# MAG Federal Fund Programming Guidelines & Procedures

## Competitive Project Selection Process for MAG CMAQ Federal Funds

**DRAFT October 2011**

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## 100. Guiding Principles

1. The MAG Federal Fund Programming Principles for the Region shall comply with federal laws. The Principles will be reviewed and updated for compliance as new state, and federal laws are adopted.

2. The MAG Federal Fund Programming Principles will incorporate policy direction, as appropriate from Regional Council approved MAG Transportation Plans.

3. The MAG Federal Fund Programming Principles and changes to the Principles will be approved through the MAG Committee Process including the Transportation Review Committee, the Management Committee, the Transportation Policy Committee, and the Regional Council. Please see Appendix A for the MAG Committee Structure chart.

4. The MAG Federal Fund Programming Principles are applicable to Congestion Mitigation Air Quality (CMAQ) funded projects that are competitively selected and programmed through the MAG process. These projects compose part of the MAG Federal Fund Program.

5. The sliding scale for federal funding in Arizona sets the maximum share for federal highway funding at 94.3 percent of the total programmed cost of the project. Notwithstanding the current continuing resolution for the surface transportation act, all CMAQ funded projects programmed for FY 2015 or later will be programmed at a 94.3 percent federal match, with a local contribution of 5.7 percent. ITS, Bike and Pedestrian projects programmed in 2012-2014, were programmed at a 70% federal and a 30% local match, while paving projects programmed 2012-2014 were programmed at 94.3% federal and a 5.7% local match. Due to a shift in the economy, all projects programmed beginning in 2015 with CMAQ funds will be programmed at the maximum federal match level of 94.3% federal with a 5.7% local contribution as the costs are explained in the application.

6. The MAG Federal Fund Status Report will report on projects funded with Surface Transportation Program (STP), transportation enhancement funds (STP-TEA), CMAQ, Highway Safety Improvement Program (HSIP), and Safe Routes to School, however, the Federal Fund Programming Principles are only applicable to CMAQ funded projects.

7. Federal Obligation Authority (OA) is the total amount of federal funds that may be obligated in a given fiscal year. It expires at the end of each federal fiscal year. MAG attempts to utilize all OA, made available to the region to avoid the loss of federal funding and to ensure the competiveness of the region in obtaining federal funding from statewide sources.

8. The development of federal funded projects will be monitored and reported on to ensure that OA is fully used, to increase prospects of receiving a share of redistributed obligation authority received by Arizona, to improve the timely completion of federal projects, and to provide feedback to MAG member agencies on implementation and the programming process.

   Recipients of federal funding will be expected to provide MAG with updated project scope, schedule and budget documents twice a year. The Project Status Reports serve as the basis for programming decisions concerning the project, including obligation, deferment, advancement, deletion, and de-obligation.

9. A commitment will be made to use CMAQ funds at the same rate as Surface Transportation Program (STP) funds. STP funds will not be obligated at a higher rate than CMAQ funds, which means the obligation authority percentage for CMAQ funds will be approximately the rate for STP funds.

10. *The Transportation Programming Guidebook (Guidebook)* will be published annually, prior to the start of the application process. The *Guidebook* will describe and provide the programming schedule and deadlines for the MAG Federal Fund Program, application forms, federal fund estimates, programming process information per modal type, and contact information.

11. In accordance with the Clean Air Act, projects that are committed measures in the MAG air quality plans are legally binding for implementation. Examples include: Paving Unpaved Road Projects, PM-10 Certified Street Sweepers, and Paving Unpaved Road Shoulders. In addition, these types of projects are essential for demonstrating air quality conformity for the Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP).

## 200. Project Sponsor Responsibilities & Typical Timeline

Please review Table 1 and Table 2 for Typical Timelines for construction and non-construction/ procurement projects.

### 200.1: Project Sponsor Responsibilities

1. The project sponsor is responsible for all aspects of the federal project development process including:
    a. the MAG Competitive application process,
    b. Engineering and design of the project to the federal standards, and completion of federal required clearances. This review process is administered by the Arizona Department of Transportation (ADOT) or a certification acceptance (CA) agency,
    c. If federal funding is not programmed for design, engineering, and clearance work, the project sponsor is responsible for the costs.
    d. The required local match and additional funds that are needed to complete the project, including any project cost increases. The amount of MAG federal funds available for a project is the programmed amount listed in an approved TIP.

2. A typical timeline for federal projects, from the application process to federal obligation/authorization, is outlined below. This generally takes 5 years. Please note this does not include construction or procurement which occurs after federal obligation/authorization.
    - **Please see Table 1 and Table 2 for typical timelines for federal projects. There are two tables, one for construction projects, and one for non-construction/procurement projects.**

    a. **Step 1: Project Application Process** - 5 months
    b. **Step 2: TIP Approval Process** - 6 months
    c. **Step 3: Local Project Commitment Period** - 11 months for construction projects, and 23 months for non-construction/procurement projects
    d. **Step 4: Project Information Update & Commitment** - 6 months
    e. **Step 5: Federal Project Development Process** - 31 months for construction projects, and 13 months for non-construction/procurement projects. Upon completion, the project can be authorized by the Federal Highway Administration (FHWA).

3. Normally, MAG opens the competitive application process four years prior to the year that funds are available.
    a. If the competitive application process is following an abnormal schedule, ex: the competitive application process is open two or three years prior to available funds, Step3: Local Project Commitment Period is reduced in order to allow enough time for Federal Development Process.

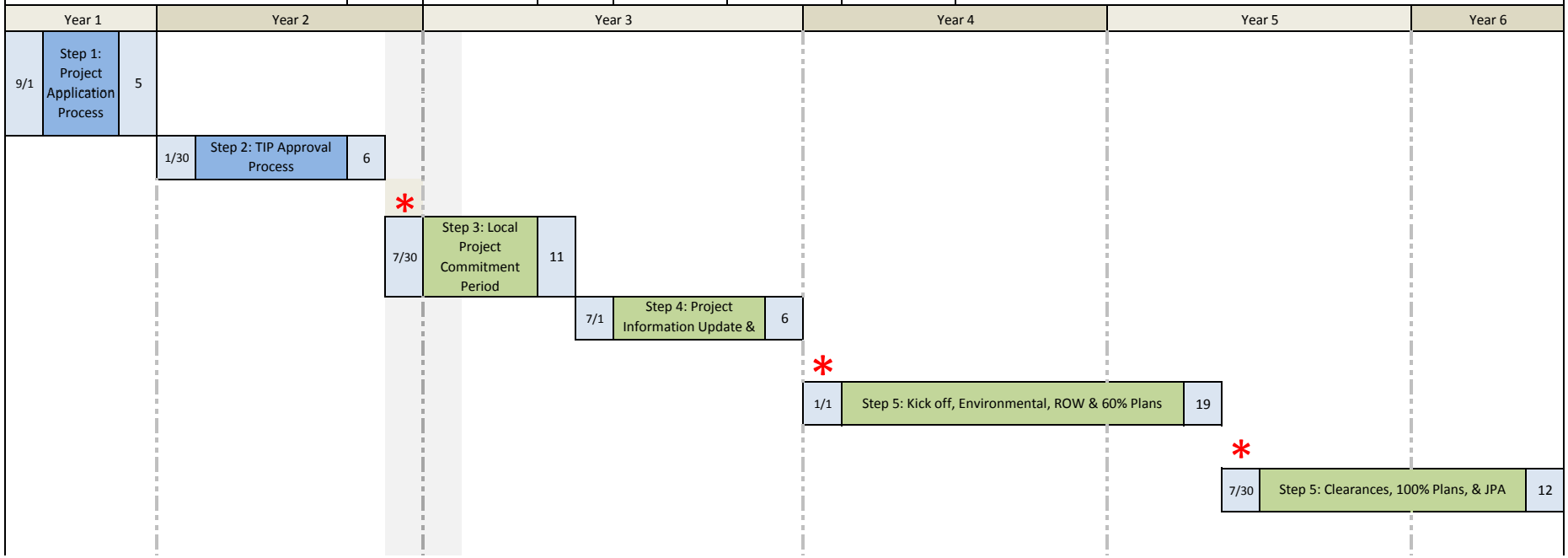
4. The project and local funds for the work phases of the project must be documented in an approved local Capital Improvement Program (CIP)/budget document.
    a. Once MAG Regional Council approves a construction project to be included in the MAG TIP, the sponsor agency normally has 11-17 months prior to project kick off to secure local funding for the project and have it included in an approved local Capital Improvement Program (CIP)/budget document.
    b. Once MAG Regional Council approves a procurement/non-construction project to be included in the MAG TIP, the sponsor agency normally has 30 months prior to project kick off to secure local funding for the project and have it included in an approved local Capital Improvement Program (CIP)/budget document.

5. Once project kick off has occurred, the project sponsor must show continuous progress towards obligation and completion of the project. Failure to work continuously on project development will result in deferral or deletion of the project.

6. During the project development, the project sponsor is responsible to submit to MAG twice a year, the status of the project development milestones, requests for projects changes, and any major technical conflicts.

