Regional Planning Handbook

2015

A Reference Manual for Administering Overall Work Programs, Regional Transportation Plans, and Regional Transportation Planning Funds

Office of Regional Planning
Division of Transportation Planning
California Department of Transportation

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1 INTRODUCTION

Within the California Department of Transportation (Department or Caltrans), regional transportation planning is primarily conducted by transportation planners in the Districts and in the Office of Regional Planning (ORP), located within the Division of Transportation Planning (DOTP) at Headquarters, Sacramento.

The focus is the Department's interaction with the Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) in regard to Overall Work Programs (OWPs) and Regional Transportation Plans (RTPs), with emphasis on monitoring activities funded with ORP-administered transportation planning funds: state Rural Planning Assistance (RPA) and federal Consolidated Planning Grant (CPG).

This Handbook describes the respective regional planning roles and responsibilities of the District Transportation Planners, ORP Transportation Planners, MPOs and RTPAs.

The Handbook will be updated as procedures change. The most recent version is posted on ORP's website along with all forms, samples, and supplementary information pertaining to regional planning.

http://dot.ca.gov/hq/tpp/offices/orip/orip.htm.

This Handbook replaces the 2013 version of the *Regional Planning Handbook*, all earlier versions thereof, and any interim or proposed partial revisions.

1.01 Regional Transportation Planning, State Planning Priorities and "3C" Planning: Continuing, Cooperative and Comprehensive

Regional Transportation Planning is long-range (20+ years), area-wide, developed through formal consultation with Native American Tribal Governments, and the involvement of federal, state, regional, and local agencies, public entities, private and community based organizations, and individuals working together to identify future regional transportation needs and to plan how these needs can and will be met.

The purpose of regional transportation planning is to prepare and provide for the region's mobility in a fiscally and environmentally responsible manner, consistent with the needs, preferences, and sensibilities of the community. This coincides with the "State Planning Priorities", first adopted in AB 857 (2002), and later amended into California Government Code 65041.1.

Per 65041.1:

> The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:

(1) Uses land efficiently.

(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).

(3) Is located in an area appropriately planned for growth.

(4) Is served by adequate transportation and other essential utilities and services.

(5) Minimizes ongoing costs to taxpayers

Regional transportation planning is also based on the "3Cs" in federal transportation law: continuing, cooperative and comprehensive. All modes of transportation, including pedestrian walkways and bicycle transportation facilities, among others, shall be considered [23 United States Code (USC), Section 134 and Title 49, USC, Section 3004]. Regional transportation planning involves a wide range of parties in the development of a shared mobility vision, including improving the transition among modes in the multi-modal transportation system and incorporation of new transportation technologies.

Transportation concepts and improvements are considered during the planning and programming phases. Project development is post-planning. Examples of project development include: purchasing buses, providing traveler information service, a rideshare program, and construction of a bikeway/pedestrian path. Environmental, right-of-way, design, award, and construction are also considered post-planning phases. While these phases should be iterative and coordinated, Consolidated Planning Grant (CPG) and Rural Planning Assistance (RPA) funds may only fund planning activities.

1.02 Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs)

Among the key regional transportation planning entities in California are eighteen MPOs and twenty-six RTPAs. Every county in California is served by an RTPA and every county with at least one urbanized area is also served by an MPO.

Federal law [Title 23 United States Code section 134] defines a MPO as a forum for cooperative transportation decision-making. A MPO has an urbanized area over 50,000 in population, but a single MPO may serve more than one urbanized area. In California, MPOs are generally known as councils of government or associations of government.

RTPAs are created pursuant to California law (Government Code Section 29532 et seq.) and although State law does not define a RTPA, Government Code Section 65080 identifies some RTPA responsibilities: to adopt a regional transportation plan and to prepare and adopt a regional transportation improvement program. In California, most RTPAs are known as local transportation commissions, county transportation commissions, councils of government, and associations of government

MPOs and RTPAs perform generally the same transportation planning work. For example, both prepare an annual Overall Work Program (OWP), develop Regional Transportation Plans (RTPs), and program projects into Transportation Improvement Programs (TIPs).

In California, some MPOs serve a single county and some serve several counties. With the exception of the Sacramento Area Council of Governments (SACOG) and the Association of Monterey Bay Area Governments (AMBAG), the boundaries of MPOs and RTPAs are the same. Two MPOs, AMBAG and the Tahoe Metropolitan Planning Organization (TMPO) are not RTPAs. The Tahoe Regional Planning Agency (TRPA) is the RTPA for TMPO. The RTPAs within AMBAG's boundaries are Santa Cruz County Regional Transportation Commission, Transportation Agency for Monterey County and San Benito Council of Governments.

All non-MPO rural RTPAs serve only one county. El Dorado County Transportation Commission and Placer County Transportation Planning Agency are the RTPAs for their respective counties to the crest of the Sierra Mountains. The area east of the crest in these two counties is part of the Tahoe Regional Planning Agency (TRPA), which has the same boundaries as TMPO. The TRPA/TMPO boundaries also include portions of Nevada.

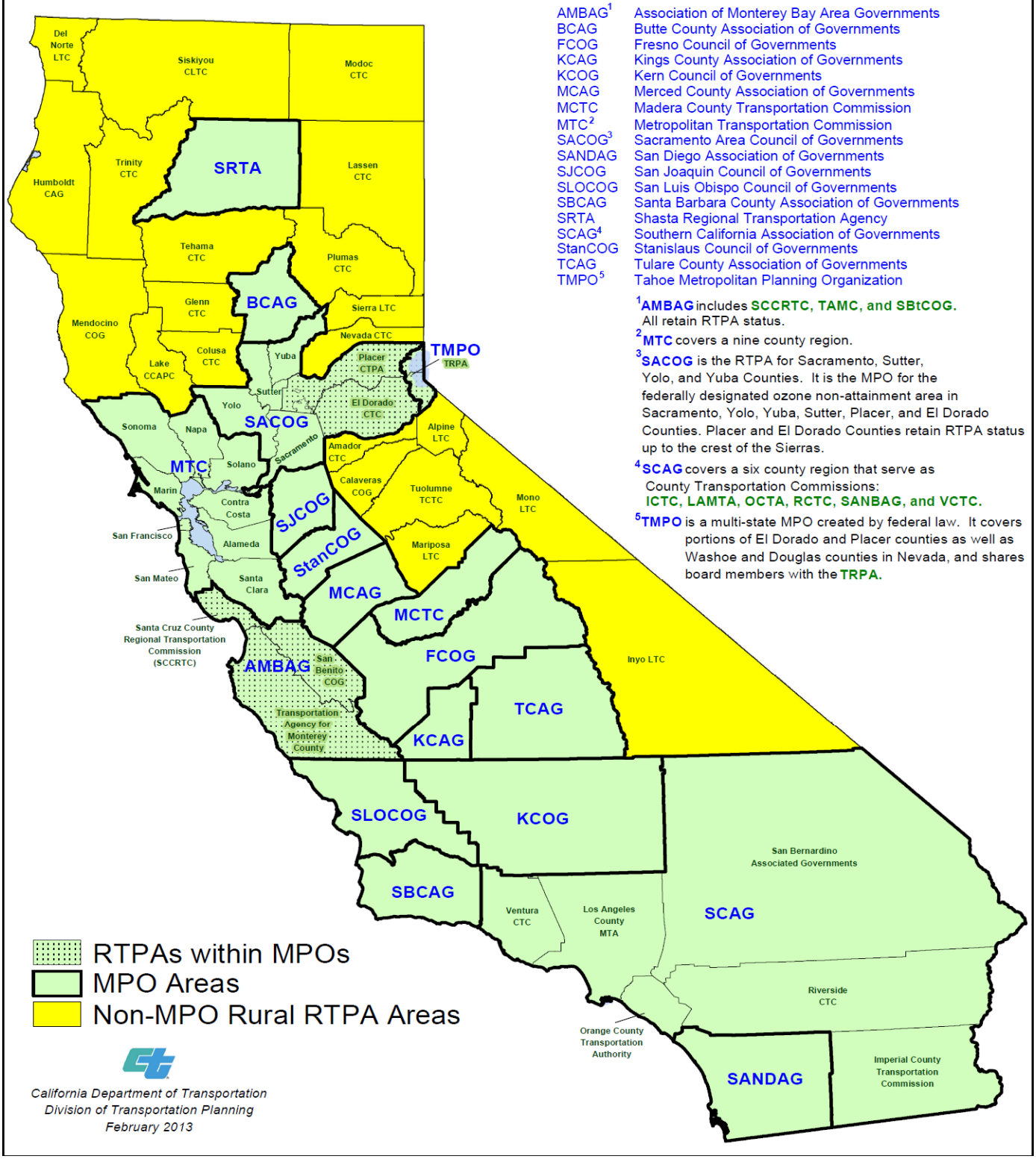
The map on page 5 shows MPO and RTPA boundaries within California.

As needed, MPOs and RTPAs may enter into agreements or memoranda of understanding (MOUs) to accomplish their work; for example, with adjacent MPOs/RTPAs regarding cross-jurisdictional issues, to prepare inter-urban/inter-area corridor studies, to perform air quality conformity analyses if the air basin has different boundaries from those of the MPO/RTPA, to assess feasibility of inter-urban/inter-area commuter rail service, etc.

All agreements entered into by agencies must also comply with the provisions of the Master Fund Transfer Agreement (MFTA) between Caltrans and the individual agencies.

CALIFORNIA

Metropolitan Planning Organizations(MPOs) and Regional Transportation Planning Agencies (RTPAs)



AMBAG[1]	Association of Monterey Bay Area Governments
BCAG	Butte County Association of Governments
FCOG	Fresno Council of Governments
KCAG	Kings County Association of Governments
KCOG	Kern Council of Governments
MCAG	Merced County Association of Governments
MCTC	Madera County Transportation Commission
MTC[2]	Metropolitan Transportation Commission
SACOG[3]	Sacramento Area Council of Governments
SANDAG	San Diego Association of Governments
SJCOG	San Joaquin Council of Governments
SLOCOG	San Luis Obispo Council of Governments
SBCAG	Santa Barbara County Association of Governments
SRTA	Shasta Regional Transportation Agency
SCAG[4]	Southern California Association of Governments
StanCOG	Stanislaus Council of Governments
TCAG	Tulare County Association of Governments
TMPO[5]	Tahoe Metropolitan Planning Organization

[1] **AMBAG** includes **SCCRTC, TAMC, and SBtCOG.** All retain RTPA status.

[2] **MTC** covers a nine county region.

[3] **SACOG** is the RTPA for Sacramento, Sutter, Yolo, and Yuba Counties. It is the MPO for the federally designated ozone non-attainment area in Sacramento, Yolo, Yuba, Sutter, Placer, and El Dorado Counties. Placer and El Dorado Counties retain RTPA status up to the crest of the Sierras.

[4] **SCAG** covers a six county region that serve as County Transportation Commissions: **ICTC, LAMTA, OCTA, RCTC, SANBAG, and VCTC.**

[5] **TMPO** is a multi-state MPO created by federal law. It covers portions of El Dorado and Placer counties as well as Washoe and Douglas counties in Nevada, and shares board members with the **TRPA.**

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1.03 The Core Regional Transportation Planning Document and Products

The core regional transportation planning document is the Overall Work Program (OWP) and its core product is the Regional Transportation Plan (RTP).

The OWP and RTP are directly and inextricably interconnected. OWP activities support the RTP and development of the RTP is an OWP activity. The RTP is implemented through the Regional Transportation Improvement Program (RTIP) and the Federal Transportation Improvement Program (FTIP). Development of the RTIP and FTIP are also OWP activities.

The OWP is a California variant of what federal regulations [23 Code of Federal Regulation (CFR) 450.314] refer to as a Unified Planning Work Program (UPWP). Federal regulations do not define it, but list what it must contain, depending on the size of the MPO and various other factors. The least complex OWPs include a description of what work is to be accomplished, when, by whom, and using which specific funding.

The OWP is a one-year scope of work and budget for transportation planning activities and funding sources to be accomplished between July 1 and June 30 of the state fiscal year. It is a statement of proposed work and estimated costs that tie specific available transportation planning funding sources to specific transportation planning activities. The OWP is essentially a grant application for CPG and RPA funds, therefore MPOs and RTPAs are only required to include activities in the OWP funded with these funds. However, many MPOs and RTPAs use the OWP as their annual business plan and budget and choose to include all of their activities and fund sources in the OWP.

Federal law uses the term Metropolitan Transportation Plan (MTP) and defines the term as the official intermodal transportation plan that is developed and adopted through the metropolitan transportation planning process for the metropolitan planning area. California law uses the term RTP. Statutes relative to legislative intent (Gov. Code Section 65070), preparation and contents (Gov. Code Section 65080), and public hearing (Gov. Code Section 65090) effectively provide a definition.

As with most plans, the RTP has a long-term horizon (not less than 20 years within the entire life of the RTP) and identifies existing and future transportation needs in the region. Although it includes rough cost estimates for the transportation proposals and is fiscally constrained (i.e., the total anticipated cost of the proposals is limited to the total reasonably anticipated revenues for the term of the plan), specific fund sources are usually not identified for the individual transportation proposals.

The RTP is defined as a project under the California Environmental Quality Act, and in air quality non-attainment areas it must conform to the State Implementation Plan (SIP).

1.04 Transportation Planning Funding Administered by ORP

ORP administers three transportation planning fund groups:

- Rural Planning Assistance (RPA)
- Consolidated Planning Grant (CPG)

RPA is state transportation planning funding included in a State Budget line item, allocated by the Department per population formula to rural RTPAs per PUC 99311.1 (none of the rural RTPAs are MPOs). It is provided on a reimbursement basis, after costs are incurred and paid for using local funds. In FY 2014/15, the annual RPA allocation was approximately $6.5 million.

CPG is federal funding which statewide totals approximately $55-60 million annually. The amount can increase or decrease contingent upon California's federal apportionment.

Reference may be made to other funding sources, but the fund encumbrance, monitoring, administration and reimbursement procedures described in this Handbook only apply to RPA and CPG. Please contact the appropriate Caltrans office for information and guidance on other funding sources.

1.05 Regional Planning Responsibilities

Every District has regional planning liaisons for each of the MPOs and/or RTPAs. The District has primary review, monitoring, and approval responsibility for OWPs, but works with ORP when there are issues or concerns.

The District informs ORP about District and MPO/RTPA staffing changes, MPO/RTPA successes, problems, and issues (e.g. important accomplishments, high profile work elements, politically sensitive or significant issues). ORP informs the Districts about legislation and regulations, funding, audit issues, new policies and procedures, statewide transportation planning issues of interest to the region(s), and regional lobbying efforts to the Department Director, the Secretary of the California State Transportation Agency (CalSTA), and/or the Governor's Office.

Below is a list of the ORP Regional Planning Responsibilities:

- Develop and update the *Regional Planning Handbook*.
- Distribute the Planning Emphasis Areas and fund estimates.
- Coordinate the Annual MPO OWP Development and Coordination meetings with FHWA and FTA for the MPOs.
- Review all draft OWPs to ensure that the MPOs/RTPAs meet the needs of federal and state regulations and/or policies, ensure all tasks are eligible and meet federal regulations, coordinate with other HQ Planning Offices and Modal Programs as needed, and send HQ comment letter to District Liaison.
- Schedule and attend Annual MPO OWP Development and Coordination Meetings when possible.

- Allocate RPA and CPG for each MPO/RTPA.
- Encumber CPG and RPA through Accounting and code Requests for Reimbursement.
- Perform risk-based analysis on MPO/RTPA Requests for Reimbursement (RFRs).
- Collect and process Final OWP Packages (Final OWP, board resolution or meeting minutes, 3 original OWPAs, and Certifications and Assurances).
- Process OWP Amendments as needed.
- Collect OWP Close-out Package (Quarterly Progress Reports, final products, etc)
- Collect and Process OWP Fiscal Year-end Package (Final invoice, Certification of Allocation and Expenditure by Fund Source, and Final Statement of Expenditures).
- Develop reconciliation letter for each MPO/RTPA.
- Maintain OWP files.
- Advise Districts of statewide transportation policy issues, proposed legislation and new legal and regulatory requirements.
- Coordinate with Caltrans Audits & Investigations on ICAP, pre-award, and cost incurred audits.
- Oversee state and regional audit related planning corrective actions.
- Provide Regional Planning training when needed.
- Answer any questions about policy and statute.
- Update MFTA and MOUs as needed.
- Develop *RTP Guidelines*.
- Answer any questions pertaining to RTP policy and statute.
- Review all draft RTPs to ensure that they meet the needs of Federal and State regulations and/or policies.
- Monitor RTP updates.
- Maintain RTP files and logs.
- Prepare FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grant applications.
- Coordinate with District on monitoring of FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grants.

Below is a list of the Districts Regional Planning Responsibilities:

- Forward *Regional Planning Handbook* updates to the MPO/RTPA.
- Review all draft OWPs to ensure the goals of the region and State are accomplished, to ensure Caltrans and related stakeholders are consulted when appropriate, and to ensure the identified activities benefit the regional transportation system.
- Send draft OWP with a comment transmittal memo to HQ ORP District Liaison. Coordinate with other District Planning Offices and Modal Programs as needed.
- Collect all draft OWP comments to include in a comprehensive letter to the MPO/RTPA.
- Ensure all comments are addressed in the Final OWP.
- Attend Annual MPO OWP Development and Coordination Meetings and represent the Department on related issues.
- For MPO OWPs, provide recommended OWP approval letter to FHWA/FTA by June 1st.

- For RTPA OWPs, develop approval letter to ORP and RTPA.
- Send completed Final OWP package to ORP District Liaison (Final OWP, board resolution or meeting minutes, original OWPA and Certifications and Assurances).
- Sends copies of signed OWPAs to MPOs/RTPAs
- Review and approve all Quarterly Reports
- Review and approve OWP Amendments. Coordinate with FHWA and FTA when needed and send original copies to ORP District Liaison.
- Approve and send all additional OWP documents, i.e. Quarterly Reports, final products to ORP District Liaison at the end of the fiscal year.
- Send quarterly reports to FHWA/FTA when documents are submitted by MPO/RTPA.
- Review and approve all RFRs to ensure expenditures are accurate, requested on a reimbursement basis, for eligible activities, for delivered products, and completed in accordance with work elements in the OWP and Federal and State Requirements.
- Review and approve year-end package and send original copies to ORP District Liaison.
- Manage and monitor FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grants.
- Participate on Technical Advisory Committees, serve as an ex-officio member on the MPO/RTPA board, and attend any special committees that relate to tasks identified in the OWP.
- Notify ORP District Liaison if any problems arise.
- Represent the Department in the RTP process.
- Review and circulate draft RTP and environmental documents.
- Collect and prepare draft RTP comments.
- Distribute Final RTP package.
- Notify ORP District Liaison of any RTP amendments.
- Review, approve, and submit FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grant Close-out Packages to ORP District Liaison.

Below is a list of the MPOs/RTPAs Regional Planning Responsibilities:

- Develop draft OWPs.
- Send draft OWP to Districts.
- For MPOs, send draft OWP to FHWA and FTA.
- For MPOs, attend Annual OWP Development and Coordination Meetings.
- For MPOs, incorporate Caltrans, FHWA, and FTA comments in the Final OWP.
- For RTPAs, incorporate Caltrans comments in the Final OWP.
- Provide Final OWP Package to District (Final OWP, board resolution or meeting minutes, original OWPA and Certifications and Assurances).
- Develop and submit Quarterly Reports.
- Develop and submit OWP Amendments as needed.
- Develop and submit RFRs to ensure expenditures are accurate, requested on a reimbursement basis, for eligible activities, for delivered products, and completed in accordance with work elements in the OWP and Federal and State Requirements.
- Develop and submit year-end package.

- Apply and manage FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grants.
- Coordinate Technical Advisory Committees and any special committees that relate to tasks identified in the OWP.
- Notify Caltrans if any problems arise.
- Develop and circulate draft RTP and environmental documents.
- Incorporate draft RTP comments.
- Distribute Final RTP package.
- Distribute RTP amendments.

1.06 Authority

Regulations and Statutes authorizing regional transportation planning are found primarily in Titles 23 and Title 49 of United States Code (USC), and in Sections 65080 et seq., and 29532 et seq., of the California Government Code. Governing regulations are found in the Code of Federal Regulations (CFR) and the California Code of Regulations.

Federal accounting and auditing requirements are as per Titles 48 and 49 USC and CFR, and Office of Management and Budget (OMB) and Federal Transit Administration Circulars and guidance. State accounting and auditing requirements are as per the Government Code, the Public Utilities Code, the Public Contracts Code, and the Health and Safety Code.

Some other key authorities include Government Code Section 6500 et seq., Streets and Highways Code, Presidential Executive Orders 12372, 12612, and 12898, the State Budget, the State Administrative Manual, the California Public Contracting Code, the California Labor Code, the Older Americans Act, the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act, the Clean Air Act Amendments, Title VI of the Civil Rights Act of 1964, and the California Environmental Quality Act (CEQA).

The Department Director has delegated authority for most regional transportation planning responsibilities to the District Directors in Executive Orders, *Confirmation of and Delegation of Authority*. These twelve Executive Orders reference and incorporate the Director's Policy for *Program Management* (Number 16, effective 12-1-94). ORP provides oversight and statewide guidance relative to these authorities. ORP may also request additional information as needed.

1.07 Reference Materials

In this Handbook, forms, samples, and products are referenced throughout the Handbook and are available on ORP's website. Below are companion and reference documents:

- Moving Ahead for Progress in the 21st Century (MAP-21)
- 23 USC 134 – Federal Aid Highways – Metropolitan Transportation Planning
- 49 USC 5303-5305 – Transportation – Metropolitan and Statewide Planning programs

- 23 CFR 450 –Metropolitan and Statewide Planning regulations
- 23 CFR 420 – Administration of FHWA Planning and Research funds
- 2 CFR Part 200 – Cost Principals for State, Local, and Indian Tribal Governments
- FTA Master Agreement
- Government code 65080 – CA Metropolitan Planning Responsibilities
- Public Utilities Code 99310 – 99320 – State Transportation Funding
- 49 CFR 26 – Participation by Disadvantaged Business Enterprises (DBEs) in Department of Transportation Financial Assistance Programs
- Local Programs Procedures:
    - 00-05: Pre-award audit requirements and Consultant procurement
    - 04-10: accounting/invoices

- FTA Circulars:
    - C 5010.1D – Grant management Requirements
    - C 8100c – Program Guidance for Metropolitan Planning and State Planning and Research Grants
    - C 4220.1F- Third Party Contracting Guidance
    - C 4702.1B – Title VI Requirements and Guidelines for Federal Transit Administration Recipients

- FHWA Guidance:
    - Area Boundaries for Census
    - Bicycle and Pedestrian Guidance
    - Guidance on Financial Planning, Fiscal Constraint for Transportation Plans, Programs
    - Non-federal Matching Requirements
    - Third Party in-kind contributions
    - Transportation and Sustainability Guidebook

ORP's Website:

http://www.dot.ca.gov/hq/tpp/offices/orip/index/html

1.08 Terms and Acronyms

There are many transportation and transportation planning terms and acronyms. However, familiarity with the following terms and acronyms is essential to understanding concepts in this Handbook.

Allocation	A distribution of funds by formula or agreement.

