

Transportation Advisory Board
of the Metropolitan Council of the Twin Cities

TO: Transportation Advisory Board
FROM: Kevin Roggenbuck, Transportation Coordinator
DATE: December 2, 2011
RE: Conditions for making exceptions to federal fund re-allocation policy.

At the November TAB Programming Committee and full TAB meetings, the Board discussed a scope change request that included the re-allocation of federal funds from one regional solicitation project to another. The technical committees followed adopted TAB policy and recommended that the scope change and fund re-allocation be denied, but commented that making exceptions to adopted policy should come from the TAB. The Board decided to take up a discussion of conditions or circumstances where the TAB would deviate from its adopted policies and procedures.

Staff offers the following items that summarize TAB's adopted policies for discussion:

- Process to evaluate scope change requests for regionally-selected projects; adopted by the TAB on March 16, 2011.
- Memo dated November 10, 2010 from the technical committees summarizing their discussions on the re-allocation of federal funds from regionally selected projects dropped from the TIP and the allocation of federal funds from unexpected appropriations.
- Procedures for project selection and changes and federal funds management; adopted by the TAB in August, 2002.

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

Process to evaluate scope change requests for regionally-selected projects.

Adopted by the Transportation Advisory Board on March 16, 2011

ACTION TRANSMITTAL 2011-35

Projects submitted for consideration through the regional solicitation are often just concepts or unrefined ideas. Project sponsors work on the preliminary and final design, environmental studies etc... after the TAB awards funds to the project. Sometimes during project development the project sponsor has to make significant design changes or finds that the construction cost was underestimated. When that happens, project sponsors may be required to request a scope change and TIP/STIP amendment because the scope and cost in the TIP/STIP has to be consistent with final project documentation that is sent to the FHWA.

Projects sponsors, Met Council and TAB staff, the TAC Funding & Programming Committee (F&PC) and the region would benefit from an adopted methodology to evaluate requested project scope changes. MN/DOT Metro State Aid has been very good at sorting out the significant scope changes that require action from the TAB. The FHWA has provided guidance on when a cost increase triggers a TIP/STIP amendment, and when a change in a project's design requires a scope change and TIP/STIP amendment (attached). The TAC and TAB want to be comfortable that the revised project scope of a regionally-selected project still provides about the same benefits as the original project scope and would have scored high enough to have been selected like the original project scope – to be fair to the other projects not selected. Below is a proposed outline of a process and guidelines for scope change requests.

- 1) Any construction elements added to the project scope must be eligible according to the solicitation criteria used to evaluate the original project submittal, unless the additional elements are already programmed in the STIP.
- 2) Additional federal funds will not be provided and federal funds cannot be swapped between projects of the same or different sponsor.
- 3) Met Council and TAB staff will provide data on the original project to the TAC F&PC, including cover page, project description, location map, layouts, sketches or schematics, and the original project cost estimate.
- 4) The project sponsor must provide data on the revised project scope to the TAC F&PC, including a complete project description, location map, project layout or sketches or schematics, checklist of work that still needs to be done and a revised project cost estimate.
- 5) The project sponsor must also recalculate the responses to certain key criteria based on the revised project scope and provide them to the TAC F&PC. Met Council and TAB staff may consult with the scoring group chair and individual project scorers if necessary to evaluate the recalculated responses and estimate the change in the original project score.
- 6) The TAC F&PC will base their recommendation on whether the estimated score of the revised project scope would have been high enough to have been awarded funds through the regional solicitation. A recommendation to approve the scope change and adopt a TIP amendment will go before the TAC, TAB Programming Committee and full TAB for adoption, then to the Metropolitan Council for concurrence. A recommendation to reject the scope change and TIP amendment will go before the TAC, TAB Programming Committee and full TAB for approval.

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

TO: Transportation Advisory Board

FROM: Technical Advisory Committee Funding & Programming Committee,
Technical Advisory Committee.

DATE: November 10, 2010

RE: Policy questions: Reallocation of federal funds from local projects dropped from the TIP and allocation of federal funds from unexpected appropriations.

