided with the project application.

Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.

Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and right of way acquisition. Reimbursements will be disbursed upon review and approval of a complete initial payment submittal, final report and consistency with master funding agreement or cooperative agreement if federal funds are awarded.



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Project Cancellation

Projects deemed infeasible during the planning phase will be cancelled and further expenditures will be prohibited except where necessary to bring the current phase to a logical conclusion. Right of way acquired for projects which are cancelled prior to construction will require repayment to the contributing funding program(s) within a reasonable time as determined by the OCTA Board of Directors.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board of Directors. See Chapter 11 for detailed audit requirements.

Proceeds from the sale of excess right of way acquired with program funding must be paid back to the project fund as described in Chapter 10 and described in the Master Funding Agreement.



TABLE 7-3

Regional Capacity Program Intersection Improvement

| | Category | Points Possible | Percentage | |
|--------------------------------------|--------------------------------------|-----------------|-------------|------------|
| <i>Facility Usage</i> | | | | 20% |
| | Existing ADT | 15 | 15% | |
| | Current Project Readiness | 5 | 5% | |
| <i>Economic Effectiveness</i> | | | | 25% |
| | Cost Benefit | 15 | 15% | |
| | Funding Over-Match | 5 | 5% | |
| | Coordination with Contiguous Project | 5 | 5% | |
| <i>Facility Importance</i> | | | | 25% |
| | Transportation Significance | 5 | 5% | |
| | MPAH Assessment Category | 10 | 10% | |
| | Operational Efficiency | 10 | 10% | |
| <i>Benefit</i> | | | | 30% |
| | LOS Improvement | 30 | 30% | |
| TOTAL | | 100 | 100% | |



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Point Breakdown for Intersection Capacity Enhancements

Coordination based upon similar project schedule



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Section 7.3 – Freeway Arterial/Streets Transitions (FAST)

Overview

The MPAH serves as the backbone of Orange County's arterial street network. Current and future needs at existing interchanges along MPAH highways and freeways will need to be addressed in order to improve connectivity between freeways and MPAH arterials. The interchange improvement program complements roadway improvement initiatives underway as well and supplements development mitigation opportunities.

Projects in the FAST improvement category are selected on a competitive basis. Projects must meet specific criteria in order to compete for funding through this program.

Objectives

- Improve transition to and from Orange County freeways
- Provide timely investment of M2 revenues

Project Participation Categories

The FAST category provides capital improvement funding (including planning, design, right of way acquisition and construction) for interchange improvements on the MPAH network for the following:

- MPAH facility interchange connections to Orange County freeways (including on-ramp, off-ramp and arterial improvements)

Eligible Activities

- Planning, environmental clearance
- Design
- Right of way acquisition
- Construction (including ramps, intersection and structural improvements/reconstruction incidental to project)
- Signal equipment (as incidental component of program)

Potentially Eligible Items

- Landscaping and other aesthetic enhancements limited to 10% of project cost
- Auxiliary lanes if necessitated by interchange improvements



Chapter 7 – Regional Capacity Program (FAST)

- Soundwalls as mitigation for project

Environmental mitigation will be allowed only as required for the proposed roadway improvement, and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 50% of the total eligible project costs.

Longitudinal storm drains are eligible for program participation when, in the opinion of the TAC, the storm drain is an incidental part (cost is less than 50% of the total eligible improvement cost) of an eligible improvement. Program participation shall not exceed 25% of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in FAST improvement category funding.

Soundwalls are eligible only if they are required as part of the environmental clearance for the proposed project. Program participation for soundwalls shall not exceed 50 percent of the total eligible project costs.

Ineligible Projects

- Seismic retrofit projects (unless combined with eligible capacity enhancements)

Funding Estimates

Funding will be provided on a pay-as-you go basis. The RCP will make an estimated \$1.1 billion available (in 2005 dollars) during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with road widening, intersection and grade separation improvement categories. No predetermined funding set aside has been established for interchange improvements.

Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on existing usage, level of services benefits, match funding and overall facility importance. Technical categories and point values are shown on Tables 7-5 and 7-6. Data sources and methodology are described below.

Existing ADT: Current 24-hour traffic counts or OCTA Traffic Flow Map data for proposed arterial segment. "Current" counts are defined as those taken for a typical mid-week period. Arterial ADT is added to exit ramp volume. Average ramp



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intersection volume for each interchange ramp will be used. New facilities will rely on projected ramp volume based upon Caltrans approved projection.

Current Project Readiness: This category is additive. Points are earned for each satisfied readiness stage at the time applications are submitted. Right of Way (all easements and titles) applies where no ROW is needed for the project or where all ROW has been acquired/dedicated). Right of Way (all offers issued) applies where offers have been made for every parcel where acquisition is required and/or offers of dedication have been received by the jurisdiction. Final Design (PS&E) applies where the jurisdiction's City engineer or other authorized person has approved the final design. Preliminary design (35% level) will require certification from the City engineer and is subject to verification. Project Approvals/Environmental Documentation (PA/ED) applies where a Project Report-level analysis has been completed and environmental approvals have been attained.

Cost Benefit: Total project cost (including unfunded phases) divided by the existing ADT (or modeled ADT for new segments).

Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum match requirement. M2 requires a 50% local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30% and a local match of 45% is pledged, points are earned for the 15% over-match.

Coordination with Freeway Project: Interchanges planned to coincide with or accommodate planned freeway improvements receive points in this category.

Transportation Significance: Roadway classification as shown in the current Master Plan of Arterial Highways (MPAH).

MPAH Needs Assessment Category: Segment designation as shown in the Regional Capacity Program Assessment study.

Operational Efficiencies: This category is additive. Each category, except Active Transit Routes, must be a new feature added as a part of the proposed project.

- Eliminate left turn conflicts: Ramp intersection reconfiguration which does not permit left turns onto ramps.
- Coordinated signal: Ramp intersections within a coordinated corridor where coordination did not previously exist.
- Add turn lanes: Increase in number of turn lanes on arterial.
- Add traffic control: Signalization of ramp intersection.



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- Enhanced ramp storage: Extension or widening of existing ramp to improvement off-street storage capacity.
- Pedestrian facilities: Add crosswalk and or sidewalk to ramp or bridge crossing within context of interchange improvements.

Level of Service (LOS) Improvement: This category is a product of the existing LOS based upon volume/capacity – or v/c -- and LOS improvement “with project”. **Projects must meet a minimum existing LOS of “D” (.80 v/c) to qualify for funding.**

Improvement Characteristics: Select the attribute that best fits your project definition.