Apportionment	Distribution of federal funds (grants) by a statutory formula to the states' Governors for allocation by them to the grant recipients.
Appropriation	An official action (e.g. passage of a law) to make funds available, with specific limitations as to amount, purpose and duration.
CPG	Consolidated Planning Grant, consisting of FHWA Metropolitan Planning (FHWA PL) Funds, FTA Metropolitan Planning Section 5303 (FTA § 5303) Funds, FHWA State Planning and Research Part I - Strategic Partnerships (formerly Partnership Planning) Funds, and FTA State Planning and Research Section 5304 Sustainable Communities Grants (formerly Transit Planning Grants) Funds.
Encumber	The formal processes, which commit funds for a specific purpose, e.g., commitment of Rural Planning Assistance (RPA) to an RTPA, or FHWA Metropolitan Planning (PL) funds to an MPO.
FHWA, FTA	The Federal Highway Administration and the Federal Transit Administration are two of the modal agencies in the United States Department of Transportation (US DOT).
MAP-21	Moving Ahead for Progress in the 21st Century, federal transportation legislation signed into law in 2012; successor to SAFETEA-LU.
MFTA	Along with the OWP and OWPA, it constitutes the funding contract and requirements between the state and the MPO/RTPA for CPG and/or RPA funds. It is an ongoing, multi-year agreement that prevails until is it amended, updated, or replaced. The provisions of the MFTA also apply to any MPO/RTPA contractors or subcontractors.
MPO	Metropolitan Planning Organizations are the regional planning entities in urbanized areas, usually an area with a population of 50,000 or more. As of December 2006, there are eighteen MPOs in California. Although the Tahoe region does not include an urbanized area 50,000 or larger, TEA-21, permitted the Tahoe region to establish a MPO.
Obligation	The Federal government's legal commitment (promise) to pay or reimburse the States or other entities for the Federal share of a project's eligible costs.
ORP	Office of Regional Planning in the Department's Division of Transportation Planning, Headquarters, Sacramento.

Reimbursement	State or federal transportation planning funds paid to the MPO/RTPA for transportation planning work activities in the OWP completed by the MPO/RTPA, or on behalf of the RTPA/MPO by a contractor or consultant, and already paid for using local funds.
RTPA	Regional Transportation Planning Agency, the regional planning entity referenced in California law; e.g., a local transportation commission, a statutorily created RTPA, or a council of governments.
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, federal transportation legislation signed into law in 2005; successor to TEA-21.
Toll Credits	Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned on existing toll facilities. Toll credits may substitute for the required nonfederal share on Federal-aid project, the Federal reimbursement can effectively be increased to 100 percent.
Unexpended Carryover	Unexpended Federal CPG funding -- FHWA Metropolitan Planning (PL), FTA 5303 Metropolitan Planning, FTA § 5304/SHA Sustainable Communities Grants, FHWA State Planning and Research Part I – Strategic Partnerships and Rural Planning Assistance (RPA)—do not need to be fully expended during the fiscal year in which they are appropriated and allocated or awarded. The recipient may carryover unexpended amounts to the next fiscal year. MPOs' carryover FHWA PL and FTA § 5303 and RTPAs' carryover 25% of RPA via a reconciliation letter process. Both MPOs/RTPAs are allowed to carryover FTA § 5304/SHA Sustainable Communities Grants and FHWA Strategic Partnerships through the reconciliation letter process.

The Mineta Transportation Institute glossary of transportation planning terms:

http://transweb.sjsu.edu/comglos.htm

FHWA's Planning Glossary:

http://www.fhwa.dot.gov/planning/glossary/glossary_listing.cfm

2 OVERALL WORK PROGRAM (OWP)

Annually, each MPO/RTPA is required to develop and submit an Overall Work Program (OWP) that its Governing Board adopts per the MFTA, Section 1(A).

The OWP provides an overview of the region, with a focus on its transportation goals and objectives, and the actions to achieve those goals and objectives. The OWP is a scope of work for transportation planning activities, including estimated costs, funding sources, and completion schedules funded with CPG and/or RPA funds.

Although the OWP reflects work to be performed by in-house MPO/RTPA staff or work the agency contracts out, preparation of the OWP should involve collaboration among all transportation partners in the region. Partners that should be included are:
the Department, transit providers, community based organizations, railroads/maritime ports/airports, bicycle and pedestrian interests, congestion management agencies, state and federal resource agencies, city and county local governments, the public (including minority and low-income populations, etc.), and government-to-government consultation with Native American Tribal Governments.

The OWP is intended to provide a comprehensive overview of transportation planning activities funded with CPG and/or RPA funds and should also include regionally significant activities that will be completed with other transportation funds. These may be shown as actual work elements, but are typically shown as a chart or matrix, either in the body of the OWP or in the appendix.

2.01 The Purpose and Contents of the OWP

The OWP is the MPO's/RTPA's CPG and RPA transportation planning grant application and contract for the state fiscal year, July 1 through June 30. It can also be used for other purposes, such as:

- The MPO's/RTPA's annual operations or business plan for the state fiscal year
- The MPO's/RTPA's planning budget for the state fiscal year
- An activity tracking and management tool for the MPO/RTPA Governing Board
- A contract and monitoring tool for local, state, and federal entities to track the completion of annual transportation planning and expenditure of funds
- An easy reference for members of the public who wish to know the "who/what/when/where/how much" of transportation planning activities in the region

In the OWP, there is an overview of the MPO's/RTPA's decision-making, partnering, public participation and other approaches. For example, technical planning committees, workshops, data gathering, public participation, outreach, and information sharing efforts, etc. Formal decisions are made by a vote of the MPO/RTPA Governing Board at regularly scheduled

meetings based on recommendations and information provided by MPO/RTPA staff and advisory committees. Members of the public have the opportunity to present their views and express their support or opposition at Board meetings.

2.02 The OWP is Part of a Funding Contract

In conjunction with the Overall Work Program Agreement (OWPA) and the Master Fund Transfer Agreement (MFTA), the OWP constitutes the annual funding contract between the state and the MPO/RTPA for the Consolidated Planning Grant (CPG) and/or Rural Planning Assistance (RPA). It is also the annual application for CPG formula funds and RPA. (See Chapter 3 for more information about CPG.)

The MFTA is an on-going, multi-year agreement that prevails until it is amended, updated, or replaced. The current MFTAs are set to expire December 31, 2024. The MFTA requires that MPOs/RTPAs submit an OWP each year. The MFTA also states that the MPO/RTPA agrees to comply with all applicable state and federal laws, regulations and requirements.

Although the MFTA is a complex legal document, it is written in sufficiently generic terms and does not require annual reconsideration. Detail is added through the OWP and OWPA. This three-document arrangement is straightforward and practical, and much less expensive for the MPO/RTPA and the Department than entering into a completely new fund transfer contract each year. The provisions of the MFTA are also applicable to any MPO/RTPA contractors and subcontractors.

2.03 The OWPA

The Overall Work Program Agreement (OWPA) is a one-page document signed by the MPO/RTPA and the District. The Director's Delegation of Authority allows the District Deputy Director to approve annual OWPAs with RTPAs and MPOs. The signatures on the OWPA formalize the annual CPG and/or RPA contract, effective upon passage of the State Budget.

The MPO/RTPA provides original signed OWPAs and forwards it to the District. The authorized MPO/RTPA signatory is usually the Executive Director or the Finance Officer, as per Governing Board delegation. The District signatory is the District Director or the Deputy District Director for Planning, as delegated by the District Director. After the District obtains the necessary signature on the original OWPAs (signed in **blue** ink to more easily distinguish original signatures from photocopies), the District makes photocopies for its file and forwards the originals to the ORP District Liaison. The District Liaison should also send a copy of the fully signed OWPA back to the MPO/RTPA for their records.

ORP requires three original OWPAs. The District and/or the MPO/RTPA may also prefer (or require) originals rather than photocopy versions. In such instances the two parties need to determine how many additional original OWPAs they will need.

After passage of the State Budget, ORP's Fund Specialist uses the OWPA to encumber CPG and/or RPA on behalf of the MPO/RTPA for the term of the OWP.

The OWPA is specific to a fiscal year and must accurately reflect the OWP. This means a new OWPA must be submitted each year with the adopted and approved Final OWP. The CPG/RPA funds programmed and approved in the OWP will be equal to the funds to be encumbered by the OWPA. An OWPA amendment must be submitted each time there is an OWP amendment that changes the total amount of CPG (which will also change the local match) and/or RPA.

There are separate OWPA forms for MPOs and RTPAs. It is the District's responsibility to ensure the correct version of the form is used and all fill-in information is accurate. The District should check that:

- The CPG and/or RPA totals in the funding columns are consistent with the amounts in the OWP work elements and Budget Revenue Summary.
- Allocations are not exceeded.
- The local match for each federal fund source and type precisely reflects the mandatory (minimum) percentage.

The OWPA cannot include separate line entries for current versus prior years' balances, therefore the ORP Fund Specialist requires a letter or memo from the MPO/RTPA to identify current year CPG versus carryover amounts when carryover funds are included or amended into the OWP and OWPA. **In the Budget Revenue Summary, CPG carryover funds must be listed in a separate column from the current year's funds and must be identified by funding source and type.**

MPO and RTPA OWPA forms can be found on ORP's website at http://www.dot.ca.gov/hq/tpp/offices/orip/index.html

2.04 The MFTA/OWP/OWPA Trio Only Encumbers CPG and/or RPA

Although the OWP is a comprehensive document that includes a wide variety of funding sources, the regional planning MFTA and the OWPA only apply to CPG and/or RPA. There are different applications, agreements, and fund transfer arrangements for other transportation planning funds not administered by ORP.

Even if there is a fully executed MFTA between the state and the MPO/RTPA, the current year's CPG and/or RPA cannot be encumbered for the MPO/RTPA until it has a Final OWP adopted by the MPOs/RTPAs Governing Board, is approved by the Department and FHWA and FTA (if applicable), has a fully completed and executed *original* OWPA and Certifications and Assurances on file in ORP, and the state budget has been approved and signed by the Governor per the MFTA, Article 1 (E) and (F) and Article 2, Section 4.

2.05 The Three Components of the OWP

Although OWPs vary in length, complexity, and format, in general, they include the following three components:

- Introduction or prospectus
- Work Elements
- Budget Revenue Summary

Per 23 CFR Part 450.308(c) the federal unified planning work program contents describe the work proposed for the next one or two year period by major activity and task (including activities that address the planning factors in § 450.306(a)) in sufficient detail to indicate who (e.g., MPO, State, public transportation operator, local government, or consultant) will perform the work, the schedule for completing the work, the resulting products, the proposed funding by activity/task, and a summary of the total amounts and sources of Federal and matching funds.

2.05.a Introduction or Prospectus

The OWP introduction or prospectus provides the context for understanding the proposed work activities and gives information about the region. For example, the following information should be provided:

- The region's transportation planning approach
- Agency organizational structure and interagency arrangements
- Decision-making steps
- Government-to-government consultation with Native American Tribal Governments
- An overview of public participation and involvement
- Significant regional characteristics and issues, geography, demographics, transportation needs, priorities, and goals
- How the annual Planning Emphasis Areas (PEAs) and the federal planning factors are addressed in the work elements
- Progress made toward implementing the RTP and TIP

2.05.b Work Elements

Work elements identify specific planning work (such as "activities," "tasks," "steps," "products," etc.) to be completed during the term of the OWP.

There should be a separate work element for each major activity and grant award. Each work element should include:

- A title and work element number
- A purpose or objective statement
- An identification of previous, ongoing and future years' work

- A description of eligible steps/activities/tasks/products, etc., completion dates, responsible entities (including work identified as contracted, in-house, sub-regional, etc.)
- A product or outcome associated with each task/activity
- A schedule and completion date for each task and product
- A table showing all fund sources, uses of these funds (e.g., in-house, contracted), and local match source

Each task should correlate with an end product and schedule. If there is not a specific end date then the schedule should reflect the frequency of task such as monthly, quarterly, bi-annually, etc. For multi-year work elements, the activities to be completed, as well as the sources and uses, are shown separately by year. For prior years, the accomplished activities are summarized. For the current and future years, the sources and uses are estimates.

Some MPOs/RTPAs have created one single work element for each category of work, referred to as mega-work elements. Mega-work elements are discouraged because such a broad-brush approach defeats the OWP's utility as a comprehensive planning document for the Governing Board, other agencies, and the public, and as a tool to monitor and approve eligible planning activities and expenditures.

2.05.c Budget Revenue Summary

Although each work element entry includes a breakdown of funding sources and local match, *all* OWP sources and uses must also be listed in a comprehensive Budget Revenue Summary table. Some other commonly used titles for the summary are Revenue and Expenditure Summary, Funding Table, etc. The summary shows all funds in the OWP, itemized by work element and funding sources and types. Prior years' unexpended CPG and RPA carryover in the OWP must be identified separately from the current year's allocations and/or awards as a place holder until the carryover funds are reconciled and amended into the OWP and OWPA.

Consistency of funding throughout the OWP is important (i.e. the entries in the Budget Revenue Summary must accurately reflect the amounts in the individual work elements). Totals for individual sources may not exceed allocations or awards (the total amount for each work element should also not exceed allocation).

2.06 OWP Timeline

The draft portion of an MPO/RPTAs OWP cycle may begin as early as October and may continue into June of the following calendar year. The administration and completion of the OWP spans the state fiscal year July 1 through June 30. Closeout begins with the end of the state fiscal year and extends to March 31 of the next calendar year when the MPO's/RTPA's Annual Fiscal and Compliance Audit Report is due to the State Controller's Office.

MPO Overall Work Program Timeline 14/15

Key dates for the previous year's closeout through the following year's draft

	FY 13/14 OWP	FY 14/15 OWP	FY 15/16 OWP
Beginning of State Fiscal Year 14/15: July 1, 2014			
July '14	July 31: Q4 Progress Report **due to District**.		
Aug '14	August 15: All FY Quarterly Progress Reports and Final Products **due to ORIP** By August 31: Year End Package **due to District.** **		
Sep '14	September 15, Year-End Package **due to ORIP.** **		
Beginning of Federal Fiscal Year 14/15: September 1, 2014			
Oct '14		October 31: Q1 Progress Report **due to District.**	October 1: **The CPG FY 15/16 fund estimates and Planning Emphasis Areas are released.** October-February: MPO OWP Development and Coordination Meetings are held.
Nov '14		November : Q1 Progress teleconference between **ORIP and District**	November – June: MPOs' draft, circulate and finalize OWPs
Dec '14			
Jan '15		January 31: Q2/mid-year Progress Report **due to District.** January-February: District mid-year OWP status meeting with MPOs.	
Feb '15		February : Q2/mid-year Progress teleconference between **ORIP and District**	February - April: Individual Annual MPO meetings, are conducted at the request of the MPO
Mar '15	March 31: MPO Annual Fiscal and Compliance Audit Report due to State Controller's Office		March 1: **Latest date to submit draft OWP to District.**
Apr '15		April 30: Q3 Progress Report **due to District**. April-May, District year-end OWP status meetings with MPOs.	
May '15		May 1: **Deadline for OWP/OWPA amendments (complete package due to ORIP).** May 15: Q3 Progress teleconference between **ORIP and District**	May: Adopted OWPs due to Districts, Districts approve OWPs and send to FHWA/FTA. May 1 deadline for MPO Indirect Cost Negotiation Agreements and Cost Allocation Plans due to CT Audits and Investigations. (MPO's are encouraged to submit their ICAP's with draft OWPs) .
Jun '15			June 1: FHWA/FTA receive final MPO OWPs by June 1 and review and approve by July 1. • Districts recommend OWP approval to FHWA/FTA. • FHWA/FTA concur and re-approve MPO OWPs. June 30: Final approved and adopted OWP and fully executed OWPA due to ORIP.
Beginning of State Fiscal Year 15/16: July 1, 2015			
Jul '15		July 31: Q4 Progress Report **due to District**.	
Aug '15		August 15: All FY Quarterly Progress Reports and Final Products **due to ORIP** August 31: Year End Package **due to District**.	
Sep '15		September 15: Year End Package **due to ORIP****	

= 13/14 OWP Closeout = 14/15 OWP Current Year = 15/16 OWP draft, review, adopt and approve

** The Year End Package must include a Certification of Allocation and Expenditure by Fund Source including the Final Statement of Expenditures attachment *and* the last Request for Reimbursement for the OWP cycle.

RTPA Overall Work Program Timeline 14/15

Key dates for the previous year's closeout through the following year's draft

	FY 13/14 OWP	FY 14/15 OWP	FY 15/16 OWP
Beginning of State Fiscal Year 14/15: July 1, 2014			
July '14	July 31: Q4 Progress Report **due to District**.		
Aug '14	August 15: All FY Quarterly Progress Reports and Final Products **due to ORIP** By August 31: Year End Package **due to District. ****		
Sep '14	September 15, Year-End Package **due to ORIP. ****		
Beginning of Federal Fiscal Year 14/15: September 1, 2014			
Oct '14		October 31: Q1 Progress Report **due to District.**	Oct 1: **FY 15/16 RPA Estimates are released**
Nov '14		November : Q1 Progress teleconference with **ORIP and District**	November – June: RTPAs draft, circulate and finalize OWPs
Dec '14			
Jan '15		January 31: Q2/mid-year Progress Report **due to District.** January-February: District mid-year OWP status meeting with RTPAs.	
Feb '15		February: Q2/mid-year Progress teleconference with **ORIP and District**	February - April: Districts review and circulate draft OWPs.
Mar '15	March 31: RTPA Annual Fiscal and Compliance Audit Report due to State Controllers Office		March 1: **Latest date to submit draft OWP to District.**
Apr '15	April –May: District year-end OWP status meetings with RTPAs.	April 30: Q3 Progress Report **due to District**.	
May '15		May 1: **deadline for OWP/OWPA amendments (complete package due to ORIP).** May: Q3 Progress teleconference with **ORIP and District**	May :Adopted OWPs due to Districts, Districts approve OWPs. May 1: Deadline for RTPA Indirect Cost Negotiation Agreements and Cost Allocation Plans due to CT Audits and Investigations. (RTPAs are encouraged to submit their ICAP's with draft OWPs) .
Jun '15			June 30: Final approved and adopted OWP and fully executed OWPA due to ORIP.
Beginning of State Fiscal Year 15/16: July 1, 2015			
Jul '15		July 31: Q4 Progress Report **due to District**.	
Aug '15		August 15: All FY Quarterly Progress Reports and Final Products **due to ORIP**. August 31: Year End Package **due to District**.	
Sep '15		September 15: Year End Package **due to ORIP****.	

= 13/14 OWP Closeout = 14/15 OWP Current Year = 15/16 OWP draft, review, adopt and approve

** The Year End Package must include a Certification of Allocation and Expenditure by Fund Source including the Final Statement of Expenditures attachment *and* the last Request for Reimbursement for the OWP cycle.

2.07 Planning Emphasis Areas and Federal Planning Factors

FHWA develops California Planning Emphasis Areas (PEAs) each year to promote priority areas for consideration in transportation planning and integration into the OWP specifically for California MPOs. The National PEAs are published in the Federal Register, usually toward the end of the calendar year and ORP sends both the state and national PEAS when they become available.

MPOs are required to incorporate the California and National PEAs in the OWP. While it is not required, it is recommended that RTPAs include the National PEAs in the current OWP. Some RTPAs/MPOs identify their PEAs-related work in the OWP introduction or prospectus. Others include matrices to indicate the PEAs-related work elements. If one (or more) of the PEAs is not addressed, the reason should be clearly stated.

Like the PEAs, the federal planning factors in MAP-21 Section 134(h) should also be incorporated in the MPOs/RTPAs OWP. Federal Planning Factors are issued by Congress and emphasize planning factors from a national perspective. The Federal Planning Factors are revised or reinstated with new reauthorization. The eight planning factors (for both metro and statewide planning) are: (See Sample OWP Matrix below which is applicable to both PEAs and/or the MAP-21 Planning Factors.)

1. Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency.

2. Increase the safety of the transportation system for motorized and non-motorized users.

3. Increase the security of the transportation system for motorized and non-motorized users.

4. Increase the accessibility and mobility of people and for freight.

5. Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns.

6. Enhance the integration and connectivity of the transportation system, across and between modes, people and freight.

7. Promote efficient system management and operation.

8. Emphasize the preservation of the existing transportation system.

Sample OWP Matrix for MAP-21 Planning Factors or PEAs

MAP- 21 Planning Factors						
	Work Element 1	Work Element 2	Work Element 3	Work Element 4	Work Element 5	Work Element 6
1. Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency.	X	X			X	
2. Increase the safety of the transportation system for motorized and non-motorized users.		X		X		X
3. Increase the security of the transportation system for motorized and non-motorized users.	X		X		X	
4. Increase the accessibility and mobility of people and for freight.			X	X		
5. Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns.	X					X
6. Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight.			X		X	
7. Promote efficient system management and operation.		X				X
8. Emphasize the preservation of the existing transportation system.				X		

2.08 District and ORPs Review of the Draft OWP

Regional planning staff in the Districts are the initial and primary points of contact for transportation planning between the Department and the MPO/RTPA. The draft OWPs are submitted to the Districts for review.

District staff should:

- Review the draft OWP (primary reviewer)
- Prepare a transmittal memo identifying significant work elements and activities and route the draft OWP for review and comment to ORP and other units within the District, as appropriate
- Receive comments from the reviewing units, and prepare a comprehensive formal Department comment letter to the MPO/RTPA, with a copy to ORP. District comment letters regarding MPO OWPs are also copied to FHWA/FTA.

Development and adoption of the OWP is a lengthy procedure for MPOs/RTPAs. District Regional Planning staff should bear this in mind as they review, route, and comment on draft OWPs.

The District reviews draft OWPs with two emphases: conceptual and technical. The conceptual evaluation focuses on the OWP as a whole to determine whether the activities accomplish the transportation planning goals of the region. The technical evaluation focuses on the feasibility of planning activities identified in the work elements.

The conceptual review considers whether the activities in the OWP:

- Respond to District concerns and system planning documents
- Consider regional mobility issues and requirements
- Represent an inclusive planning approach to address transportation in the region
- Include appropriate stakeholders
- Contribute to implementation of the Regional Transportation Plan

The technical review of the OWP centers on points such as:

- Has progress made in the previous year's OWP been described?
- Do the task statements, project schedules, and costs seem realistic?
- Are all regional transportation planning contracts, and grants listed?
- Have Title VI, American with Disabilities Act and other compliance considerations been included?

ORP also reviews the draft OWPs with the same emphases, but from a statewide perspective to ensure consistency. The conceptual evaluation focuses on the OWP as a whole to determine whether the activities accomplish the transportation planning goals outlined in State and federal legislation. The technical evaluation focuses on eligibility and funding compliance

The conceptual review considers whether the activities in the OWP:

- Include required products such as Regional Transportation Plans, Transportation Improvement Programs, air quality conformity, etc.
- Incorporate the applicable PEAs and the federal planning factors. If any of these are not included, the reason for *not* including any of them should be stated

The technical review of the OWP centers on points such as:

- Are funding amounts consistent throughout?
- Do the budget figures add up correctly?
- Are the activities eligible uses for the regional transportation planning funding sources?
- Have federal match requirements been satisfied?
- Does the OWP comply with applicable state and federal requirements?

2.09 District Staff Circulate the Draft OWP

District staff should receive the MPO's draft OWP by March 1. Draft OWPs for RTPAs are also due to the Districts by March 1. Once District staff receives the draft OWP from the MPO/RTPA, they send the draft OWP and solicit comments from ORP. ORP requests one hard copy and one electronic copy of the draft OWP.

