

**Pima Association of Governments
Transportation Improvement Program (TIP)
Policies and Procedures**

Introduction: These Policies and Procedures govern the programming of available regional funds through Pima Association of Government's Transportation Improvement Program (TIP). Projects that are regionally significant¹, regardless of fund source, are required to be included in the TIP document and, as such, portions of the TIP Policies and Procedures apply to those projects as indicated. Additionally, funds associated with the Regional Transportation Authority (RTA) are governed by the RTA Memorandums of Policy and the Policy, Objectives and Procedures documents.

Goal: To provide consistency in the development of the TIP, which creates a common ground from which everyone can work and to provide consistent and efficient use of the regional funds that complies with all applicable state, federal and other guidelines.

Nothing in the TIP Policies and Procedures are intended to contradict or supersede federal rules, the Arizona Constitution or Statutes and/or the RTA Memorandum of Policies (MOPs) or Policies, Objectives and Procedures (POPs).

Process: It must be stressed that while the PAG programming process strives for consistency, there are fundamental differences in the role, and associated authority, that PAG has in the programming of federal, state and regional funding. The process tries to balance federal requirements for a performance based planning and programming approach overall.

Federal regulations state that Metropolitan Planning Organizations shall develop long-range transportation plans and transportation improvement programs through a performance-driven, outcome-based approach to planning for metropolitan areas of the State. At the same time the enabling legislation for the Regional Transportation Authority (RTA) calls for expenditures to be consistent with the RTA plan approved by the voters.

Definitions:

Policies - for the purposes of this document, refers to the consistent rules to be followed by PAG Staff and the jurisdictional sponsors in developing and implementing the TIP.

¹ As defined by 40 CFR 93.101 - Regionally significant project means a transportation project (other than an exempt project) that is on a facility which serves regional transportation needs (such as access to and from the area outside of the region, major activity centers in the region, major planned developments such as new retail malls, sports complexes, etc., or transportation terminals as well as most terminals themselves) and would normally be included in the modeling of a metropolitan area's transportation network, including at a minimum all principal arterial highways and all fixed guideway transit facilities that offer an alternative to regional highway travel.

Procedure - for the purposes of this document, refers to the set processes that are followed by PAG to develop the TIP, update the TIP and manage the regional program.

OWP – Overall Work Program. The OWP describes the amount of local, state and federal funds programmed for PAG’s operations including how they are used for personnel and outside professional services.

HURF – Highway User Revenue Fund.

TPC – Transportation Planning Committee. TPC is the PAG committee responsible for development of the TIP document.

PAG HURF 12.6% Funds – Regional funds that come from the state Highway User Revenue Fund set aside for roadway projects

PAG HURF 2.6% Funds – Regional funds that come from the state Highway User Revenue Fund set aside for roadway projects on the state system. This fund source is cooperatively programmed with ADOT.

RTA—The Regional Transportation Authority is the government entity that manages the \$2.1 billion, 20-year RTA plan, which was approved by Pima County voters on May 16, 2006.

RMAP - Regional Mobility and Accessibility Plan is the region’s long-range transportation plan.

STBGP Funds – Federal Surface Transportation Block Grant Program funds. Sometimes abbreviated as STP.

STPX – known as HURF exchange, this is the practice of trading STP funding for HURF funding with ADOT at a 90 percent conversion. Currently the ADOT HURF Exchange program has been suspended.

RTAG: Regional Transportation Alternatives Grant. The portion of statewide-apportionments of Transportation Alternatives funds that are suballocated to the PAG region for programming through a competitive selection process.

PDAF – Project Development Activity Fund. A set-aside of PAG HURF 12.6% funds used to jumpstart projects by doing the necessary study or preliminary design that prepares projects for construction.

HELP Loan - Highway Expansion and Extension Loan Program

Severability: If any part of these Policies and Procedures does not apply, due to any reason, including but not limited to federal rules, Arizona Revised Statutes, RTA

policies, to a given set of circumstances, which does not void their application where possible.

Compatibility with Existing Legislation: The Arizona State Constitution and Arizona Revised Statutes are already in place for HURF funds; use and reimbursement requirements remain in place and are not impacted by these Policies and Procedures.

Existing federal rules for federal funds' use, match and obligation requirements remain in place and are not impacted by these Policies and Procedures. These Policies and Procedures will be administratively updated to reflect changes necessitated by changes in federal regulations.

Continuation: The TIP Policies and Procedures are to remain in effect unless modified by action of the PAG Regional Council. Additional guidelines and procedures may be modified, added or deleted by the PAG Executive Director acting upon Regional Councils policies in lieu of Regional Council action. Change in FHWA or FTA policy or regulation may also necessitate revision of these Policies and Procedures.