- New facility: New interchange where none exists.
- Partial facility: New interchange which does not provide full access.
- Interchange reconstruction: improvement of existing interchange to provide additional arterial capacity (widening of overcrossing or undercrossing).
- Ramp reconfiguration: Widening of ramp or arterial to improve turning movements or other operational efficiencies.
- Ramp metering: Installation of metering on ramp.

Application Process

Project allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below.

- Complete application
 - Funding needs by phase and fiscal year
 - Match funding source
 - Supporting technical information
 - Project development and implementation schedule
 - Right of way status and strategy for acquisition
 - Any additional information deemed relevant by the applicant
- Allocations subject to master funding agreement or cooperative agreement if federal funds are awarded

A call for projects for the initial funding cycle is expected to be issued in 2010, or as determined by the OCTA Board of Directors. Complete project applications must be submitted by the established due date to be considered eligible for consideration.

Applications will be reviewed by the Authority for consistency, accuracy and concurrence. Once applications have been completed in accordance with the program



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requirements, the projects will be scored, ranked and submitted to the TSC, TAC and Board of Directors for consideration and funding approval.

Minimum Eligibility Requirements

Projects must have a minimum peak hour LOS “D” or worse. Worst peak hour period is used for this evaluation and eligibility purposes.

Caltrans is not eligible to submit applications or receive payment under this program. Only cities or the County of Orange may submit applications and receive funds. This program was designed to benefit local jurisdictions. However, the Orange County Transportation Authority wants to ensure that Caltrans facilities are not negatively affected.

Matching Funds

Local agencies are required to provide match funding for each phase of the project. As prescribed by Ordinance No. 3, a 50% minimum match is required. A lower local match may be permitted if certain eligibility criteria are met.

Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, and right of way acquisition. Reimbursements will be disbursed upon review and approval of a complete initial payment submittal, final report and consistency with Master Funding Agreement.

Caltrans Coordination

Coordination with Caltrans will be essential for most, if not all, of the projects submitted for this program. Agencies should therefore establish contacts at Caltrans District 12 Office (Project Development Branch) to ensure that candidate projects have been reviewed and approved by Caltrans. All other affected jurisdictions should be consulted as well.

Agencies submitting projects for this program must have confirmation from Caltrans that the proposed improvement is consistent with other freeway improvements.

Applications should be submitted so that interchange projects are done in conjunction with construction of other freeway improvements whenever possible. However, if the



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interchange project can be done in advance of the freeway project, verification and/or supporting documentation must be submitted showing the interchange improvement has merit for advanced construction and that it will be compatible with the freeway design and operation. Additionally, the interchange improvements should take into account the ultimate freeway improvements if the interchange is to be improved in advance.

Project Cancellation

Projects deemed infeasible during the planning phase will be cancelled and further expenditures will be prohibited (except where necessary to bring the current phase to a logical conclusion. Right of way acquired for projects which are cancelled prior to construction will require repayment to the contributing funding program(s) within a reasonable time as determined by the OCTA Board of Directors.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by OCTA's Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board of Directors. See Chapter 11 for detailed audit requirements.

Proceeds from the sale of excess right of way acquired with program funding must be paid back to the project fund as described in Chapter 10 and described in the Master Funding Agreement.

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials:

Council Resolution: A Council Resolution authorizing request for funding consideration with a commitment of project match funding (local sources) must be provided with the project application.



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Project Documentation: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion of planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.



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TABLE 7-5

Freeway/Arterial Street Transitions Interchange Improvements

| | Category | Points Possible | Percentage |
|-------------------------------|-----------------------------------|-----------------|------------|
| Facility Usage | Existing ADT | 10 | 10% |
| | Current Project Readiness | 10 | 10% |
| Economic Effectiveness | Cost Benefit | 10 | 10% |
| | Matching Funds | 10 | 10% |
| | Coordination with Freeway Project | 5 | 5% |
| Facility Importance | Transportation Significance | 5 | 5% |
| | MPAH Assessment Category | 10 | 10% |
| | Operational Efficiencies | 10 | 10% |
| Benefit | Existing LOS | 10 | 10% |
| | LOS Reduction W/Project | 10 | 10% |
| | Improvement Characteristics | 10 | 10% |
| TOTAL | | 100 | 90% |



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Chapter 7 – Regional Capacity Program (FAST)

TABLE 7-6

Point Breakdown for Freeway/Arterial Street Transitions Program
Maximum Points = 100

| Facility Usage | | | Points: 10 | Facility Importance | | | Points: 25 |
|---|----------|--------------|------------|---|--|--------------|------------|
| ADT (Arterial plus daily exist volume) | | | | Transportation Significance | | | |
| range | | | points | range | | | points |
| 55+ | thousand | | 10 | Principal or CMP Route | | | 5 |
| 50 - 54 | thousand | | 9 | Major | | | 4 |
| 45 - 49 | thousand | | 8 | Primary | | | 3 |
| 40 - 44 | thousand | | 6 | Secondary | | | 2 |
| 35 - 39 | thousand | | 4 | Collector | | | 1 |
| 30 - 34 | thousand | | 3 | | | | |
| 25 - 29 | thousand | | 2 | MPAH Assessment Category | | | |
| 20 - 24 | thousand | | 1 | range | | | points |
| 15 - 19 | thousand | | 0 | Category 1 | | | 10 |
| 10-14 | thousand | | 0 | Category 2 | | | 8 |
| <10 | thousand | | 0 | Category 3 | | | 6 |
| | | | | Category 4 | | | 4 |
| | | | | Category 5 | | | 2 |
| Current Project Readiness | | Max. 10 pts. | | Operational Efficiencies | | Max. 10 pts. | |
| range | | points | | characteristic(s) | | points | |
| Right Of Way (All easement and titles) | | 6 | | Eliminate left turn conflict | | 3 | |
| Right Of Way (All offers issued) | | 4 | | Coordinated signal | | 2 | |
| Final Design (PS&E) | | 3 | | Add turn lanes | | 3 | |
| PA/ED | | 2 | | Add traffic Control | | 1 | |
| Project Study Report or Equiv. | | 1 | | Enhanced ramp storage | | 3 | |
| | | | | Pedestrian Facilities (New) | | 3 | |
| | | | | *contains a combination of the above | | | |
| Points are additive, ROW is highest qualifying designation | | | | | | | |
| Economic Effectiveness | | | Points: 25 | Benefit | | | Points: 30 |
| Cost Benefit (Total \$/ADT) | | | | LOS Improvement | | | Max: 20 |
| range | | | points | Calculation: Ave LOS Imp + Ave LOS Starting Pt. | | | |
| <20 | | | 10 | LOS Reduction W/Project (exist. volume) | | | |
| 20-39 | | | 8 | range | | | points |
| 40-79 | | | 6 | .20+ | | | 10 |
| 80-159 | | | 4 | .16-.19 | | | 8 |
| 160-319 | | | 2 | .1-.15 | | | 6 |
| 320-640 | | | 1 | .05-.09 | | | 4 |
| >640 | | | 0 | <.05 | | | 2 |
| Funding Over-Match (local match/project cost) minus minimum local match requirement | | | | Existing LOS | | | |
| range | | | Points | range | | | points |
| 30+ % | | | 10 | 1.05+ | | | 10 |
| 25-29 % | | | 8 | 1.00 - 1.04 | | | 8 |
| 20-24 % | | | 6 | .95 - .99 | | | 6 |
| 15-19 % | | | 4 | .90 - .94 | | | 4 |
| 10-14 % | | | 2 | .85-.89 | | | 2 |
| 0-9 % | | | 1 | .80-.84 | | | 1 |
| Range refers to % points above agency min. req. | | | | Improvement Characteristics | | | |
| Coordination with Freeway Project | | | | characteristic(s) | | | points |
| Range | | | Points | New facility (full interchange) | | | 10 |
| yes | | | 5 | New facility (partial interchange) | | | 8 |
| no | | | 0 | Interchange reconstruction | | | 6 |
| | | | | Ramp reconfiguration | | | 4 |
| | | | | Ramp metering | | | 2 |