The OWP is a comprehensive document and the regional transportation planning activities and projects within the work elements relate to studies, activities, and responsibilities of other District and Headquarters units. Staff in affected units should be provided the opportunity to review and comment on specific work elements that pertain to their responsibilities. The District and ORP's request for review and comment transmittal memo should clearly state what is expected from these reviewers, including:

- Specific work elements, activities and/or products should be referenced
- Relevant questions should be posed
- Related accomplishments should be cited
- Pertinent Department activities should be mentioned

Some District units to whom District staff might circulate the draft OWP are:

- Traffic Operations
- Systems Planning and/or Traffic Forecasting
- Local Assistance Engineers
- Project Management
- Community Planning
- IGR/CEQA Coordinators
- Title VI Liaison
- Transit/Public Transportation Planning

Headquarters units to whom ORP staff might circulate the draft OWP are:

- The Division of Transportation Planning
    - Office of Regional Planning (**always**!)
    - Office of Freight Planning
    - Office of Sustainable Community Planning
    - Office of System Planning
- Division of Aeronautics
- Division of Rail & Mass Transportation
- Any other affected Division

The Department's comment letters should be comprehensive (i.e. they should include the Department's comments in one letter and not be piecemealed) and should communicate all of the Department's concerns. If major problems are discovered after the comment letter is sent to the RTPA/MPO, the District and ORP still needs to work with the MPO/RTPA to resolve them.

MPO draft OWPs must also be sent to the FHWA/FTA. It is the sole responsibility of the MPO to send the draft OWP directly to FHWA/FTA. FHWA requests an electronic version and one hard copy of each MPO's draft OWP. FTA, however, prefers an electronic copy of the MPO's draft OWP. FHWA and FTA contact information is provided by ORP and can be found at:

http://www.dot.ca.gov/hq/tpp/offices/orip/list/ContactlistbyMPO.docx

2.10 OWP Review Checklist

The following checklist can assist District staff as they review draft OWPs. MPOs & RTPAs may also use the list to draft more complete OWPs. The list is illustrative, not inclusive.

The Content of the OWP Should:

_____ Demonstrate the scope and schedule of major tasks.
_____ Respond to planning priorities, including the PEAs, and the eight MAP-21 Planning Factors.
_____ Comply with state and federal planning/administration program requirements and policies.
_____ Contain the MPO's & RTPA's annual certification and assurances. The MPO & RTPA planning process should address the major issues facing the region and should be conducted in accordance with all applicable laws.
_____ Respond to Caltrans concerns, regional transportation issues, regional transportation planning activities and transportation problems and needs facing the region.
_____ Reflect the progress made by the MPO & RTPA in carrying out the previous year's program and its performance capabilities. All anticipated continuing activities should be clearly identified.
_____ Contain a work element in the draft OWP for each discretionary planning grant application i.e., FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grants.
_____ Include an information element, which lists the transportation planning activities being done by other transportation planning entities in the region.
_____ Show non-planning sources for all project work in the OWP, e.g., PIDs, transit marketing, ride matching, transportation engineering and Transportation Development Act (TDA) required activities, etc.
_____ Respond to Air Quality and Conformity issues (please see 40 CFR 93 for Conformity requirements).
_____ If a MPO and/or RTPA has any indirect costs associated with the OWP they must submit an Indirect Cost Plan (ICAP) to Audits and Investigations. Once the ICAP is approved they may invoice for indirect costs.

The Financial Information in the OWP Should:

_____ Reflect the fund source, type and amount for each work element. Also, show the same source, type and amount in the Budget Revenue Summary.
_____ Include and identify the correct local match for each federal fund source and type.
_____ Identify correct toll credits if using in lieu of a cash or in-kind local match.
_____ Show consistency between the fund amounts identified within the work element/work task discussion and the fund amounts in the Budget Revenue Summary.
_____ Identify any carryover from prior years by fund source, type, amount and fiscal year within work elements and the Budget Revenue Summary.

The Work Elements in the OWP Should:

_____ Illustrate an organized and logical flow of work element tasks and activities from

project inception to project completion.

_____ Contains task statements which include enough detail that the work product is easily identifiable and eligibility can be easily determined. The work task also identifies who is responsible for performing the work.

_____ Work elements/work tasks which will be completed over multiple years should have a schedule that details and identified significant milestones to be accomplished throughout the term of the planning grant.

_____ Identify all planning contracts in both the task and budget statements.

_____ All tasks and products listed are eligible uses of Federal Funds.

Draft OWP Review Circulation:

Regional agencies submit electronic and hard copies of the draft OWP to the Districts, and FHWA/ FTA (when applicable). The District sends copies of draft OWPs to the ORP District Liaison

The Draft OWP Review Packages Should:

_____ Include transmittal memo to District and Headquarters reviewing units. The transmittal memo should include specific concerns, questions and points to assist reviewing units on work elements and activities of particular interest to the Department. The memo should also include comment due date and identify the District Coordinator to whom the comments are to be returned.

_____ Transmittal memo and final Caltrans letter of recommendation approving the draft MPO OWP should reflect the fact we are only approving or recommending approval of CPG funds. Other work/work elements contained in the OWP are not subject to our approval.

2.11 OWP Development and Review

The MPO/RTPA develops a draft OWP with input from transportation partners. The MPO/RTPA obtains Governing Board authority to release draft for review and comment and circulate the draft.

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District Regional Planning reviews the draft OWP and prepares a transmittal memo to ORP. The transmittal includes specific concerns, questions, and points to assist the reviewing units to key-in on work elements and activities of particular interest to Department. The contents of the draft OWP will dictate who needs to review it. ORP is always a reviewer.

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HQ and District reviewers provide District Regional Planning their specific comments and recommendations on the draft. → District Regional Planning prepares a single comprehensive comment letter to the MPO/RTPA. The comment letter is copied to ORP. Letters to MPOs are also copied to FHWA/FTA.

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MPO/RTPA reworks the draft OWP incorporating comments and recommendations. The revised OWP becomes the final draft, submitted to the MPO/RTPA Governing Board for adoption.

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The MPO/RTPA provides the adopted OWP to District Regional Planning.

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District Regional Planning reviews the adopted OWP to assure Department concerns and issues have been addressed.
RTPA: The District advises the RTPA that the OWP is approved.

MPO: The District advises FHWA/FTA it recommends approval. The FHWA/FTA sends a letter to Department approving the OWP. The District approves the OWP via letter to the MPO, with the FHWA/FTA approval letter as an enclosure.

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RTPA: The District forwards the District's approval letter of the Final OWP package to ORP.

MPO: The District forwards the District's approval letter, including the FHWA/FTA enclosure, with the final OWP package to ORP. The District forwards one copy of the final OWP package with the approval letter to FHWA, and one package to FTA.

2.12 Annual OWP Coordination and Development Meeting

Formerly known as the Annual OWP Meeting, the annual OWP Development and Coordination Meetings occur between November and February of each year. The purpose of this informal meeting is to discuss transportation issues, trends, accomplishments, and any problems the MPO may be experiencing. Additionally, since these meetings now occur earlier in the draft OWP process, they allow all parties an opportunity to reach consensus on proposed work elements in the next year's draft OWP and streamline the review/comment/adoption process.

Unlike the previous annual OWP Meetings, ORP is now responsible for scheduling these annual OWP Development and Coordination Meetings. This scheduling should be done in coordination with the MPO, our FHWA/FTA partners, and the Caltrans Districts.

A more formal meeting between all parties can still occur during the February-June time frame at the request of the MPOs.

2.13 Certifications and Reviews

MPOs that include an urbanized area of 200,000 persons or larger are referred to Transportation Management Areas (TMAs). TMAs are subject to a federal certification review every four years. California MPOs that are currently designated TMA's are:

- Southern California Association of Governments (SCAG)
- Metropolitan Transportation Commission (MTC)
- San Diego Association of Governments (SANDAG)
- Sacramento Area Council of Governments (SACOG)
- Fresno Council of Governments (FCOG)
- Kern Council of Governments (KCOG)
- San Joaquin Council of Governments (SJCOG)
- Stanislaus Council of Governments (StanCOG)
- Tulare County Association of Governments (TCAG)
- Santa Barbara County Association of Governments (SBCAG)

The federal agency representatives review the TMA's self-certifications compliance with the laws listed in the FHWA/FTA certifications and assurances.

Although in the past the Annual MPO Development and Coordination Meetings and certification meetings have been scheduled together, recently FHWA/FTA began to separate the two. The reason for splitting the two is to permit better focus at each, on OWP activities at the Annual MPO Development and Coordination Meetings, and certification compliance at the

certification review. Generally certification review meetings last approximately two to three days. ORP will notify the District when a meeting has been scheduled.

2.14 Certifications and Assurances

By including the FHWA, FTA, and Debarment and Suspension certifications and assurances in their final adopted OWP each year, MPOs/RTPAs certify their compliance with the federal laws listed on the certification. MPOs/RTPAs are required to submit signed federal and state certifications per the MFTA, Article I (D) and Article IV, Section 1.

MPOs who receive both FHWA PL and FTA § 5303 each year must always include both FTA and FHWA certifications and assurances in their OWPs annually. FTA requires the "Federal FY Certifications and Assurances for FTA Assistance" and FHWA require the "Metropolitan Transportation Planning Process Certification." MPOs must also submit the Debarment and Suspension certification and assurances form in their annual OWPs.

Additionally, effective FY 15-16, in accordance with 31 USC 1352, Caltrans will require MPOs to annually submit to Caltrans ORP the "Disclosure of Lobbying Activities" form.

The federal certifications and assurances, including the Debarment and Suspension certification and the Disclosure of Lobbying Activities form are posted on ORP's website at:

http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html

RTPAs that receive RPA funds must include the State Transportation Planning Process certification. If a RTPA received federal funds they need to include the following certifications: include the FHWA Metropolitan Transportation Planning Process Certification if they receive FHWA PL and/or FHWA State Planning and Research – Strategic Partnerships grant; provide the FTA certifications and assurances when they receive FTA § 5303 or FTA § 5304 Sustainable Communities grant; and provide Debarment and Suspensions certification if they receive FHWA PL, FTA §5303, FTA § 5304/SHA Sustainable Communities grant, and/or a FHWA Strategic Partnerships grant.

At the MPO/RTPA level, certifications must be executed by an individual who the Governing Board has delegated signature authority (usually the Executive Director or Finance Officer). The District Director or her/his delegate signs the certification for the Department. The FTA Certifications and Assurances also include an affirmation signed by the MPO's/RTPA's attorney-at-law.

Please note: All original Certifications and Assurances must be signed and forwarded to the HQ District Liaison in order for funds to be encumbered and repaid for that fiscal year.

Certifications and Assurances can be found on ORP's website at http://www.dot.ca.gov/hq/tpp/offices/orip/index.html

2.15 Approving the Final OWP

Prior to approving the OWP, District staff reviews the MPO/RTPA Governing Board-adopted Final OWP to assure that Department concerns have been adequately addressed. Headquarters staff provides comments to the District only for the draft OWP. The District is responsible for all subsequent monitoring of the OWP including the comparison and verification of changes the MPO/RTPA may make between the draft version of the OWP and the adopted Final OWP. The OWP *cannot* be approved if it contains questionable issues that do not meet federal regulations

The Final OWP should only include committed funds. The FHWA PL and RPA estimates are deemed committed amounts even though totals may change after passage of the federal and state budgets, respectively.

RTPAs: The District is responsible for approving (or disapproving) the Final OWP. When the Department's issues have been resolved, the District advises the RTPA in writing of the Department's approval of the Final OWP.

MPOs: The District is responsible for the Department's recommendation of approval (or disapproval) of the MPO's Final OWP once the Department's issues, including compliance with Title VI and related statutes, have been resolved. The District advises FHWA/FTA that the state *recommends* approval.

FHWA/FTA does not write its approval letter until after it has received approval recommendation notification from the District by June 1. The District's recommendation signifies to FHWA/FTA the Department's determination that the OWP complies with all of the Department's requirements, and that the District has completed a thorough review and is satisfied with the OWP.

FHWA/FTA approval only pertains to those aspects of the OWP, that they are responsible for reviewing, such as CPG funded work elements. FHWA and FTA may prepare a joint reply or may send separate approval letters. The FHWA and FTA MOU requires FTA to send out the approval letter to the MPO and District.

After the OWP and the OWPA are finalized, the District transmits these documents to the ORP liaisons:

- ✓ District OWP recommend approval letter (MPOs) or approval letter (RTPAs)
- ✓ FHWA/FTA OWP approval letter (MPOs only)
- ✓ One hard copy of the adopted and approved OWP
- ✓ Three *original* OWPA bearing MPO/RTPA and District signatures in **blue** ink

- ✓ The MPO/RTPA Governing Board resolution (or equivalent i.e. board minutes) adopting the OWP
- ✓ Governing Board authority for MPO/RTPA staff to sign the OWPA
- ✓ Original Certifications and Assurances (FHWA, FTA, Debarment and Suspensions and/or State Certification)

2.16 ORP Requests an Electronic Version of the Final Adopted and Approved OWP

In addition to a hard copy of each final adopted and approved OWP, ORP requests an electronic copy of the final OWP. Districts should obtain these from the MPOs/RTPAs and should e-mail them to their ORP Liaison.

2.17 Accomplishing the OWP

If ORP has received the required documentation from the District, the ORP Fund Specialist works with Accounting to encumber transportation planning funds for the MPO/RTPA. Periodically the MPO/RTPA seeks reimbursement through the District using the Request for Reimbursement (RFR) form for completed OWP work for which it has paid using non-federal funds.

Throughout the year, the District monitors completion of the MPO's/RTPA's OWP regional transportation planning activities and products. District staff maintains close communication with the MPO/RTPA as a member of advisory committees, task forces and working groups; by providing Department input for OWP activities and products; by attending meetings; by reviewing Governing Board agendas and actions; by commenting on draft documents; reviewing OWP quarterly progress reports and amendments, etc. District regional transportation planning staff also facilitates communication between various District and Headquarters units and the MPO/RTPA.

2.18 OWP Amendments

It is critical that the OWP accurately reflects the transportation planning activities of the MPO/RTPA. If funding, schedules, work products, or other items change, the OWP must be revised to reflect these changes. The significance of the changes determines whether this can be accomplished administratively or with a formal amendment

Amending the OWP requires many of the same steps as development and adoption of the original OWP. District Regional Planning staff should bear this in mind and work to approve OWP amendments in a timely manner.

The Department receives the official FHWA PL and FTA § 5303 appropriation for the current year after passage of the federal budget. Since OWPs follow the state fiscal year, many MPO OWPs and OWPAs need to be amended to update FHWA PL amounts and activities (the state

fiscal year begins July 1 and ends June 30, and the federal fiscal year begins October 1 and ends September 30).

After closeout of the prior year's OWP, the MPO/RTPA, the District and the ORP Fund Specialist need to reconcile unexpended CPG formula fund and RPA carryover balances. After reconciliation, the affected MPOs/RTPAs may amend their OWPs to add-in unexpended carryover and the activities to be funded therewith. The OWPAs **must** also be amended to agree with any carryover amended into the OWPs.

The distributed RPA amounts are also estimates. If there are substantial population changes in one or more counties, the RPA distribution may change, resulting in an increase or decrease in the amount of RPA a rural county receives. Also, the anticipated annual RPA funding is not committed until it is included in the State Budget, signed by the Governor.

FHWA PL, FTA § 5303 and RPA estimates are used for the Final OWP and the initial OWPA. If, after the State and Federal budget passage these estimates are too high or too low, the OWP and the OWPA need to be amended consistent with the different amount.

2.19 Administrative Amendments

An administrative amendment is accomplished unilaterally by the MPO/RTPA. These amendments involve insignificant changes that do not affect delivery of regional transportation planning tasks, activities, steps, products, or the funding amounts listed on the OWPA. Examples of an administrative amendment are the correction of errata or moving of funds between work elements as long as there is no change in scope of work or increase or decrease in the total programmed amount.

An administrative amendment would occur if and an MPO/RTPA overestimated or underestimated the cost of a work element and needed to redirect those those funds to a different activity. This requires an OWP amendment and District approval of the amendment *before* funds are redirected.

There also may be changes to non-transportation planning work elements that do not affect transportation planning funds, activities and products. These may be considered administrative amendments so long as the changes do not result in a diversion of MPO/RTPA staff time or are a detriment to previously approved transportation planning activities and products.

The CPG/RPA or local match cannot be redirected among work elements until the District reviews the administrative OWP amendment package. The administrative amendment package includes a memo outlining the administrative changes made to the OWP and/or OWP budget and a copy of the revised work element(s) and OWP budget spreadsheet.

2.20 Formal Amendments that Require State Approval

A formal amendment is required if there are substantive changes to work elements funded with CPG and/or RPA *or* if the changes impact regional transportation planning activities. **The MPO/RTPA cannot change work activities, or initiate work prior to the District's approval, and if needed FTA/FHWA's approval, of an amendment per the MFTA Article 1 (K).**

Given the time and effort required to amend an OWP, the Districts should first consider if the MPO/RTPA needs to adopt a formal amendment to the OWP. If an OWP amendment causes the information on the OWPA to be inaccurate, the OWPA must also be amended.

Some examples of changes that require a formal amendment:

- Increase/decrease in total CPG and/or RPA in the OWP
- Including carry-over from previous fiscal years
- New FHWA Strategic Partnerships, FTA § 5304/SHA Sustainable Communities Grants

2.21 MPO Formal Amendment Triggers that Require Federal and State Approval

All formal amendments that require federal approval should be sent to FTA who will consult with FHWA. Amendments should be made available to FHWA upon request of the FHWA MPO Coordinator. Formal amendments require ORP concurrence before they are sent to FTA for approval.

A twenty percent (20%) increase or decrease of CPG in an MPO's OWP (either 20% in one change, or cumulatively through several smaller changes) or change in scope-of-work, or addition/deletion of work elements and projects funded with CPG triggers the requirement for FHWA and FTA amendment approval. The District should not sign the OWPA until they have received federal approval of the amendment. FTA and FHWA have 30 days to review and approve the amendment.

For more information on formal amendment requirements please see FTA Circular 5010.1 D Exhibit I-1: A Summary of Planning, Capital and Operating Grant Changes:

http://fta.dot.gov/documents/C_5010_1D_Finalpub.pdf

2.22 Approving an Amendment

The steps for approving an amendment are similar to those for approving the OWP: after Governing Board authorization, the MPO/RTPA provides the District with an amendment package. The District reviews it and determines whether it needs federal approval. For

administrative amendments the district will review the amendment package; it does not require Governing Board approval or a revised OWPA. At any time during the amendment review the District may request additional documentation/information from the MPOs/RTPAs in accordance with the MFTA. Districts provide all amendments to ORP and must have ORP's concurrence prior to approving formal amendments. If other District or Headquarters units are affected by the amendment, it is shared with them.

If federal approval is not needed, the OWP amendment is considered approved the date the Deputy District Director signs a completed OWPA.

2.23 The District Provides ORP All Amendment Information

Both the District and ORP need to have current and accurate copies of the OWPs that reflect all changes, whether they are considered correction of errata, administrative, or formal amendments. The District always provides the ORP Liaison with the most current OWP and OWPA. FTA and FHWA also request copies of all changes to MPO OWPs.

An OWP amendment package includes a transmittal memo, which briefly explains the amendment and all effected pages of the OWP attached (e.g. revised work element pages, a revised Budget Revenue Summary, and a resolution or minutes from the MPO/RTPA Board approving the amendment). If there are CPG and/or RPA changes, the package must include three amended, fully executed, original OWPA (signed in **blue** ink to more easily distinguish original signature from photocopies).

The above are needed to keep the funding contract components current and accurate, to inform ORP about regional planning activities, to accurately track funds in the MPO's/RTPA's account, and, as applicable, for federal oversight and review.

2.24 The Deadline for OWP Amendments is May 1

The deadline for amending the current fiscal year's OWP is May 1. The amendment package must be received in the District and ORP by this date.

This deadline is established to allow time to encumber additional funds, if applicable, to process Requests for Reimbursements (RFRs) and to allow the MPO/RTPA sufficient time to complete all work during the current state fiscal year funding cycle.

On a case-by-case basis, requests for extension of the May 1 deadline *may* be considered by ORP. **There is no assurance deadline extensions will be granted.**

A complete Request for Extension package from the District to ORP consists of an explanatory memo with attachments documenting the request.

The memo includes:

- A summary and analysis of the proposed change(s)
- An explanation of the special circumstances of the extension request

- A statement of the consequences of *not* granting the extension
- An assurance the work can be completed and funds expended by June 30
- The District's recommendation to approve or deny

The required attachments to the District's memo include:

- The revised OWP work element(s), and as applicable, Budget Revenue Summary
- Authority from the MPO's/RTPA's Board to make the changes
- Evidence of concurrence, as applicable

2.25 Monitoring Progress

After the OWP is approved and the CPG/RPA funds are encumbered, the District is responsible for monitoring progress of the OWP through:

- Participation on technical advisory committees and working groups, in meeting attendance, and other direct interaction with the MPO/RTPA
- Review and circulation of any draft products (e.g., working papers, reports, tools, etc.)
- Review of Quarterly Progress and Expenditure Reports, including receipt and review of any completed products
- Conducting Mid-year Reviews, and/or participating in MPO annual meetings and certification reviews
- Review for accuracy of Requests for Reimbursement including the supporting financial materials

Note: There can be no reimbursement of RPA and/or CPG funds prior to:

(1) Adoption and approval of the OWP
(2) Submittal of a complete and fully executed OWPA, board resolution and all certifications and assurances to ORP *and*
(3) Adoption of the State Budget

The District works closely with the MPO/RTPA to assure that activities are being completed on schedule, reimbursed work is accurately charged, and reimbursement is occurring timely. If there appears to be problems, the District coordinates with ORP Liaison to provide immediate assistance.

2.26 Quarterly Progress and Expenditure Reports

To assure effective communication of OWP progress, the MPO/RTPA is required to submit a Quarterly Progress and Expenditure Report (23 CFR 420.117 and MFTA Article I, Section 2). The quarterly report describes work progress (or delays in work) and invoicing during the quarter to accomplish the OWP. The Reports are due to the Districts within 30 days after the end of each quarter of the state fiscal year:

1st quarter = Reports covering July 1 through September 30 are due October 31.

2nd quarter = Reports covering October 1 through December 31 are due January 31.
3rd quarter = Reports covering January 1 through March 31 are due April 30.
4th quarter = Reports covering April 1 through June 30 are due July 31.

The Quarterly report contains two components, a narrative and a spreadsheet format. The report only needs to address regional transportation planning related activities and work elements funded with CPG and/or RPA. Some MPOs/RTPAs combine these components into a single spreadsheet format. MPOs/RTPAs are strongly encouraged to prepare a comprehensive narrative quarterly report. Narratives provide a convenient overview and summary of work progress for Governing Boards, transportation planning partners, members of the public, and others.

The Quarterly Progress and Expenditure Report spreadsheet includes, for example:

- The work element by number and title
- A brief narrative describing work progress, schedule changes, etc.
- A list of tasks and products completed during the quarter
- Total funds budgeted and spent for the work element by funding source and type, year-to-date expenditures of all planning funds, indirect costs, local match, etc.
- Total RPA and/or CPG expended during the quarter

The District may request additional documentation/information from the MPO/RTPA when they are reviewing Quarterly Progress and Expenditure Reports. Per the MFTA, Article 1-Program Administration, Section 2-Quarterly Progress Reports, the District reserves the right to deem the Quarterly Progress and Expenditure Report incomplete if it does not sufficiently document the required information and may withhold payment of Request for Reimbursements (RFRs) pending the submission of required documentation.

District liaisons should send the MPO quarterly progress reports to FHWA/FTA at the end of each quarter. However, starting July 1, 2013, District liaisons are no longer required to forward MPO/RTPA quarterly reports to the ORP Liaison each quarter. In its place, District liaisons will engage in a quarterly conversation with the ORP Liaison to discuss the current activities highlighted in the quarterly report. At the end of each fiscal year, the District Liaison will submit the MPO/RTPA's quarterly reports and final products completed for the year to the ORP Liaison.