# TABLE 1: Typical Time Line for Obligation of Projects that Require Construction or Right-of-Way Acquisition[1]

| Process | Action | | Initiated | Completed | Period | Cummulative | Notes |
|---|---|---|---|---|---|---|---|
| Project Selection (11 Months) | Step 1: Project Application Process | | 9/1/09 | 1/30/10 | 5 | 5 | By 1/30 Projects Selected for Federal Funding |
| | Step 2: TIP Approval Process | | 1/30/10 | **7/30/10** | 6 | 11 | By 7/30 Selected Projects included in an Approved TIP |
| Project Development (51 months, including lag period) | Step 3: Local Project Commitment Period | | 7/30/10 | 7/1/11 | 11 | 22 | Member agency develops the project for inclusion in agency CIP or operating budget, verifies that the cost of the project and other issues are acceptable to the agency, and potentially begins early development to allow project advancement. |
| | Step 4: Project Information Update & Commitment | | 7/1/11 | **1/1/12** | 6 | 28 | On 7/1 MAG notifies agency, by 1/1 agency provides required information<br>MAG makes programming decision to continue or delete the project in January |
| | Step 5: Federal Project Develop-ment Process | Step 5: Kick off, Environmental, ROW & 60% Plans | 1/1/12 | **7/30/13** | 19 | 48 | Starting January, Agency should kickoff project, select consultant if needed, and begin environmental, ROW and plans;<br>By the end of July of the following year, Agency should have submitted environmental docs for clearances, completed ROW appraisals and offers and have 60% plans.<br>MAG makes programming decision to continue, defer or delete project at end of July |
| | | Step 5: Clearances, 100% Plans, & JPA | 7/30/13 | 7/30/14 | 12 | 60 | Agency finalizes clearances, plans and JPA by July 30 of the following year<br>Project is authorized by FHWA by the end of September |




**Date** = Required deadline to be identified in Transportation Programming Guidebook

Start Date → | D | Step in Process | N | ← Months to Complete

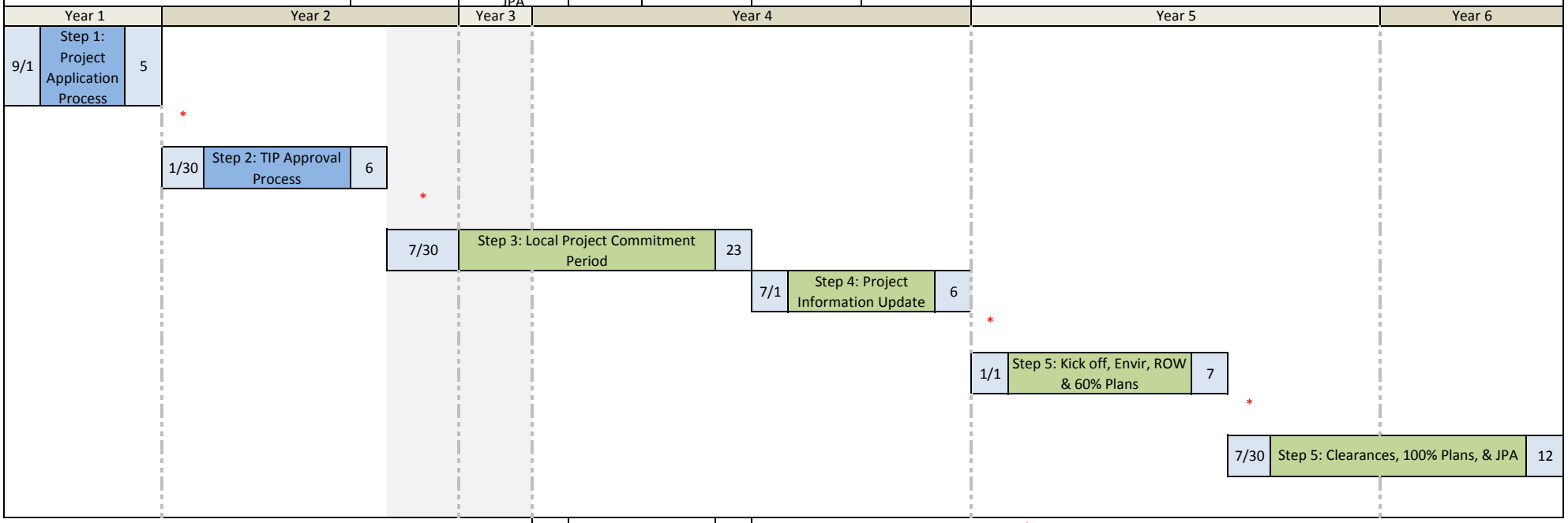
* Key MAG Programming Decision

Footnotes:

1. The following is offered for illustration purposes only. The scaling on the gantt chart is only approximate.

# TABLE 2: Typical Time Line for Obligation of Design and Procurement Projects[1]

| Process | Action | | Initiated | Completed | Period (months) | Cummulative (months) | Notes |
|---|---|---|---|---|---|---|---|
| Project Selection (11 Months) | Step 1: Project Application Process | | 9/1/09 | **1/30/10** | 5 | 5 | By 1/30 Projects Selected for Federal Funding |
| | Step 2: TIP Approval Process | | 1/30/10 | 7/30/10 | 6 | 11 | By 7/30 Selected Projects included in an Approved TIP |
| Project Development (51 months, including lag period) | Step 3: Local Project Commitment Period | | 7/30/10 | 7/1/12 | 23 | 34 | Member agency develops the project for inclusion in agency CIP or operating budget, verifies that the cost of the project and other issues are acceptable to the agency, and potentially begins early development to allow project advancement. |
| | Step 4: Project Information Update & Commitment | | 7/1/12 | **1/1/13** | 6 | 41 | On 7/1 MAG notifies agency, by 1/1 agency provides required information<br>MAG makes programming decision to continue or delete the project in January |
| | Step 5: Federal Project Development Process | Step 5: Kick off, Envir, ROW & 60% Plans | 1/1/13 | **7/30/13** | 7 | 48 | Starting January, Agency should kickoff project, select consultant if needed, and begin environmental, ROW and plans;<br>By the end of July, Agency should have submitted environmental and ROW documents<br>MAG makes programming decision to continue, defer or delete project at end of July |
| | | Step 5: Clearances, 100% Plans, & JPA | 7/30/13 | 7/30/14 | 12 | 60 | Agency finalizes clearances, plans and JPA by July 30 of the following year<br>Project is authorized by FHWA by the end of September |




**Date** = Required deadline to be identified in Transportation Programming Guidebook

Start Date → D | Step in Process | N ← Months to Complete

* Key MAG Programming Decision

Footnotes:

1. The following is offered for illustration purposes only. The scaling on the gantt chart is only approximate.

# 300. Regional Project Selection: Step 1 - 2

## 300.1 - Step 1: Application Process:

1. MAG will request member agencies to submit new project applications for consideration in the MAG Federal Fund Program dependent on the needs established by the *Guidebook*.
    a. Project applications submitted from prior years will not be retained or used.

2. A general schedule for the competitive application process is shown in Appendix B.

3. A pre-application workshop/meeting will be held for MAG member agencies to review available funding, applications, schedules, and due dates for the competitive project selection process for MAG Federal funds.

4. A project can be sponsored and funded by one agency; be a joint project with multiple funding partners; or be considered a regional project.
    a. A Joint Project has more than one agency financially contributing to the project.
    It is required that the application:
        i. Be submitted by the sponsoring agency that will be responsible for implementing the project and reporting to MAG;
        ii. List the main contacts for all agencies involved;
        iii. Document how the local cost component will be shared between the partnering agencies; and
        iv. Include signatures from each jurisdiction's Manager(s)/Administrator(s) or designated representative.
    b. A Regional Project is a transportation project that is sponsored and funded by one or more MAG member agencies that impacts other jurisdictions besides those sponsoring the project and the project concept is consistent with an approved MAG Plan.

5. The application forms will annotate and define the required information.
    a. Each application will have a checklist of application components to be completed by the sponsoring agency. The information that is required will be identified on the checklist.
    b. Each application will be signed by the Manager/Administrator of the jurisdiction or designated representative.

6. It is required that completed applications are submitted before or on the due date and time identified on the application form. Late applications will not be accepted.
    a. Completed applications will be printed, signed by the jurisdiction Manager/Administrator or designated representative, and submitted via at least one of the following means: fax, e-mail (scan of signed application), mail, or in person.
    b. If a completed application is faxed or e-mailed with the required signature, it is accepted at that time, but it is required that within one week of the application due date, the original signed copy will follow either in the mail or be delivered in person.
    c. Upon receiving the application, MAG staff will review the submitted application for required information. MAG staff will complete an application receipt indicating the date and time it was received, and whether the application was complete or incomplete.
        i. If the application is incomplete, the application receipt will note the incomplete fields.

ii. The sponsoring agency will have two working days to complete the incomplete fields. The due date and time to submit incomplete field information will be noted on the application receipt.
iii. If the sponsoring agency fails to provide the incomplete information and to re-submit the application by the due date and time, the application will be rejected.

d. The application will also be submitted electronically for ease of data entry.

7. MAG staff will review the application to verify the eligibility of the project, and project components in the context of the current federal regulations following the receipt of the project applications.
   a. MAG staff will work with the Federal Highway Administration (FHWA) to determine eligibility for the requested project.
   b. The current federal guidelines related to the CMAQ funding, which is available from, 'The Congestion Mitigation and Air Quality Improvement Program (CMAQ) under the SAFETEA–LU Interim Program Guidance' can be accessed online at: http://www.fhwa.dot.gov/environment/cmaq06gd.pdf. Copies are also available at MAG.
   c. If a project is not eligible under the current federal regulations, a notification will be sent to the project contact within two weeks.
   d. If certain project components are not eligible under the current federal regulations, MAG staff will work with the jurisdiction to modify the project budget components for eligibility purposes. MAG staff and the sponsoring agency representatives will present and explain the original and modified application at the appropriate technical advisory committee.