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Chapter 7 – Regional Capacity Program

Section 7.4 – Regional Grade Separation Program (RGSP)

Background

Seven rail crossing projects along the Master Plan of Arterial Highways (MPAH) network were identified by the CTC to receive Trade Corridors Improvement Funds (TCIF). These TCIF allocations required an additional local funding commitment. To meet this need, the Board approved the commitment of \$160 million in Regional Capacity Program funds to be allocated from M2. The RGSP captures these prior funding commitments.

Future calls for projects for grade separations are not anticipated.



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Chapter 8 – Regional Traffic Synchronization Program



Overview

The Regional Traffic Signal Synchronization Program includes competitive capital funding for the coordination of traffic signals across jurisdictional boundaries in addition to operational and maintenance funding. OCTA will provide funding priority to programs and projects which are multi-jurisdictional in nature. OCTA will also give priority to projects that use State discretionary funds as local matching funds.

Eligible jurisdictions must contribute matching local funds equal to 20% of the project or program cost. This contribution can be satisfied all or in part by the jurisdiction providing in-kind services for the program or project. These in-kind services can include salaries and benefits of employees who perform work on the project or programs. They also must participate in Traffic Forums to facilitate in the planning of traffic signal synchronization programs and projects.

OCTA will adopt and maintain a Traffic Signal Synchronization Master Plan (Master Plan) as an element of the MPAH. The Master Plan will define the Regional Traffic Signal Synchronization Program, including traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, funding and phasing of capital programs, and the means of implementing, operating and maintaining the programs and projects, including necessary governance and legal arrangements. The Master Plan will be reviewed and updated by OCTA every three years and will provide details on the status and performance of the traffic signal synchronization activities over that period.

Local jurisdictions are required to adopt the current Master Plan or adopt and maintain a Local Traffic Signal Synchronization Plan (Local Plan) that is consistent with the Master Plan. The local jurisdiction requirements for both options are summarized below:

1. Adoption of the Master Plan

OCTA will maintain the Master Plan regularly with reviews once every three years including updates to the plan as well as providing summary reports on the status and performance of all traffic signal synchronization activities. The review will demonstrate that the timing of traffic signals included as part of the Master Plan were evaluated and revised, if necessary, during that time. Every three years, the most recent Master Plan would need to be adopted by the jurisdiction and included in the city's M2 eligibility certification.

Chapter 8 – Regional Traffic Synchronization Program



2. Development of a Local Plan

If the local jurisdiction elects to develop and adopt a Local Plan, it must identify traffic signal synchronization street routes and traffic signals and how they may be synchronized with traffic signals on the street routes of adjoining jurisdictions. The local plan must be demonstrated to be consistent with the Master Plan (see the Master Plan for more details on the consistency process and determination). Each plan will include a three-year plan showing cost, available funding and phasing of capital, operations, and maintenance. As part of the certification process, a local plan would need to be developed and adopted by the local jurisdiction and must be included in the city's M2 eligibility certification. This Local Plan would need to be reviewed, updated, and adopted every three years. This Local Plan update must demonstrate that the timing of traffic signals included as part of the Master Plan were evaluated and revised, if necessary, during that time. The review must include reporting on the status and performance of traffic signal synchronization activities.

Funding allocations and program administration requirements are documented in a separate guidance manual.



Chapter 9 – Application Materials

Project Submittal

A RCP call for projects is planned for 2010. A separate application package must be completed for each individual project and uploaded to OCFundtracker. **One copy** of each application should also be mailed or delivered to:

Orange County Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, California 92863-1584
Attn: Roger Lopez

Application Review and Program Adoption

1. OCTA staff will conduct a preliminary review of all applications for completeness and accuracy, request supplemental information (i.e., plans, aerial/strip maps, CEQA forms) for projects that appear to rank well during initial staff evaluations, and prepare a recommended program for the TSC. In addition, OCTA may hire a consultant(s) to verify information within individual applications such as, but not limited to, project scope, cost estimates, ADT and Levels of Service (LOS). These applications will be selected through a random process.
2. The TSC will receive and evaluate the project applications and funding allocations.
3. Based on recommendations from the TSC, a program will be presented to the TAC for review and endorsement.
4. Recommendations from the TAC will be presented to the OCTA Board of Directors, who will approve projects for funding under the CTFP.
5. OCTA shall distribute copies of the approved program to all participating local jurisdictions with any qualifying conditions stipulated for the jurisdiction's funded project(s).

Project Guidelines

The following guidelines will be used in reviewing project applications. Any application that does not meet these minimum guidelines must include an explanation of why the guidelines were not met.



Chapter 9 – Application Materials

1. The travel lane width should be no less than 11 feet (12 feet if adjacent to a raised median or other obstruction) for all arterial highways.
2. For divided roadways, the minimum median width should be no less than 10 feet to allow for turning movements.
3. Arterial highways that are designated for uses in addition to automobile travel (e.g., bicycle, pedestrian, parking) shall provide additional right-of-way consistent with local jurisdiction standards to facilitate such uses.
4. An eight-lane roadway should provide for a continuous median, protected dual or single left-turn pockets as warranted at signalized intersections, single left-turn pockets at non-signalized intersections, and a right-turn lane at signalized intersections where determined necessary by traffic volumes. Right-of-way for a free right-turn lane should be provided at locations warranted by traffic demand.
5. A six-lane divided roadway should provide a continuous median, protected dual or single left-turn pockets as warranted by existing traffic at all signalized intersections, and single left-turn pockets at non-signalized intersections. A right-turn option lane should also be provided as warranted by traffic demand.
6. A four-lane divided roadway should provide a continuous median, protected dual or single left-turn pockets at all signalized intersections, and a left-turn pocket at all non-signalized intersections. A right-turn lane should also be provided as warranted by traffic demand.
7. A four-lane undivided roadway shall provide for a single left-turn pocket at all intersections as warranted by traffic demand.