The TAB referred two policy questions to the TAC Funding & Programming Committee and full TAC for discussion and report back to the TAB. The TAC Funding & Programming Committee discussed the two issues at their October meeting and full TAC discussed them on November 3. The following bullet points encapsulate their comments.

Re-allocation of federal funds from projects selected by the TAB that are dropped from the TIP.

(Question was prompted by the re-allocation of CMAQ funds for the purchase of LRT vehicles)

- The TAB has adopted policy on re-allocating the federal funds from regionally-selected projects that are dropped from the TIP and STIP. The federal funds are first applied to the amount of local overprogramming in the TIP and STIP; then used to advance regionally selected projects or other MN/DOT projects; then used to pay back Advance Construction balances.
- TAC F&PC discussed several options (add \$ to other projects in the same corridor, pick the next ranked project on the regional solicitation list, fund bus replacements with dropped CMAQ \$).
- TAC F&PC preferred to re-allocate the funds in the same program they came from and to support the long-held practice of funding projects not agencies. Re-allocating the funds through the regional solicitation process is the most fair and accessible means.
- TAC F&PC supported the existing adopted policy. No change was recommended.

Allocation of transportation funds that come to the region (TAB) unexpectedly.

(Question prompted by the ARRA program and can be used to advise regarding the extra FFY 2011 funds)

- The TAC F&PC identified several options (special solicitation, advance local projects and backfill through the regional solicitation, pay AC balance and backfill through the regional solicitation, distribute funds to counties).
- Difficult to write a single policy because the funds may come to the region with conditions or limitations that cannot be predicted.
- Difficult to allocate unexpected federal funds quickly, within one year, because local governments need time to develop projects through the federal process.
- Difficult to allocate unexpected federal funds fairly, especially a small amount of funding, because there are so many potential project sponsors.
- Generally, the TAC F&PC supported exchanging the unexpected funds with MN/DOT and allocating the traded funds through the regional solicitation process as the most equitable and fair.

TRANSPORTATION ADVISORY BOARD
Mears Park Centre, 230 E. Fifth St., St. Paul, MN 55101

ACTION TRANSMITTAL

NO. 2002-16

DATE: August 15, 2002
TO: Transportation Advisory Board
FROM: Technical Advisory Committee
SUBJECT: Adoption of TAB Procedures for Project Selection and Changes and Federal Funds Management

MOTION: That the Transportation Advisory Board approves the attached:

- 1) Project Selection Process and Changes
- 2) Federal Funds Management Process

BACKGROUND AND PURPOSE OF ACTION: Over the past year two issues have been raised with the TAB/Council process for regional selection of projects, subsequent changes and the management of federal funds once projects have been included in the TIP.

The two attachments are intended to articulate the methods the TAB and Council will use to carry out these functions in the future in conjunction with Mn/DOT and the TAC. Once adopted, these procedures will be incorporated into the Prospectus for the Transportation Planning Process for the Twin Cities Metropolitan Area.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review and Recommend	July 25, 2002
TAC	Review and Recommend	August 14, 2002
TAB Programming Committee	Review and Recommend	
TAB	Review and Adopt	
Metropolitan Council	Concur	

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TRANSPORTATION ADVISORY BOARD

PROJECT SELECTION PROCESS AND CHANGES

Introduction

Recorded below are the key steps in the development, adoption and amendment of the regionally selected projects

In order to meet federal regulations concerning participation of locally elected officials, the Council has adopted the position that the Transportation Advisory Board (TAB) is responsible for assigning funding priorities and adopting programs. The Council may approve or disapprove a program in part or whole, but it will not modify it. If modifications are required, the program is sent back to the TAB with the Council's recommendations. The TAB then determines the manner in which the program will be resubmitted to the Council. This document is intended to describe this process and amendment procedure.