## 300.2 - Step 2: Project Selection & Inclusion in TIP Process:

1. MAG has an established project application, programming schedule, project evaluation process, and project selection process that are explained and published in *The Transportation Programming Guidebook.*

2. Complete and eligible project applications submitted for consideration in the MAG Federal Fund Program are processed through the MAG Committee Process for project evaluation and selection. This process includes an evaluation of the expected emissions reductions and cost effectiveness, a project evaluation process at the Technical Advisory Committees (TAC), and project selection through the MAG Committee Process: Transportation Review Committee (TRC), Management Committee, and Transportation Policy Committee (TPC) for review and recommendation, and then Regional Council for approval.

3. In accordance with federal CMAQ guidance, an evaluation of the expected emissions reductions and cost effectiveness is conducted for all proposed CMAQ funded projects by MAG staff for consideration by the Air Quality Technical Advisory Committee (AQTAC). The role of the AQTAC is to forward the evaluation of proposed CMAQ funded projects to the Transportation Review Committee (TRC) and the Technical Advisory Committees for use in prioritizing projects.

4. A Congestion Management Process (CMP) analysis will be conducted, as appropriate, during the project evaluation process. MAG has developed a CMP evaluation tool that will be integrated into the ranking process for Bicycle, Pedestrian, and Intelligent Transportation System (ITS) Projects.

5. The transportation project types and responsible technical advisory committees (TAC) are:
   a. Bicycle & Pedestrian Projects will be presented, reviewed, ranked at the Bicycle and Pedestrian Committee, and then forwarded to the TRC.

b. Intelligent Transportation System (ITS) Projects will be presented, reviewed, and ranked at the ITS Committee, and then forwarded to the TRC.
c. Paving Unpaved Road Projects will be presented, reviewed, and ranked at the Street Committee, ranked at the Air Quality TAC, and then forwarded to the TRC.
d. PM-10 Certified Street Sweeper Projects will be reviewed at the Street Committee, ranked at the Air Quality TAC, and then forwarded to the MAG Management Committee.
e. In addition, the AQTAC will forward a ranking of Air Quality Projects to the Transportation Review Committee.

6. The TAC's role is to develop and administer a project evaluation process that involves a technical evaluation, project criteria analysis, and a qualitative assessment that is guided by the goals and objectives of the MAG Regional Transportation Plan (RTP), and Federal guidelines.
    a. Each modal TAC will assess the application data provided to determine its reasonableness and accuracy for use in air quality effectiveness analysis.
    b. The TAC is responsible to implement its project evaluation process and produce a ranked order list of project applications to be considered for Federal funding. The rank ordered list is then forwarded to the TRC.
    c. Technical Advisory Committees can not change the project scope, schedule, budget, or requested federal funds during the evaluation process. The TAC's purpose is to rank order projects as submitted in the application through a project evaluation process.

7. Project information from the complete applications will be sent to the technical advisory committee (TAC) for a tiered review process. Please see Appendix C for flow charts.
    a. At the first TAC meeting, the sponsoring agency will present the project and the TAC will review the application information.
    b. If the committee would like further clarification on project information contained in the application, the project sponsor can answer clarification questions at the first meeting, and the project sponsor also has the opportunity to clarify information on the application for the second TAC meeting. The Committee can not change scope, schedule, nor budget for requested funds.
        - The MAG Staff person for that TAC will provide the date for revised application information to be submitted to MAG in preparation for the second TAC meeting.
    c. The expected emissions reductions and cost effectiveness for all proposed CMAQ funded projects are evaluated by MAG staff for consideration by the AQTAC. A congestion management analysis will be conducted, as appropriate, during the project evaluation process.
    d. At the second TAC meeting, any clarified project information is presented, and the project ranking can move forward based on the TAC approved process including the technical evaluation, project criteria analysis, and the qualitative assessment.
    e. The ranked list of projects and evaluation summary is then forwarded from the TAC to the Transportation Review Committee for project selection, and then continues through the MAG Committee Process.
    f. The PM-10 Certified Street Sweeper ranked list of projects and evaluation summary is forwarded directly from the AQTAC to the Management Committee for project selection, and then to the MAG Regional Council.

8. The Transportation Review Committee's (TRC) role is to review the evaluation and analysis completed by the TACs, and recommend projects to be selected and programmed with federal funds based on guidelines established for project selection.

a. The TRC can make recommendations to change the project scope, schedule, or budget during the project selection process.
b. If the amount of federal funds for a project is recommended to be lower than initially requested in the project application, or the scope of the project is recommended to be changed, the project application with the proposed changes will be sent back to the Manager/Administrator of the jurisdiction or designated representative for acceptance of new funding amounts or scope change.
    - At the same time, MAG staff will determine if the CMAQ evaluation is affected.
    - The programming process is delayed accordingly.
c. The recommended projects selected for federal funds and a summary of the TRC selection process will then be forwarded to the MAG Management Committee, TPC, and Regional Council for approval.

9. Step 2: Projects selected and approved by MAG Regional Council to be programmed with federal funds will be included in the MAG Transportation Improvement Program (TIP).
    a. Title 23 of the U.S. Code, Section 134 (j) specifies that the TIP shall include projects only if full funding can be reasonably anticipated to be available within the time period contemplated for completion of the project. In nonattainment and maintenance areas, projects included in the first two years of the TIP shall be limited to those for which funds are available and committed. [i]
    b. This requirement is for all funding sources including the local match funds for projects programmed with federal funds.

10. For construction projects that are selected to be programmed with federal funds into the MAG Transportation Improvement Program (TIP), a design/clearance phase will be programmed based on the initial project application and the project development schedule.
    a. The amount of MAG federal funds available for a project is the programmed amount listed in an approved TIP. Member agencies are responsible for any project cost increases.
    b. The application will allow members to ask for federal funding for all phases of the project. Yet, if funding is approved only for construction, the project sponsor must use local funds for the project development – design, clearances, right of way – in the years prior to construction. This will be reflected in the project phases as programmed in the TIP.

## 400. Step 3: Local Project Commitment Period

1. Once the project is in a TIP, the next step is for the project sponsor to move forward in securing local funding, setting up the project management staff/team, and any other local resources for the development of the federal project.

2. The project sponsor has 11 months for construction projects, and 23 months for non-construction/procurement projects to secure the funding and project development schedule.

3. After the Local Project Commitment Period, MAG will move forward with Step 4.

4. Advancing Projects: Member agencies can take advantage of this period of time and advance this project by completing Step 3 and Step 4 earlier than normal, and moving forward with Step 5 ahead of schedule.

5. It is required that member agencies contact MAG to initiate this process. Any needed changes to the TIP report will happen during the Dynamic TIP process.

# 500. Step 4-5: Project Commitment, Development, Status Report, and Dynamic TIP Process

## 500.1 – Step 4: Project Information Update & Commitment

1. In July of each year, six months prior to project kick off, MAG will send the Sponsor Agency notification of the due date for obligation, and by December, the project sponsor must provide MAG with the following information:
    a. An updated project development schedule as found in Appendix D.
    b. An updated scope for the project compatible with the programming of the project.
    c. An updated project budget for the project including any costs not listed in the TIP such as design and right-of-way costs borne by the agency.
    d. A commitment letter signed by the Manager/Designated Representative that local funds, staff time, and resources are committed to develop, obligate, implement, and complete the project as noted in the project development schedule.
    e. A copy of an approved local Capital Improvement Program (CIP)/budget document that documents the project work phases and local funds committed to complete the project.
2. This information will be presented in the December – January Status Report.
3. The project will be deleted from the TIP if the project sponsor does not commit to the project and submit the required information for Step 4.
    a. Funds from deleted projects will go back to the region to be reprogrammed.

## 500.2 - Project Development Schedule & Status Report

1. The project development schedule is the basis of the project tracking system and the dynamic TIP process. Please see Appendix D for the project development milestone schedule.

2. ADOT has set a deadline for both certified accepted (CA) agencies and local governments to submit authorization/obligation requests by July 30th of the year they are programmed in the MAG TIP. This Dynamic TIP Process is based on meeting the July 30th obligation deadline of each year.

3. The project development schedule will be:
    a. Initially developed in the project application;
    b. Revised and committed to during Step 3-4, which happens prior to project kick-off, (30 months prior to scheduled obligation for construction projects or 18 months prior to scheduled obligation for non-construction projects); and
    c. Reported on every six months during project development to obligation.

4. Every December - January and May – July, a status report based on the project development milestone schedule will be submitted through the MAG Committee Process for review and action. This report will serve as the basis for necessary actions for the dynamic TIP programming process related to moving, adding, or deleting projects in Tier 1, Tier 2 and Tier 3.
    a. Due dates for project sponsor to provide project status information are December 1st and May 1st of each year.
    b. Each year, MAG will provide a schedule when information is due, which will be published in the MAG Transportation Programming Report.

c. Please see Appendix E for a general schedule of due dates and process related to the dynamic TIP Process.

5. The December – January status report will focus on projects in 3rd year meeting Step 4: Information Update & Project Commitment and tracking progress on project development.

6. The May – July status report will focus on projects to be programmed in the upcoming fiscal year, and progress on project development.

## 500.3 - Step 5: Federal Project Development Process & Dynamic TIP Process

The MAG TIP is required to be fiscally constrained each year and for the overall program. FHWA has made this a focus area when programming the initial TIP, and showing fiscal constraint for all amendments and administrative modifications to the TIP. MAG cannot simply add a new project or increase funding for a project as it is required to show a deletion or a decrease of funding from another project to demonstrate fiscal constraint.