Policies:

TIP Development

PO1.0 – The TIP shall be fiscally constrained in each individual fund source in each of the first four years of the TIP. The region shall establish a fifth year of the TIP; however, it does not need to be fiscally constrained.

PO1.1 – Only projects that are consistent with the region's long-range transportation plan, the Regional Mobility and Accessibility Plan (RMAP), are eligible to be in the TIP.

PO2.0 – The TIP document shall contain an appendix that provides programming for years six through ten for planning purposes. This appendix will be called the "Development Program" and will allow the jurisdictions to plan and space out projects. Additionally, FHWA may not obligate federal funding for certain studies or design projects unless the PAG TIP shows funding for the construction of said project, or a portion/phase thereof.

PO2.1 – While fiscal constraint is not required for the development program, the utility of the planning exercise would be diminished if some level of constraint is not used. Years six through ten of the development program shall be constrained within ten (10) percent of the funding estimates for the fourth year of the TIP.

PO2.2 – The region is not required to advance projects in the Development Program into the 5th year of the TIP as part of the TIP development process however provided the sponsoring jurisdiction has been developing the project, advancing these projects should be strongly considered.

PO3.0 – No individual jurisdiction may request more funding in any given year from any individual funding source, including STPX funding, which exceeds the total amount available to the region.

PO3.1 – Privately funded projects must provide evidence of funding to be included in the TIP. The jurisdiction shall confirm in writing to PAG that the private funding is reasonably expected in the year of expenditure programmed in the TIP.

PO.2.2 - Jurisdictions shall confirm in writing that their local match and any other funds necessary to complete the project will be made available within the specified timeframe.

PO4.0 – Projects may not appear in the first two years of the TIP unless the phase shown within those years is fully funded.

PO4.1 – Construction (“C”) projects may not be shown in the first two years of the TIP document unless the project is fully funded. Construction funds should not be shown in year three of the TIP unless the jurisdiction has an “Advanced Construction” plan. The funding set-aside (FS) designation shall be used when a jurisdiction is compiling the necessary funding for a phase. The phase of the project shall be included in the FS designation, e.g. design set-aside funds will be labeled as DFS and construction set-aside as CFS.

PO4.2 – Advanced Construction (AC) funds must be sufficient to complete the construction project and are provided at the sponsor’s risk. Reimbursement of AC funds in later years of the TIP are to be viewed as tentative commitments and are subject to adjustments based on funding availability and other project priorities.

PO5.0 – Non-infrastructure programs should be regional in nature and be included in both the TIP and the OWP.

PO5.1 – Requests to be included in the OWP shall be made to PAG, in writing by November of the year prior to the funding request.

PO5.2 – Programmatic funding is not guaranteed; no long term commitments should be made by the jurisdiction beyond the first year of the TIP.

PO6.0 - Should HURF funds not be available for a reimbursement request, reimbursements will be done on a first-come, first-serve basis.

PO7.0 – For STP and 12.6% projects in excess of \$3 million, jurisdictions over 100,000 in population may request up to three new projects, and jurisdictions under 100,000 in population may request one new project annually for consideration.

PO8.0 – Jurisdictions can request additional funds for scope increases for projects already in the TIP if those funds are going toward project elements. Such additions should not be more than 10 percent of the budget beyond the original scope, or \$200,000, whichever is less. Increases, scope or budget beyond that amount requires a review and approval of the project MOU.

PO9.0 – All HELP loan applications require approval from PAG prior to submitting application.

PO9.1 – HELP loan cost savings shall be returned to the region, however, in certain instances HELP loan cost savings should remain with the jurisdiction they were issued to (e.g. STP HELP loan funds shall remain with the jurisdiction because if they are returned, apportionment does not increase and the ability to use these funds by the region would be gone). These funds are reprogrammed as local funds at the direction of the region.

PO9.2 – To maintain a “paper” trail for the regional funds, the reprogramming to another regional TIP project shall be done as an action of the Regional Council.

PO10.0 – Jurisdictions shall not enter into STPX exchanges or loan agreements if other regional resources are available to take their place.

PO11.0 – PAG HURF 2.6% Funds are available to the region to cooperatively program with ADOT for projects or studies on the State System. The policies below are unique to this fund source.

PO11.1– PAG 2.6% Funds shall be programmed using the existing TIP process. The steps shall include:

- Jurisdictions requesting 2.6% funding should submit that request during the normal TIP process using the TIP application by the established deadline.
- PAG will cooperatively review the requests with ADOT and jointly develop the ADOT Plan recommendation for review at the TPC TIP development meeting.

PO11.2 – PAG HURF 2.6% funding should not be programmed more than two years in advance.