A separate Quarterly Progress Report for FHWA Strategic Partnerships and FTA 5304/SHA Sustainable Communities Grants are no longer required. Instead, grant recipients will be required to report grant activities as part of the OWP Quarterly Progress and Expenditure Report, including a transmittal memo noting the percentage of project work completed.

2.27 Mid-Year Reviews

The District should schedule a Mid-Year review meeting with the MPO/RTPA to review OWP progress after the end of the 2nd quarter. The Mid-Year review should address the MPOs/RTPAs accomplishments, issues, changes to work element budgets and timelines, etc. that have taken place in the first half of the State fiscal year. As appropriate, the Mid-Year review may be conducted less formally, e.g., as part of another meeting, on the telephone, etc. A summary of the Mid-Year review should be discussed during the 3rd Quarter teleconference between the District Liaison and the ORP Liaison.

3 THE CONSOLIDATED PLANNING GRANT (CPG) AND RUAL PLANNING ASSISTANCE (RPA)

In 1997, FHWA/FTA instituted a transportation planning funds process called the Consolidated Planning Grant (CPG). As per 2 CFR 200, state procedures apply unless they are less restrictive than federal procedures. In the latter instance, federal requirements prevail.

In California, the four major CPG fund sources and types are:

- FHWA Metropolitan Planning (FHWA PL)
- FTA Metropolitan Planning, Section 5303 (FTA § 5303)
- FHWA State Planning and Research Part I - Strategic Partnerships Grants (formerly Partnership Planning)
- FTA State Planning and Research, Section 5304 Sustainable Communities Grants (formerly Transit Planning Grants).

FHWA PL Funding under MAP-21 is determined using a multiplier that is applied to the State lump sum apportionment to determine PL fund amounts. The multiplier is the Ratio of the State's FY 2009 PL funds to its FY 2009 Total Apportionment as per Section 104, Title 23 USC. This formula replaces the previous 1 ¼ percent set-aside from core programs that was apportioned to the States based on urbanized area population used under SAFETEA-LU. This change in formula does not present a significant change in funding levels between SAFETEA-LU and MAP-21. California's share of FHWA PL totaled approximately $45 million in 2013/14.

FTA § 5303 annual authorized appropriations are set forth-in Section 5338, Title 49 USC. California's share of FTA § 5303 totaled approximately $16 million in 2013/14.

FHWA Strategic Partnerships Grants and FTA Sustainable Communities Grant funds are available as set forth in Section 307(c)(1), Title 23 USC, and Section 5338, Title 49 USC. In 2015/2016, California's share totaled approximately $1,500,000 for FHWA Strategic Partnerships Grants and approximately $8,400,000 for FTA § 5304/SHA Sustainable Communities Grants.

There are some key differences among these four key components:

- FHWA PL and FTA § 5303 are allocated to MPOs, per formula, from the annual federal apportionment to California. Non-MPO RTPAs do not receive these funds.
- The two discretionary grants - FHWA Strategic Partnerships Grants and FTA § 5304/SHA Sustainable Communities Grants - must be applied for annually and are competitively awarded. RTPAs and MPOs may apply.
- FHWA and FTA funds are administered on different time lines. Around October 1, with the federal budget, FHWA funds are appropriated and apportioned for the current federal fiscal year, and FTA funds are appropriated for the following federal fiscal year.
- FHWA PL and FTA § 5303 may be carried over from year-to-year.

- FTA § 5304/SHA Sustainable Communities and FHWA State Planning and Research –Strategic Partnership Grants may be carried over, but must be expended within three years (one year to encumber, plus two years to liquidate), consistent with the grant application representations, and as shown in the OWP work elements.

3.01 FHWA PL Metropolitan Planning and FTA § 5303

MPOs receive FHWA PL and FTA § 5303 funds each year to develop transportation plans and programs. All MPOs receive FHWA PL funds and all MPOs with an urbanized area receive FTA § 5303 funds each year. TMPO is the only California MPO that does not receive FTA § 5303 funds.

The percentage of the California apportionment of FHWA PL and FTA § 5303 each MPO receives is determined by a formula agreed to by the MPOs, Department, and FHWA/FTA.

The FHWA PL formula has three components:

(1) A base allocation
(2) A two-part population component which distributes funds by the proportion of the total population of each MPO based on California Department of Finance estimates each January
(3) An air quality component based on the proportion of federal Congestion Mitigation Air Quality (CMAQ) funds to total programmatic FHWA PL funds

The FTA § 5303 formula has two components:

(1) A base allocation
(2) A population component, which distributes funds according to the MPO's percentage of statewide urbanized area population as of the most recent decennial census.

Please note, the FHWA PL formula refers to *total* county population, but the FTA § 5303 formula refers to only the *urbanized area* population. Also, whereas the FHWA PL population number is adjusted annually, the FTA § 5303 population number is adjusted only after each decennial census.

3.02 FHWA State Planning and Research (SPR), Part I – Strategic Partnerships Grants

MPOs/RTPAs with a current Master Fund Transfer Agreement with ORP may compete for FHWA SP&R Part I – Strategic Partnerships Grants (formerly known as Partnership Planning and Partnership Planning for Sustainable Transportation) on their behalf or on behalf of one or more subrecipients. Examples of subrecipients are public agencies, private non-profit or community based organizations, universities, and Native American Tribal Governments.

Grant Specific Objectives:

- Achieve the Caltrans Mission and Grant Program Overarching Objectives;
- Encourage regional agencies to partner with Caltrans to identify and address statewide/interregional transportation deficiencies in the state highway system;
- Strengthen government-to-government relationships; and,
- Result in programmed system improvements.

Please visit the ORP grants website for more information about this Grant Program:

http://www.dot.ca.gov/hq/tpp/offices/orip/Grants/grants.html

3.03 FTA § 5304/State Highway Account (SHA) – Sustainable Communities Grants

The Sustainable Communities Grants (formerly known as FTA § 5304 Transit Planning for Sustainable Communities and Transit Planning for Rural Communities) are funded with a combination of FTA § 5304 and State Highway Account (SHA) funds. MPOs/RTPAs with a current Master Fund Transfer Agreement with ORP may compete for FTA § 5304/SHA Sustainable Communities Grants, on their behalf or on behalf of one or more subrecipients. Other primary grant recipients include transit agencies, cities and counties, and Native American Tribal Governments. These recipients will undergo a direct contracting process for each awarded grant, known as a Fund Transfer Agreement. Examples of allowable subrecipients include transit agencies, public agencies, private non-profit or community based organizations, universities, training institutes, and Native American Tribal Governments.

Grant Specific Objectives:

- Achieve the Caltrans Mission and Grant Program Objectives;
- Identify and address mobility deficiencies in the multimodal transportation system;
- Encourage stakeholder collaboration;
- Involve active public engagement;
- Integrate Smart Mobility 2010 concepts; and,
- Ultimately result in programmed system improvements.

Please visit the ORP grants website for more information:

http://www.dot.ca.gov/hq/tpp/offices/orip/Grants/grants.html

3.04 California's Implementation of the CPG

The Department makes an application for all of California's MPOs and RTPAs that are recipients of CPG funds and establishes CPG Project IDs annually through Headquarters Accounting. Districts no longer need to obligate/de-obligate funds each fiscal year and ORP has standardized Request for Reimbursement (RFR) and other procedures. The transfer of CPG funds is accomplished through a single Master Fund Transfer Agreement between the Department and each MPO/RTPA rather than several source-specific fund transfer agreements.

To satisfy federal Intergovernmental Review, Presidential Executive Order 12372, ORP now files Office of Management and Budget Forms STD 424 with the State Clearinghouses on behalf of all MPOs/RTPAs.

3.05 Rural Planning Assistance (RPA)

RPA is state transportation planning funding included in a State Budget line item that is allocated annually by ORP (via a population tiered formula) to the rural, non-MPO, RTPAs per PUC 99311.1. It is provided on a reimbursement basis, after costs are incurred and paid for using local funds. Expenses incurred prior to the end of the fiscal year (June 30) can be reimbursed for up to sixty days after June 30.

3.06 Local (Non-Federal) Match

Like most other federal funding sources, CPG requires recipients to fund a portion of the total grant using non-federal funds, or "local match", per the MFTA, Article I (J). RPA does not require local match. The table below lists the non-federal match requirement for each fund type:

Fund Type	**FHWA PL**	**FTA § 5303**	**FTA § 5304/SHA Sustainable Communities**	**FHWA Strategic Partnerships**
Federal Grant	88.53%	88.53%	88.53%	80.00%
Minimum Local Match	11.47%	11.47%	11.47%	20.00%

"Minimum Local Match" refers to the percentage of non-federal fund contribution required by a specific grant program. However, "Mandatory Local Match" as shown on the Overall Work Program Agreement (OWPA) form, refers to the total amount of the non-federal fund contribution, including both cash and in-kind contributions the MPO/RTPA programmed in the OWP. The mandatory (or total) amount of the local match must be shown on the Overall Work Program Agreement (OWPA). In most cases mandatory and minimum local match are the same. However, when an MPO/RTPA overmatches that fund type, the overmatch should be shown on the OWPA (as Mandatory Local Match).

Upon incorporation of an approved federal grant application as a Work Element in the OWP, the local match amount must be consistent as shown in the Grant Application, the OWP Work Element page, the Budget Summary table, and the OWPA.

Local match calculation considerations:

The local match is a percentage of the total sum of the federal participation amount *plus* the required non-federal participation amount. It is not only a percentage of the federal participation amount.

Assuming an 88.53% federal match rate, the total grant amount (including federal and local funds) multiplied by 88.53% will equal federal participation amount. If this amount is subtracted from the total grant amount, the local match amount can be determined.

For example, a grant with a total amount of $100, 88.53% X $100 = $88.53 (federal fund amount)

This quotient ($88.53) can then be subtracted from the total grant amount ($100) to find the local match amount. $100 - $88.53 = $11.47

Per state policy, the match is calculated work element-by-work element. It is not a percentage of total federal funds in the OWP.

Each work element in the OWP, the OWP Budget Revenue Summary, and each RFR must reflect the mandatory local match. Including more than the mandatory minimum local match in one work element (sometimes called "overmatching") cannot be "balanced" with less than the mandatory local match in a different work element (sometimes called "undermatching").

Local match, like other sources in the OWP, cannot be redirected among work elements without amending the OWP and as appropriate, ~~also~~ the OWPA.

If more than one federal source is among a work element's funding sources, local match must be calculated for each federal source and type.

For example, if a work element includes Strategic Partnerships Grant (80% federal participation and 20% local share) and FHWA PL funds (88.53% federal participation and 11.47% local share), the funds must be calculated separately:

FHWA PL:
$100 total grant X 88.53% (federal participation) = $88.53
Subtract federal participation ($88.53) from total grant amount ($100) = $11.47 (the mandatory local match)

Strategic Partnerships Grant:
$100 total grant X 80% (federal participation) = $80
Subtract federal participation ($80) from total grant amount ($100) = $20 (the mandatory local match)

Each work element entry on an RFR must show at least the mandatory local match amount and match source. A higher match amount (overmatch) on one RFR cannot compensate for a lower match (under match) on a previous or subsequent RFR.

An excel spreadsheet with preset calculations (Local Match Calculator) is available on the ORP website to assist Districts and MPOs/RTPAs to accurately compute local match.

http://www.dot.ca.gov/hq/tpp/offices/orip/index.html

In the instance of "in-kind" or "soft-match" local participation, the District needs to verify such services are not funded with a different federal funding source and such services are not also inadvertently charged as Indirect Costs. The MPO/RTPA needs to provide solid supporting documentation when "in-kind" is used as the local match.

If federal sources are used to fund consultant contracts, a "hard" match, i.e. non-federal funds, is preferred. If "in-kind" match is to be used, the District needs to carefully review the in-kind services match to assure it:

1. Was funded with non-federal funds (e.g., with Planning Programming and Monitoring (PPM), local sales tax measure, etc.), and

2. Adds some benefit to the consultant contract, i.e. makes it better or less expensive. For example, a local agency could provide data the consultant will not need to be paid to collect.

It is extremely important to note that, local match funds for the CPG cannot come from other federal sources. The local match must consist of either state and/or local funding sources. District staff will be primarily responsible for monitoring local match sources via reviewing all of the MPOs Requests for Reimbursement (RFRs) and support documentation.

MPOs will also submit a detailed breakdown of their fund source(s) for local match to the CPG funds they have expended. In doing so, the support documentation will now demonstrate the source of the local match funds, rather than the fund solely be labeled "local match".

The OWPA and RFR forms contain a clause that each MPO must sign that certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.

3.06a In-kind Local (Non-Federal) Match

"In-kind" match refers to the value of third party services that may be accepted as match for federal funds. Some examples of in-kind match are the value of community advisory committee members' services, or the value of services provided to a specific MPO/RTPA planning work activity by a city or county staff. All in-kind contributions must fund allowable costs and must be performed in the period (i.e. quarter) to which the work applies. A local agency cannot perform work at the beginning of a grant project and apply it as in-kind match to all future

reporting periods. In such cases, the grantee will be asked to provide another match source for the federal expenditures per work period.

In accordance with the provisions of 2 CFR 200.306(b), an agency can freely decide to match any federal planning funds in-kind, but must provide additional documentation to ensure compliance with federal regulations. The use of third party in-kind contributions must be identified in the original work program, or amendments thereto, and approved by Caltrans. The use of in-kind contributions may not be made retroactive prior to approval of the work program or an amendment thereto.

Additionally, the recipient should be aware that they are responsible for ensuring that the following additional criteria are met:

- The third party performing the work must agree to allow the value of the work to be used as the match.
- The cost of the third party work must not be borne by other Federal funds or be used as a match for other federally funded grants/subgrants.
- The work performed by the third party must be an eligible transportation planning related activity that benefits the federally funded work and must be identified in the work program.
- The third party costs (i.e., salaries, fringe benefits, etc.) must be allowable under 2 CFR 200, Subpart E- Cost Principles.
- The third party work must be performed during the period to which the matching requirement applies.
- The third party in kind contributions must be verifiable from the records of the recipient or subrecipient and these records must show how the value placed on third party in kind contributions was derived.
- Invoices submitted by a subrecipient to a recipient should show total expenditures by subrecipient and the third party contributions. The recipient then would reimburse the subrecipient for the Federal (and State, if any) share, not to exceed the subrecipient's expenditures. If the total amount of third party contributions at the end of the program period is not sufficient to match the total expenditure of Federal funds by the subrecipient, the subrecipient will need to make up any shortfall with its own funds.

For more information on in-kind match please refer to 2 CFR 200.306.

3.06b Use of Toll Credits for Local Match

Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned on existing toll facilities. Toll credits may substitute for the required non-federal share on Federal-aid project, thus the Federal reimbursement can effectively be increased to 100 percent.

Starting with state FY 2011-12, MPOs could begin to use toll credits in lieu of local match for planning activities funded with FHWA PL and FTA § 5303 funds in their OWPs. Effective FY 2015-16, MPOs can begin to use toll credits in lieu of local match for planning activities funded with carryover FHWA PL and FTA § 5303 in their OWPs.

In order for MPOs to use toll credits in lieu of required local match, MPOs need to ensure the following guidelines are met starting with the FY 2011-12 OWP and corresponding RFR's and quarterly reports:

- Identification of the amount of toll credits used for each OWP work element. In each work element, toll credits will need to be shown by fund source. If a work element includes both FHWA PL and FTA § 5303 funds, then toll credits will need to be shown separately for each of the two federal fund sources.

- Within each work element, an obvious separation of FHWA PL and FTA § 5303 programmed carryover from the FHWA/FTA § 5303 toll-credit matched funds.

- Carryover FHWA PL and FTA § 5303 can be matched with toll credits if they are programmed in a federally approved OWP. This means that carryover PL/5303 funds matched with toll credits must be programmed in the adopted OWP that is submitted by June 1 of each fiscal year. Since carryover funds are usually not reconciled until after the close of the previous fiscal year, it should be noted that the use of toll credits to match these unreconciled carryover funds (prior to the closeout of the previous fiscal year) will only serve as a placeholder until a final reconciliation occurs. This means that an amendment will be needed to correct any overages of programmed carryover funds that are matched with toll credits.

Please note: Toll Credits are not a form of cash or revenue. They are credits that can be used as a substitution for local matching funds, which allows for work to be 100% funded with federal funds. When Toll Credits are used as match to fund a work task item or element, the MPO should ensure that enough federal, state or local funds are documented and programmed to ensure enough revenue is available to fund the work element.

The sample work element budget sheet demonstrates, at a minimum, what the MPO will need to show in the OWP work element budget if they choose to utilize toll credits to match FHWA PL and FTA § 5303 funds including making sure the toll credits are not shown as a source of revenue.

When reviewing OWPs, District staff should ensure that the MPO has properly identified the use of toll credits with appropriate and eligible fund sources. The ORP Fund Specialist will track and report the use of toll credits by MPOs for FHWA.

4 ORP-ADMINISTERED TRANSPORTATION PLANNING FUNDS

Of the various local, state and federal fund sources and types included in OWPs, this Handbook only addresses administration of federal Consolidated Planning Grant (CPG) and state Rural Planning Assistance (RPA).

4.01 Non-ORP Administered Transportation Planning Funds

Non-ORP administered transportation planning funds are not covered by the regional transportation planning MFTA and the OWPA and their application and encumbrance procedures are not addressed in this Handbook. More information is available at the listed websites:

The Division of Aeronautics administers aviation planning funds:
http:/www.dot.ca.gov/hq/planning/aeronaut/

Planning, Programming and Monitoring (PPM) funds are administered by Division of Local Assistance:
http:/www.dot.ca.gov/hq/LocalPrograms/

Transportation Development Act (Local Transportation Fund and State Transit Assistance) funds are administered by the Division of Rail and Mass Transportation:

http:/www.dot.ca.gov/hq/MassTrans/

4.02 Use of Transportation Planning Funds

As the name indicates, transportation planning funds (FHWA PL, FTA § 5303) are to be used for the Metropolitan transportation planning process. The main documents that are developed with these funds are the OWP, RTP and the TIP. The Federal Planning Factors and PEAs also guide the planning activities within the OWP

These funds cannot be used for activities that go beyond the planning process. For example, studying whether a traffic impact fee would benefit transportation in the region and even determining appropriate fee levels are acceptable uses, but implementation of the traffic impact fee program goes beyond planning and is not an acceptable use. Federal cost principles also apply to transportation planning funds and are identified in 2 CFR Part 200. In addition, if an agency does not adhere to the Contract and Procurement process outlined in 2 CFR 200, federal planning funds cannot be used.

State RPA also adheres to the same eligibility requirements as the Metropolitan planning funds. RPA should be used for the rural transportation planning process and should not be used for

activities that go beyond the planning process or for activities that have been identified as an ineligible use of transportation planning funds.

CPG and RPA funds must also adhere to the cost principles outlines in 2 CFR Part 200 – Cost Principals for State, Local, and Indian Tribal Governments:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

FHWA Memorandum: FHWA/FTA Planning Program Funds to Support Integration of Transportation, Land Use, and Climate Change

http://www.fhwa.dot.gov/planning/processes/land_use/statewide_metropolitan/plnlnduse.cfm

Appendix A lists examples of eligible uses for transportation planning funds

4.03 Indirect Cost Allocation Plan (ICAP)

If a MPO/RTPA plans to request reimbursement for indirect costs (i.e. those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited), it must submit an Indirect Cost Allocation Plan (ICAP) and related documentation to the Departments' Audits & Investigations (A&I), per the MFTA, Article 2, Section 2. The ICAP submittal must be in compliance with 2 Code of Federal Regulations (CFR), Part 200 [formally known as CFR Part 225 and the Office of Management and Budget Circular A-87 (OMB A-87)] and Caltrans Local Programs Procedures Manual Chapter 5, Accounting/Invoicing (LLP 04-10). If a MPO/RTPA determines that they will not bill for indirect costs for a specific fiscal year(s) then an ICAP is not required for the specific year(s).

It is the District's responsibility to ensure the MPO's/RTPA's proposed ICAP is sent to Headquarters A&I, even though some MPOs/RTPAs may submit their ICAP directly to Audits. ICAP packages will not be accepted if they are submitted later than six months after the close of the fiscal year, or a request for an extension is not received within the first six months after the close of the fiscal year.

If the MPO/RTPA charges indirect costs in their RFRs, the District must ensure that an approved ICAP rate is used and applied correctly. The District is responsible for ensuring that the RFR submitted by the MPO/RTPA includes a breakdown of costs by direct labor, indirect costs, other direct costs and consultant costs, sufficient to review for reasonableness of cost categories billed and to compare the indirect rate billed to the approved ICAP rate. If the District is unsure if an ICAP has been submitted and/or approved, the District should contact the ORP Fund Specialist.

Due to the changes brought forth in 2 CFR 200, the Department has implemented a revised streamlined approach to processing Local Government Agency (LGA) indirect cost allocation plans (ICAPs). Effective February 2015, LGAs will have different options for the submittal of an ICAP. These options include:

- Submit the ICAP Certification only
- Submit a complete ICAP package
- Submit an ICAP Extension Request of a current negotiated indirect cost rate(s)
- Submit a notification for the use of a de minimis rate

For further information on the different options for the submittal of ICAPs, please refer to Appendix B, "Indirect Cost Allocation Plan Submission Options and Information", located at the end of the Regional Planning Handbook or contact Marsue Morrill, Chief, External Audits - Local Governments, Division of Audits and Investigations at (916) 323-7105.

Additional information on the ICAP submission process, including links to the ICAP checklist and ICAP Submission Certification can also be found at:

http://www.dot.ca.gov/hq/audits/index.html

4.04 Requests for Reimbursement (RFRs)

Once the MPO/RTPA has an adopted and approved OWP, submitted three fully executed original OWPAs and all the required Certifications and Assurances with the ORP Fund Specialist, and the State Budget has been signed by the Governor, the MPO/RTPA may then request reimbursement for eligible OWP expenditures per the MFTA, Article II, Section 1.

To be reimbursed for OWP work, the MPO/RTPA submits a Request for Reimbursement (RFR) with support documentation that clearly ties all expenditures by the agency and/or all sub-contractors to the RFR.

Unless the MPO's/RTPA's MFTA provides differently, RFRs may not be submitted more frequently than for a monthly time period and may not be submitted less frequently than for a quarterly time period. If the MPO/RTPA does not meet the minimum RFR submittal requirements as outlined in their MFTA, District staff should notify ORP of the agencies response as to why the minimum submittal requirements are not being met.

ORP has developed Request for Reimbursement forms for:

- MPOs seeking reimbursement for CPG funds
- RTPAs seeking reimbursement only for RPA
- RTPAs seeking reimbursement for FTA § 5304/SHA Sustainable Communities Grant and/or FHWA Strategic Partnerships Grant funds

Effective October 1, 2014, ORP implemented a revised process for reviewing RFR's support documentation for MPOs Consolidated Planning Grant funds and RTPAs Rural Planning Assistance and discretionary grant funds.

The revised process now requires MPOs/RTPAs to submit support documentation with each RFR at the level shown in the attached RFR summary spreadsheets. When a RFR is submitted, the District determines if the MPO/RTPA is providing the required support documentation and

if the summary sheets and RFR form are accurate. If an MPO/RTPA fails to provide the required support documentation, the RFR will be disputed and returned to the MPO/RTPA for revision.