Engaging in a dynamic process will allow MAG to make timely programming decisions to balance cost increases (e.g. new and expanded projects) against cost decreases (e.g. project cost decreases and deletions) and project deferrals against project advancements.

Once a project development schedule has been finalized, the project sponsor has to show continuous progress towards obligation and completion of the project. Depending on the maintenance of effort in the development of projects, projects will move into the TIP, between years in the TIP, and out of the TIP depending on the status report, the project development schedule, and Regional Council action.

1. During the dynamic TIP process, the deferred projects and non-obligated federal funds will be considered within each mode as determined by the Regional Transportation Plan (RTP).
2. 

To make the dynamic process work, MAG will establish three tiers of projects based on project development schedules and regional policies as follows:

- **<u>Tier 1</u>** – CMAQ projects programmed and anticipated to obligate in the upcoming fiscal year. These projects will have the highest priority for obligation.
    a. For all construction projects to be programmed in Tier 1 for the upcoming fiscal year, it is required that three milestones are met:
        i. Environmental clearance approved if the design is federally funded, otherwise the environmental clearance must have been submitted.
        ii. Completed 60% Design/Engineering plans
    b. For right of way purchases, properties are inventoried and appraisals are complete.For procurement projects to be programmed in Tier 1 for the upcoming fiscal year, it is required that the environmental, right-of-way and project scoping documents needed to obtain the related clearance have been submitted.

    c. The project sponsor is required to submit a letter signed by the sponsor agency engineer for construction projects that design plans are at 60%, the date that the environmental clearance was approved or submitted depending on the funding used to design the project, and a letter that certifies that the right of way (if applicable) is underway with properties inventoried and appraisals completed . For procurement projects the certified letter is to identify the dates that submittals were made for the

scoping document, the environmental clearance document and the right-of-way clearances document .This information is due to MAG by May 1 – 10th for the May TRC meeting.

d. There will be a two step TRC review process for Tier 1 projects.
    i. At the May TRC meeting, project milestone information will be presented, discussed, and reviewed. If the committee would like further clarification on the information, the project sponsor can answer clarification questions at the first meeting, and the project sponsor also has the opportunity to clarify information for the second TRC meeting
        1. MAG Staff will provide the date for clarified information to be submitted to MAG in preparation for the second TRC meeting.
    ii. At the June TRC meeting any revised information presented and action on projects for Tier 1 in the upcoming federal fiscal year of the TIP is recommended.
    iii. Recommendations from TRC move forward to Management Committee and Regional Council in July

- **Tier 2 –** CMAQ projects programmed in the TIP that are not in the upcoming fiscal year but could be advanced to obligate in the upcoming fiscal year. Projects in this category have second priority overall. Priority in the category will be based on completed milestones.
    a. For Tier 2 construction projects to be advanced into the upcoming fiscal year, it is required that three milestones are met
        i. Environmental clearance approved if the project is federally funded, otherwise the environmental clearance have been submitted.
        ii. Completed 60% Design/Engineering plans
        iii. For right of way purchases, properties are inventoried and appraisals are completed

    b. For procurement projects to be included in Tier 2, it is required that the environmental, right-of-way and project scoping documents needed to obtain the related clearance have been submitted.

    c. The project sponsor is required to submit a letter signed by the sponsor agency engineer for construction projects that design plans are at 60%, the date that the environmental clearance was approved or submitted depending on the funding used to design the project, and a letter that certifies that the right of way (if applicable) is underway with properties inventoried and appraisals completed. For procurement projects the certified letter is to identify the dates that submittals were made for the scoping document, the environmental clearance document and the right-of-way clearances document. This information is due to MAG by August 1 – 10th for the August TRC meeting.

i. At the August TRC meeting, project milestone information will be presented, discussed, and recommendation to move Tier 2 projects into the upcoming federal fiscal year of the TIP.
ii. Recommendations from TRC move forward to Management Committee and Regional Council in September

- **Tier 3** – Increased funding and projects is dependent on unprogrammed, deleted, available funds in the upcoming federal fiscal year. Policy will be set prior to any action related to specific projects.
  a. Tier 3 priorities will be determined during the June and July committee process, beginning at TRC. Tier 3 projects are dependent on unprogrammed, deleted, available funds in the upcoming federal fiscal year. Tier 3 priorities can be, but are not limited to the following options:
     i. Increase in federal funds to projects due to obligate in the upcoming FFY
     ii. Establish a list of projects to be funded with CMAQ. These projects have to be CMAQ eligible and ready to obligate in the upcoming FFY.
        i. Design projects, procurement, advance constructed or designed local projects, etc.
        ii. If there is a new construction project, it has to meet the milestone completion timelines identified in Tier 1 and Tier 2
     iii. Work with the Arizona Department of Transportation (ADOT) to advance ADOT projects and allow carry forward of MAG CMAQ funds in order to protect project funding and alleviate the need to delete projects.

  b. Once the priority is decided, the projects related to the Tier 3 priorities will be advanced through the committee process in the August and September committee process.

  a. Any related project information related to the Tier 3 priority is due to MAG by August 1 – 10th for August TRC, which will be forwarded to Management Committee and Regional Council in September for action.

## 600: Project Deferrals and Deletions

1. Federal funds that are deleted from projects are returned to the region to be programmed in the appropriate modal category.

2. The project will be deleted from the TIP if the project sponsor does not commit to the project and submit the required information for Step 4.

3. Once the project is committed to and moves into Step 5, Project Development, it must show continuous progress toward project obligation.

4. If an agency does not show continuous progress on project development and it is in their control the project sponsor has a one-time deferral option. It is required that:
   a. Demonstration of financial commitment (e.g. staff time, funds) by the agency to develop the project prior to the deferment decision,
   b. Identification and explanation of specific problems or issues that have caused the delay (e.g. the actions of outside actors) or failure to achieve a required milestone, and

c. A revised schedule and plan that addresses the specific issues identified.

5. If an agency does not show continuous progress for a second time on project development and it is in their control, the project is deleted.

6. Project development actions that are 'in an agency's control', refers to actions for which a project sponsor has decision making authority, such as the allocation of funding and staff time, project management, scheduling decisions, and the coordination of the project with other projects in the agency's boundaries such as developer or other agency projects.

7. If there is not continuous progress on the project due to external factors that are not within a project sponsor's control, the decision to continue, reschedule, or delete a project will be based on the following factors:
    a. Identification and explanation of specific problems or issues beyond the control of the agency other than financial issues that have caused the delay (e.g. the actions of outside actors) or failure to achieve a required milestone.
    b. Demonstration of financial commitment (e.g. staff time, funds) by the agency to develop the project prior to the rescheduling or deletion decision.
    c. The previous MAG status reports show that the agency has initiated development of the project and has worked continuously to develop the project for obligation.
    d. A revised schedule and plan that addresses the specific issues identified.
    e. If a project has been previously deferred, demonstration that the previous cause of delay has been addressed and/or explanation of why the revised approach will address the problem causing the delay.

8. Actions 'not in the control of an agency' include the actions of third parties such as utility companies, railroads, property owners, the courts, other governmental agencies and reviewing agencies who may fail to provide timely reviews/approvals. Actions also not under the control of a sponsor include issues that could not have been reasonably anticipated when the project was initiated such as the discovery archaeological artifacts, hazardous materials, or impacts to endangered or threatened species in areas where none of these issues had been encountered or known to exist previously.

## 700. Advancing Projects

1. If a member agency would like to advance their project, it is their responsibility to initiate the MAG notification and federal development process earlier.

2. Member agencies can take advantage of Step 3: the Local Commitment Period and advance this project by completing Step 3 and Step 4 earlier than normal, and moving forward with Step 5 ahead of schedule.

3. The member agencies must contact MAG to initiate this process. Any needed changes to the TIP report will happen during the Dynamic TIP process.

## 800. Project Changes

1. Project sponsor's can make requests for a project change twice a year when the project sponsor reports on the status of the project development milestones to MAG as required for the Status Report. This will occur in December – January and May - July.

2. As related to these Programming Guidelines and Procedures, project changes are those prior to obligation.

3. Types of project changes allowed:
    a. Segmenting or combining contiguous projects for ease of project development and implementation,
    b. Changing Lead Agencies, as long is scope or location is not altered,
    c. Administrative modifications: example: change in technical description of project, change in amount of local funds
    d. Changing project schedules (advancing, deferring) are allowed following the rules of the dynamic TIP Programming Process, procedures, and requirements of Section 400 through 700.
    e. A linear location change request that is less than a .25 mile from its original location.
    f. A minor scope change that doesn't deviate from the original project application request.
    g. These project change requests will go through the committee process, beginning at the appropriate technical advisory committee that originally programmed/ prioritized them. These project change requests will follow the schedule of the status reports.

4. Types of project changes that are not allowed to occur through a project change request:
    a. Location or scope change:
        i. A linear location change request that is greater than .25 miles.
        ii. A change in a point location (intersection).
        iii. A change in an area location.
        iv. A change in scope that changes the project from its original intent as outlined in the project application request.

5. If a project is requesting a change that is not allowed, the project sponsor can complete a project application for the new project, and compete for the regional funds.
    a. The federal funds will be deleted from the project, and the funds are returned to the region.
    b. The competitive application process will be open for those funds. This will occur during the annual cycle of the competitive project application.
    c. Any member agency can compete for the available funds by following the rules, process and requirements outlined in Section 200-300.