PO11.3 – Priority for 2.6% funding shall be given to projects that:

1. RTA projects that are on a state facility.
2. Supplement funding for a jurisdictional project that is located on an ADOT route or highway.
3. Cover a local share contribution to an ADOT project.

4. Fund additional elements in a state project as requested by the region but that were not part of the original ADOT project. The additional elements must be HURF eligible, for example rubberized asphalt.
5. Augment the funding of a state project.
6. Fund a study of a state facility.

PO 11.4 – PAG HURF 2.6% funds shall be prioritized to keep the RTA related time periods on schedule.

Project Charters

PO12.0 – A Project Charter document is required for all RTA roadway element projects while in the project planning phase and must be on file before the project move to final design.

Project MOUs

PO13.0 - The purpose of the Transportation Improvement Program Memorandum of Understanding is to ensure that all stakeholders have the same understanding of the project that will be delivered. The jurisdictions will commit to delivering the project as scoped in the MOU.

PO13.1 - In the case of federal funding, the jurisdiction will affirm its understanding that federal funds must be authorized in the year for which they are programmed and will commit to deliver federally-funded projects in the years indicated in the MOU.

PO13.2 - A project will be required to have an MOU in place before funds can be programmed in years 1 or 2 of the TIP. A project sponsor may, at its option, enact an MOU for phases in years 3, 4, or 5.

PO13.3 - Projects that already have an RTA IGA in place are not required to also establish an MOU. The RTA IGA is sufficient in these cases.

PO13.4 - An MOU covering the phase in question will be required prior to any project programming regional funding sources for design, construction, right of way, or operations. Regional funding sources include: HURF 12.6%, HURF 2.6%, STP, RTAG, and HSIP funds.

PO13.5 - A single project can have separate MOUs for each project phase, or, at the discretion of PAG and the sponsoring jurisdiction, a single MOU can be amended each time a new project phase would otherwise require a new MOU.

PO13.6 - Programmatic or non-infrastructure projects will require an amended MOU for each fiscal year in which regional funding has been programmed.

PO14.0 -- An MOU amendment may be required when the scope of work or programmed amounts changes as described herein. An MOU amendment may also be used, at the discretion of PAG and the sponsoring jurisdiction, to add a new phase to an existing MOU. A formal TIP amendment may also be required and will be processed concurrently.

PO14.1 - Substantive changes to the scope that would require an MOU amendment include:

- Change in project end points resulting in a change to the project length of a quarter mile or more.
- Change in outcomes, deliverables, or affected jurisdictions or organizations.
- Addition or elimination of key project features.

PO14.2 - A significant change in funding amount is one that changes the total amount programmed of regional funding sources in the TIP by more than 10% of its original programmed amount, or \$200,000, whichever is less.

PO14.3 - An MOU amendment will also be required if a change requires all funding to be removed from the current fiscal year, or if the project will be removed from the program entirely.

PO14.4 - An MOU amendment is not required to shift funds between phases, as long as the total amount of programmed funding of that source does not change. Likewise, an MOU amendment is not required for end of year roll-overs.

PO14.5 - The MOU amendment will be reviewed by Regional Council prior to PAG approval. The sponsoring jurisdiction can advance the MOU amendment through its own approval process concurrently, if so desired.

TIP Amendments

PO15.0 – PAG has multiple methods by which the TIP may be amended, see the attached matrix for details.

PO16.0 - A jurisdiction can request an expedited approval of an amendment. Expedited approval involves scheduling the item at either TPC or Management, and placing the item on the agenda for Regional Council.

PO17.0 – Amendments, as required of all TIP projects, may not add projects that are not consistent with the adopted RMAP.

PO18.0 – Amendments shall not include project funding beyond the current fiscal year unless needed to maintain fiscal constraint and regional balance.

PO18.1 – Changes for future fiscal years should only be included as part of the annual TIP development process.

PO19.0 – Amendments may not add capacity-increasing projects unless applicable requirements of the CMP are met and an air quality conformity analysis is run for the region that includes the proposed project.

PO19.1 – Amendments that impact the conformity analysis (capacity projects that must be modeled) require the same public notice and opportunity for comment as the original TIP document.

PO19.2 – Due to the nature of the modeling process, an amendment that requests a new capacity-increasing project will not have the ability to be expedited. Jurisdictions are asked to plan ahead accordingly.

PO19.3 – For the purposes of these Policies and Procedures, a capacity increasing project is defined as one that adds an additional vehicular travel lane one mile or more per the CMP. Turn lanes, road widening (without adding additional travel lanes), bicycle, pedestrian and transit projects are not, for the purposes of this policy, considered capacity increasing.

PO20.0 – Amendments must maintain fiscal constraint by fund type and by year.

PO21.0 – Excess regional funds that are not required to complete the original or approved scope of the project will be returned to the regional fund balance for reprogramming to other projects.