Application Instructions

A single application should be submitted for all phases of a project. **If funding is requested under multiple program components for a single project (i.e., arterials and intersections) a separate application must be prepared for each request.** Final applications MUST be submitted via OCFundtracker and in hard copy format.



Chapter 9 – Application Materials

Checklist Guide

Since each funding program has slightly different application requirements, an "Internal Application Checklist Guide" has been provided. The checklist guide identifies the basic forms and documentation required for each of the program components. In addition, items required at the time of project submittal are differentiated from supplemental items due later. The appropriate checklist should be provided as a cover sheet for **each** application submitted. For any items that are required for the candidate project or program that are missing or incomplete, an explanation should be included in a cover letter with the application. In addition to this checklist guide, please review the **Attachments/Additional Information** section of each program component for a description of supplementary documentation which may be required to support your agency's project application in specific cases.

Attachments

"Priority List of Projects" Form - CTFP Application

Agencies must submit a "Priority List of Projects" with the application submittals. This document is created within the CTFP Application. Although no points are assigned to your top project priorities, this information may be useful in the programming decision process.

"Project Cost Estimate" Form

Include a separate attachment listing all expenditures and costs for the project. Accurate unit prices and a detailed description of work, including design, will be critical when the candidate project is reviewed. For example, design applications should include major tasks that will be performed. ROW cost estimate should include parcel information (including project area needed), improvements taken, severance damages, ROW engineering, appraisal and legal costs. Construction should include a listing of all bid items including a maximum 10% allowance for contingencies and a maximum 15% allowance for construction engineering. The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the program from which funding is expected to be allocated when completing this portion of the form. Each of the funding programs described in this manual may have differing matching fund requirements.

If more than one project phase is requested to be funded, a separate project cost estimate form is to be completed for each phase, or each phase must be clearly



Chapter 9 – Application Materials

indicated and a subtotal prepared on this form. Separate forms should also be prepared if funding for project phases is being requested over multiple fiscal years.

"Sample Resolution" Form

A resolution or minute action must be approved by the local jurisdiction's governing body. A sample resolution is included as Exhibit 9-1. The mechanism selected shall serve as a formal request for Comprehensive Transportation Program funds and states that matching funds will be provided by the agency, if necessary. All project requests must be included in this action.

Additional Information

The following documentation should be included with your completed project application:

If a project includes more than one jurisdiction and is being submitted as a joint application, one agency shall act as lead agency and must provide a resolution of support from the other agency.

1. Letters of support for the candidate project (optional).
2. Geotechnical\materials reports for all applicable candidate projects (e.g., widening, intersection improvement, new roadway). The reports should contain sufficient detail for an accurate assessment of improvements needed and costs, since funding will be jeopardized if a project is unable to meet proposed schedule and costs.
3. Preliminary plans, if available for the project. The plans (1"=40' preferred) should include:
 - a. Existing and proposed right-of-way (include plat maps and legal descriptions for proposed acquisitions).
 - b. Agency boundaries, dimensions and station numbers.
 - c. Existing and proposed project features such as: pavement width and edge of pavement, curb, gutter and sidewalk, raised median, driveway reconstruction, signal pole locations, etc.
 - d. Typical cross sections.



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- e. Proposed striping.
- f. Structural sections per the materials report.
- g. Proposed traffic signals, storm drains, bridges, railroad crossing improvements, safety lighting, etc.
- h. If requesting funds for traffic signals, include a traffic signal warrant(s) prepared by the City Traffic Engineer or City Engineer.
- i. If the project includes construction, relocation, alteration or widening of any railroad crossing or facility, include a copy of the letter of intent sent to the railroad, a copy of which must be sent to the Public Utilities Commission (PUC). Any project including work of interest to a railroad will not be considered for eligibility until the railroad and PUC have been notified.
- j. If the project is proposed as a staged project and additional funds will be necessary in subsequent calls for projects, the preliminary project statement should be accompanied with a complete preliminary estimate and schedule for the completion of the entire project.
- k. If the project is proposed as a safety improvement, provide justifying accident data for the past three years and show the expected decrease in intersection or mid-block accident rate.



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Exhibit 9-1
Sample Resolution for Candidate Orange County
Comprehensive Transportation Programs Projects

A resolution of the _____ City Council approving the submittal of _____ improvement project(s) to the Orange County Transportation Authority for funding under the Comprehensive Transportation Program

THE CITY COUNCIL OF THE CITY OF _____ HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS THAT:

(a) WHEREAS, the City of _____ desires to implement the transportation improvements listed below; and

(b) WHEREAS, the City of _____ has been declared by the Orange County Transportation Authority to meet the eligibility requirements to receive Measure M "turnback" funds; and

(c) WHEREAS, the City's Circulation Element is consistent with the County of Orange Master Plan of Arterial Highways; and

(d) WHEREAS, the City of _____ will provide matching funds for each project as required by the Orange County Comprehensive Transportation Program Procedures Manual; and

(e) WHEREAS, the Orange County Transportation Authority intends to allocate funds for transportation improvement projects within the incorporated cities and the County; and

(f) WHEREAS, the City of _____ will not use Measure M funds to supplant Developer Fees or other commitments; and

(g) WHEREAS, the City of _____ will use Arterial Highway Rehabilitation Funding as a supplement to the existing pavement management program; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The City Council of the City of _____ hereby requests the Orange County Transportation Authority allocate funds in the amounts specified in the City's application to said City from the Comprehensive Transportation Programs. Said funds shall be matched by funds from said City as required and shall be used as supplemental funding to aid the City in the improvement of the following street(s):

ADOPTED BY THE CITY COUNCIL on _____, 20____.

SIGNED AND APPROVED on _____, 20____.

City Clerk

Mayor



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Placeholder for program-specific Application Checklist



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Chapter 10 – Reimbursements and Reporting

Procedures for Receiving Funds

An implementing agency must obligate funds OCTA allocates to a project phase within the fiscal year of the phase allocation. An agency obligates funds by awarding a contract, completing the appraisal for one parcel of right-of-way, or by providing expense reports to prove an agency's workforce costs, provided that the agency intends to complete the phase with agency staff. OCTA shall consider the primary contract or the contract with the largest dollar amount, associated with the phase's tasks, when an agency uses a contract to show obligation of CTFP funds. Once an agency obligates CTFP funds for a phase, it can begin the process for receiving payment of the funds.²

OCTA will release funds through two payments. The initial payment will constitute 75% of the contract award or programmed amount, whichever is less, rounded down to the nearest thousand. OCTA will disburse the final payment, approximately 25% of eligible funds, after it approves the final report.