6. MAG staff will review the eligibility of the project change request to determine if it meets federal guidelines.

7. MAG staff will review the impact of the project change request on conformance with the TIP and RTP.

8. MAG staff will also review, analyze, and summarize how the project change request will impact the CMAQ evaluation and other criteria the TAC has established.

9. Once a project change request has been approved through the MAG Committee Process, the TIP is amended/modified, and the changes are sent forward to ADOT and FHWA to amend/modify the STIP.

## 900. Appeals Process

1. Action to delete or defer projects pursuant to these Guidelines will be initiated at the Transportation Review Committee, proceed to the MAG Management Committee, and final action by the Regional Council.

2. Should a project sponsor want to appeal a recommendation to delete or defer a project, they may request a separate agenda item to be heard before the Regional Council on the project.

3. Upon receipt of such a request:
    a. An agenda item will be scheduled for Regional Council action to hear the project sponsor appeal.
    b. Staff from MAG and the project sponsor will work together to prepare written material to be sent to Regional Council prior to the meeting. At a minimum, this material will respond in detail to all items identified in 500 and 600 of these Guidelines.

4. At the meeting, project sponsor staff will, at a minimum, address in detail all items identified in 600 of these Guidelines.

5. The Regional Council will take action to delete, defer or continue the project as currently programmed.

## 1000. Post Obligation Policies

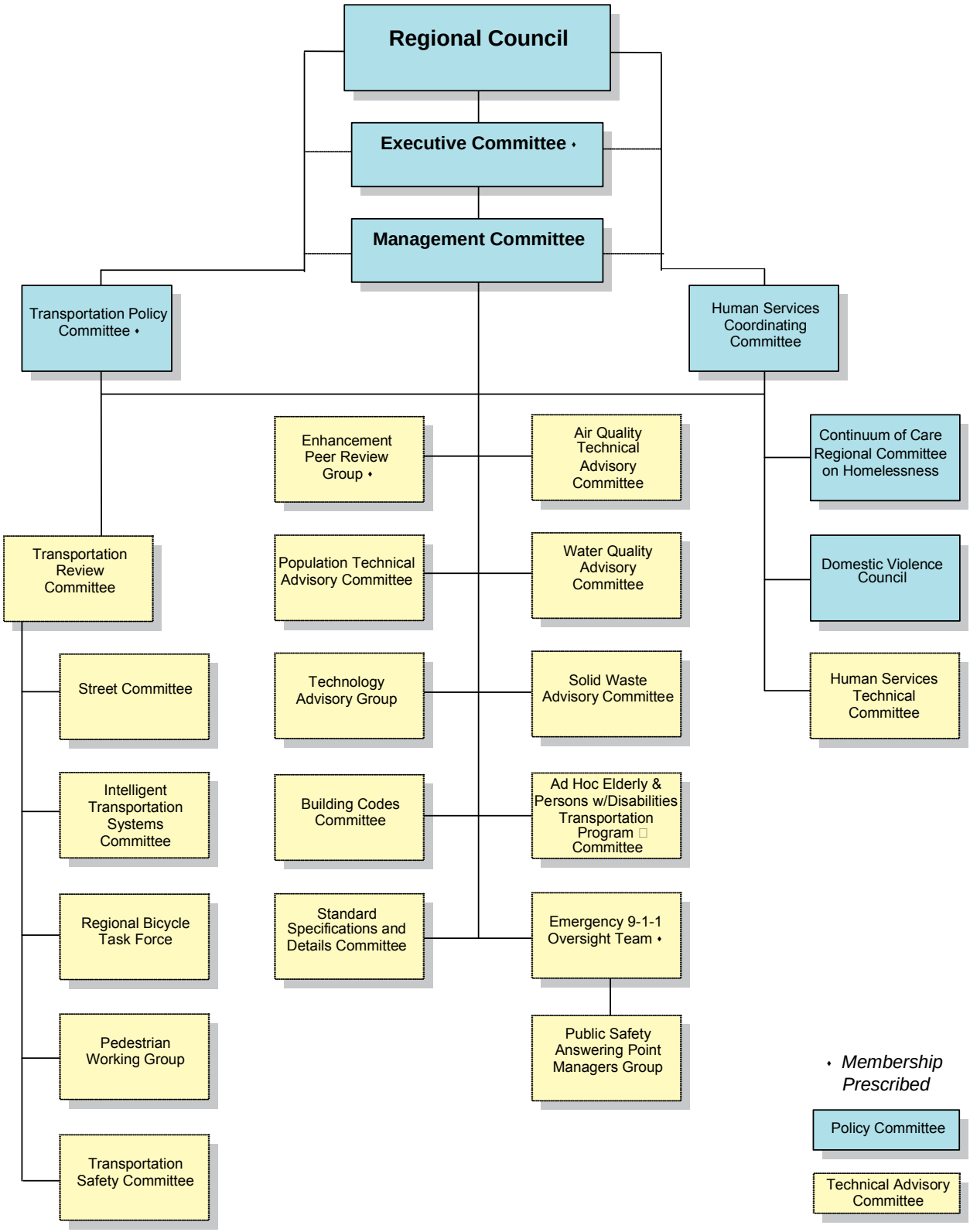
1. All local sponsored federally funded projects that have obligated (e.g. received FHWA authorization) need to show financial activity within 6 months of obligation and on a routine basis until the completion of the project. If for a 12 month consecutive period, an obligated project has not show financial actively, it may be deemed by FHWA as inactive and may be subject to deobligation by the Federal Highway Administration.

2. Once a project is obligated, member agencies must provide the following information to MAG in September, February and May for inclusion in the MAG project development status report:
    a. Date of Obligation from FHWA
    b. Date of anticipated/Actual bid of the project
    c. Date of anticipated/Actual award of the contract for the project
    d. Amount billed to ADOT for reimbursement to the date of the report
    e. Date of anticipated/actual close-out/final voucher of the project through FHWA/ADOT

3. If on three consecutive status reports, no financial activity is shown, the sponsoring agency will submit a written explanation of why no financial activity has occurred on the project and may be required to provide a presentation to the TRC on the issue.

4. If a federal fund project does not use the full amount of its programmed and obligated federal funds, the remaining balance of unused federal funds, will be returned to the region to be reprogrammed if the obligation authority is still available.
    a. The member agency shall notify MAG of the amount of unused federal funds once construction and invoicing is completed with ADOT.
    b. MAG will also verify, and report on any funds returned to the region as reported by the ADOT federal fund ledgers.

# APPENDIX A


Regional Council
Executive Committee ♦
Management Committee
Transportation Policy Committee ♦
Human Services Coordinating Committee
Enhancement Peer Review Group ♦
Air Quality Technical Advisory Committee
Continuum of Care Regional Committee on Homelessness
Transportation Review Committee
Population Technical Advisory Committee
Water Quality Advisory Committee
Domestic Violence Council
Street Committee
Technology Advisory Group
Solid Waste Advisory Committee
Human Services Technical Committee
Intelligent Transportation Systems Committee
Building Codes Committee
Ad Hoc Elderly & Persons w/Disabilities Transportation Program Committee
Regional Bicycle Task Force
Standard Specifications and Details Committee
Emergency 9-1-1 Oversight Team ♦
Public Safety Answering Point Managers Group
Pedestrian Working Group
Transportation Safety Committee
♦ Membership Prescribed
Policy Committee
Technical Advisory Committee