PO21.1 – Reprogramming of returned funds shall go through the regular TIP process.

PO21.2 – Once a jurisdiction is aware of excess funding on a project they should contact PAG with the approximate time frame of the return and funding amount.

PO21.3 – PAG staff will notify all jurisdictions of the returned funds in an email that will serve as a “supplemental call for projects”. The email shall include:

- the type and amount of funding,
- the approximate time frame the funding will become available,
- any deadlines associated with the spending or obligation of the funding,
- deadline for applications requesting the funding,
- the day/time of the PAG meeting where the reprogramming of those funds will occur.

PO21.4 – Jurisdiction returning the funds shall be required to follow the same process as all the other jurisdictions requesting the returned funds.

Regional Priorities

PO22.0 – Regional planning and programming are dependent on responding to a variety of different factors (e.g. land use, populations, environment and economic) that

require an understanding of current priorities. The PAG programming process should be consistent with established Regional Council or RTA Board priorities.

PO22.1 – Current established priorities include:

- 1 - Payments for HELP Loans for work already completed.
- 2 – RTA Corridor projects already under construction to complete work included in the scope of work described in the voter approved RTA ballot
- 3- RTA Corridor projects within two (2) years of the “period” deadline by which construction was mandated to be started per the RTA ballot language, provided that the funds needed are for work described in the voter approved RTA ballot.
- 4- Non RTA projects that are already under construction in need of additional funds to complete the original scope of work.
- 5- Payments for Jurisdictionally bonded projects that are payments for work already completed.
- 6 – RTA corridor projects already in the adopted TIP.
- 7- Non RTA projects already in the adopted TIP.
- 8- Major RTA categorical projects, intersections for example, that are in need of additional funding.
- 9 –New regional projects.

Procedures:

TIP Development

PR1.0 – Annually, during the month of August, PAG staff shall work to develop the fund estimate for the upcoming TIP document. Development of these estimates shall be done in conjunction with FHWA and the State of Arizona. These estimates shall reconcile previous estimates vs. actual revenues, if available for previous years, as well as determine estimates for the “out” year of the upcoming TIP.

PR2.0 – Annually, PAG staff shall present the fund estimate outlined in PR1.0 to TPC for their concurrence. PAG staff shall adjust the estimates based on the recommendations of the TPC as appropriate for the development of the annual Call for Projects. The fund estimates should be in concurrence with ADOT’s estimates. TPC may utilize a limited duration task force or subcommittee to hold a special meeting to go over the funding estimates in detail.

PR2.1 – Annually, PAG shall reserve up to 10 percent of the estimated HURF 12.6% funds available for the current fiscal year as a contingency. Establishment of this contingency fund will allow the region to assist jurisdictions with projects in construction to cover any cost overruns or unforeseen circumstances. It should be stressed that the intent of the contingency fund is for jurisdictions to provide estimates for projects they are developing that are not overly conservative.

PR2.2 – The contingency is not intended to increase the scope of a project beyond what is outlined and agreed upon in the Memorandum of Understanding (MOU) for the project.

PR3.0 – Annually, on or about September 1, PAG staff shall make available the Call for Projects, which outlines the funds available over the next five years that cover the upcoming TIP period, by fund source.

PR3.1 - The fund sources included in the Call for Projects may include: STP, RTA Categorical funds, HURF 12.6%, HURF 2.6%, STPX (HURF Exchange), HURF PDAF, the region's available HELP Loan Balance, and any other regional funds determined to be specifically available to the region.

Specific fund sources that require a competitive selection process may be included in the Call for Projects. However, that competitive process will follow separate grant selection requirements (see PR 6.1).

PR3.2 – The Call for Projects will include the “Year of Expenditure” (YOE) factor to be used in the calculation of expenditures anticipated in future years of the TIP.

PR3.3 – The Call for Projects shall include the due date to receive funding requests from the project sponsors.

PR3.4 – PAG shall make available, as attachments or Web postings, all of the necessary forms associated with the Call for Projects.

PR3.5 – The Call for Projects will provide direction on current regional priorities as set by the PAG Regional Council/RTA Board.

PR4.0 – Annually, each project sponsor shall submit a status update of all current, programmed and requested projects, which shall include a report on progress towards RMAP performance targets. PAG shall distribute a spreadsheet to each jurisdiction with its TIP projects and programs listed by TIP ID number. Information requested shall include: project cost estimate, source and date of that estimate, project status and an estimated (month/year) of project start and completion. The request shall contain the date the completed status report is due back, to PAG.

PR4.1 – At this time status of MOUs will be noted.