If, due to project close-out issues that are beyond the jurisdictions control, a jurisdiction cannot file a final report within the 180 day time frame mandated by the M2 Ordinance, an extension may be requested through the TAC. Once the extension is approved through the TAC, the jurisdiction may request an additional 15 percent payment with the submission of a partial final report. The remaining 10 percent will be issued when the outstanding project close-out items are resolved and a complete final report is submitted.

Agencies must submit payment requests through OCTA's online database, OCFundtracker: <http://ocfundtracker.octa.net>. Detailed instructions for OCFundtracker are available online. Staff is also available to assist agencies with this process. Agencies must upload appropriate backup documentation to the database. OCTA may request hardcopy payment requests.

Availability of Funds

The funds allocated by OCTA for each phase will be available on July 1, the first day of the fiscal year. After bids are opened and a contractor is selected, the final allocation will be the lesser amount of the original allocation or the revised project cost estimate.

² Funds from state and federal sources funds will undertake a separate process. Local agencies must contact Caltrans local assistance for reimbursement.



Cancellation of Project

If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation. Construction funding received prior to cancellation shall be repaid upon cancellation.



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Chapter 10 – Reimbursements and Reporting

Section 10.1 – Initial Payment

Payment Requests

An agency shall use the checklist provided in Exhibit 10-1 in order to determine the documentation requirements for payment requests. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

OCTA will release the remaining balance, approximately 25% of CTFP funds, when the project is complete and OCTA accepts the final report. The balance is determined based on final costs for CTFP eligible program expenditures. Prior to submitting the report, review the section in this manual discussing the final report process.

Measure M informational “Funded By” sign removal costs should be requested in the Final Report. OCTA will reimburse costs associated with the Measure M informational signs (fabrication, installation and removal) and do not count against a project’s allocation.

Below is additional information regarding the documentation requirements of payment requests:

1. Invoice – For initial payments, an agency shall invoice for 75% of the contract amount or programmed amount, whichever is less, rounded down to the nearest thousand dollars. For final payments, an agency shall invoice for the remaining balance of the contract amount or programmed amount, whichever is less. Final payment request invoices shall normally be approximately 25% of the eligible funds. Interest earned by an agency for initial payments received shall be applied to and deducted from the final payment balance amount.
2. Project Certification Letter – The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, as described in Exhibit 10-2.
3. Minutes – The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants shall submit a purchase order that includes the scope of work for the contractor.
4. Revised Cost Estimate – The agency shall use the same format provided in the application package.



Chapter 10 – Reimbursements and Reporting

5. Work Schedule – OCTA prefers a complete project schedule, but an agency may provide as little as the expected start and completion dates for preliminary engineering, final engineering, right-of-way, and construction phases.
6. Right-of-Way Documents – Each parcel shall include an appraiser's invoice, written offer letter, plat map, and legal description. Agencies attempting to acquire five or more parcels for a project shall include a parcel location map.
7. Plans, Specifications, & Estimate (PS&E) – Agencies shall submit a PS&E as described in Exhibit 10-2. The agency engineer shall certify that the local agency properly prepared and approved plans and specifications in accordance with authorized procedures and adopted standards, followed approved scope of work, and incorporated materials report.
8. Layout Plans – An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches.

Project Advancement

Agencies that wish to expedite a CTFP project by one or more fiscal years may request a programming advancement. The agency must demonstrate that it will award a contract during the fiscal year it is requesting the advance. Advancement requests will be considered if program funds are available. If approved, OCTA shall de-escalate the allocation for the project to remove inflation adjustments made for the original program year.

Agencies shall request advances during the semi-annual review. The TAC and OCTA Board of Directors shall approve advances. If approved, the agency must meet the new obligation deadline.

If OCTA is unable to accommodate programming advancement requests due to cash flow constraints, an agency may initiate the project using local funds and seek reimbursement during the fiscal year OCTA programmed the funds.

Reimbursement

OCTA shall not reimburse for a project prior to the beginning of the fiscal year of the allocation. If an agency receives an advance and begins work prior to the start of the fiscal year of the allocation, the agency may request an initial payment against the allocation. If an agency receives an advance and completes a project prior to the start



Chapter 10 – Reimbursements and Reporting

of the fiscal year of the allocation, OCTA shall disburse the allocation in a single payment. OCTA must approve the final report prior to issuing a payment.

Calculation of Payment

Once an agency obligates Measure M funds, the agency may request a maximum of 75% of the contract amount or programmed amount, whichever is less, rounded down to the nearest thousand dollars. Examples of calculating the initial funding request are described below.

Example A - **Contract** is awarded for **less than** the estimated construction cost.

Given:

\$200,000 = Total CTFP funds programmed for Project X
\$200,000 = Estimated construction cost (CTFP share)
\$160,000 = Construction contract award (CTFP share)

Calculations:

75% of contract amount = $\$160,000 \times 0.75 = \underline{\$120,000}$.

Example B - **Contract** is awarded for **more than** the estimated construction cost.

Given:

\$200,000 = Total CTFP funds programmed for Project Y
\$200,000 = Estimated construction cost (CTFP share)
\$280,000 = Construction contract award (CTFP share)

Calculations:

Construction costs = \$280,000
Since this amount exceeds \$200,000 programmed, the initial payment is limited to 75% of the programmed amount.
75% of contract amount = $\$200,000 \times 0.75 = \underline{\$150,000}$.

After completing the calculations, agencies must round down the initial payment request to the nearest thousand dollars.



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Placeholder for CTFP Payment Processing Checklist



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Section 10.2 – Final Report and Payment Process

The remaining 25% of CTFP funds are made available to the lead agency following completion of the final reporting process. This balance is determined based upon final costs of CTFP eligible expenditures as stated in each applicable program less interest earned against the any related initial payment. Prior to submitting the Final Report, review the following section which includes items important to the final reporting process.

Project Cost Changes

If the contract price is lower than the amount programmed and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the final report. OCTA will review these reports to:

1. Determine that the agency submitted proper justification for the change order(s)
2. Determine if the items are eligible for reimbursement
3. Confirm that expenses are within the project's original scope of work
4. The lead agency should provide information supporting the need for the change orders in the final report. Changes in project limits for construction projects are not eligible for reimbursement.