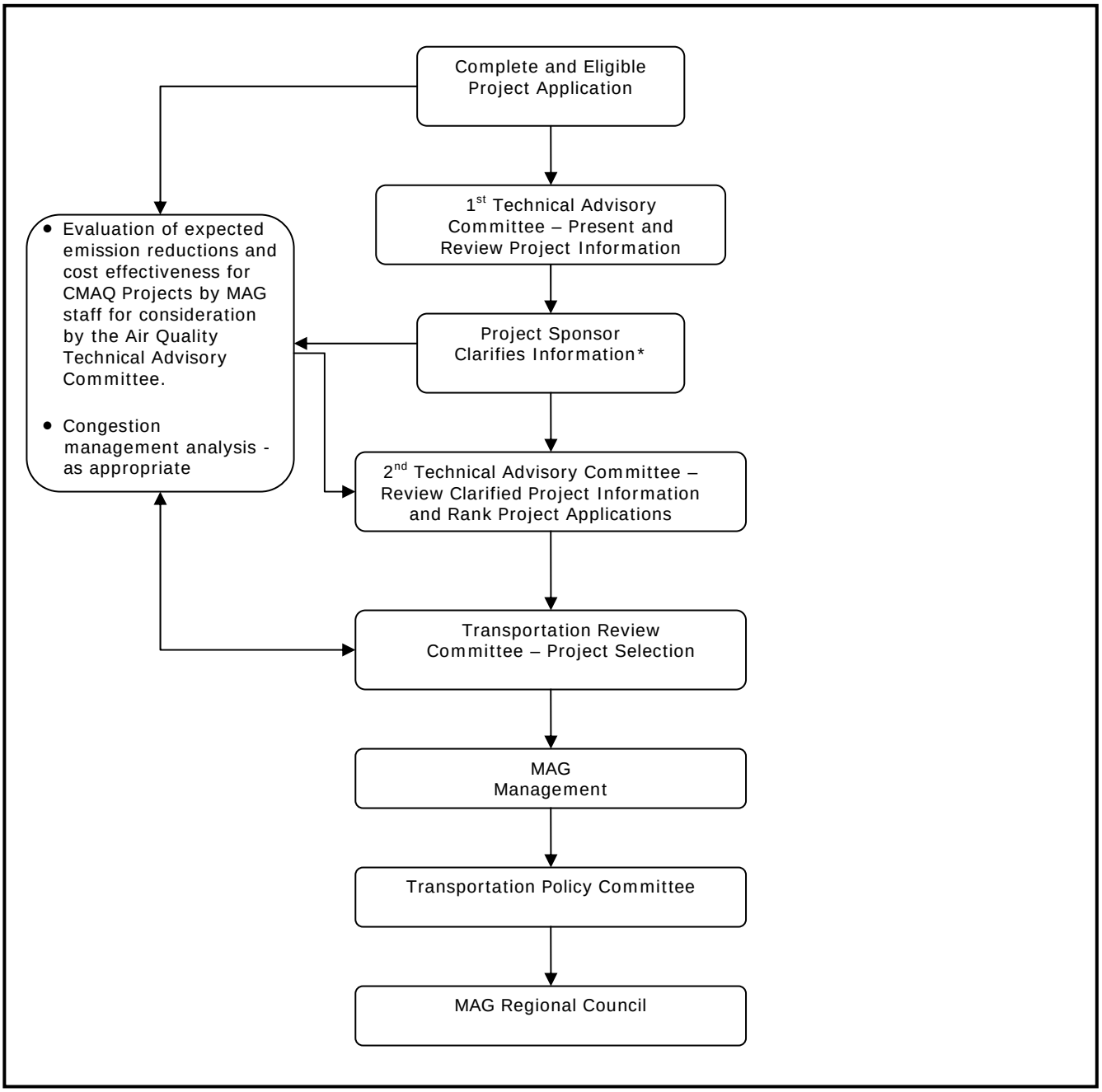
# APPENDIX B

| General Schedule for Competitive Application Process* | |
|---|---|
| July | Transportation Guidebook is published documenting funds available per mode in future years, schedules, evaluation criteria, etc. |
| August | 1st - 2nd week: Federal Fund Project Applications available |
| | Mid - Month: Workshop on MAG Transportation Programming and Federal Fund Project Applications |
| | End of month: Open Working Group - Federal Fund Project Applications |
| September | Early - Mid Month: Open Working Group - Federal Fund Project Applications |
| | Mid month: Due Date and Time, signed Project Applications due to MAG. Late Applications will not be accepted. |
| October | Technical Committees review and Lead Agencies present project applications for Projects Submitted |
| | AQTAC review and recommends CMAQ evaluations for project submitted |
| November | 2nd Technical Committee Meeting: second review and ranking of project applications |
| December | TRC review/recommend/approve funding for projects |
| January | Managers review/recommend/approve funding for projects |
| | TPC review/recommend/approve funding for projects |
| | RC review/recommend/approve funding for projects |
| February | Projects are incorporated in DRAFT TIP or current approved TIP |

** PM-10 Paving Dirt Road projects and PM-10 Street Sweeper projects have two technical advisory committees involved in their review process.*