In addition to the revised RFR process, ORP implemented a risk-based process to ensure there is a consistent process statewide and to identify if the MPO/RTPA is meeting the requirements of the Master Fund Transfer Agreement and if the MPO/RTPA demonstrates compliance with the following regulations:

- 23 CFR Part 450 Planning Assistance and Standards
- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 23 CFR Part 420 Planning and Research Program Administration
- FTA Circular 8100.1C Program Guidance for Metropolitan Planning and State Planning and Research Program Grants

The risk-based process streamlines the RFR review process for District and ORP staff, while standardizing the amount of support MPOs/RTPAs have to submit with each RFR.

Throughout the fiscal year, ORP will select several MPOs/RTPAs to submit full support documentation for a paid RFR. This full support documentation includes a RFR, summary spreadsheets, MPO/RTPA staff timesheets, and consultant/vendor/pass through entity invoices and method of payment that captures the reimbursable dollar amount requested. The ORP Fund Specialist will review the documentation to determine if full support has been provided.

If, during this review, it is found that the full support documentation does not correspond with the charges in the RFR, the MPO/RTPA will be required to provide this level of supporting documentation prior to payment for future invoices. The full support documentation submission requirement will remain in effect until the MPO/RTPA has successfully supported two quarters of billings.

MPO and RTPA RFRs can be found on ORP's website at http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html.

4.04a Electronic Funds Transfer (EFT) for MPOs and RTPAs

The Electronic Funds Transfer (EFT) payment process is available to MPOs and RTPAs for the following fund sources:

- Rural Planning Assistance (RPA),
- FHWA Metropolitan Planning,
- FTA § 5303, Metropolitan Transportation Planning Program,
- FHWA State Planning and Research, Part I – Strategic Partnerships Grants
- FTA Statewide Transportation Planning Program, Section 5304/SHA Sustainable Communities Grants.

Through this EFT process, the State Controller's Office (SCO) receives electronic notification of payments due from Caltrans. The SCO will then electronically transfer funds to a MPO/RTPA's designated bank account in approximately four to seven business days, reducing the MPO/RTPA's waiting period by approximately one week. After the funds are transferred, a paper remittance advice will automatically be sent to each MPO/RTPA detailing the specific account the payment was posted to, as well as the amount of the payment that was issued.

General information regarding the EFT program is available at http://www.dot.ca.gov/hq/asc/eft/index.htm.

Agencies that are not currently enrolled and wish to participate in the EFT payment program or wants to make changes to existing EFT account information should complete and return the attached EFT Payment Enrollment Form, FA-2656 to:

Department of Transportation
Division of Accounting – MS 25
P.O. Box 168018
Sacramento, CA 95816-8018
Attention: Ms. Diana Teh

Specific questions regarding enrolling in the EFT program should be directed to Ms. Diana Teh at (916) 227-9091.

4.05 Timely District Review of RFRs

It is the District's responsibility to review all RFRs to ensure expenditures are accurate and used for eligible activities, delivered products, and completed in accordance with work elements in the OWP.

For CPG, the District also verifies that the RFR reflects the appropriate local match amount. Please note, RFRs cannot be approved for payment when there is no supporting documentation or the supporting documentation is not adequate.

Invoice Processing Breakdown:

Fund Types	Days for District Review	Days for HQ Coding	Days for Accounting Processing	Days for SCO Payment	Maximum Allowable Days for Payment of Invoice
Non - PL Invoices	10	5	15	15	45
PL Invoices - MAP-21	5	2	8	6	21

RPA and CPG (Without PL) RFR's:

For RPA and non-FHWA PL RFR's there is a total of 45 calendar days for review and processing. The District will forward the RFR to the ORP Fund Specialist for coding within 10 days after receipt in the District, to allow time for further review and coding. RFRs must be submitted to the Regional Planning Invoices Mailbox at Regional.Planning.Invoices@dot.ca.gov AND to the appropriate ORP District Liaison. Caltrans Planning (including District review and ORP review and coding) has a total of 15 calendar days from date of receipt in the District to send the approved RFR to Accounting.

If there are problems with the RFR, within 15 calendar days from receipt in the District, the District must formally notify the MPO/RTPA, both by phone and in writing, of an error in the RFR (Section 4.06 provides information about Inaccurate RFRs).

Accounting has another 15 days to authorize payment and the State Controller's Office has 15 days to issue the actual payment check. The maximum turnaround time on any non-FHWA PL RFR should not exceed 45 calendar days.

RFR Flow (for RPA and Non-PL CPG): The District receives the complete invoice, date stamps, and reviews the RFR for accuracy. If accurate, the District Liaison's Senior Transportation Planner whose unit is responsible for regional planning, and for OWP administration and monitoring, signs the RFR. The District Liaison then emails the signed RFR and support documentation to the Regional Planning Invoices Mailbox at Regional.Planning.Invoices@dot..ca.gov AND to the appropriate ORP District Liaison for coding. The District Liaison will receive an auto-reply from the Regional Planning Invoices mailbox that the RFR was received.

As a reminder, RFRs should never be sent through interagency or postal mail service.

The ORP Fund Specialist codes and emails the RFR to HQ Accounts Payable advising Accounting that the coding is consistent with the processes agreed to between ORP and Accounting. The District is also notified when accounting receives the coded RFR.

CPG (With PL) RFR's:

Effective October 1, 2012, Moving Ahead for Progress in the 21st Century Act (MAP-21), section 1105 § 104 (d)(2)(B), requires that reimbursement to the MPOs of FHWA PL funds shall occur within 15 business days once the invoice has been submitted by the MPO. This

change supersedes prior federal requirements under SAFETEA-LU, which required reimbursement for FHWA PL funds to occur within 30 days after the date of receipt. This change in MAP-21 supersedes Assembly Bill 2275 (California Prompt Payment Act) and has required ORP to institute a unique RFR process for RFR's that contain FHWA PL funds. This process now highly encourages MPOs to use EFT.

For FHWA PL RFRs there is a total of 15 business days for review and processing, which typically amounts to roughly 21 calendar days. The reason for the conversion to calendar days is that SCO does not process EFT daily and Caltrans must account for SCO's processing timeline and work backwards to determine how much time the District and HQ have to process the invoices.

As a result, the District will forward the RFR to the ORP Fund Specialist for coding within 5 calendar days after receipt in the District, to allow time for coding. RFRs must be submitted to the Regional Planning Invoices Mailbox at Regional.Planning.Invoices@dot.ca.gov AND to the appropriate ORP District Liaison. ORP has 2 calendar days to send the coded RFR to Accounting.

If there are problems with the RFR, within 5 calendar days from receipt in the District, the District must formally notify the MPO/RTPA, both by phone and in writing, of an error in the RFR (Section 4.07 provides additional information about Inaccurate RFRs).

Accounting has 8 calendar days to authorize payment and the State Controller's Office has 6 calendar days to transfer the funds through EFT.

RFR Flow (for CPG PL): The District receives the complete invoice, date stamps, and reviews the RFR for accuracy. If accurate, the District Liaison's Senior Transportation Planner whose unit is responsible for regional planning, and for OWP administration and monitoring, signs the RFR. The District Liaison then emails the signed RFR and support documentation to the Regional Planning Invoices Mailbox at Regional.Planning.Invoices@dot.ca.gov AND to the appropriate ORP District Liaison for coding. The District Liaison will receive an auto-reply from the Regional Planning Invoices mailbox that the RFR was received.

As a reminder, RFRs should never be sent through interagency or postal mail service.

The ORP Fund Specialist codes and emails the RFR to HQ Accounts Payable advising Accounting that the coding is consistent with the processes agreed to between ORP and Accounting. The District is also notified when accounting receives the coded RFR.

4.05a District RFR Review Checklist

The following checklist can assist District staff when they review and approve RFRs. This list is illustrative, not inclusive.

- Invoice is date stamped by District.
- Invoice is signed by both the submitting agency and signed by the District's Senior Transportation Planner whose unit is responsible for regional planning and for OWP administration and monitoring.
- MPO/RTPA has submitted yearly FHWA/FTA certifications of assurances and a state Debarment Form if they are receiving Federal Funds.
- RTPA has submitted RTPA Certification of Assurances and a state Debarment Form if they are receiving state funds.
- Invoice is consistent with funding programmed in the OWP/OWPA.
- The MPO/RTPA has not overspent the funds programmed in each work element.
- MPO/RTPA has indicated at least the correct minimum local match for each fund source and work element.
- MPO/RTPA has submitted support documentation that details the expenditures at the individual fund source and work element level (including sub-work elements if applicable).
- MPO/RTPA has provided a project summary report generated directly from the regional agencies accounting system that reconciles CPG expenditures (still shown on the support documentation spreadsheets) to their accounting system.
- MPO/RTPA has indicated in its support documentation the source(s) of local match (not applicable to RPA invoices).
- Support documentation adequately shows that costs have been incurred by the agency.
- MPO/RTPA has indicated the approved Indirect Cost Allocation Plan Rate percentage and a breakdown of indirect costs per fund source and work element (including sub-work elements).

4.06 Inaccurate RFRs/Dispute Notification Form

Within 15 calendar days of receipt (5 days for FHWA PL RFRs), the District must notify the MPO/RTPA if the District finds an inaccuracy in an RFR. District staff works with the

MPO/RTPA to correct any and all errors prior to forwarding the RFR to ORP for payment. This involves both telephone and written communication with the MPO/RTPA.

For example:

- District staff phones the MPO/RTPA to discuss the specific RFR concerns, *and*
- District staff also makes a written record of both the specific concern and the phone conversation communicating the concern using the Invoice Dispute Notification form. To properly dispute an invoice, please use the Invoice Dispute Notification form listed below.

  http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std209.pdf

If the District fails to adhere to the 15 calendar day (5 days for FHWA PL RFRs) mandated notice timeframe, the District is liable for paying interest on the RFR balance. To avoid this interest penalty, the District must document its communication with the MPO/RTPA about the inaccuracy in the RFR.

4.07 Year-End Package

Within 60 days after June 30 (the state fiscal year) and no later than August 31st, each MPO/RTPA must closeout the OWP through submittal of a Year-End Package. Please note, the "Year-End Package" should not be sent until all invoices for the fiscal year that just ended have been submitted and must be attached to a transmittal memo. If the documents are not received within 60 days after the close of the fiscal year, the state may with hold future apportionments allocated to the agency, per the MFTA, Article 2, Section 3.

MPO and RTPA Recipients Year-end Package

The following documents make up the year-end package for the MPOs/RTPAs:

- A Certification of Allocation and Expenditure by Fund Source that has been executed by an MPO/RTPA entity who has specific signature authority from the Governing Board (usually the Executive Director or Finance Officer) and

- A Final Statement of Expenditures – a summary of the total amount of federal and state funds expended for a work element by fund source and type, i.e., FHWA PL and FTA § 5303, and RPA. It must match the reported expenditures contained in the Certification of Allocation and Expenditure by Fund Source.

- 1st, 2nd, 3rd, and 4th OWP Quarterly Progress and Expenditure Report

ORP use the Certification of Allocation and Expenditure by Fund Source to close the MPO's/RTPA's account for the fiscal year. This document is critical to enable the Department to ensure FHWA PL, FTA § 5303, and RPA carryover balances are accurately credited to the MPO's/RTPA's account.

After the District has received the last RFR of the fiscal year from the agency, the agency can then proceed to compile the year-end package. The District Liaison reviews the package to ensure that the expenditures match the RFRs approved by the District and forwards the complete package to the ORP Fund Specialist.

CPG and RPA Certification Allocation and Expenditure by Fund Source forms can be found on ORP's website at:

http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html

4.08 Unexpended Carryover

A MPO and RTPA may use unexpended FHWA PL, FTA § 5303, and RPA (no more than 25%) in a future fiscal year once the following are met:

- The MPO/RTPA has submitted a Certification of Allocation and Expenditure by Fund Source, including the Final Statement of Expenditures, within sixty days after the end of every state fiscal year and executed by an individual to whom the Governing Board has designated signature authority (usually the Executive Director or Finance Officer.)

and

- The District, MPO/RTPA and the ORP Fund Specialist have reconciled the unexpended FHWA PL, FTA § 5303, and RPA balances at the end of each fiscal year via a signed reconciliation letter.

CPG and RPA carryover amounts and the work to be accomplished with the funds can be included in the next FY's Final OWP as informational items; however, FHWA PL or FTA § 5303 programmed in the current OWP cannot be amended into the next FY's OWPA until after balance reconciliation. Prior years' unexpended CPG and RPA carryover in the OWP must be identified separately from the current year's allocations and/or awards as a place holder until the carryover funds are reconciled and amended into the OWP and OWPA. After closeout of the current year's OWP and balance reconciliation, the MPO may amend some or all of these amounts, and the activities to be funded therewith, into the OWP and the OWPA. (See Section 4.09 for more information about Closeout.)

MPOs/RTPAs may not invoice for carryover funds until the prior year close-out and reconciliation processes have been completed, the Carryover letter has been signed by both the agency and Caltrans, and the OWP and OWPA amendment has been approved.

The same reconciliation process applies to the FHWA Strategic Partnerships and FTA §5304/SHA Sustainable Communities Grants; however, a conservative estimate of the remaining funds can be programmed in the next FY OWP/OWPA without closeout of the

previous year OWP/reconciliation. This exception is made to allow a continuation for time sensitive grants. Once a final invoice is submitted each grants' final carryover amount will need to be amended into the next FY OWP/OWPA.

The OWPA cannot include separate current year and carryover entry lines. The combined total of the current year's amount plus any carryover amount must be entered on the respective CPG fund source and type line. Along with the OWPA, the MPO/RTPA must provide an explanatory letter or memo specifying:

- Current year amounts
- Carryover amounts by CPG fund source, type, and allocation year

CPG and RPA Certification by Expenditure Forms can be found on ORP's website at http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html.

4.09 Reconciliation of CPG Carryover Balances

After the MPO has submitted its Year-end Package, the ORP Fund Specialist reconciles the MPO's remaining balances of prior year's FHWA PL, FHWA Strategic Partnerships Grants, FTA § 5303, and FTA § 5304/SHA Sustainable Communities funds. ORP then prepares a balance reconciliation letter. If there is a disagreement about the balance, the ORP Fund Specialist, the District, and the MPO will work together until they achieve balance reconciliation (See Section 4.07 for more information about Year-end Packages.). Completion of the reconciliation letters are based on the Final Allocations being posted in the Federal Register. The completion of the reconciliation letters may also vary from agency to agency due to unapproved Indirect Cost Allocation Plans (ICAPs).

The reconciliation letter is signed by the ORP Office Chief, the MPO, and the District Planning Deputy Director to demonstrate concurrence of all involved parties.

After balance reconciliation, the MPO must amend its OWP to include FHWA Strategic Partnerships, and FTA § 5304/SHA Sustainable Communities grant carryover amounts. The agency may also include some or all of its FHWA PL and/or FTA § 5303 FHWA PL carryover and the activities to be funded therewith. The OWPA must be amended accordingly, including the required local match.

Carryover FHWA PL and FTA § 5303 funds do not have an expiration date.

4.10 Reconciliation of RPA Carryover Balances

Reconciliation of RPA fund carryover balances will occur in the same manner as CPG reconciliation. After the RTPA has submitted its Year-end Package, the ORP Fund Specialist reconciles the RTPA's remaining balance of prior years' RPA and CPG funds. ORP then prepares a balance reconciliation letter. Should there be any disagreement about the balance, the ORP Fund Specialist, the District, and the RTPA will work together until they achieve balance reconciliation. (See Section 4.08 for more information of Year-end Packages.

Signed by the ORP Office Chief, the RTPA and the District Planning Deputy Director, the RPA reconciliation letter demonstrates concurrence of all involved parties.

After balance reconciliation, the RTPA must amend its OWP to include RPA, FHWA Strategic Partnerships and FTA § 5304/SHA Sustainable Communities grant carryover amounts. The agency may also include some or all of its RPA carryover and the activities to be funded therewith. The OWPA must be amended accordingly, including all required local match.

RPA carryover funds expire at the end of the year in which they were carried over into.

4.11 Annual MPO/RTPA Single Audits

As stipulated in the MFTA, and as a condition of receiving federal transportation planning funds, MPOs/RTPAs must have an annual Single Audit if they incur $750,000 or more in total federal fund expenditures. 2 CFR 200 describes the responsibilities of federal agencies and pass-through entities.

To ensure the State of California carries out its responsibilities in accordance with the Federal Single Audit Act, local California governments (including MPOs/RTPAs) are required to submit annual single audit reports directly to the State Controller's office (SCO) within thirty days after receipt of the auditor's report or nine months from the close of the fiscal year being audited, whichever is earlier. For most MPOs/RTPA's this means by March 31 of the following fiscal year being audited. The SCO, acting as the single audit report clearing house for California local governments, will perform the following procedures.

- Determine whether or not the single audit reports conform to Government Auditing Standards.
- Determine whether the single audit reports comply with 2 CFR 200.
- Distribute copies of each audit report to State Departments affected by individual audit findings.
- Request the corresponding State Departments to review single audit reports and evaluate the local government corrective action plans submitted in response to findings of noncompliance.

For single audit findings related to the federal programs the Department is responsible for, the SCO will send the associated single audit reports to Audits & Investigations (A&I). A&I is responsible to follow up on these single audit findings and determine the disposition of the findings. MPOs/RTPAs with single audit findings should be prepared to promptly respond to A&I inquiries and provide corrective action plans upon request.

For additional information, please see 2 CFR 200:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

4.12 Records Retention

As stipulated in the MFTA, Article 2, Section 3 the MPO/RTPA must retain all documents, books and records connected with the funds transferred to the MPO/RTPA, and performance requirements related to those funds. The retention period is a minimum three years from the date of the final payment to the MPO/RTPA or until audit resolution is achieved. In the event of multi-year projects, all records must be retained for a minimum of three years after the project's closeout year. Additionally, if any action has occurred relative to the records (e.g., litigation, claim, arbitration, audit, negotiation, etc.) the records must be retained until completion of the action and resolution of all issues that arise from it.

Like other conditions, record retention applies to the MPO's/RTPA's contractors and sub-contractors.

For as long as they are retained, records shall be available for inspection by state and/or federal representatives and requested copies shall be provided to them without cost.

A sampling of the kinds of records that need to be retained includes:

- OWPs, OWPAs, MFTAs, and any amendments
- Products, e.g., working papers, studies, plans, programs, models, etc.
- RFRs and Year-end Packages, fund tracking spreadsheets
- Billings, payable/receivable records, and financial summaries
- Certification of Allocation and Expenditure by Fund Source, including the Final Statement of Expenditures
- Quarterly Progress and Expenditures Reports
- Contracting and procurement information and procedures, e.g., requests for proposal (RFPs), proposals received, contracts, consultant products, etc.

Caltrans district staff should refer to the current Caltrans policy on record retention for more information.

4.13 Electronic Submittals

In an effort to facilitate availability and accessibility to transportation partners and users, MPOs/RTPAs are requested to submit an electronic version of OWPs, RTPs, and other documents and information. Unless an original and/or hard copy is required, an electronic version can be submitted in place of a hard copy. After adoption, MPOs/RTPAs should submit electronic products to the Districts, which forward copies to ORP. ORP has implemented electronic formats of its tools and documents. As appropriate, these will be posted on the ORP website.

ORP's Website:

http://www.dot.ca.gov/hq/tpp/offices/orip/index/html

5 ORP-ADMINISTERED TRANSPORTATION PLANNING GRANTS (FTA § 5304/SHA SUSTAINABLE COMMUNITIES and FHWA STRATEGIC PARTNERSHIPS)

ORP administers and monitors the following transportation planning grant funds: FHWA SP&R Part I - Strategic Partnerships and FTA § 5304/SHA Sustainable Communities. All grants must be applied for and are competitively awarded. The Grant Application Guide is released annually and provides specific information about the intent of the grant program, eligibility, filing, procedures, deadlines, and rating criteria.

The Environmental Justice Transportation Planning and Community-Based Transportation Planning (EJ/CBTP) grant programs are no longer offered by the Office of Sustainable Community Planning in the Division of Transportation Planning. The SHA funds from the EJ/CBTP grants are now consolidated with Transit Planning under the Sustainable Communities Grants administered by ORP.

The intent of this chapter is to discuss the different grant programs administration and monitoring process from award to completion. District staff and Non-MPOs/RTPAs that monitor/receive Sustainable Communities Grants should be aware that this section is only intended for MPOs/RTPAs. Although the content of this section may apply to Non-MPOs/RTPAs, the administrative requirements differ slightly. Information on Non-MPO/RTPA administrative requirements, including requirements for Disadvantaged Business Enterprise and Title VI can be found at:

http://caltrans-opac.ca.gov/

Additionally, DBE and Title VI information can be found in Chapter 6 of this Handbook.

Grant category descriptions, forms and other tools are found on the ORP Grants website:

http://www.dot.ca.gov/hq/tpp/offices/orip/Grants/grants.html

5.01 Conditions of Awards for MPOs/RTPAs

For MPOs/RTPAs, grant work cannot begin until the project is assigned a stand-alone OWP work element number and the full grant and full local match amounts are amended into the current OWP and OWPA. Once the project has been amended into the OWP, MPOs/RTPAs are required to keep the project in future OWPs/OWPAs until the project is complete. When a grant has been completed, the remaining funds cannot be transferred to another grant effort.

The grant acceptance process is formalized in the Conditional Award Letter. The Conditional Award Letter is normally sent to grant recipients as a follow-up to the electronic award announcement from Caltrans management. The Conditional Award Letter provides deadlines for satisfying conditions, project completion, and outlines the conditions of grant acceptance that must be fulfilled in order to begin grant funded activities.

For MPOs/RTPAs, there are three basic conditions of grant acceptance: (1) the revised final scope of work, project timeline, and grant application cover sheet are submitted to Caltrans, as needed; (2) if applicable, a Third Party In-kind Valuation Plan is submitted for the use of in-kind contributions to satisfy the federal minimum local match requirement; and, (3) the OWP and OWPA are amended to incorporate the grant project. The OWP/OWPA amendment includes the OWPA, OWP Budget Summary, and a stand-alone Work Element. These three items must show consistent funding information for the grant project. The OWP/OWPA amendment process is the last condition to be completed after the scope of work and project timeline are approved by District staff with concurrence from Headquarters. Some grant awards may have additional conditions that were developed by the grant application review committee.

The package of completed documentation needed to fulfill the conditions of grant acceptance is sent to the District. After review, the District sends the package to the HQ ORP Liaison for approval. After ORP approval occurs in the form of an e-mail, the District will send the grant recipient a formal notice to proceed once the OWP/OWPA amendment is processed to signal that grant activities may begin.

5.02 Conditions of Award for Non-MPOs/RTPAs

For non-MPOs/RTPAs, grant work may only begin after the grantee receives a fully executed contract and has been notified by Caltrans to begin work.

The grant acceptance process is formalized in the Conditional Award Letter. The Conditional Award Letter is normally sent to grant recipients as a follow-up to the electronic award announcement from Caltrans management. The Conditional Award Letter provides deadlines for satisfying conditions, project completion, and outlines the conditions of grant acceptance that must be fulfilled in order to begin grant funded activities.

For Non-MPOs/RTPAs, there are five basic conditions of grant acceptance: (1) the revised final scope of work, project timeline, and grant application cover sheet are submitted to Caltrans, as needed; (2) if applicable, a Third Party In-kind Valuation Plan is submitted for the use of in-kind contributions to satisfy the federal minimum local match requirement; (3) a local resolution from the grantees governing board stating the title of the person authorized to enter into a contract with Caltrans must be provided; (4) a Payee Data Record (STD. 204) is completed and submitted; and, (5) the grantee receives a fully executed contract and has been notified by Caltrans to begin work. The contract provides details specific to the administration of a particular grant project, including requirements for invoicing, quarterly reporting, cost principles, third party contracting, project close-out, etc. District staff and non-MPOs/RTPA grant recipients should use the contract, combined with this Handbook, the Caltrans Contract Manager's Handbook, the Grant Application Guide for the FY of award, and the ORP Grants website to successfully administer and complete these transportation planning grant projects.