Additional Documentation Requirements

The items listed below are to be submitted to complete the final reporting process. If the local jurisdiction has not submitted a final report for any previous phases of the project, the reporting requirements outlined in Section 10.1 must be followed in addition to the Final Report requirements listed below.

1. Final Report Form – The local agency shall prepare a final report form as described in Exhibit 10-4 for construction projects, Exhibit 10-5 for right-of-way projects, and Exhibit 10-6 for engineering (preliminary, final and/or right of way).
2. OCTA shall distribute general lump sum pay items, appraisal cost, design, and construction engineering in the same ratio as the total right-of-way acquisition or construction costs.



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3. Proof of Project Payment – This documentation may include, but is not limited to approved contract invoices and supportive material for agency work forces, equipment, and material. Supportive material shall equal the division of costs totals that are located in the final report form.
4. Summary of Right-of-Way Acquisition – Agencies shall submit a summary of right-of-way acquisition as described in Exhibit 10-5.
5. Notice of Completion – An agency may submit a recorded Notice of Completion (NOC) or where a NOC is not typically used, a letter from the public works director that certifies the project completion date.

Delinquent Final Report

OCTA will work with jurisdictions to ensure the timeliness of final reports by utilizing the following procedures:

1. Require jurisdictions to notify OCTA of the project completion date within 30 days of the project completion or by submitting a final payment request within 30 days of the project completion date.
2. Require all jurisdictions to file a final report within 180 days of project phase completion date.
3. Issue a reminder notice to the public works directors or TAC representative(s) 90 days after the project completion date to remind jurisdictions that the final report is due in 90 days. The reminder notice should also include an offer from OCTA to assist in preparation of the final report by using consultant services. The agency shall reimburse OCTA for the consultant services.
4. Issue a final notice letter to the public works directors or TAC representative(s) with a copy to the agency's management and finance director if OCTA does not receive the final report or a request for an extension within 180 days of the project completion date. The final notice letter should inform the jurisdictions that if OCTA does not receive a response to the final notice letter then OCTA shall assume that the agency cancelled the project and OCTA shall request that the agency return disbursed funds.
5. Require the TSC and the TAC to review all final report extension requests. Once an extension request has been approved by the TAC, an agency may request an



Chapter 10 – Reimbursements and Reporting

additional 15% payment with the submittal of a partial final report. The remaining 10% will be held until the complete final report is submitted.

6. Require OCTA to issue the final payment to jurisdictions within 60 days of receiving the final report and all supporting documentation.

Failure to Submit Final Report

Agencies who fail to submit a Final Report will be required to repay applicable M2 funds received for the project in a manner consistent with the master funding agreement.

Excess Right of Way

Agencies that use Net Revenues (through CTFP or Local Fair Share programs) to acquire project right-of-way shall dispose of land deemed in excess of the proposed transportation use. Excess land sold by the lead agency will be in accordance with Government Code, Article 8, Surplus Land, Section 54220-54232, et. Seq., and the agency shall return proceeds from the sale to OCTA. OCTA shall return the funds to the program of origin for future use.

Agencies shall submit right-of-way documents for all parcels utilizing M2 Net Revenues. Agencies must submit the following documents:

- Summary of the right-of-way required for the project
- Plat maps and legal descriptions for right-of-way acquisitions
- Parcel location map
- Identification of anticipated excess right-of-way, if any
- Appraisal reports for excess right-of-way

OCTA shall consider excess right-of-way with a value of \$10,000.00 or less as an unsalable remnant. OCTA shall determine if excess right-of-way is an unsalable remnant.

The agency shall submit a fair market value appraisal report for the excess land of each parcel. Appraisers must conduct appraisals in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). If an agency suspects that the excess right-of-way has a value of \$10,000.00 or less, the agency may conduct a limited fair market value appraisal to confirm the value of the excess right-of-way. The agency shall submit the appraisals with the right-of-way final report.



Chapter 10 – Reimbursements and Reporting

OCTA shall retain from the final payment the value of excess right-of-way that is proportional to OCTA's percentage match rate to the project up to OCTA's match rate of right-of-way allocation.

An agency may include incidental expenditures from the disposal of property in their final report for the right-of-way allocation.

An agency shall begin the process to sell excess right-of-way within 60 days after acceptance of the construction improvements.

OCTA shall not close-out the right-of-way allocation or construction allocation until the agency and OCTA resolve questions regarding excess right-of-way.

Example:

| | |
|---------------------------------------|-----------|
| OCTA's right-of-way (ROW) allocation: | \$500,000 |
| OCTA allocation match rate | 75% |

Parcel Costs:

| | |
|------------------|------------------|
| Cost – Parcel 1: | \$300,000 |
| Cost – Parcel 2: | \$380,000 |
| Cost – Parcel 3: | \$120,000 |
| Cost – Parcel 4: | <u>\$100,000</u> |
| Total ROW Costs: | \$900,000 |

| | |
|-----------------------------|-----------|
| Payment with no excess ROW: | \$500,000 |
|-----------------------------|-----------|

Excess right-of-way:

| | |
|-----------------------------------|-------------|
| Value of excess ROW for parcel 1: | \$200,000 |
| Value of excess ROW for parcel 2: | \$105,000 |
| Value of excess ROW for parcel 3: | \$ 0 |
| Value of excess ROW for parcel 4: | <u>\$ 0</u> |
| Total Value of excess ROW: | \$305,000 |

OCTA contribution to ROW acquisition:

CTFP ROW contribution ÷ Agency total cost of ROW
 $\$500,000 \div \$900,000 = 56\%$

OCTA's shall reduce the final ROW payment by:

| | | |
|-----------|-----------------------------|------------------|
| Parcel 1: | $\$200,000 \times 56\% =$ | \$112,000 |
| Parcel 2: | $\$105,000 \times 56\% = +$ | <u>\$ 58,800</u> |
| Total: | | \$170,800 |



Chapter 10 – Reimbursements and Reporting

| | |
|-------------------------------------|------------------|
| Payment (incorporating excess ROW): | \$500,000 |
| | <u>\$170,800</u> |
| | \$329,200 |

Agency Workforce and Equipment Rental

An agency must provide supporting documentation for work completed by agency staff. The agency shall multiple the fully burdened labor rate by the number of hours for each staff person assigned to the project. An agency may add actual overhead costs at an allowable rate up to 30% of payroll and fringe benefits. Where an agency due to size cannot calculate its specific overhead rate, an agency may refer to the Cost Accounting Policies and Procedures Manual of the California Uniform Public Construction Cost Accounting Commission, which allows for a fixed overhead rate billing dependant on city size.

An agency must provide supporting documentation for equipment used by local agency staff. An agency may use local agency or Caltrans surcharge and equipment rental rates.