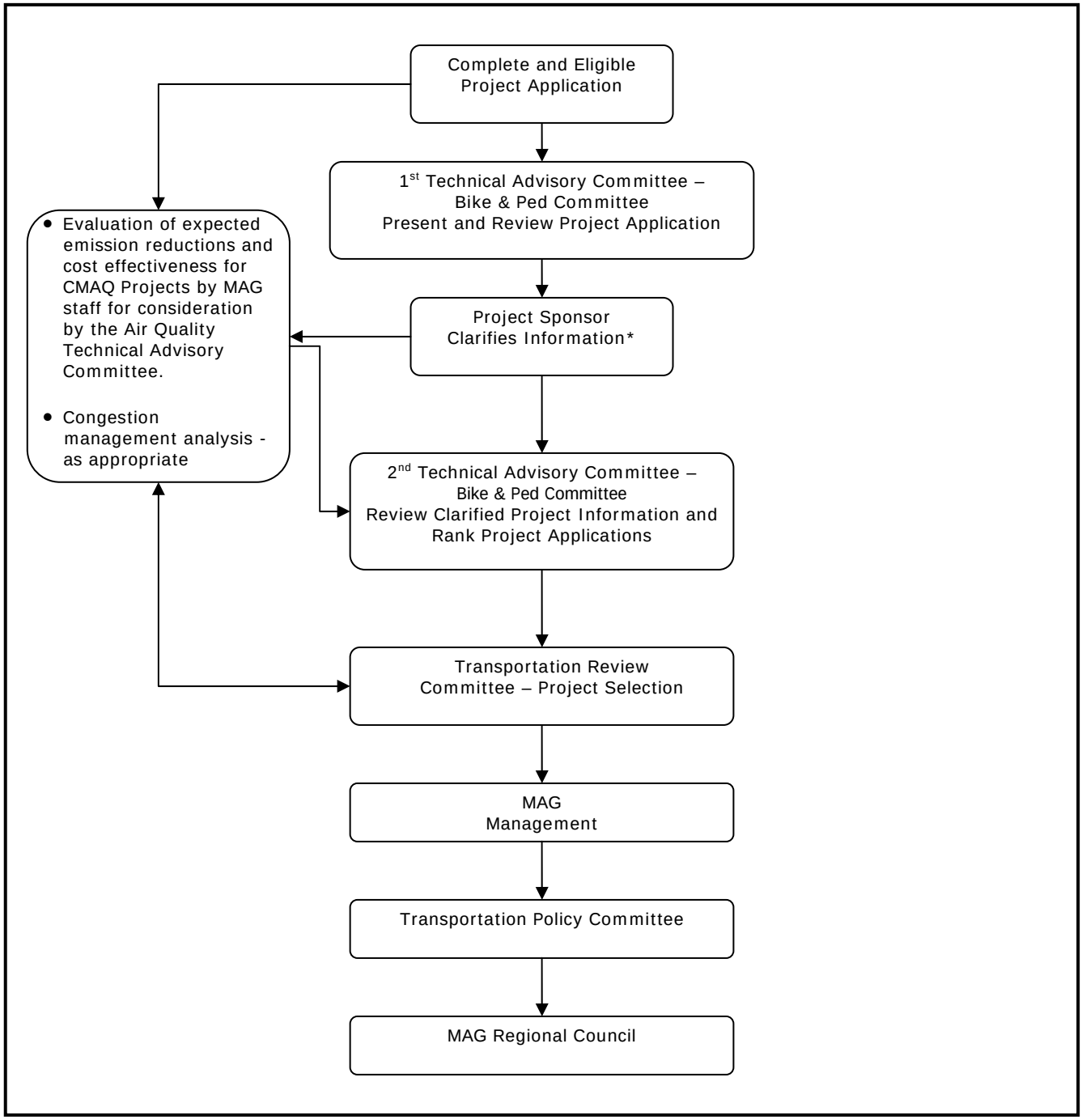
# APPENDIX C

## Flowchart – Competitive Project Selection Process for MAG Federal Funds



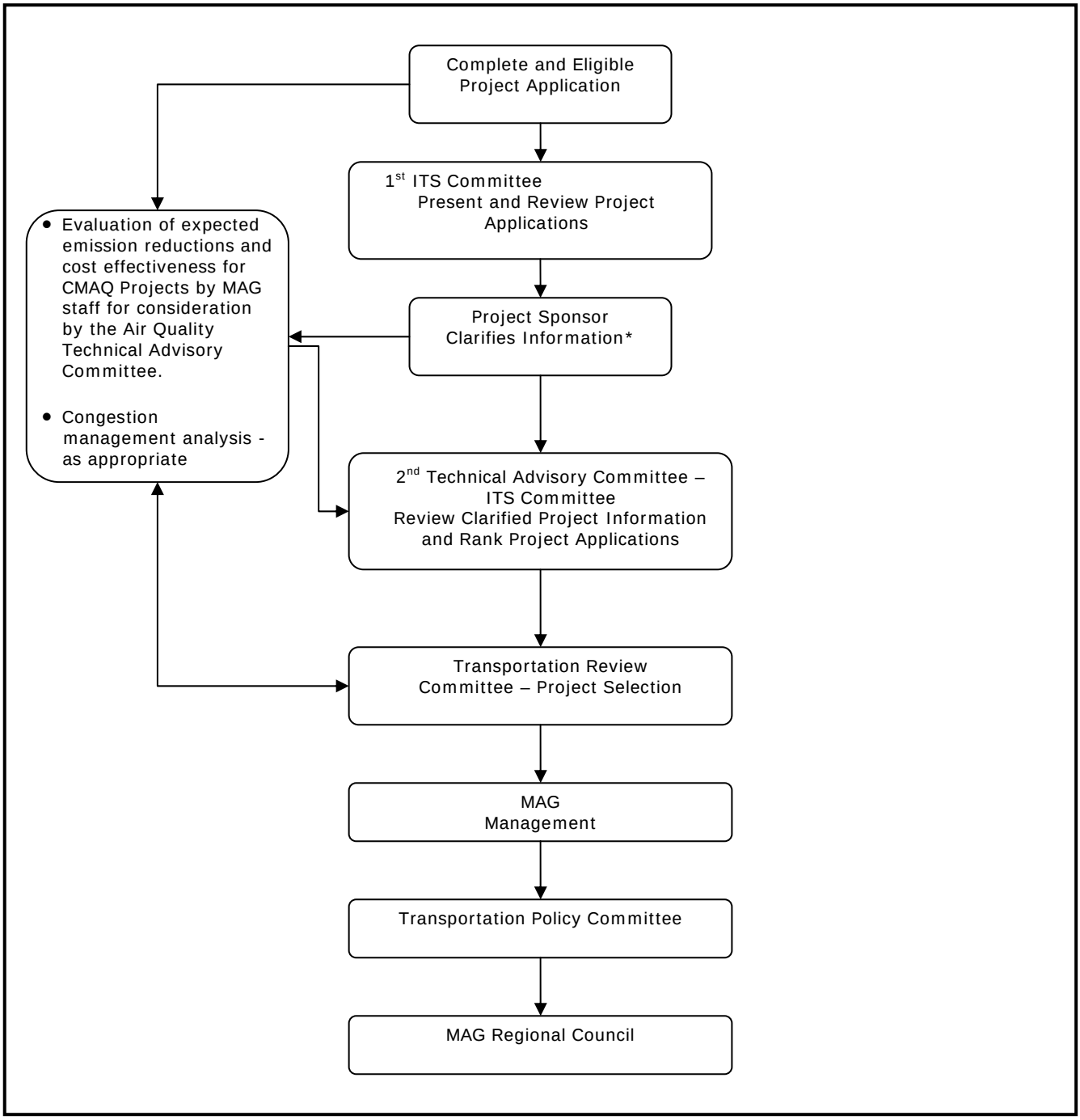

*If needed

# Flowchart – Competitive Project Selection Process for MAG BICYCLE AND PEDESTRIAN PROJECTS



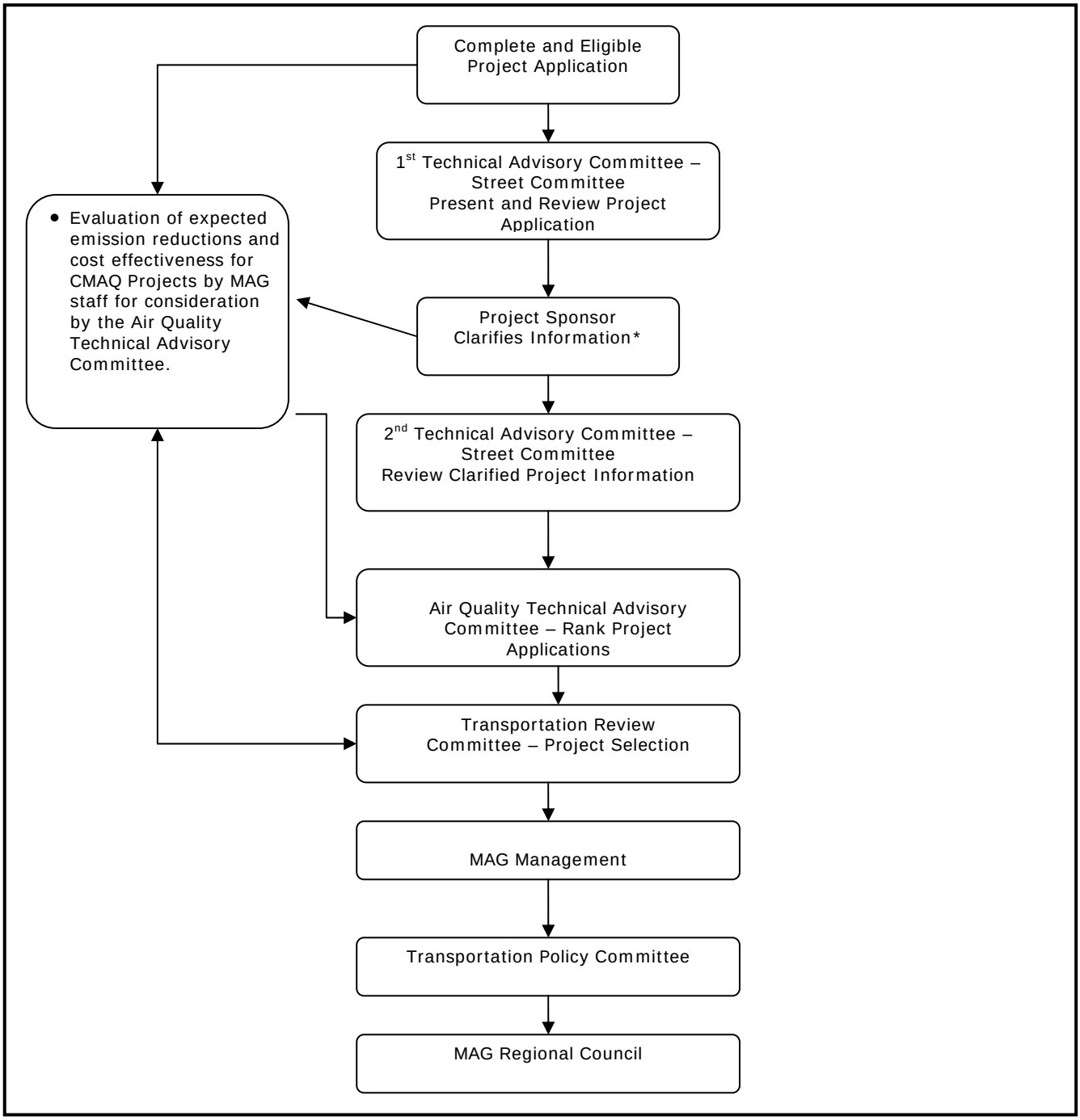

*If needed

# Flowchart – Competitive Project Selection Process for MAG INTELLIGENT TRANSPORTATION SYSTEM (ITS) PROJECTS



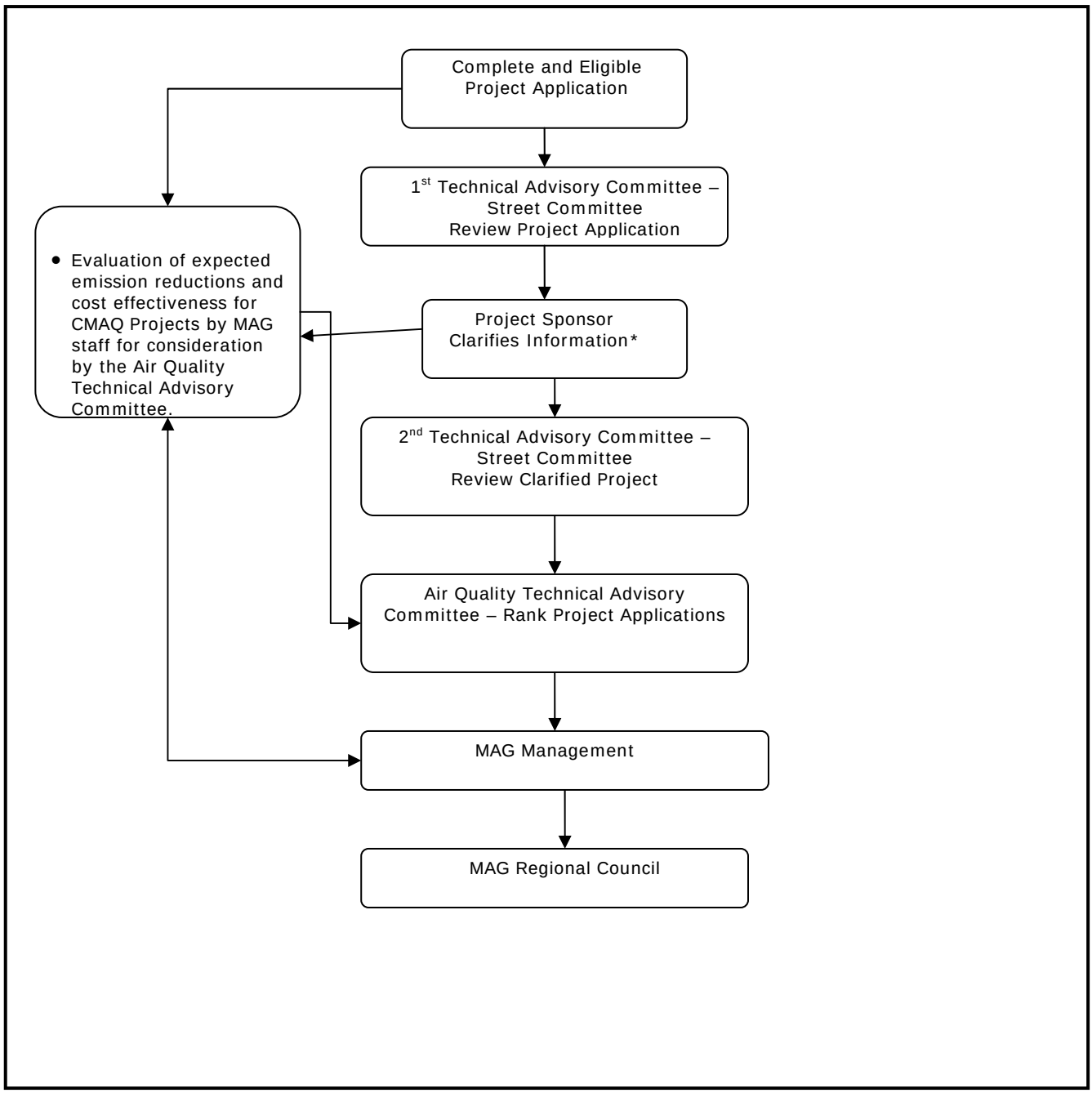

*If needed

# Flowchart – Competitive Project Selection Process for MAG Federal Funds
## PAVE UNPAVED ROAD PROJECTS




*If needed

# Flowchart – Competitive Project Selection Process for MAG Federal Funds
# PM-10 CERTIFIED STREET SWEEPERS




*If needed

# APPENDIX D

**Project Schedule:** Please enter anticipated dates for completing the steps in the process for obtaining the FHWA commitment (e.g. obligation) to fund the projects. If the step is not applicable - e.g. right-of-way clearance for an ITS procurement project - please enter "Not Applicable".