The package of completed documentation needed to satisfy the conditions of grant acceptance is sent to the District for review. The District completes other internal required forms and creates the 360 contract package (HQ ORP liaisons will send Districts a checklist to complete the 360 package), also including the items above, then sends the package to the HQ ORP Liaison for

review and submittal to the Division of Procurement and Contracts (DPAC). Once DPAC begins the contracting process, the assigned DPAC contract analyst will contact the District, and the grantee will receive a contract for execution. Lastly, the District will send the grant recipient a formal notice to proceed once the contract is signed by the Caltrans contract officer to signal that grant activities may begin.

5.03 Project Timeline Extensions and Scope of Work Modifications

MPOs/RTPAs are expected to adhere to the project timeline and scope of work submitted with the original grant application. However, ORP recognizes hardships in project management may arise once the project is underway. On a case-by-case basis, the District may consider a request for a time extension if project completion will be delayed beyond the end date set forth in the original grant application. To initiate a request, the grantee must send the District a revised project timeline and a brief written justification to explain the need for a time extension. Additionally, the District must ensure the grantee has provided adequate project progress updates through quarterly reporting that ties to the written justification.

Non-MPOs/RTPAs may not seek time extensions due to the strict availability of SHA funds, limited to three-years. For the few agencies that receive more flexible, federal grant funds, there is a process that can be followed to amend the contract for time. The Grants Lead can be contacted for details about this process.

Similarly, the District may consider a MPOs/RTPAs request for a minor scope of work modification so long as the original intent of the project remains unchanged. A minor scope change may include adding detail to tasks or further defining tasks that lead to a more comprehensive study of the existing transportation problem. To initiate the request, the grantee must send the District a written justification to explain why a scope of work modification is necessary, along with a revised scope of work. The District reviews and either approves or denies the MPOs/RTPAs request, provided that the three year time limit for expending funds will not be exceeded. Once requests for scope of work or project timelines changes are approved, the District sends the updated documents to the HQ ORP Liaison.

For any MPO/RTPA request that would exceed the three year allowable time frame, the District reviews and recommends approval or denial, then forwards the request to the HQ ORP Liaison for consideration. Once a decision is reached, ORP will coordinate with the District and ORP will send a formal letter to the grantee.

For non-MPOs/RTPAs, the contract may be amended for minor scope of work changes. The Grants Lead can be contacted for details about this process.

5.04 Contract Oversight/Invoicing

For MPOs/RTPAs, these discretionary transportation planning grants are administered through the three-part contract, consisting of the OWP, OWPA, and the MFTA, as defined in Chapter 2. For invoicing procedures, Chapter 4 should be followed.

For non-MPOs/RTPAs, these grants are administered through a stand-alone Fund Transfer Agreement. The Fund Transfer Agreement defines all state and federal requirements for grantees, including the required format for invoicing or seeking reimbursement of grant funds.

5.05 Unallowable Administrative Fees and Project Management Costs

Grant recipients are not allowed to charge Caltrans Transportation Planning Grant sub-recipients administrative fees. Similarly, project management costs must not exceed five percent of the grant amount awarded. By charging administrative fees or project management costs, fewer funds are available to the sub-recipient or for the actual grant funded planning activity. This will ensure that grant funds are dedicated to planning work products that benefit the region as a whole.

5.06 Quarterly Progress Reports

Starting with fiscal year 2013/14, a separate Quarterly Progress Report for each grant project will no longer be required from MPOs/RTPAs. Instead, MPOs/RTPAs will be required to report grant activities as part of the OWP Quarterly Progress and Expenditure Report (covered in section 2.26 of the Handbook), including a transmittal memo noting the percentage of project work completed. The OWP Quarterly Progress and Expenditure Report is due to the District on October 31st, January 31st, April 30th, and July 31st. The District provides copies of the Quarterly Progress and Expenditure Report in a Year-End Package to the HQ ORP Liaison at the end of each fiscal year.

In general, Quarterly Reports assist staff in identifying project issues such as delay in activities. Inadequate reports create a significant burden to District staff and make it difficult to perform their responsibility as contract managers. Please note, District staff will require a separate Quarterly Progress Report for each grant project from MPOs/RTPAs that do not adequately report the status of grant activities in the OWP Quarterly Progress and Expenditure Reports.

Non-MPOs/RTPAs shall submit separate Quarterly Progress Reports for each grant every quarter.

The HQ ORP Liaison will schedule quarterly teleconferences with District staff throughout the year to receive status updates for each grant project, including the progress of project activities/tasks or lack thereof. Depending on how the District is structured, these quarterly

teleconferences may be part of or be held separate from the quarterly teleconferences to discuss Regional planning activities.

The HQ Grant lead will also request the Districts to update the Grant Status Logs with the grants most recent percentage completed twice during the Fiscal Year.

5.07 Grant Close-Out Procedures

When the project is complete, the grant recipient is required to submit a closeout package to the District office, including one copy of the Quarterly Progress and Expenditure Report (that notes 100% project completion) and one copy of the final RFR along with two copies of the final work product (an electronic copy is preferred).

The District Liaison:

1. Completes and signs the Grant Program Close-Out Report form;
2. Reviews the Quarterly Progress and Expenditure Report that notes the grant project is 100% completed;
3. Reviews the final RFR;
4. Sends one hard copy of each of the above to the HQ ORP Liaison;
5. Reviews and keeps one copy of the Final Product; and,
6. Sends and electronic copy (preferred) of the Final Product to the HQ ORP Liaison.
7. For non-MPO/RTPA grant projects, completes the Contract/Contractor Evaluation (STD. 4)

For MPOs/RTPAs, if the grant funded project is completed by June 30 a final RFR must be received within 60 days of the close of the current fiscal year.

Non-MPO/RTPA grant projects must be completed by February 28th, during the third fiscal year after award and the final RFR must be submitted for approval and reimbursement no later than 60 days after the contract end date.

6 THIRD PARTY CONTRACTS

*** Please note, Chapter 6 will be updated at a future date to properly reflect the changes from 2 CFR 200.**

Some OWP work cannot be accomplished by MPO/RTPA in-house staff and will be contracted out, i.e., contractors or consultants will be hired to perform the work. These agreements between the MPO/RTPA and the contractors are referred to as "third party contracts". Contracting out is also called consultant procurement. In this chapter, consult, consultant, contract, contractor, third party and third party contracts will be used interchangeably.

In accordance with 2 CFR 200 and state law and procedures, all MPO/RTPA contractors, subcontractors, and subrecipient contracts containing Federal and state planning funds are required to be bid and awarded consistent with the language outlined in the MFTA, Article V, Section 1.

When work is contracted out, all state and federal compliance responsibilities of the MPO/RTPA apply to these consultants/contractors/third parties as they do to the MPO/RTPA and must be included in the consultant agreement entered into between the MPO/RTPA and consultant/contractor/third party. If portions of the work are further contracted out to subcontractors, the consultant/contractor/third party must include all state and federal compliance responsibilities in the subcontractors agreement so the subcontractors/subconsultants are bound. If the MPO/RTPA sub-grants CPG or RPA or any other state or federal funds through to their sub-regional agencies, third party contract procedures apply to any contracts, which the sub-regions let.

Contracted out work needs to be identified or labeled as such in the OWP. The District should monitor third party contracts throughout, from request for proposal (RFP) through closeout evaluation.

The District oversight focuses on equitable contracting procedures and quality output by the MPO/RTPA, e.g., inclusive advertisement, solid requests for proposal, objective selection procedures, sound cost estimates, timely delivery schedules, stated expectations for quality results, and stated expectations for production of high quality work.

The District oversight may involve participation in the development of the contracted-for products, e.g., the District may be part of the working group which develops a public participation plan evaluation and adds enhanced outreach efforts to the plan update, or the District may provide data for alternative scenario planning or needs assessments, or the District may participate in creation of the regional transportation plan, the bike plan, the long range transit plan, corridor studies, etc.

MPO's should provide copies of contracts and related executed amendments to the District prior to the Department reimbursing the MPO/RTPA for costs incurred on those contracts.
Appendix E includes Key Contract and Procurement Requirements

6.01 Open and Competitive

Consultant procurement always needs to be done in an open and competitive manner and includes certified Disadvantaged Business Enterprises (DBEs). The process should be based on the best quality work at the fairest price. Local geographical preference is an unallowable procurement practice in the evaluation of bids or proposals when using CPG or RPA funds. The process should be based on the best quality work at the fairest price. If an agency does not adhere to the Contract and Procurement process outlined in 2 CFR 200 federal planning funds cannot be used.

6.02 Contracts up to $100,000

Third party contracts for less than $100,000 (also referred to as Personal Services Contracts or Small Purchases Procedures) may be awarded through a fairly informal procedure where price or rate quotations are obtained from an adequate number of sources.

This $100,000 amount is a cumulative limit for services procured of any individual consultant or consulting firm on a contract or procurement document. This means that if an existing contract or procurement, which was procured using an informal procurement procedure, is to be amended for additional funds that will result in the contract being in excess of $100,000 a new procurement is necessary.

Price or rate quotations shall be obtained from qualified available sources. Generally, this means a minimum of three consultants or vendors should be solicited for quotes. For these smaller contracts, the MPO/RTPA must prepare and retain the following information, in addition to other contracting documents to support the procurement:

- An explanation of the services needed from the consultant and why the MPO/RTPA staff cannot provide them
- Documentation indicating which firms or consultants have been contacted and whether they were interested in providing price or rate quotations
- Copies of the written price or rate quotations and proposals
- The name and qualifications of the consultant who provided the services and a copy of the contract
- Documentation of the fees, showing how the fee was calculated and that it is reasonable by comparative standards

6.03 Contracts for $100,000 or More

Third party contracts for more than $100,000 must be awarded through the procedures described in detail in Chapter 10 of the *Local Assistance Procedures Manual* and in Local Program Procedure 00-05, *Revised Pre-award Audit Requirements and Consultant Procurement* (LPP 00-05).

http:www.dot.ca.gov/hq/LocalPrograms/lpp/LPP00-05.pdf

Contracts larger than $250,000 must also satisfy the pre-award evaluation requirement described in LPP 00-05. If there is unfamiliarity with the consultant or uncertainty about the consultant's fiscal capability, pre-award evaluations may be advisable or required for smaller contracts. (See Section 6.05 and LLP 00-05)

Please reference Section 6.06 for information on the Disadvantaged Business Enterprise Program that applies to CPG planning contracts.

6.04 Seven Contract Steps

The contract process has seven steps:

- Determination that the work can best be accomplished by a consultant
- Selection of the appropriate contracting method
- Development of a request for proposal (RFP), request for qualifications (RFQ) or invitation for bid (IFB), (this will depend on the contracting method chosen)
- Advertisement for project to solicit bids or proposals
- Consultant selection and contract negotiation
- Contract approval and execution
- Contract performance monitoring, evaluation, and closeout

6.04a Determination of How to Best Accomplish the Work

In determining whether work activities are to be performed by staff or consultants, the MPO/RTPA must assess its needs and staff resources: Is contracting the most cost-effective and efficient way to get the work done? A consultant contract should only be pursued if use of in-house staff is not a practical option.

Like work performed by in-house staff, transportation planning contract activities, products, schedule and funding need to be shown in the MPO's/RTPA's OWP. They need to be identified as contracted out consultant work.

6.04b Contracting Methods

There are several consultant selection processes, e.g., sealed bid, competitive proposals (also called competitive negotiation), and non-competitive proposals (also called sole source). Competitive negotiation process using Requests for Proposals (RFPs) is most commonly used for transportation planning work.

Sealed bid/lowest cost contracting is appropriate for construction contracts, or procurement contracts (e.g., office supplies and equipment). Transportation planning third party contracts require competitive selection.

Personal Services Contracts, i.e., smaller contracts for less than $100,000, may be awarded after consideration of price or rate quotes from at least three different consulting entities, whenever possible. As stated above, contracts exceeding $100,000 (individually, including any amendments or augmentations, or a series of smaller contracts with one consultant or consulting firm, which together total more than $100,000) require a competitive procurement process to be used.

Because sole source contracts can only be pursued if one of the following is demonstrated, sole source contracting conditions rarely apply to transportation planning work:

- Only one contractor is qualified to do the work
- An emergency exists of such magnitude that delay cannot be permitted
- Competition is determined to be inadequate after solicitation of a number of sources

If a sole source contract is pursued, the MPO/RTPA needs to assure the contract expectations are clear (e.g., scope of work, tasks, schedules, products, evaluation criteria, conflict resolution, etc.) and the cost is fair and reasonable. A cost analysis is required to be performed, verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits per 2 CFR 200. The special conditions, which necessitate sole source, must be documented and provided to the Department for review and approval prior to the award of the contract. All supporting documentation must be retained and available for review by Department and/or FHWA/FTA.

6.04c Development of the Request for Proposal (RFP)

RFPs should be widely publicized to elicit responses from all capable candidates, and to select the most-qualified candidate to deliver the best product at the most reasonable cost, consistent with legal and fair competition requirements.

RFPs should be advertised in newspapers, trade journals and newsletters, posted on the internet, and innovative outreach efforts should be pursued to ensure the most complete participation of potential contractors, including disadvantaged business enterprises and community based organizations. Existing bidder-list direct mail recruitment is not sufficient.

A RFP package with well-defined expectations should include specifications such as, tasks, products, schedules, available resources, as well as performance evaluation and conflict resolution particulars. The proposal evaluation criteria should be described and all requirements for the final contract should be stipulated.

A complete RFP package should include, for example:

- All applicable dates, e.g., briefing dates, filing deadlines, and contract completion. The filing period should allow prospective bidders sufficient time to put together a complete and viable proposal package.
- Background and outline of the study area or topic

- Statement of required proposal content, e.g., methodology or approach, staffing and duties, qualifications, schedule, deliverables, and budget
- Identification of all state and federal requirements, e.g., federal debarment and suspension certification, non-discrimination/non-harassment practices, drug-free workplace, non-lobbying assurances, records retention, product delivery, invoicing, hold harmless and/or indemnification conditions, etc.
- Confidentiality of bidder information, if applicable
- Listing of proposal evaluation criteria (including relative importance or weighting) and description of the selection process
- A pro forma proposed contract, which lists all applicable state and federal requirements

See LPP 00-05 for more information.

It should be noted that if during the RFP review, selection, and award period, any deviation from the agencies internal contracting and procurement procedures are violated (i.e. the Board overrides the agencies recommendation) federal funds can no longer be used to contract per 2 CFR 200.

6.04d Consultant Selection and Contract Negotiation

Selection of the consultant and the development of the contract is a multi-step process. After the RFP has been developed, consultant selection and contract negotiation can proceed. This four-step process can be outlined as follows:

- Proposal evaluation team selection. This should occur prior to the receipt of the proposals, preferably during development of the RFP.
- Review of submitted proposals using the evaluation criteria set forth in the RFP.
- Top candidate interviews, such as oral presentations are an effective method to confirm consultants' understanding of MPO/RTPA needs and the consultant's qualifications in the subject area.
- Contractor selection and completion of negotiable parts of the contract.

There is no requirement to award a contract if none of the proposals are competitive, i.e., if the cost is not reasonable and/or if none of the bidders are qualified to do the job.

If the contract exceeds $250,000, a pre-award evaluation must be completed prior to entering into the contract.

6.04e Contract Approval and Execution

Contract approval and execution are the final steps in the RFP process. MPOs/RTPAs should prepare a contract approval package available for Department review. The MPO's must provide

executed copies of contracts and related executed amendments to the Districts for its records prior to reimbursing the MPO for costs incurred on those contracts.

This package should include:

- A cover letter -- name of the contractor, purpose and summary of the contract, applicable OWP work element (s), contract amount and funding sources, procurement method.
- A review of the selection process -- bidder recruitment methods, listing of proposals received, summary of the proposal evaluation process, a copy of proposal scoring summary. The MPO/RTPA should retain the original scoring documents supporting the summary.
- Two complete copies of the final executed contract (i.e., work plan or scope of work, project staff, schedule and deliverables, and contract budget), including all exhibits.
- A copy of the original proposal of the successful bidder.
- A copy of the Request for Proposals package, with cover letter.

Districts should review contract packages relative to inclusive bidder recruitment, clear scope of work, deliverables schedule, contract budget and personnel exhibits, and consistent with the review points listed in Section 6.08 and LPP 00-05.

6.04f Contract Monitoring and Evaluation

No work can be done prior to there being an approved and fully executed contract. When contract work proceeds, the District monitors progress in a manner similar to tracking OWP work elements activities, and OWP Quarterly Progress and Expenditure monitoring. For example, the District attends relevant meetings, reviews deliverables for content and timeliness and checks Requests for Reimbursement (RFRs) to assure they are supported with billings.

As work progresses, the District routes deliverables within the Department for information, and solicits comments to provide to the MPO's/RTPA's consultant, as appropriate, on draft products.

RFRs should not be approved unless the District has invoices and supporting documentation. Although District staff may have considerable familiarity with the MPO's/RTPA's business practices, particulars of the consultant contract, and the consultant's progress, approval of RFRs without invoices and supporting documentation is prohibited. Since the Districts are considered contract managers it is expected that all RFRs contain invoices and supporting documentation. RFRs cannot be approved for payment with out invoices and relevant supporting documentation. It is important to maintain objective procedures relative to all MPOs/RTPAs, and it is important to have complete files for audit purposes.

Sections 4.06, 4.07 and 4.08 describe RFR approval and dispute procedures.

Supporting documentation for RFR's are outlined in the MPO MFTA's. In order to have complete files for audit purposes, one of the requirements is to have invoices and relevant support that is retained for three years after final payment under the contract.

District staff should document its contract monitoring activities in a log, journal or calendar, in the contract file. Contract files may be paper or electronic.

6.05 RFP Review Points

Each RFP is different, but the following list includes fairly typical RFP review categories and points:

Selection Procedures

- Description of need for consultant
- Records of publication of RPF and other solicitation efforts
- Candidate qualifications and evaluation criteria
- Documentation of selection steps
- Evaluation of DBE efforts (when applicable)
- Plan to monitor work

Consultant Agreement

- Date of agreement
- Names, addresses, and other identifying data of agreeing parties
  (complete name and address of each party to the agreement, including the legal status [e.g., individual, corporation, partnership, etc.], address where work is available for inspection)
- Name of contract administrator
- Work to be done (include any data, etc., MPO/RTPA will provide) and work schedule
- Deliverables and delivery schedule (including number of copies when applicable and what constitutes completion)
- Schedule, e.g., effective date of contract, commencement of work, milestones, deliverables, completion
- Method of payment (whole or progress, what milestones for progress)
- Records retention (See Section 4.13)
- Contract cost principles and procedures and Administrative Requirements of 2 CFR 200
- Covenants against contingent fees (If federal funds are used, the following must be included: "The consultant warrants that s/he has not employed or retained any company or person, other than a bona fide employee working for the consultant, to solicit or secure this agreement, and that s/he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or formation of this agreement. For breach or violation of this warranty, the MPO/RTPA shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.")
- Ownership of deliverables (become the property of the MPO/RTPA)

- Copy rights (if consultant is permitted copy rights, the agreement must provide FHWA/FTA and Department shall have the royalty-free non-exclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes)
- Changes in work (mutually agreed to, plus provisions for resulting schedule and cost changes)
- Delays/extensions (appropriate time adjustment in instances of unavoidable delays and warranted adjustments in payment)
- Termination or abandonment (ownership of completed or partially completed work, basis for payment in the event of termination; including conditions for termination due to default and circumstances beyond the control of the contractor)
- Remedies (administrative, contractual or legal remedies for violation or breach of contract, citing sanctions and penalties)
- Disputes (procedures to resolve disputes)
- Responsibility for claims and liability (hold harmless provisions for all levels of government from all claims and liability due to the negligent acts of the contractor and/or its subcontractors, agents or employees)
- General compliance with laws and wage rates (requirement for contractor to comply with all federal, state and local laws and ordinances applicable to the work, including compliance with prevailing wage as per California Labor Code, Section 1775, if applicable)
- Subcontractors, assignment and transfer including prohibition against subcontracting, assignment or transfer of any work, except as provided in the agreement.
- Conclusions, i.e., customary closing provisions included in MPO's/RTPA's contracts
- Signatures
- Certifications of consultant and agency (as per the covenants against contingent fees)
- Cost price proposal (per consultant team member by hours, rate and total; indirect cost rate; direct costs of equipment, supplies, other by quantity, unit cost and total profit and total cost).

<u>Other review points</u>:

- Is the consultant qualified to do business in California (e.g., a California corporation or partnership or agent for service of process filed with the Secretary of State)?
- Is there a drug-free work place certification?

If the contract is for $5,000 or more, does the contract include the following certification: The prospective contractor's signature affixed hereon and dated shall constitute a certification, under the penalty of perjury under the laws of the State of California, that the bidder/proposer has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990(a-f) and Title 2, California Code of Regulations, Section 8113.

6.06 Pre-Award Audits for Newly Designated MPOs/RTPAs

If a pre-award audit is required, it must be completed and indicate satisfactory capabilities before the MPO/RTPA enters into a contract with the consultant.

For contracts of $250,000 or more, a pre-award audit is always required.

For contracts *less* than $250,000, a pre-award audit is required if one or more of the following conditions exists:

- There is inadequate knowledge about the consultant's financial management system
- There has been a previous, unfavorable experience with the consultant's estimating, accounting methods or financial management system
- The MPO/RTPA or the consultant requests an audit
- The MPO/RTPA has no history of using consultants and the Department deems it prudent

District or ORP staff may request a pre-award audit if they foresee potential problems.

Headquarters Audits and Investigations, an audit firm hired by the MPO/RTPA, or MPO/RTPA in-house staff with audit expertise may perform the pre-award audit. The audit's focus is the consultant's financial management system, which includes a review of the project cost accounting system, estimating and administrative systems, proposed costs and quantities, and financial conditions, etc. In addition, the contract language is reviewed to ensure that the required fiscal provisions are included.

6.07 Disadvantaged Business Enterprise (DBE)

This section provides guidance and direction to MPOs, RTPAs, and local government entities (i.e., subrecipients) to ensure compliance with the race neutral Caltrans DBE Program for Federal Transit Administration (FTA) fund recipients. Failure to comply with the DBE Program may result in the suspension or termination of federal funds until deficiencies are remedied as discussed in Title 49 CFR Part 26.101 and the MFTA Article IV, Section 2.

Title 49 CFR, Part 26, entitled, Participation by DBEs in Department of Transportation Financial Assistance Programs, describes this race neutral DBE Program as one used to assist all small businesses, including DBEs. Race neutral measures focus on developing the business practices of all small businesses and include providing assistance in overcoming bonding and financing obstacles, simplifying bidding procedures, providing technical assistance, establishing programs to assist start-up firms, and other methods open to all firms or any disadvantaged firm regardless of race or gender.

The Caltrans Director's Policy on DBE assures equal opportunity in doing business with Caltrans or subrecipients, such as MPOs/RTPAs and their outside contractors (e.g., consultants). The Director's Policy also ensures that MPOs/RTPAs and local governmental entities meet DBE program requirements, and data and reports on DBE participation are collected for federal reporting requirements.