Audit

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP guidelines and may conduct a field review. OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. OCTA will only reimburse eligible CTFP items listed on the cost estimate. See Chapter 11 for specific audit requirements.

Reporting of Local Fair Share

For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Measure M local fair share funds, the Measure M expenditure report cited Measure M Ordinance No. III, Section III(B)(8) shall satisfy reporting requirements. If local fair share funds are used for projects, the local agency shall also include a list of those funds and/or other Measure M funds in the Project Final Report cited in Section III(B)(9).



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Placeholder for Project Certification Letter



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Placeholder for Plans, Specifications, and Estimate Certification

Placeholder for Revised Cost Estimate Form

Placeholder for Initial Report of Engineering and Construction

Placeholder for Initial Report of Right-of-Way

Placeholder for Sample Notice of Completion



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Placeholder for Final Report of Engineering and Construction

Placeholder for Final Report of Right-of-Way



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Chapter 11 – Audits

Audit Process Overview

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP guidelines and may conduct a field review. OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. OCTA will only reimburse eligible CTFP items listed on the cost estimate.

If possible, project audits will occur simultaneously with the M2 audit. All programs, including the AHRP, will require an audit of project expenditures. Only CTFP eligible items listed on a project's cost estimate form will be reimbursed.

The project information on file at OCTA will serve as the primary source of information for each audit. If necessary, additional information may be requested of local jurisdictions.

The local agency may also be requested to participate in a field review of the completed project. Consequently, accurate records detailing specific expenditures for each CTFP project must be maintained by local jurisdictions. These records must show that proper accounting and cash management procedures were followed, the project was completed in accordance with the application, and that all records and documentation related to the project were adequately maintained. Consistent with the Measure M ordinance, local jurisdictions must also establish a separate fund accounting system for Measure M funds transactions and expenditures.

Local jurisdictions must cooperate with OCTA or its agent during the audit process and comply with the recommendations of the M2 financial and compliance audits. Project records must be maintained for five (5) years after acceptance of a complete final report.

Technical Review

At the time of the final report or shortly thereafter, OCTA may conduct a technical review of a CTFP project. OCTA may:

- review right-of-way acquisitions and the potential for excess right-of-way
- compare hourly breakdown of staff time compared to staff time sheets
- conduct a project field review – ensure improvements are within scope
- review items that agencies self-certify
- review other items not part of a normal audit



Chapter 11 – Audits

OCTA will have 180 days past the final project disbursement to begin a technical review. OCTA may review all phases of the project.

Records Requirements for Audit Compliance

A description of the required records is given below. OCTA will notify your agency of the audit results. Any discrepancies in, or noncompliance with, Transportation Funding Programs policies and procedures will be discussed with each agency to determine the necessary actions to resolve issues. A closeout letter will be sent upon verification of compliance signifying that no further funds will be disbursed for the project.

Contracts

For all contract expenses the following records must be maintained:

1. The original executed contract
2. Evidence of the competitive bid procedures and selection criteria used
3. All contractor invoices received
4. All contract change order documents
5. Proof of payment to contractors
6. Project "as built" or other final plans
7. Sign-off on completion by Local Agency (letter of acceptance)

Materials and other

For all materials and other miscellaneous expenses charged to the Comprehensive Transportation Programs project, the following records must be maintained:

1. Original invoice and purchase order
2. Proof of delivery
3. Evidence of reasonableness of price, if total cost of purchase is over \$1,000
4. Proof of payment

Direct labor

For all direct labor charged to a project, including engineering labor, the following records must be maintained:

1. Summary time sheets showing total time charged to the project by the different individuals working on it
2. Individual time sheets or time cards showing the total time worked by the individual for each period (day, week, etc.) and the different tasks to which the individual's time was charged
3. Personnel files showing the individuals' pay rates
4. Payroll reports showing the computations of paychecks for the applicable periods



Equipment

Equipment rental charges related to a project shall be documented by the following records:

1. Vendor's or local agency's invoice showing hours, rate, and type of equipment and location of rented equipment
2. Evidence of quotes obtained to determine best rate (documented phone quotes are acceptable)
3. Documentation of project need for equipment

Local agency force work

For all work performed by local agency forces and the decision that local agency forces could perform the work more cost effectively or timely than a contractor must be documented.



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Initial/Final M2 Payments Based on \$500,000 Final Payment Cap

| Project Cost | Local Share (25%) | M2 Share (75%) | Initial M2 Payment (> = 75%) | Final M2 Payment (< = 25%) | Payment % |
|--------------|-------------------|----------------|------------------------------|----------------------------|-----------|
| \$ 500,000 | \$ 125,000 | \$ 375,000 | \$ 281,250 | \$ 93,750 | 25.0% |
| \$ 1,000,000 | \$ 250,000 | \$ 750,000 | \$ 562,500 | \$ 187,500 | 25.0% |
| \$ 1,500,000 | \$ 375,000 | \$ 1,125,000 | \$ 843,750 | \$ 281,250 | 25.0% |
| \$ 2,000,000 | \$ 500,000 | \$ 1,500,000 | \$ 1,125,000 | \$ 375,000 | 25.0% |
| \$ 2,500,000 | \$ 625,000 | \$ 1,875,000 | \$ 1,406,250 | \$ 468,750 | 25.0% |
| \$ 2,666,667 | \$ 666,667 | \$ 2,000,000 | \$ 1,500,000 | \$ 500,000 | 25.0% |
| \$ 3,000,000 | \$ 750,000 | \$ 2,250,000 | \$ 1,750,000 | \$ 500,000 | 22.2% |
| \$ 3,500,000 | \$ 875,000 | \$ 2,625,000 | \$ 2,125,000 | \$ 500,000 | 19.0% |
| \$ 4,000,000 | \$ 1,000,000 | \$ 3,000,000 | \$ 2,500,000 | \$ 500,000 | 16.7% |