PR4.2 – Each project sponsor will submit its funding requests with its own prioritized ranking by fund source based on its own priority system for new projects. Project applications may only be submitted to PAG by the jurisdiction's TPC representative. Applications submitted by other jurisdictional personnel will not be considered during the programming process.

PR4.3 – Because of the implementation of performance measures in federal legislation, it should be noted regional performance measure requirements may take precedence over jurisdictional priorities.

PR5.0—Prior to the TIP development, Staff shall review the status of RTA projects in the current and next period with the project sponsors and identify any opportunities to supplement RTA funding. Outcomes of that review should be reflected in the project sponsor’s funding requests.

PR5.1—Non-federalized RTA projects should remain non-federalized to maximize regional funding. For example, HURF funds should be considered to supplement non-federalized RTA projects.

PR5.2—Federalized RTA projects should maximize the utilization of STP, RTAG, and HSIP funding as opportunities arise, provided obligation deadlines can be accommodated. Consideration should be given to entering into Advance Construction Agreements, in order to efficiently use the region’s entire federal obligation authority.

PR5.3—Should STP funding be in jeopardy of not meeting obligation deadlines, the TPC shall investigate flexing those STP funds to transit projects, provided that a like amount of RTA funds that would otherwise be committed to RTA transit projects is returned to the RTA to be utilized where it is needed most to keep the RTA plan on schedule or for corridor or categorical projects.

PR6.0 – After project applications have been submitted in response to the Call for Projects, PAG staff will develop a matrix of project applications and their corresponding impacts on the congestion management process and performance measures.

PR6.1 – Federal grants that have been identified to be programmed “competitively” will have a few additional steps to ensure, to the extent practicable, that there is separation between agencies/individuals that are developing the selection criteria, applying for the grant, and making grant award recommendations.

PR6.1.1 – The competitive selection criteria shall be developed by PAG staff based on federal guidance, applicable performance measures and regional priorities as defined by the PAG Regional Council/RTA Board. Projects not consistent with these priorities will be returned to the sponsoring agency for revision and will not be considered in the programming process.

PR6.1.2 – A competitive selection panel may be formed by PAG staff from the existing membership of appropriate PAG committees or subcommittees.

PR6.1.2.1 – Members of the competitive selection panel must not have a conflict of interest, defined for these purposes as:

- Employed by a jurisdiction that is sponsoring an application
- Employed by public/private entity that has worked on the project application.
- Employed by, or has an interest in, a public/private entity that is a sub-contractor or sub-recipient of the requested grant funds.
- Directly or indirectly benefit as a recipient or subrecipient of the project/program.

PR6.1.3 – The final recommendation(s) of the selection panel will be forwarded to the TPC for inclusion in the draft project list. While TPC can alter the recommendation of the panel, it should do so only after giving great weight to the findings of the panel.

PR6.1.4 – While great weight is given to the recommendation(s) of the panel, it is ultimately the PAG Regional Council that makes funding/programming decisions for the region.

PR6.2 – At the discretion of the PAG Executive Director additional fund sources or types of projects may also follow a compatible competitive process to gather additional input from subject matter experts.

PR6.3 – Technical related projects may be assigned by PAG staff to the appropriate subcommittee to work through the recommendation process.

PR7.0 – The Transportation Planning Committee is the committee tasked with development of a draft project list. TPC may need to hold three special meetings during the TIP development if they do not address these issues during the normally scheduled TPC meeting: a meeting to review/develop fund estimates (PR2.0), another meeting to provide technical review of the matrix, and a meeting to develop the draft project list. TPC may utilize a limited duration task force or subcommittee to conduct these special meetings.

PR7.1 – TPC will review the Performance Measure matrix prior to the TIP Development Meeting. Based on the technical knowledge and expertise of those reviewing the matrix, the performance measure scores may be adjusted, if necessary.

PR8.0 – TIP Development Meeting. The TPC shall meet annually to develop the draft TIP. The time, day, and duration of the meeting(s) is at their discretion.

PR8.1 – TPC shall review the project matrix populated with each project application and its impact on regional performance measures.

PR8.2 – New projects submitted for consideration in the new TIP shall include a TIP Criteria form. These forms are used to objectively compare competing projects for the limited available funding.

PR8.2.1 – The Congestion Management Process (CMP), which is required by federal regulation, shall be incorporated into the project selection process. Consideration of congestion mitigation strategies shall be included as part of the TIP application process for capacity-increasing projects. However, congestion mitigation strategies also will be considered for inclusion as part of non-capacity increasing TIP projects when appropriate.

PR8.3 – After reviewing the funding available, by fiscal year and fund source, TPC shall review the funding requests made by fiscal year.

PR8.4 – Fiscal constraint must be achieved in the first four years of the TIP by fund source.

PR8.4.1 – Projects that are not programmed in the first five years of the TIP will be placed in years 6 -10 of the development program.