DBE Program requirements apply to the following ORP-administered federal Consolidated Planning Grant (CPG) funds:

- FHWA PL
- FTA § 5303
- FHWA SP&R Part 1, Strategic Partnerships Grants
- FTA § 5304 Sustainable Communities Grants

RTPAs receiving only State Rural Planning Assistance or State Highway Account Sustainable Communities Grants funding are not impacted by these DBE requirements.

Subrecipients of CPG funds must participate in this race neutral DBE Program. It is important to note that all of these CPG funds are administered by the FTA thus are considered to be FTA funds. This includes the FHWA PL and Strategic Partnership Grant funds even though these funds originate from FHWA. The FTA maintains ultimate responsibility over these CPG funds in California, which operate under a completely independent, race neutral Caltrans DBE Program with an overall annual goal of four percent.

CPG Subrecipient Responsibilities for DBE include:

- Participation in the race neutral DBE Program when contracting/awarding to subrecipients or planning consultants involving any fraction of federal CPG funds.

- Participation in the race neutral DBE Program even if subrecipients have not contracted out work to sub-recipients or consultants. They must also complete, sign and turn in the FTA DBE Uniform Report form, showing zero dollars. This information will provide necessary data for the federally mandated Caltrans DBE disparity study.

- Completion of the FTA DBE Uniform Report form twice a year: April 1st and October 1st. The DBE Uniform Report shows the federal dollar amount provided through contracts as well as DBE participation in these contracts (see Appendix E for more details). This information will provide necessary data for the federally mandated Caltrans DBE disparity study and reporting to the FTA. The completed forms are sent to the appropriate HQ ORP Liaison (see the website listed below for more details).

    - https://www.civilrights.dot.gov/sites/default/files/DBE/Guidance/Uniform%20Report%2011-03-2014.pdf

- Development and implementation of a DBE Program following the Caltrans DBE Program Plan, pursuant to the Master Fund Transfer Agreement, Article IV, Section 2. This Plan formally acknowledges the statutory and/or regulatory requirements with its race-neutral measures, and their commitment to comply with all the prescribed responsibilities explained herein.

- Development and maintenance of a Bidders List, consisting of information about all DBE and non-DBE firms that bid or quote on CPG-assisted contracts. The Bidders List includes the name, address, DBE/non-DBE status, age and annual gross receipts of firms.

- Ensuring selected DBEs perform a commercially useful function as provided in 49 CFR 26.55(c)(1)-(4). Under 49 CFR 26.55(c)(1)-(4), a DBE must be responsible for the execution of a distinct element of work and must carry out its responsibility by actually performing, managing, and supervising the work.

- Inclusion of the following clauses are required, verbatim, in each CPG-assisted contract:

    - The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of United States Department of Transportation-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as recipient deems appropriate, which may include but is not limited to:

        1. Withholding monthly progress payments.
        2. Assessing sanctions.
        3. Liquidated damages
        4. Disqualifying the contractor from future bidding as non-responsible

    - The contractor must make available to the Caltrans contract manager a copy of all DBE subcontracts upon request.

    - The contractor must utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains authorization from Caltrans. Unless the Department provides prior authorization approving a request for termination or substitution of a listed DBE, the Contractor shall not be entitled to any payment for work or materials unless it is performed or supplied by the listed DBEs.

- Inclusion of contractual language specifying prompt payment clauses are required in the foregoing provisions. These prompt payment clauses benefit all subcontractors equally.

    - **Prompt Progress Payment to Subcontractors—**A prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-day rule is applicable unless a longer period is agreed to

in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with the agency's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

- **Prompt Payment of Withheld Funds to Subcontractors**—The MPO, RTPA or local government entity shall include either (1), (2), or (3) of the following provisions in their CPG-assisted contracts to ensure prompt and full payment of retainage (withheld funds) to subcontractors in compliance with 49 CFR 26.29.

    1) No retainage will be held by the agency from progress payments due to the prime contractor. Prime contractors and subcontractors are prohibited from holding retainage from subcontractors. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

    2) No retainage will be held by the agency from progress payments due the prime contractor. Any retainage kept by the prime contractor or by a subcontractor must be paid in full to the earning subcontractor in 30-days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

3) The agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30-days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the agency. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

DBE participation is counted as follows:

- Each DBE listed for credit must be certified by the California Unified Certification Program and possess the work code applicable to the type of work the DBE will perform on the contract at bid opening.

- Credit for materials or supplies purchased from DBEs will be evaluated on a contract-by-contract basis and counted as follows:

  - 100 percent if the materials or supplies are obtained from a DBE manufacturer.
  - 60 percent if the materials or supplies are obtained from a DBE regular dealer.
  - Only fees, commissions, and charges for assistance in the procurement and delivery of materials or supplies, if they are obtained from a DBE that is neither a manufacturer nor regular dealer. 49 CFR 26.55 defines "manufacturer" and "regular dealer."

6.08 Title VI

This purpose of this section is to provide guidance and direction for MPOs, RTPAs, and local governments (subrecipients) to comply with Caltrans Title VI Program for FTA fund recipients. If a subrecipients fails to comply with the Title VI requirements, funds may be suspended or

terminated until the deficiencies are corrected, as discussed in the 49 CFR part 21 and MFTA Article IV, Section 3.

Title VI of the Civil Rights Act of 1964 prohibits discrimination based on race, color and national origin in the administration of federally assisted programs and activities. The purpose of Title VI is to eliminate discrimination in federally funded programs and activities and to ensure the equitable distribution of public funds for public benefit.

Caltrans Director's Policy on Title VI ensures that no person in the State of California is excluded from participation in, nor denied the benefits of the Department's programs, policies, activities, and services on the grounds of race, color, national origin, sex, disability, or age. This policy extends to subrecipients of the Department's flow-through federal aid funding, such as contractors, grantees, and local agencies.

As a direct recipient of federal grant funds, Caltrans must comply with FTA requirements in Circular 4702.1B. These requirements set new guidelines for compliance with Title VI of the Civil Rights Act of 1964. The guidelines require Caltrans to document compliance by submitting a Title VI Plan to FTA every three years. Caltrans is also charged with the responsibility of verifying that its subriecipients of federal funds also comply with the requirements.

The Title VI Plan requirements apply to subrecipients of CPG funds administered by the ORP. Subrecipients of CPG funds must complete and implement a Title VI Plan. It is important to note that all CPG funds are administered by FTA, thus all are considered to be FTA funds. This includes the FHWA PL and Strategic Partnerships funds even though these funds originate from FHWA. RTPAs receiving only State Rural Planning Assistance funds are not impacted by these DBE requirements.

Title VI Plan requirements are tiered, based on the service(s) provided by subrecipient:

- All subrecipient Title VI Plans must meet the requirements in Chapter III of the Circular (see Appendix E for more information).

- For agencies that provide fixed-route service, the service standards and policies contained in Chapter IV of the Circular must also be met. These standards and policies must address how service is distributed across the transit system and must ensure that the manner of the distribution affords users access to these assets.

- For MPOs, Chapter VI describes the procedures that MPOs are required to follow in order to comply with the Title VI regulations.

While Caltrans does not approve Title VI Plans, it does require a copy of a Board adopted Title VI Plan. It is also in the subrecepients best interest to submit a Title VI Plan to Caltrans before board adoption. Caltrans can then review the Title VI Plan to ensure that the required content is included in the agency's Title VI Plan.

Further Title VI guidance can be found on the FTA website at:

http://www.fta.dot.gov/civilrights/civil_rights_5088.html.

7 REGIONAL TRANSPORTATION PLAN (RTP)

MPOs and RTPAs are required by federal law (Title 23CFR 450.300, Subpart C) and by state law (Government Code section 65080 et seq) to develop Regional Transportation Plans (RTPs) in order to qualify for and receive federal transportation funding. Additionally, federal funding is contingent upon an air quality conformity finding. For MPOs in non-attainment areas, the RTP must show how its projects will 'conform' or achieve the Federal air quality standards. (See the *RTP Guidelines* for more detailed information).

The RTP is also known as a metropolitan transportation plan (MTP) or a long range plan that is developed by the MPO/RTPA in concert with the public and transportation partners in the region, including District staff. The RTP is a comprehensive, 20+ year vision of a balanced, multimodal transportation system. It identifies regional issues and problems, includes population and traffic growth projections for the region, and suggests mobility solutions to accommodate future transportation needs. The RTP includes a list of proposed projects known as the Regional Transportation Improvement Program (RTIP). The RTIP is designed to implement the vision and goals of the RTP. The RTIP is sometimes generically referred to a Transportation Improvement Program (TIP). The RTP must be fiscally constrained i.e. the RTP must provide evidence that the proposed projects in the TIP are fully-funded through the cycle of the Plan, the revenues are reasonably available to finance projects and the costs of each project have been estimated consistent with any regional programming or project environmental documentation currently available.

All RTPs must also be accompanied by an environmental review document pursuant to state law (Public Resources Code 21000 et seq, also known as the California Environmental Quality Act (CEQA).

7.01 The Regional Planning Handbook and the RTP Guidelines

This Regional Planning Handbook describes the procedural or administrative steps that the District and Headquarters staff take to process and monitor the Regional Transportation Plan. The *RTP Guidelines* outline the requirements and suggested planning practices that MPOs and RTPAs must adhere to in their development of the RTP.

The California Transportation Commission (CTC) has the authority to approve the *RTP Guidelines*. The *RTP Guidelines* interpret the state and federal statutory requirements and are updated as needed to reflect changes in federal and/or state law. The *RTP Guidelines* are a comprehensive reference manual for the MPOs and RTPAs.

The *RTP Guidelines* are posted on the ORP website at:

http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/rtp.htm.

7.02 The Role of the District Regional Planning Staff in Reviewing the RTP

The primary role of the District is to act as the communication link between the MPO/RTPA and the Department. The District staff represents the interests and priorities of the Department in the RTP process through its work on MPO/RTPA advisory committees. The District prepares the Department's comments on the draft RTP and Environmental Document. The District's comment letter should be provided in a timely manner and should be comprehensive, i.e., it should be a compilation of both District and Headquarters comments. The Department does not have approval authority of the RTP. The Department's role is to review and comment. The comment letter provided by the District to the MPO/RTPA should be signed by the District Deputy Director for Planning.

7.02a Review of the Draft RTP

The District review ensures that the RTP is a complete and accurate document reflecting the MPO/RTPAs stated goals. The main tool that the Districts uses in their review and comment of the draft RTP is the RTP Checklist. This is the same checklist that the MPO/RTPA completes and submits along with the RTP. **A Completed RTP Checklist must always accompany the draft RTP**. ORP liaisons will not accept a draft RTP or comment on it without the checklist.

Appendix C includes the Regional Transportation Plan Checklist.

7.02b Review of the RTP Environmental Document

In addition to reviewing the RTP, the District also needs to carefully review and, as appropriate, comment on the environmental document. The responsibility for ensuring appropriate District review and comment on the environmental document rests with the District Regional Planning Liaison. District size, organizational structure, and staff expertise will determine whether this review is completed by the District's regional transportation planning staff, IGR/CEQA staff, and/or Environmental staff.

It is strongly advised that the regional transportation planner who is familiar with the draft RTP always become familiar with the environmental document.

7.02c Circulation of the Draft RTP and the Draft Environmental Document

Upon receipt of the draft RTP, the draft Environmental Impact Report (EIR), and the draft Sustainable Communities Strategy (SCS) from the MPO/RTPA, District staff solicits comments from the affected units in Headquarters and the District. ORP is always included, but the contents of the draft RTP will dictate which other units in Headquarters should participate in the review. The District must send one hard copy and one electronic copy of the draft RTP/EIR/SCS a completed signed RTP checklist to their assigned ORP Liaison.

Draft RTP/EIR/SCS Review Circulation Contacts can be found at:

http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html

7.02d Distribution of the Final RTP/SCS

It is ultimately the District's responsibility to assure that the California Transportation Commission (CTC), FHWA/FTA, and their assigned ORP Liaison receive hard copies of the adopted final RTP/SCS (including appendices). Distribution of the final document may be handled by either the District or the MPO/RTPA according to established practice between the MPO/RTPA and the District.

7.02e Routing of Final Documents

As soon as the final RTP/SCS documents are received from the MPO or RTPA, the District forwards the following documents to their assigned ORP Liaison:

1 hard copy and 1 electronic (CD) copy of the Final RTP/SCS (including appendices);
1 hard copy and 1 electronic (CD) copy of the Final RTP environmental document;
1 hard copy of the MPO/RTPA board resolution(s) adopting the RTP and certifying the Environmental document;
1 hard copy of all federal air quality conformity determination letters;
1 hard copy of the MPO/RTPAs air quality conformity analysis
1 hard copy of all subsequent major amendments to the RTP; and,
1 hard copy of the MPOs/RTPAs current Public Participation Plan.

7.02f RTP Update Cycles

The due date for the next routinely scheduled RTP update for MPOs in maintenance and non-attainment areas is based on the date of the FHWA/FTA air quality conformity determination letter. For MPOs in an air quality attainment area and for all RTPAs the due date for the next scheduled RTP update is calculated from the date of the Board resolution that adopted the current RTP.

For MPOs in federally designated non-attainment and maintenance areas, the RTP must be updated at least every 4 years. For MPOs in attainment areas, the RTP must be updated at least every 5 years (Title 23 CFR 450.322(c)).

For RTPAs in federally designated non-attainment and maintenance areas and in attainment areas, the RTP must be updated at least every 5 years (Govt. Code Section 65080 (d)).

MPOs or RTPA that are required to adopt a RTP no less than every 5 years may elect to adopt the plan no less than every 4 years (Govt. Code Sections 65080(b)(2)(M) and 65588(b).

7.03 The Role of the Headquarters Staff in Reviewing the RTP

The primary role of the ORP Liaison is to act as a resource to support the District staff in their administration of the RTP. ORP liaisons research and answer questions from the District, make policy interpretations and maintain complete RTP, OWP, and grant files for each of their assigned MPOs or RTPAs.

ORP liasions monitor RTPs to assess whether they are updated in a timely manner, to track statewide transportation trends and air quality conformity issues. Periodically, at the request of the CTC, ORP Staff will report on how well RTPs are in compliance with the current RTP Guidelines. ORP also uses this information to comment on proposed legislation.

The primary responsibility of the ORP Liaison is to accomplish the several tasks related to the administration of the RTP. The ORP Liaison routes the draft RTP document and RTP checklist to internal ORP units for comment, provides the District with ORP comments, and monitors the timing of the RTP update cycle.

Additionally, the ORP Liaison compiles documents from the District in order to maintain a complete, updated RTP file that includes the following:

- A copy of ORP comments that were sent to the District;
- A copy of the District's comment letter that was sent to the MPO;
- A copy of the draft RTP checklist;
- A copy of the draft RTP and draft environmental document;
- A copy of the final RTP;
- A copy of the RTPs final environmental document;
- A copy of all subsequent RTP amendments that reflect a major revision to the RTP or RTIP that require a public hearing. (see Title 23 CFR 450.104 definitions of amendment, administrative modification and revision)
- A copy of the MPO/RTPA board resolutions adopting the RTP and certifying the Environmental document;
- A copy of the federal air quality conformity determination letter(s); and,
- A copy of the MPOs/RTPAs current public participation plan.

8 FULL PARTICIPATION REGIONAL TRANSPORTATION PLANNING

As stated in Section 1.02, regional transportation planning is a 3Cs approach: continuing, cooperative and comprehensive. It involves the entire community: individuals, federal, state, tribal governments, regional and local agencies, and public, private and community based organizations all working together to identify how future regional transportation needs will be met.

Comprehensive regional transportation planning can be understood from several perspectives, among which are mode, participation and setting. All modes shall be considered. Decisions shall be made through formal government-to-government consultation with Native American Tribal Governments, and with the full participation of the community served. Consistent with a collaboratively crafted vision, the region will work together to determine how best to provide a full range of transportation options for all system users.

As stated in the eight planning factors in MAP-21, the goal is to:

- Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency
- Increase the safety of the transportation system for motorized and non-motorized users
- Increase the security of the transportation system for motorized and non-motorized users
- Increase the accessibility and mobility of people and for freight
- Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns
- Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight
- Promote efficient system management and operation
- Emphasize the preservation of the existing transportation system

8.01 A Public Participation Plan/Public Involvement Program

Each MPO shall and a RTPA should have a structure for public participation by developing a Public Participation Involvement Plan [23 CFR Park 450.316]. This plan will be the foundation for transportation planning decisions and shall contain these principles:

- Be developed in consultation with all interested parties
- Provide all interested parties reasonable opportunities to comment on the contents of the transportation plan

The Public Participation Plan should also take into consideration the transportation system as a whole and involve the entire community as well as the interplay and impact of transportation on other regional factors such as the economy, the environment and quality of life.

This structure should be periodically reviewed, its effectiveness evaluated, and changes made to better ensure full public participation and involvement. Like transportation planning efforts, review, update and evaluation of the public participation structure should be transparent and should fully involve all stakeholders.

Changes to the transportation system can have profound impacts on a region. Full, open and active involvement of all users and stakeholders is essential for successful regional transportation planning.

A partial listing of who should be involved includes:

- Community members and groups, and community based organizations
- Individuals and groups with special interests, needs and advocacy positions, e.g., ethnic, economic, environmental, modal, age, access, neighborhood
- Public and private transit operators, including paratransit; carpools/rideshare coordinators/transportation management agencies
- Emergency responders
- Regional airport and seaport operators, managers and authorities
- Trucking and freight rail operators and advisory councils
- Local, regional, intercity, commuter, and high speed rail planners and providers
- Local and regional planning agencies, e.g., city/county government, congestion management agencies, affected individuals and agencies in adjacent regions
- Native American Tribal Governments (formal consultation)
- Non-federally recognized Tribal communities
- State transportation agencies, e.g., California Highway Patrol, Department (Districts, affected HQ functions such as Mass Transportation, Aeronautics, Research and Innovation, Local Assistance, Traffic Operations)
- Federal agencies, e.g., FWHA/FTA, EPA, Bureau of Indian Affairs, resource agencies such as US Forest Service, National Park Service, National Marine and Fishery Service, Fish and Wildlife Service, and the US Army Corps of Engineers
- State resources entities, e.g., California Air Resources Board, California Resources Agency, Coastal Commission, California Energy Commission, California Environmental Protection Agency, State Water Board, Regional Water Quality Control Board, State Department of Fish and Game, Regional Waste Board
- Intelligent Transportation System interests such as the California Alliance for Advanced Transportation Systems.

The RTP Guidelines specify the following relative to public involvement during the development of the RTP:

- The regional agency seeks out and considers the needs of those traditionally under-served by existing transportation systems, including but not limited to low-income and minority households
- In non-attainment areas, the RTP is based on interagency consultation with air and environmental agencies and the public, and reflects coordination with local and regional air quality planning authorities
- Includes citizen involvement in the early stages of plan development, and
- Where there are Native American Tribal Governments within RTP boundaries, the tribal concerns have been addressed and the RTP was developed in consultation and cooperation with the Tribal Governments (formal consultation) and the Secretary of the Interior.

For more information on public participation go to:

www.fhwa.dot.gov

8.02 Native American Tribal Governments and Communities

Federally recognized Tribes are familiar with the federal "consultation" process, which requires agencies to identify when the agency is formally consulting with the Tribe. Consultation means that one party confers with another identified party and, prior to taking action(s), considers that party's views (CFR 23, Subpart A, § 450.104, Definitions). A tribal government is a sovereign entity, recognized as the political unit of a given tribe. Thus, consultation with tribes is mandated by law and separate from and precedent to the public participation process. Agencies should not only coordinate their plans with those of tribal governments within their boundaries, but also consider Tribal Governments' concerns about projects outside tribal jurisdiction that have the potential to impact Native American cultural resources or communities, as well as the needs of individuals within those communities.

Unless otherwise directed by the Tribe, correspondence should be addressed to the Tribal Chairperson. Because each Tribe has its own form of government and protocol for how business is to be conducted, there is no singular approach. Tribes differ in their ability to finance leaders, spokespersons or administrative support. For example, Tribal leaders frequently participate on their own time and money. Agencies need to be cognizant of this and act accordingly, e.g., be flexible when and where meetings are scheduled. A meeting with the Tribal Government (most often referred to as the Tribal Council) is usually the most effective way to communicate. Be sure to provide enough time for the Tribal Government to respond, since most Tribal Governments meet once a month, and it may be difficult to put additional items on the agenda if not given enough time.

To obtain an expanded list of Native American Tribes, communities, organizations and individuals within RTPA/MPO boundaries, send a request to:

The Native American Heritage Commission, 915 Capitol Mall, Sacramento, CA 95814

or call (916) 653-4082. Caltrans Native American liaisons also will be able to provide this information.

Public Participation

Public participation provides for public involvement of all citizens (including Native Americans), affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties of the community affected by transportation plans, programs and projects.

All Native Americans as individual citizens---regardless of whether they are members of Federally-recognized Tribes---can contribute to the public participation process. They belong to a minority, they may be low income, are traditionally underserved, and they may be associated with a community-based organization or be among the groups shown above. Within public participation forums, as individuals, they are not representing Tribal Governments.

Reviewing Planning Documents

Regional agencies and Caltrans staff are responsible for ensuring that individual RTPs and OWPs are in compliance with federal and state law. Tribal consultation and coordination requirements deserve particular attention when reviewing planning documents.

Regional agencies and Caltrans staff are responsible for ensuring that individual RTPs and OWPs are in compliance with federal and state law. Tribal consultation and coordination requirements deserve particular attention when reviewing planning documents. Tribal Governments are separate entities from State and Federal government, yet they occupy adjacent land, and Native American cultural resources often overlap with lands under MPO/RTPA jurisdiction. Any time an OWP work element may affect a Tribal Government, it is important that there is a statement regarding the inclusion of an area's Tribal Governments in the planning process. In turn, any time that an OWP work element identifies a degree of public participation, inclusion of Native American individuals and other disadvantaged groups must be documented.

Stating in a planning document that consultation and coordination are occurring is an important first step, but it is integral that this reflects an actual effort to consult with Native American tribes and individuals in the planning process.

9 FOR COMMENTS, SUGGESTIONS, OR MORE INFORMATION

For comments, suggestions, or more information contact Erin Thompson at (916) 654-2596 or erin.thompson@dot.ca.gov

Appendix A
Sample Eligible and Ineligible Regional Transportation Planning Activities

As the name indicates, transportation planning funds (FHWA PL and FTA Section 5303) are to be used for activities associated with the Metropolitan planning process (23 CFR 450). A wide variety of regional transportation planning activities are eligible for transportation planning funds. This is list is illustrative, not inclusive.

Eligible Activities include, but not limited to:

- Participate in Federal and State Clean Air Act transportation related air quality planning activities.
- Identify and analyze issues relating to integration of regional transportation and community goals and objectives in land use, housing, economic development, social welfare and environmental preservation.
- Develop and/or modify tools that allow for better assessment of regional transportation impacts on community livability.
- Consider alternative growth scenarios that provide information on compact development and related infrastructure needs and costs as it relates to regional transportation planning.
- Involve the public in the regional transportation planning process.
- Establish and maintain formal consultation with Native American Tribal Governments enabling their participation in local and state transportation planning and programming activities.
- Identify and document transportation facilities, projects and services required to meet regional and interregional mobility and access needs.
- Define solutions in terms of the regional multimodal transportation system, land use and economic impacts, financial constraints, air quality and environmental concerns (including wetlands, endangered species and cultural resources).
- Assess the operational and physical continuity of the regional transportation system components within and between metropolitan and rural areas, and interconnections to and through regions.
- Identify the right of way for future transportation projects, including unused right of way needed for future transportation corridors and facilities
- Investigate methods to reduce vehicle travel and to expand and enhance travel services.
- Incorporate transit and intermodal facilities, bicycle transportation facilities and pedestrian walkways in regional transportation plans and programs where appropriate.
- Conduct regional transit needs assessments and prepare transit development plans and transit marketing plans as appropriate.
- Consider airport ground access transportation and transportation to ports, recreational areas and other major trip-generating sites in planning studies as appropriate.
- Develop life cycle cost analyses for all proposed transportation projects and services, and for transportation rehabilitation, operational and maintenance activities.
- Participate with regional, local and state agencies, the general public and the private sector in planning efforts to identify and plan policies, strategies, programs and actions that maximize and implement the regional transportation infrastructure.