| Phase | | Planned Date | | Actual Date | | Current Status | Notes |
|---|---|---|---|---|---|---|---|
| | | Start | End | Start | End | | |
| Design | Preliminary Project Assessment | | | | | | |
| | Design Concept Report | | | | | | |
| | 30 Percent Plans | | | | | | |
| | 60 Percent Plans | | | | | | |
| | 95 Percent Plans | | | | | | |
| | PS&E Package | | | | | | |
| Environmental Clearance | Hazmat Report | | | | | | |
| | Biological Report | | | | | | |
| | Cultural Report | | | | | | |
| | Environmental Document/Clearance | | | | | | |
| Right-of-way Clearance | Initial Actions - Inventory and Apprasials | | | | | | |
| | Acquisitons - Offers, Purchases and Condemnations | | | | | | |
| | ROW Certification | | | | | | |
| Utiltites Clearance | | | | | | | |
| Materials Memo | | | | | | | |
| IGA/JPA | | | | | | | |
| Authorize Project | | | | | | | |

## APPENDIX E

| Annual Schedule for Dynamic TIP Process for Federal Funded Projects | |
|---|---|
| **2011** | |
| December | Early December - TRC reviews project status report related to Steps 4 and 5, and makes recommendations to advance, defer, and delete projects from the TIP |
| **2012** | |
| January | MC, TPC, RC: reviews project status report related to Steps 4 and 5, and makes recommendations/approval to advance, defer, and delete projects from the TIP |
| May | **April 30th - May 11th:** Due date for information related to Step 4 and project status for Step 5 due. |
| | **24th:** TRC meets to review information and answer questions related to the upcoming year - Tier 1 |
| June | **28th:** TRC reviews project status report focusing on the upcoming year - Tier 1 projects and others, and makes recommendations to advance, defer, and delete projects from the TIP |
| | **28th:** TRC makes a recommendation for Tier 3 priorities |
| July | MAG sends Step 4: Project Information Update & Commitment notification to Project Sponsor/Local Agencies for projects due to kick off in upcoming January |
| | MC, TPC, RC: reviews project status report focusing on the upcoming year - Tier 1 projects and others, and makes recommendations/approval to advance, defer, and delete projects from the TIP |
| | MC, TPC, RC: TRC makes a recommendation for Tier 3 priorities |
| **July 30th** | **Due Date for information to ADOT for project obligation in current federal fiscal year.** |
| August | **6th-16th:** Project information related to Tier 2 and Tier 3 decisions due to MAG |
| | **23rd:** TRC review information related to Tier 2 and Tier 3 projects, and makes advancement and project change recommendations. |
| September | MC, TPC, RC: reviews information related to Tier 2 and Tier 3 projects, and makes advancement and project change recommendations/approval. |

## DEFINITIONS

**'Actions In an Agency's Control'**, - Actions for which a project sponsor has decision making authority, such as the allocation of funding and staff time, project management, scheduling decisions, and the coordination of the project with other projects in the agency's boundaries such as developer or other agency projects

**'Actions Not In Control of an Agency' - Actions of third parties such as utility companies, railroads, property owners, the courts, other governmental agencies and reviewing agencies who may fail to provide timely reviews or provide inconsistent, ambiguous or erroneous guidance. Actions also not under the control of a sponsor include issues that could not have been reasonably anticipated when the project was initiated such as the discovery archaeological artifacts, hazardous materials or impacts to endangered or threatened species in areas where none of these features had been encountered or known to exist previously.**

**Clean Air Act** – The Clean Air Act (CAA) is the comprehensive federal law that regulates air emissions from stationary and mobile sources. Among other things, this law authorizes the Environmental Protection Agency to establish National Ambient Air Quality Standards (NAAQS) to protect public health and public welfare and to regulate emission of hazardous air pollutants. – (Summary of the Clean Air Act, http://www.epa.gov/lawsregs/laws/caa.html, Retrieved on May 9, 2008)

**Congestion Mitigation and Air Quality (CMAQ) Improvement Program** - Congestion Mitigation and Air Quality Program are federal funds that are available for projects that improve congestion and air quality in areas that do not meet clean air standards ("non-attainment" areas). The transportation projects and programs that are eligible under the Congestion Mitigation and Air Quality Improvement Program are: Transportation Control Measures (TCMs), Extreme Low-Temperature Cold Start Programs, Alternative Fuels, Congestion Relief & Traffic Flow Improvements (ITS projects and programs), Transit Improvements, Bicycle and Pedestrian Facilities and Programs, Travel Demand Management, Public Education and Outreach Activities, Transportation Management Associations, Carpooling and Vanpooling, Freight/Intermodal, Diesel Engine Retrofits, Idle Reduction, Training, I/M Programs, and Experimental Pilot Projects. The current federal guidelines related to the available CMAQ funding for the Competitive Project Selection Process for MAG Federal Funds is titled, 'The Congestion Mitigation and Air Quality Program (CMAQ) under the SAFETEA–LU Interim Program Guidance' can be accessed online at: http://www.fhwa.dot.gov/environment/cmaq06gd.pdf.

**Contingency Projects** - Projects identified during Interim Closeout if the number of projects submitted to use Closeout funds, exceeds the Interim Closeout amount. These projects would then be funded during Final Closeout under the condition that additional funds were identified by changes to a project schedule, to the apportionment or appropriations formulas, and/or notification of redistributed obligation authority (OA) that would increase the funds available.

**Designated Representative** – A designated representative of a jurisdiction is an employed staff person of the jurisdiction designated by the chief administrator to sign MAG funding request documents on behalf of that jurisdiction.

**Eligible Projects/Project Components** – Eligible projects/project components are defined by the current federal guidelines related to the type of federal fund that is being considered.

**Incomplete Application** – An application that does not have required application fields filled-in is defined as incomplete.

**'In an Agency's Control'**, - Actions for which a project sponsor has decision making authority, such as the allocation of funding and staff time, project management, scheduling decisions, and the coordination of the project with other projects in the agency's boundaries such as developer or other agency projects

**Joint Project** – A joint project is a project that has more than one jurisdiction financially committed to the project.

**MAG Approved Plan** – MAG approved plans are used in the evaluation of Regional Projects. The list of MAG approved plans that can be used are the most recently approved Regional Transportation Plan, MAG ITS Strategic Plan – April 2001, MAG Strategic Transportation Safety Plan – October 2005, MAG Regional Bikeway Master Plan – 2007, Pedestrian Plan – 2000, MAG Regional Action Plan on Aging and Mobility, MAG Regional Off-Street System Plan – February 2001, and the Arizona Strategic Highway Safety Plan – August 2007

**MAG Committee Process** – For purposes related to this document and process: Transportation Review Committee, the Management Committee, the Transportation Policy Committee, and the Regional Council. Please see Appendix A

**MAG Federal Fund Program** – The MAG Federal Fund Program consists of projects in the MAG Transportation Improvement Program (TIP) that are funded with federal funds, both highway and transit projects. A component of this Program are the projects that are local sponsored, competitively selected and programmed through the MAG Process with Federal Funds. The categories that are available for local agencies to apply for federal funds through the MAG Process are: Arterial-ITS Projects – CMAQ funded, Arterial Projects – STP-MAG funded, Bicycle and Pedestrian Projects – CMAQ funded, and Air Quality Projects – CMAQ funded.

**Project Sponsor** – The project sponsor is the local agency that is responsible for all steps of the process related to all aspects of the federal project development process including: the MAG Competitive application process, engineering and design of the project to the federal standards, and completion of federal required clearances. This review process is administered by the Arizona Department of Transportation (ADOT) or a certified accepted (CA) agency. If federal funding is not programmed for design, engineering, and clearance work, the project sponsor is responsible for the costs. The federal required local match and additional funds that are needed to complete the project, including any project cost increases. The amount of MAG federal funds available for a project is the programmed amount listed in an approved TIP.

**Regional Project** – A transportation project that is sponsored and funded by one or more MAG member agency that impacts other jurisdictions besides those sponsoring the project. The project concept has to be consistent with an approved MAG Plan.

**SAFETEA-LU** - On August 10, 2005, President George W. Bush signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009.[ii]

[ii] SAFETEA-LU Home Page. *US Department of Transportation*, *Federal Highway Administration*. Retrieved on July 9, 2008 from http://www.fhwa.dot.gov/safetealu/index.htm.

**Surface Transportation Program (STP) funds** – Surface Transportation Program funds are federal funds designated to be used on highways, transit or street projects.

**The Transportation Programming Guidebook** – The Guidebook is published on a yearly basis and its purpose is to provide MAG member agencies background information, instructions, and deadlines on the different transportation programs and requirements for the RTP, the MAG TIP, and the MAG Federal Fund Program for the upcoming fiscal year.

**Technical Advisory Committees (TAC)** – The MAG Technical Advisory Committees that are related to Competitive Project Selection Process for MAG Federal Funds are the MAG Street Committee, MAG Intelligent Transportation System (ITS) Committee, Air Quality Technical Advisory Committee, and the Bicycle and Pedestrian Committee. Please see Appendix A