PR8.4.2 – Additional adjustments may need to be made to the development program to maintain the appropriate fiscal constraint.

PR8.4.3 – Projects and programs included in the development program do not automatically move forward each year; status of the project development and jurisdictional priorities will dictate its location in the development program.

PR9.0 – January 1 is the deadline for finalizing the proposed project list.

PR9.1 – The proposed project list will be reviewed by Management Committee and Regional council at their January meetings.

PR10.0 – Once a proposed project list has been drafted, it will be modeled for air quality conformity and Title VI compliance.

PR11.0 - Development of draft TIP materials shall be scheduled so that TIP public open house(s) to review the proposed project list and the results of the TIP modeling process can occur in March.

PR12.0 – After development of the draft TIP, PAG is required to hold at least one open house to solicit public comment. After review of the public comments, TPC shall finalize the draft TIP which shall be noticed for a 30-day public comment period while it concurrently moves through the PAG committee process. Both the Public Comment period and the PAG committee process shall culminate in a PAG Regional Council

meeting where the TIP is properly noticed for adoption. The Regional Council meeting should take place in May or June, prior to the end of the fiscal year, June 30.

PR13.0 – Funding resources that are designed to accelerate projects, such as HELP loans, shall not be programmed in the TIP, just the re-payment of these resources, to avoid “double counting” of regional funds.

Memorandums of Understanding

PR 14.0 – In April of each year, PAG will identify projects that will require an MOU prior to adoption of the following year’s TIP. In general, projects identified will be those that will be in year 2 of the next TIP and are beginning a new project phase, or have not yet been programmed with regional funds.

PR 14.1 - At the discretion of PAG, a project that is beginning a new project phase can amend its existing MOU, instead of drafting a separate MOU.

PR 15.0 - As part of the annual TIP roll over meetings, the sponsors of the identified projects will submit a detailed scope of work, as outlined in the MOU template. At this time, programmed amounts will be estimates based on current revenue estimates. These amounts may be adjusted later at the TIP Development Meeting.

PR 16.0 – Using the submitted scopes of work, PAG will draft MOUs for all identified projects. Draft MOUs will be sent to the project sponsors at the same time as the Call for Projects.

PR 17.0 - The sponsors of the identified projects will submit comments on the draft MOUs, along with their new project applications. The due date for these comments will be the same due date as the new project applications.

PR17.1 – If a jurisdiction submits a project application for a project to be inserted directly into years 1 or 2 of the TIP, the project application will include a Scope of Work. PAG staff will use the SOW to draft an MOU for the project, but will not submit the MOU to the jurisdiction for review and approval until and unless the project is selected for inclusion in the TIP at the TIP Development Meeting.

PR 18.0 - The TIP Development Meeting will refine revenue projections and adjust programmed project amounts as needed, including those projects in years 1 or 2 of the draft TIP and/or those otherwise requiring an MOU. These adjustments will be made to the draft MOUs.

PR18.1 – The TIP Development Meeting may result in projects being added directly to years 1 or 2 of the TIP. Jurisdictions will have already submitted scopes of work for these projects, and once they are selected for inclusion in the TIP, PAG staff will submit the previously-prepared draft MOU for jurisdictional review and approval.

PR 19.0 - Based on comments and corrections from the Jurisdictions, PAG will prepare a final MOU for the jurisdictions' final approval. The signed MOUs must be in place by the day of the February TPC meeting. If there are outstanding MOUs at that time, the TPC may, at its discretion, remove a project from the draft TIP. If funds are removed from a project, those funds will be re-programmed as part of the February TPC meeting. At the discretion of the committee, the reprogramming of HURF 12.6% and HURF 2.6% may be delayed until the TIP Development Meeting the following year. However, any deprogrammed federal funds (STP, RTAG, HSIP) must be reprogrammed at this time.

PR19.1 – If projects of regional significance are removed from the proposed project list, PAG staff will re-model the new proposed project list as soon as possible.

PR 20.0 - The PAG regional council will approve the MOUs prior to the start of the TIP Public Comment Period. If there are outstanding MOUs at that time, the Regional Council may, at its discretion, remove the project(s) that do not have MOUs in place.

TIP Amendments

PR21.0 – When a TIP amendment is requested by a jurisdiction, PAG staff will first determine if the request follows PAG policies that govern TIP amendments. If so, the request will be presented at the next TPC meeting for a vote. If the nature of a TIP amendment request is such that time is of the essence, a jurisdiction can request an expedited approval.

PR21.1 – If the nature of the request falls within the parameters of an “administrative” amendment, the PAG Executive Director may, at his/her discretion, administratively approve the amendment.

