



2023 Project Delivery Process

Consent

Prepared by: Jose Luis Caceres

Attachments: Yes

Approved by: James Corless

Referring Committee: Transportation

1. Issue:

The annual Delivery Plan sets the policy for how we prioritize projects within our programs for starting federally reimbursable work.

2. Recommendation:

The Transportation Committee recommends that the board approve the Delivery Plan Process for federal fiscal year (FFY) 2023.

3. Background/Analysis:

Our Delivery Plan helps member agencies deliver federally funded transportation projects on time and it is designed to make our region eligible to receive additional federal funds. “Delivering” a project refers to obtaining the state or federal approval necessary to start reimbursable work for a project or project phase. Once obtained, the actual work of building the project is more straightforward and does not require SACOG’s direct involvement.

Each year our Project Delivery and Metropolitan Transportation Improvement Program (MTIP) Team helps project sponsors across the six counties deliver their projects, focusing on those federal funds that we control, primarily Congestion Mitigation and Air Quality program (CMAQ) and Regional Surface Transportation Program (RSTP). Staff also helps projects funded with State Transportation Improvement Program (STIP), Active Transportation Program (ATP), Highway Bridge Program (HBP), and Highway Safety Improvement Program (HSIP), but staff cannot manage these funds in the same way because other agencies such as Caltrans Local Assistance or the California Transportation Commission (CTC) set their project delivery requirements.

Our Delivery Plan strategy supports both individual, project-level delivery and also programmatic-level delivery. That is, we help sponsors deliver their individual projects, while at the same time, we seek to deliver 100 percent (or more) of each of our programs (i.e., funds), such as RSTP and CMAQ. We want our funds to be put to good use in the hands of sponsors rather than have the funds sit idle. When we deliver all of our available funds, we become eligible for receiving bonus obligation authority from Caltrans and FHWA.

4. Discussion/Analysis:

As described in Attachment A, 2023 Delivery Plan Process, staff proposes to manage the 2023 Delivery Plan in

the same way as in prior years. The 2023 Delivery Plan Process outlines the rules and procedures by which we will track project and programmatic delivery, prioritize projects, and hold project sponsors accountable.

Our Delivery Plan has remained the same over the years because it has proven to be effective at achieving programmatic delivery and forgiving in how it handles delivery failure. Programmatically speaking, each year we routinely use up over 100 percent of our region's obligation authority and 100 percent of our CMAQ and RSTP apportionments. Over the last seven years we have been increasingly successful, even borrowing interest-free apportionments from other regions in order to deliver our projects years earlier than otherwise might have been possible. At a project level, we understand that some projects experience unforeseen delays while other projects are ready to advance. This system thoughtfully creates opportunities for project advancement while allowing for some amount of project delays. At the program level, we deliver more than 100 percent of our funds, even delivering projects with borrowed funds from other regions.

As in prior years, the Delivery Plan involves three groups, or tiers of project priorities. The Delivery Plan is designed to incentivize early delivery using a first-come, first-serve system. If sponsors are ready to go early, they are more likely to deliver. The inverse is also true: This system disincentivizes delivery failure by being a last-come, last-serve system. If sponsors wait too long, or if many projects come in early, the annual available funding may run out before the sponsor is ready. For sponsors that arrive too late, the Delivery Plan lays out options. (Due to program requirements, projects funded with ATP, HSIP, and HBP funds cannot be advanced utilizing the three-tier system.)

The Project Delivery and MTIP Team meets regularly with project sponsors and Local Assistance to coordinate, educate, and troubleshoot project delivery. Sponsors and Local Assistance continue to report high levels of satisfaction and value with these local "project delivery coordination groups."

5. Fiscal Impact/Grant Information:

There is no fiscal impact to SACOG's operating budget. Staff time for administering the Delivery Plan process is reflected in the agency's overall work program.

6. This staff report aligns with the following SACOG Work Plan Objectives:

Goal 1 : Advance Economic Prosperity

Objective 1: Invest in and protect the transportation infrastructure needed to implement the region's economic prosperity plan.

Objective 3: Improve people's ability to get to jobs, schools, and other economic opportunities.

Goal 2 : Connected Communities

Objective 1: Develop more sustainable sources of future transportation funding while winning new competitive state and federal transportation grants.