1. As an example, under M1, the average MPAH project allocation is approximately \$1.5 million.

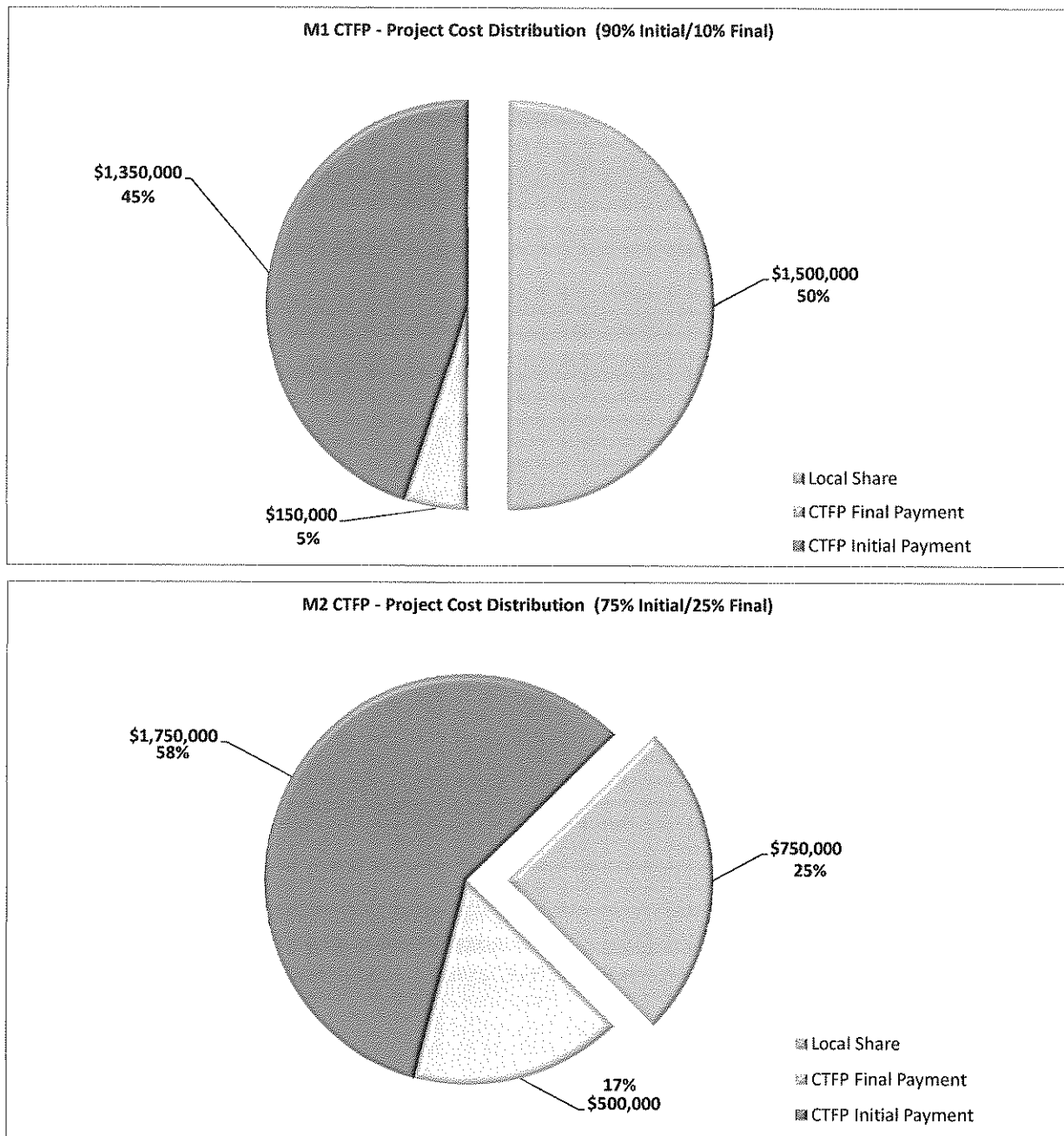
**Final M2 Payment Based on 25% Not to Exceed \$500,000
But Not Less Than 10% (TSC Recommendation on March 10, 2010)**

| Sample Project Cost | Local Match (25%) | M2 Share (75%) | Initial M2 Payment | Initial Payment % | Final M2 Payment | Final Payment % |
|------------------------|----------------------|-------------------|-----------------------|-------------------------|---------------------|--------------------|
| \$ 500,000 | \$ 125,000 | \$ 375,000 | \$ 281,250 | 75% | \$ 93,750 | 25.0% |
| \$ 1,000,000 | \$ 250,000 | \$ 750,000 | \$ 562,500 | 75% | \$ 187,500 | 25.0% |
| \$ 1,500,000 | \$ 375,000 | \$ 1,125,000 | \$ 843,750 | 75% | \$ 281,250 | 25.0% |
| \$ 2,000,000 | \$ 500,000 | \$ 1,500,000 | \$ 1,125,000 | 75% | \$ 375,000 | 25.0% |
| \$ 2,500,000 | \$ 625,000 | \$ 1,875,000 | \$ 1,406,250 | 75% | \$ 468,750 | 25.0% |
| \$ 2,666,667 | \$ 666,667 | \$ 2,000,000 | \$ 1,500,000 | 75% | \$ 500,000 | 25.0% |
| \$ 3,000,000 | \$ 750,000 | \$ 2,250,000 | \$ 1,750,000 | 78% | \$ 500,000 | 22.2% |
| \$ 3,500,000 | \$ 875,000 | \$ 2,625,000 | \$ 2,125,000 | 81% | \$ 500,000 | 19.0% |
| \$ 4,000,000 | \$ 1,000,000 | \$ 3,000,000 | \$ 2,500,000 | 83% | \$ 500,000 | 16.7% |
| \$ 4,500,000 | \$ 1,125,000 | \$ 3,375,000 | \$ 2,875,000 | 85% | \$ 500,000 | 14.8% |
| \$ 5,000,000 | \$ 1,250,000 | \$ 3,750,000 | \$ 3,250,000 | 87% | \$ 500,000 | 13.3% |
| \$ 5,500,000 | \$ 1,375,000 | \$ 4,125,000 | \$ 3,625,000 | 88% | \$ 500,000 | 12.1% |
| \$ 6,000,000 | \$ 1,500,000 | \$ 4,500,000 | \$ 4,000,000 | 89% | \$ 500,000 | 11.1% |
| \$ 6,500,000 | \$ 1,625,000 | \$ 4,875,000 | \$ 4,375,000 | 90% | \$ 500,000 | 10.3% |
| \$ 7,000,000 | \$ 1,750,000 | \$ 5,250,000 | \$ 4,725,000 | 90% | \$ 525,000 | 10.0% |
| \$ 7,500,000 | \$ 1,875,000 | \$ 5,625,000 | \$ 5,062,500 | 90% | \$ 562,500 | 10.0% |
| \$ 8,000,000 | \$ 2,000,000 | \$ 6,000,000 | \$ 5,400,000 | 90% | \$ 600,000 | 10.0% |

M2 - Measure M2

TSC - Technical Steering Committee

CTFP Project Cost Distribution Comparison



Note:

1. Comparison based on \$3,000,000 project.
2. M1 CTFP was typically a 50% minimum local match of project costs.
3. M2 CTFP local share can be reduced to 25% minimum local match.
4. Percentages shown are of total project cost.
5. CTFP Final Payment is capped at \$500,000.