PR21.2 – If the request cannot be done administratively, a proposed amendment can be scheduled on the agenda for the next TPC or Management committee meeting. If no meetings are scheduled and there is an urgent need, a special TPC meeting could be called prior to Regional Council to discuss the amendment, provided that the TPC special meeting is properly noticed and a quorum is present.

PR 22.0 -- Ensuring that the policies are complied with is the responsibility of PAG staff and all committee members. However, individual jurisdiction requests may at times require an exception be made to one or more policies. Having a robust and well-managed set of policies on how to deal with requested exceptions allows the committee(s) to be proactive, rather than reactive, when it comes to compliance management.

PR 22.1 -- Following any proposed new TIP funding request(s) or amendment(s) to an already approved TIP, PAG staff shall conduct a compliance review in advance of any TPC meeting scheduled to consider the request(s) and to present compliance management considerations for the committee's discussion.

PR 22.2 – Upon completion of compliance management review, any individual funding request that requires an exception to established policy, procedures or manner for inclusion in the TIP shall require a waiver request by the jurisdiction’s Management Committee representative. PAG staff will seek Management Committee’s review and recommendation prior to the request being considered by other committees or the Regional Council. The Transportation Planning Committee (TPC) is a technical advisory committee of the RTA Technical Management Committee (TMC) and PAG Management Committee. The RTA Technical Management Committee or the PAG Management Committee may wish to seek input from TPC prior to making a recommendation.

Special TPC Meetings

PR23.0 – Deadlines associated with different fund sources necessitate special TPC meetings to be held from time to time. Special meetings can be called by PAG staff or the TPC committee Chair.

PR23.1 – If the nature of the special meeting is to develop a draft work product, neither notice nor quorum is required. No action may be taken at these working meetings.

PR23.2 – If action is anticipated to be taken by the committee, the meeting shall be properly noticed with the posting of an agenda within the time period specified by the Open Meeting Law.

Payments and Obligations

PR24.0 – Regional HURF funds are provided on a reimbursement basis. Thus, if funds appear in the current year of the TIP, a jurisdiction may proceed with the project and submit billings for reimbursement. Federal funds also are provided on a reimbursement basis and projects must first comply with all federal requirements prior to funding.

PR24.1 – HURF 12.6% funds are reimbursed by submitting a completed “drawdown” request to PAG, including documentation of work performed. After PAG review/concurrence, the request can either be sent back to the jurisdiction for further explanation/documentation, adjusted by PAG to reflect eligible cost items only or forwarded to ADOT for payment.

PR24.2 – Federal STP reimbursements work differently. A jurisdiction must obligate federal funds before the work starts for design, right-of-way and construction activities. “Obligate” means PAG and FHWA authorizes the federal funds and moves them from a general PAG account into a project specific account. The jurisdictions then receive reimbursement from that project specific account. Construction obligation cannot occur until the project plans are completed and the PS&E submittal has been approved. This requires all necessary clearances for Right-of-Way, Environmental, Utilities, Railroad, etc.

PR24.2.1 – Due to the cost and scope of some large infrastructure projects, there will be occasions when a project sponsor needs to obligate more federal funding for a project than is available in the current fiscal year. A jurisdiction may obligate the available funds in the current fiscal year and then obligate the remaining amount(s) in subsequent fiscal year(s). Before the project begins, the sponsoring jurisdiction shall enter into an agreement with ADOT or FHWA, known as an "advanced construction agreement", which outlines the estimated total cost of the project and the schedule for subsequent obligations. Within the agreement, the sponsor acknowledges that they are starting the project at "their own risk" as future federal fund availability cannot be guaranteed.

PR24.3 – For HURF projects, drawdown requests will not be processed if the request does not agree with the scope or budget provided in the MOU.

PR24.4 – For STP projects, obligations and/or additional obligations will not be supported if the obligation request does not agree with the scope or budget provided in the MOU.

PR24.5— For federally funded projects, project closeout follows federal procedure. For RTA and regionally funded HURF projects, jurisdictions should inform RTA and PAG staff when a project is substantially completed and develop a schedule for when the final invoice from the contractor will be processed and the project closed. Additional billings associated with utility bills, staff time, and warranty inspections are considered to be the responsibility of the sponsor and are ineligible for reimbursement. See RTA Policies, Objectives and Procedures (POPs) for specific RTA policies related to the project closeout process.

PR25.0 – Federal funds typically become available on an annual basis. The region needs to work cooperatively to make sure that obligations for the coming year are identified early so that no Federal funds are lost because they were not obligated in a timely fashion.

PR26.0 - If a project using Federal funds in the current fiscal year is not ready to obligate, the sponsoring jurisdiction shall notify PAG immediately so that other plans to obligate those funds can be made.