Regional Project Selection Process

1. The Technical Advisory Committee's (TAC) Funding & Programming Committee (F&PC) develops the draft project solicitation package.
 - The TAC and TAB Programming Committee participates in the process.
 - The TAB approves for purpose of holding a public meeting.
2. The F&PC modifies the solicitation package based on public and agency comments, and recommends to TAC.
 - The TAC and TAB Programming Committee recommend to TAB.
 - TAB adopts and recommends Metropolitan Council approval.
 - The Metropolitan Council's Transportation Committee recommends to the Metropolitan Council for approval.
3. The F&PC manages all aspects of the solicitation including scoring of projects and developing funding alternatives.
4. The F&PC develop and forward project selection alternatives to the TAC.
 - TAC reviews, recommends and forwards to the TAB Programming Committee.
 - The TAB Programming Committee discusses alternatives.
 - The TAB Programming Committee may drop, modify, or add to the recommended alternatives.
 - The TAB Programming Committee recommends one set of projects for funding to the TAB.
 - The TAB approves the recommended projects, modifies the list or selects a different alternative set of projects.
 - The TAB instructs staff to include the funding alternatives in the TIP.
 - The TAB holds a public hearing on the TIP, with the recommended projects prior to adoption.

5. The TAB adopts the TIP and recommends to the Metropolitan Council for concurrence. The Metropolitan Council's Transportation Committee reviews and recommends the TIP to the Council. The Council either concurs with the TAB's action or sends the entire TIP back to TAB for modification.

Modification of the Regional Project Selection prior to TIP Adoption. *

There may be instances that the TAB would be requested to modify the regionally selected projects prior to adopting the TIP. In this event the following procedures would be followed.

1. All proposed modifications to the recommended list of regionally selected projects would be referred to the TAC.
2. The TAC will seek the advice on proposed modifications (other than those of a clerical nature) of the F&PC.
 - The F&PC will review the request to determine whether the proposed modifications(s) are in the spirit of the solicitation process and maintain the fiscal balance of the TIP.
 - The F&PC will recommend approval or rejection of the proposed modifications to TAC.
 - TAC and TAB Programming will consider and recommend to TAB.
 - TAB will accept and direct staff to modify the Draft TIP.
 - The Draft TIP adoption process will not change.

* There are numerous instances when regionally selected projects need to be modified, dropped, advanced or changed in some way. These changes would all be processed as TIP Amendments. TIP Amendments and/or in accordance with the Federal Funds Management Process attached.

Transportation Advisory Board (TAB) Federal Funds Management Process

Transportation Improvement Program (TIP) Management: Assigning alternative uses for federal transportation funds when projects in the TIP are, deferred, withdrawn, sunset, or advanced.

The TAB gives the Mn/DOT Office of Investment Management (OIM) the authority to manage changes in the Twin Cities TIP and State TIP. Projects in these programs can be advanced or deferred based on project deliverability and funding availability, provided fiscal balance is maintained. The process assumes some projects will be deferred, withdrawn, sunset, or advanced. The priority for use of funds made available when projects are deferred, withdrawn, sunset or advanced will be:

Projects Selected by the TAB:*

Project Deferrals	Projects withdrawn or sunset
1. Advance a regionally selected local project.	1. Pay for project cost inflation or overprogramming on regionally selected projects.
2. Advance a regionally selected Mn/DOT project.	Then follow steps 1-5 from project deferrals.
3. Advance other Mn/DOT projects in the metro area.	
4. Payback local Advance Construction (AC)	
5. Payback other metro area AC.	

Projects Selected by Mn/DOT:

At the discretion of Mn/DOT.

Projects Selected by the Metropolitan Council/Metro Transit:

At the discretion of the Metropolitan Council/Metro Transit.

*Projects selected by the TAB are solicited in the categories; Principal Arterial, A Minor Arterial Reliever, A Minor Arterial Expander, A Minor Arterial Connector, A Minor Arterial Augmentor, Transit, Bike/Walk, Enhancements, Congestion Mitigation Air Quality, TEA 21 Affordable Housing Enhancement Demonstration, Bridge Improvement and Replacement, Hazzard Elimination Safety, and Rail Crossing Safety