- Conduct collaborative public participation efforts to further extend transportation planning to communities previously not engaged in discussion.
- Create, strengthen, and use partnerships to facilitate and conduct regional transportation planning activities among California Department of Transportation (Department), MPOs, RTPAs, Native American Tribal Governments, transit districts, cities, counties, the private sector and other stakeholders.
- Develop partnerships with local agencies responsible for land use decisions to facilitate coordination of regional transportation planning with land use, open space, job-housing balance, environmental constraints, and growth management.
- Utilize techniques that assist in community-based development of innovative regional transportation and land use alternatives to improve community livability, long-term economic stability and sustainable development.
- Use partners to identify policies, strategies, programs and actions that enhance the movement of people, goods, services and information on the regional, inter-regional, and state highway system.
- Ensure that projects developed at the regional level (not project specific) are compatible with statewide and interregional transportation needs.
- Review the regional project ranking process and programming guidelines ensuring comprehensive cost/benefit analysis of all project types are considered.
- Develop joint work programs with transportation and air quality agencies, including transit operators, to enhance coordination efforts, partnerships, and consultation processes; eliminate or reduce redundancies, inefficient or ineffective resource use and overlapping review and approvals.
- Identify and address regional transportation issues relating to international border crossings, and access to seaports, airports, intermodal transportation facilities, major freight distribution routes, national parks, recreation areas, monuments and historic sites, military installations; and military base closures.
- Conduct planning activities (including corridor studies, and other transportation planning studies) to identify and develop candidate projects for the FY 2008/2009 Federal Transportation Improvement Program (FTIP).
- Preserve existing transportation facilities, planning ways to meet transportation needs by using existing transportation facilities more efficiently, with owners and operators of transportation facilities/systems working together to develop operational objectives and plans which maximize utilization of existing facilities.
- Involve federal and state permit and approval agencies early and continuously in the regional transportation planning process to identify and examine issues to develop necessary consensus and agreement; collaborate with Army Corps of Engineers, National Fish and Wildlife Service, Environmental Protection Agency and other federal agencies responsible for permits and National Environmental Protection Act (NEPA) approvals and with state resources agencies for compliance with California Environmental Quality Act (CEQA).
- Document environmental and cultural resources, and develop and improve coordination between agencies using Geographic Information Services (GIS) and other computer-based tools.
- Holding conferences and other technical meetings provided that the cost: (1) must be incurred for an activity that is eligible for the category of funds being used (e.g., PL funds

can only be used for eligible metropolitan planning related activities); and (2) must be allowable under the Office of Management and Budget's (2 CFR 200) cost principles for the agency that incurs the cost. Addtionally, the basic guideline for allowability of a cost is that the cost be necessary and reasonable "for proper and efficient performance and administration" of the Federal awards" (i.e., Federal grant, project, etc.). The cost principles indicate that the cost of conferences or other meetings may be allowable for reimbursement when the primary purpose is the dissemination of "technical information."

Regional planning documents, consistent with federal and state requirements:

- Regional Transportation Plans (RTP)
- Transportation Improvement Programs (TIP)
- RTP and TIP environmental compliance
- Overall Work Programs (OWP) and Amendments
- Overall Work Program Agreements (OWPA) and Amendments
- Master Fund Transfer Agreements (MFTA)
- Corridor studies

Ineligible Activities include, but not limited to:

- Non-planning related TDA administration such as fulfilling TDA auditing requirements, processing TDA invoices and fund reports, TDA allocation and claims process, etc. (planning related activities such as unmet transit needs assessment are eligible if they support the regional transportation planning process and RTP)
- Non-planning related transit administration for 5310, 5311, JARC, New Freedom, etc. including application development and assistance (review of 5310 applications and programming of funds as it relates to the TIP process are eligible planning activities)
- RHNA Process (portions may be eligible, but not the RHNA process as a standalone task)
- Project development documents such as Project Initiation Documents and Project Study Reports.
- Review of project level EIRs is only eligible if it is to ensure consistency and compliance with the MPOs/RTPAs RTPs and other regional transportation planning plans and products.
- Implementation of a study or plan.
- Project Delivery activities.
- City or county level transportation studies unless it is regionally significant or has a direct effect on the highway/transit system.
- Lobbying
- Project design, engineering, and construction.
- If using toll credits as local match, MPOs' OWP administrative work element must be funded with an additional funding source. This is due to the OWP containing ineligible work elements (not funded with CPG), and other funding sources being managed through the OWP.
- Association membership dues and staff time attending CALCOG, NARC, AMPO, NSSR, etc. if planning activities are not segregated.

Appendix B
ICAP Submission Options and Information

Section I. ICAP Annual Submission Processes

Subsection A. Revised Streamline Process

LGA may submit the ICAP certification and Streamlined Submission Checklist to A&I for review and acceptance, if the LGA did not meet any of the following conditions: (The ICAP certification must be submitted within six months after the close of the LGAs fiscal year or within 30 days from the date the LGAs annual financial statement audit is complete.)

- The LGA receives more than $35 million in direct federal funding.
- The LGA is designated as a high risk recipient by Caltrans.
- The LGA has changed its ICAP calculation methodology.
- The LGA's most recent ICAP required an indirect cost rate(s) change due to an improper, inaccurate, or unsupported rate calculation.
- The LGA has a major change to its financial management system (i.e. change in processes, or in accounting software).
- This is the first ICAP submission by the LGA.

Within 10 business days of receipt A&I will review the ICAP certification and Checklist received to determine whether the LGA qualifies for the streamlined process.

- If the LGA qualifies for the streamlined process, A&I will sign and return the ICAP certification with an Acceptance Letter.
- If the LGA does not qualify for the streamlined process A&I will notify the LGA that the LGA must follow the complete ICAP submission process in Subsection B below.

The LGA must receive an Acceptance Letter from A&I prior to billing for indirect costs. Although not required to be submitted to A&I under the streamlined process all LGAs desiring to claim indirect costs for federal-aid and/or state funded projects must annually prepare and maintain an ICAP and related documentation to support those costs. All documents related to the ICAP must be retained for audit in accordance with the record retention requirements in 2 CFR Part 200. 333 and Agreements between the LGA and Caltrans.

Subsection B. Complete ICAP Package Submission Process

A complete ICAP submission package should be submitted to A&I when the LGA's ICAP has not been approved by a federal cognizant agency and meets one of the following conditions:

- The LGA receives more than $35 million in direct federal funding.
- The LGA is designated as a high risk recipient by Caltrans.
- The LGA has changed its ICAP calculation methodology.
- The LGA has a major change to its financial management system (i.e. change in processes, and or in accounting software).
- This is the first ICAP submission by the LGA.
- The LGA's most recent ICAP required an indirect cost rate(s) change due to an improper, inaccurate, or unsupported rate calculation.

When the LGA does not qualify for the revised streamlined process the LGA will submit a complete ICAP proposal to A&I for review and acceptance prior to invoicing for indirect costs.

Within 30 business days of receipt, A&I will review the ICAP for compliance to the submission requirements of 2 CFR, Part 200, Subpart E, Appendix V & VII. Caltrans acceptance must be received by the LGA prior to the LGA billing for indirect costs.

If necessary, A&I will advise LGAs of the additional documentation needed to support/evaluate the proposed plan or changes required to make the proposed plan compliant. Non-compliant submissions may be returned to the LGA if requested documentation is not provided or required changes are not made within 5 business days of notification to the LGA of the additional document(s) needed or changes required.

Subsection C. ICAP Extension Request Process

LGAs that wish to apply for an extension of a current negotiated indirect cost rate(s) for a period of up to four years may do so unless the LGA meets one of the following conditions:

- The LGA is designated as a high risk recipient by Caltrans.
- The LGA has changed its ICAP calculation methodology.
- The LGA has a major change to its financial management system (i.e. change in processes, and or in accounting software).
- This is the first ICAP submission by the LGA.

LGAs should provide the following information that will be used in evaluating their extension request:

- Any outstanding audit finding(s) that would impact the LGA's indirect cost rate(s).
- An ICAP certification indicating its request to apply for the extension and the period of the extension.
- ICAP that is based on actual costs for a final rate(s), or previous year' actual costs for a predetermined rate(s) (ICAP/ICRPs based on budgeted costs will not be accepted for extension).
- A completed Extension Checklist

LGAs with a fixed rate(s) with carry-forward agreement(s) for previous year(s) that are requesting extension of a proposed final or predetermined rate(s), must resolve the carry-forward for the last fixed year(s).

Within 45 business days of receipt, A&I will review the extension request and the Extension Checklist to determine whether the LGA meets the conditions listed above and notify the LGA if the extension request is approved.

- If the LGA meets the extension conditions, A&I will sign and return the ICAP certification with an Acceptance Letter.
- If the LGA does not meet the conditions, A&I will notify the LGA that the LGA must continue to follow the ICAP submission process annually.

Subsection D. De Minimis Rate

LGAs that have never received a negotiated indirect cost rate and receive no more than $35 million in direct federal funding and elect to charge a De Minimis rate of 10% of modified total direct costs should send a letter signed by an LGA Official to A&I . A De Minimis rate may be used indefinitely. Costs must be consistently charged as either indirect or direct but may not be double charged or inconsistently charged as both. A&I will notify the LGA if it does not qualify for the use of a De Minimis rate. A&I may perform Incurred Cost Audits or Financial Management System Audits of LGAs to ensure compliance with 2 CFR Part 200 and Agreements with Caltrans. LGAs using a De Minimis rate(s) found to be inconsistently charging costs or not in compliance with 2 CFR Part 200 will be required to reimburse Caltrans for any identified overbillings.

To clarify, modified total direct cost means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct cost excludes equipment, capital expenditures, rental

costs, and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Subsection E. Other Federal Cognizant Approval

LGAs with an ICAP approved by a cognizant federal agency other than FHWA will submit a copy of the cognizant federal agency's approval to A&I.

Subsection F. Fringe Benefit Rate

If the LGA's overall fringe benefit rate is not approved for the LGA as part of its Central Service Cost Allocation Plan (i.e. citywide cost plan or countywide cost allocation plan), a proposed fringe benefit rate should be included as a separate rate in the ICAP certification submittal. However, LGAs that charge actual fringe benefit costs per individual employees are not required to establish a fringe benefit rate.

Subsection G. Other Information

On a monthly basis, A&I will post a listing of all LGAs utilizing a De Minimis rate and non-FHWA cognizant approval rates on Caltrans Intranet website. Unless the LGA receives an extension for a fiscal year, LGAs will submit their ICAP within six months after the close of the fiscal year or within 30 days from the date the LGA's annual financial statement audit is complete. LGAs that submit an ICAP after this time frame may be at risk of not being eligible for indirect cost billing and reimbursement.

Section II. Documentation of Proposal

Subsection A. Documentation for a Complete ICAP Package

A complete ICAP Submission Package should include the following as prescribed by 2 CFR Part 200, Subpart E – Cost Principles, and Appendices V and VII:

a. A schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.
b. Subsidiary worksheets that include the following:
   - Schedule of actual direct / indirect /unallowable costs incurred by cost category type (i.e., rent, utilities, etc.) as well as by departmental unit, or
   - Schedule of budgeted direct costs and indirect costs by cost category type and department unit supported by Board approved budget or prior year's actual costs
   - Schedule showing calculation of the over/under carry- forward amount when "fixed rate" is used.

c. A copy of the financial data (audited financial statements, comprehensive annual financial report, single audit reports and management reports, if applicable, etc.) on which the rate(s) is based.
d. The approximate amount of direct base costs incurred under federal-aid and state reimbursement. These costs should be broken out between salaries and wages and other direct costs.
e. A chart identifying the organizational structure of the LGA during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all LGA units. (After initial submittal, only revisions need be included with subsequent proposals.)
f. Certification that the ICAP was prepared in a manner consistent with and in compliance with the Cost Principles of 2 CFR Part 200, Subpart E and Appendices V & VII.
g. A&I's Submission Review Checklist to assist LGAs in understanding the documentation that is used to review submittals.

Subsection B. Central Service Cost Allocation Plan

If Agencies have an approved citywide and countywide cost allocation plan with a cognizant agency other than FHWA, the LGA should also submit to A&I, a Certificate showing approval from the cognizant agency. Approval by the cognizant agency must be obtained in order for costs to be included in the ICAP.

All Central Service Allocation Plan should include supporting documentation in accordance with 2 CFR Part 200, Appendix V, Section E. See ASMB C-10 (Assistant Secretary Management and Budget Cost Principles and Agreements with the Federal Government), issued by the Department of Health and Human Services) for a Sample Central Service Cost Allocation Plan and supporting documentation.

Subsection C. Retention/Audit

All documents related to the ICAP must be retained for audit in accordance with the record retention requirements in 2CFR Part 200.333, and Agreements between the LGA and Caltrans.

Annually, A&I will perform a risk assessment of accepted ICAPs for audit. If an ICAP is selected for audit, the LGA will be notified. A&I will perform an audit to determine whether the ICAP exists and complies with the applicable cost principles. Material audit adjustments will require reimbursement if proposals are found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or state awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed or provisional). For rates covering a future fiscal year (i.e. extended rates), the

unallowable costs will be removed from the indirect cost pool(s) and the rate(s) appropriately adjusted for all fiscal years covered by the extension. FHWA may also conduct reviews/audits.

Appendix C
Regional Transportation Plan Checklist

(Revised February 2010)

(To be completed electronically in Microsoft Word format by the MPO/RTPA and submitted along with the draft RTP to Caltrans)

Name of MPO/RTPA: _____

Date Draft RTP Completed: _____

RTP Adoption Date: _____

What is the Certification Date of the Environmental Document (ED)? _____

Is the ED located in the RTP or is it a separate document? _____

By completing this checklist, the MPO/RTPA verifies the RTP addresses all of the following required information within the RTP.

Regional Transportation Plan Contents

General

		Yes/No	Page #
1.	Does the RTP address no less than a 20-year planning horizon? (23 CFR 450.322(a))		
2.	Does the RTP include both long-range and short-range strategies/actions? (23 CFR part 450.322(b))		
3.	Does the RTP address issues specified in the policy, action and financial elements identified in California Government Code Section 65080?		
4.	Does the RTP address the 10 issues specified in the Sustainable Communities Strategy (SCS) component as identified in Government Code Sections 65080(b)(2)(B) and 65584.04(i)(1)? **(MPOs only)**		
	a. Identify the general location of uses, residential densities, and building intensities within the region? **(MPOs only)**		

	Yes/No	Page #
b. Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth? **(MPOs only)**		
c. Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584? **(MPOs only)**		
d. Identify a transportation network to service the transportation needs of the region? **(MPOs only)**		
e. Gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01? **(MPOs only)**		
f. Consider the state housing goals specified in Sections 65580 and 65581? **(MPOs only)**		
g. Utilize the most recent planning assumptions, considering local general plans and other factors? **(MPOs only)**		
h. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the ARB? **(MPOs only)**		
i. Provide consistency between the development pattern and allocation of housing units within the region (Government Code 65584.04(i)(1)? **(MPOs only)**		
j. Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Section 7506)? **(MPOs only)**		
4. Does the RTP include Project Intent i.e. Plan Level Purpose and Need Statements?		

5. Does the RTP specify how travel demand modeling methodology, results and key assumptions were developed as part of the RTP process? (Government Code 14522.2) **(MPOs only)**

Consultation/Cooperation

1. Does the RTP contain a public involvement program that meets the requirements of Title 23, CFR part 450.316(a)?

	Yes/No	Page #
2. Did the MPO/RTPA consult with the appropriate State and local representatives including representatives from environmental and economic communities; airport; transit; freight during the preparation of the RTP? (23CFR450.316(3)(b))		
3. Did the MPO/RTPA who has federal lands within its jurisdictional boundary involve the federal land management agencies during the preparation of the RTP?		
4. Where does the RTP specify that the appropriate State and local agencies responsible for land use, natural resources, environmental protection, conservation and historic preservation consulted? (23 CFR part 450.322(g))		
5. Did the RTP include a comparison with the California State Wildlife Action Plan and (if available) inventories of natural and historic resources? (23 CFR part 450.322(g))		
6. Did the MPO/RTPA who has a federally recognized Native American Tribal Government(s) and/or historical and sacred sites or subsistence resources of these Tribal Governments within its jurisdictional boundary address tribal concerns in the RTP and develop the RTP in consultation with the Tribal Government(s)? (Title 23 CFR part 450.316(c))		
7. Does the RTP address how the public and various specified groups were given a reasonable opportunity to comment on the plan using the participation plan developed under 23 CFR part 450.316(a)? (23 CFR 450.316(i))		
8. Does the RTP contain a discussion describing the private sector involvement efforts that were used during the development of the plan? (23 CFR part 450.316 (a))		
9. Does the RTP contain a discussion describing the coordination efforts with regional air quality planning authorities? (23 CFR 450.316(a)(2)) **(MPO nonattainment and maintenance areas only)**		
10. Is the RTP coordinated and consistent with the Public Transit-Human Services Transportation Plan?		
11. Were the draft and adopted RTP posted on the Internet? (23 CFR part 450.322(j))		

12.	Did the RTP explain how consultation occurred with locally elected officials? (Government Code 65080(D)) **(MPOs only)**		
13.	Did the RTP outline the public participation process for the sustainable communities strategy? (Government Code 65080(E) **(MPOs only)**		

Modal Discussion

1.	Does the RTP discuss intermodal and connectivity issues?		

		Yes/No	Page #
2.	Does the RTP include a discussion of highways?		
3.	Does the RTP include a discussion of mass transportation?		
4.	Does the RTP include a discussion of the regional airport system?		
5.	Does the RTP include a discussion of regional pedestrian needs?		
6.	Does the RTP include a discussion of regional bicycle needs?		
7.	Does the RTP address the California Coastal Trail? (Government Code 65080.1) **(For MPOs and RTPAs located along the coast only)**		
8.	Does the RTP include a discussion of rail transportation?		
9.	Does the RTP include a discussion of maritime transportation (if appropriate)?		
10.	Does the RTP include a discussion of goods movement?		

Programming/Operations

1.	Is a congestion management process discussed in the RTP? (23 CFR part 450.450.320(b)) **(MPOs designated as TMAs only)**		
2.	Is the RTP consistent (to the maximum extent practicable) with the development of the regional ITS architecture?		
3.	Does the RTP identify the objective criteria used for measuring the performance of the transportation system?		
4.	Does the RTP contain a list of un-constrained projects?		

Financial

1.	Does the RTP include a financial plan that meets the requirements identified in 23 CFR part 450.322(f)(10)?		
2.	Does the RTP contain a consistency statement between the first 4 years of the fund estimate and the 4-year STIP fund estimate? (2006 STIP Guidelines, Section 19)		
3.	Do the projected revenues in the RTP reflect Fiscal Constraint? (23 CFR part 450.322(f)(10)(ii))		
4.	Does the RTP contain a list of financially constrained projects? Any regionally significant projects should be identified. (Government Code 65080(4)(A))		
		Yes/No	Page #
5.	Do the cost estimates for implementing the projects identified in the RTP reflect "year of expenditure dollars" to reflect inflation rates? (23 CFR part 450.322(f)(10)(iv))		
6.	After 12/11/07, does the RTP contain estimates of costs and revenue sources that are reasonably expected to be available to operate and maintain the freeways, highway and transit within the region? (23 CFR 450.322(f)(10)(i))		
7.	Does the RTP contain a statement regarding consistency between the projects in the RTP and the ITIP? (2006 STIP Guidelines section 33)		
8.	Does the RTP contain a statement regarding consistency between the projects in the RTP and the FTIP? (2006 STIP Guidelines section 19)		
9.	Does the RTP address the specific financial strategies required to ensure the identified TCMs from the SIP can be implemented? (23 CFR part 450.322(f)(10)(vi) (**nonattainment and maintenance MPOs only**)		

Environmental

1.	Did the MPO/RTPA prepare an EIR or a program EIR for the RTP in accordance with CEQA guidelines?		
2.	Does the RTP contain a list of projects specifically identified as TCMs, if applicable?		
3.	Does the RTP contain a discussion of SIP conformity, if applicable? **(MPOs only)**		
4.	Does the RTP specify mitigation activities? (23 CFR part 450.322(f)(7))		
5.	Where does the EIR address mitigation activities?		
6.	Did the MPO/RTPA prepare a Negative Declaration or a Mitigated Negative Declaration for the RTP in accordance with CEQA guidelines?		

7. Does the RTP specify the TCMs to be implemented in the region? **(federal nonattainment and maintenance areas only)**

I have reviewed the above information and certify that it is correct and complete.

(Must be signed by MPO/RTPA Executive Director or designated representative)	Date
Print Name	Title

Appendix D
Key Federal Contract and Procurement Requirements

Per 49 Code of Federal Regulations, Part 18.36:

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,
(ii) Any member of his immediate family,
(iii) His or her partner, or
(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only--

(i) After a determination that no other contract is suitable, and
(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the

matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures or failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Appendix E -Uniform Report of DBE Commitments/Awards and Payments

General Reporting

	UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS								
	****Please refer to the Instructions sheet for directions on filling out this form****								
1	Submitted to (check only one):	☐ FHW	☐ FAA	☐ FTA--Recipient ID Number					
2	AIP Numbers (FAA Recipients); Grant Number (FTA Recipients):								
3	Federal fiscal year in which reporting period falls:			4. Date This Report Submitted:					
5	Reporting Period	☐ Report due June 1 (for period Oct. 1-Mar. 31)		☐ Report due June 1 (for period April 1-Sept. 30)			☐ FAA annual report due Dec. 1		
6	Name and address of Recipient:								
7	Annual DBE Goal(s):	Race Conscious Projection		Race Neutral Projection			OVERALL Goal		
	Awards/Commitments this Reporting Period								
		A	B	C	D	E	F	G	H	I
A	**AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD** (total contracts and subcontracts committed during this reporting period)	Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs /Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period									8C ÷ 8A
9	Subcontracts awarded/committed this period									9C ÷ 9A
10	**TOTAL**									

B	**BREAKDOWN BY ETHNICITY & GENDER**	Contracts Awarded to DBEs this Period							
		A	B	C	D	E	F	FF	
		Total to DBE (dollar amount)			Total to DBE (number)			Name(s) of Participating DBE Firms	Dollar amount
		Women	Men	Total	Women	Men	Total		
11	Black American								
12	Hispanic American								
13	Native American								
14	Asian-Pacific American								
15	Subcontinent Asian Americans								
16	Non-Minority								
17	**TOTAL**								

	Payments Made this Period							
		A	B	C	D	E	F	F
C	**PAYMENTS ON ONGOING CONTRACTS** (report activity of ongoing contracts)	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs	Name(s) of Participating DBE Firms/Coinciding Dollar Amount
18	Prime and sub contracts currently in progress							

		A	B	C	D	DD	
D	**TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD**	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Name(s) of Participating DBE Firms/Coinciding Dollar Amount	Percent to DBEs
19	Race Conscious	0	0	0		0	0
20	Race Neutral						
21	Totals						
22	Submitted By:		24. Signature:		25. Phone Number:		

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