PR26.1 – If a jurisdiction fails to notify PAG in a timely fashion, and no later than July 1 of that federal fiscal year, and if the federal obligation authority is lost, the jurisdiction in question may be required to "make the region whole" by providing an amount equal to those lost funds for that project with jurisdictional funds.

PR26.2 – Excess obligation of federal funds also may require "making the region whole." Jurisdictions should only obligate the amount of federal funds that will be needed for the project, as excess funds must be de-obligated later. De-obligated funds must be re-obligated within the same federal fiscal year in which they were

de-obligated or they will be lost. In addition, they will count against the current year's Obligation Authority (OA), meaning the original year of obligation's OA is lost.

PR27.0 – Projects showing no progress or activity for five (5) years may be removed from the TIP and the funds reprogrammed. Federal funds in the first two years of the TIP must demonstrate progress towards obligation (completed clearances, approved construction drawings, etc.) in order to avoid losing the funding to the region (see PR26).

PR27.1 – For obligated funds, federal rules will dictate if previously expended funds would need to be repaid to the region if a project is removed from the TIP or canceled.

PR27.2 – For regional HURF funds, the expectation is that a jurisdiction may be required to repay any already expended funds if a project is removed from the TIP or not completed per the MOU.

PR28.0 – A jurisdiction may appeal to the Management Committee to have regional HURF repayments waived. The Management Committee may recommend cancelling the regional HURF project because of extenuating circumstances beyond the control of the jurisdiction. Repayment of federal STP funds previously received for a canceled project cannot be waived.

PR29.0 – When a jurisdiction no longer needs funding for a project, they need to notify PAG that the funds are available for reprogramming.

PR29.1 - The TIP is a financial document and even if a project has not yet received its certificate of completion, but the billing activities have significantly ceased, the expectation is that the jurisdiction will notify PAG and return any unused funding. It is acceptable for a jurisdiction to maintain an appropriate amount of funding for landscape establishment remembering that this amount needs to continue in the TIP as it is the mechanism for which the funds can be drawn.

PR29.1.2 – Within 30 days of bid acceptance, the jurisdiction shall notify PAG and return bid savings funds to the region. Jurisdictions are encouraged to maintain within the project contract an appropriate contingency fund not to exceed 10%.

PR29.2 - Once regional STP funds get obligated to a project, the region has no way of tracking closeout or landscape establishment. When unused STP funds are returned to the region after project closeout, the OA must be used in the year it was returned, or it is lost to the region.

Amendment Type	May be Initiated by:	Recommendation for Approval Needed from:	Final Approval Required by:	Air Quality Conformity	Fiscal Constraint	Other/Notes Examples
Administrative Amendment	PAG Staff, Implementing Agency, or Previous approval by ADOT or RTA.	PAG Staff or Implementing Agency	PAG Executive Director	Projects Must be Exempt or the Amendment of a nature that does not require analysis	Must have no adverse impact	<p>Scrivener's errors</p> <p>Revisions to Project Name</p> <p>Change in type of federal funding source</p> <p>Transfer of funds of \$100,000 or less between projects already in the TIP, as long as total project cost does not increase on any project.</p> <p>Changes in the distribution of funding between phases</p> <p>Minor Change to project description or scope, as determined by the Executive Director,</p> <p>Correction of other minor oversights that do not impact air quality, fiscal constraint, or project scope</p> <p>Incorporation of RTA funding levels as outlined in IGAs</p> <p>Incorporation of projects or funding from grants and other funds previously approved by a public funding agency</p> <p>Increase of local funding contributions to federalized projects</p> <p>Incorporation of projects from an established reserve or conditional list, upon completion and approval of an MOU.</p>
Technical Amendment	Implementing Agency	TPC and Management Committee	PAG Executive Director, subsequently reported at the next available Regional Council	Projects Must be Exempt or the Amendment of a nature that does not require analysis	Must have no adverse impact	<p>Change of funding source</p> <p>Transfer of funds, of over \$100,000 but less than \$200,000 between projects already in the TIP</p> <p>Increases or decreases in existing project funding of \$200,000 or less</p> <p>Change of project sponsor</p> <p>Change in funding schedule over one year</p> <p>Deletion of non-regionally significant projects</p> <p>Other adjustments which would not trigger a formal amendment</p>
Formal Amendment	Implementing Agency	TPC, and Management Committee	Regional Council	Project impact may require new conformity analysis	Fiscal impact must be addressed	<p>Additions or deletions of projects which require an air quality analysis</p> <p>Reasonably substantive change in project description, limits, scope, or phase start dates</p> <p>Adding new projects for which funding has been identified</p> <p>Increases or decreases in existing project funding in excess of \$200,000.</p> <p>Transfers of funding amounts in excess of \$200,000, between projects already in the TIP.</p>