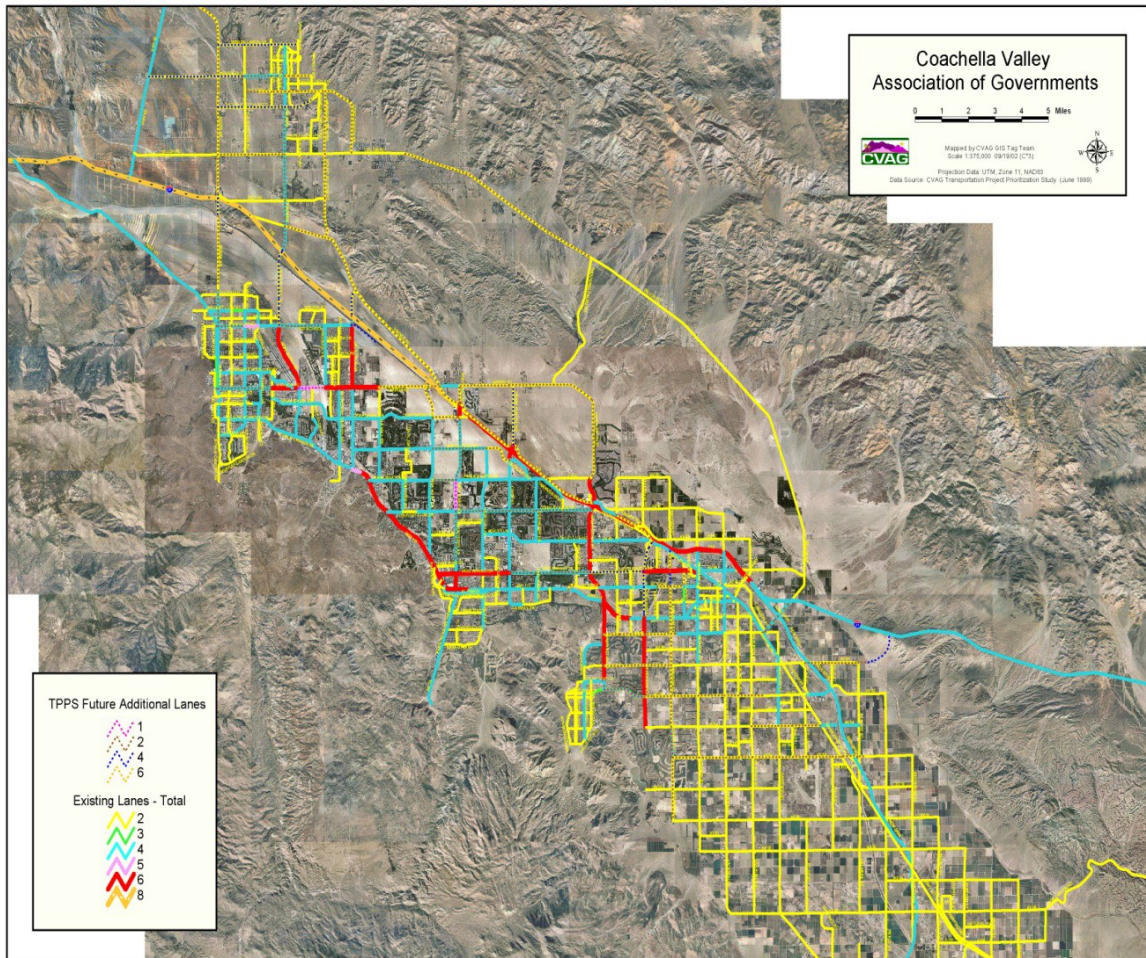


Policies and Procedures Manual

Coachella Valley Association of Governments

Regional Arterial Program



Updated: February 23, 2015

Policies and Procedures Manual

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1.0 Introduction

The Policies and Procedures Manual, hereinafter referred to as Manual, outlines the process which shall be followed in determining project costs and project expense eligibility which has been approved for construction as part of the Coachella Valley Regional Arterial Program. The primary purpose is to provide guidelines for agencies for Measure A and Transportation Uniform Mitigation Fee (TUMF) funding.

The Transportation Project Prioritization Study (TPPS) lists eligible projects on the Regional Arterial system. Estimated costs are in the latest update of the Regional Arterial Cost Estimate (RACE). Both studies are updated approximately every five years.

2.1 Cost Estimate Definitions

For purposes of this Manual, the following definitions shall apply:

- Construction Cost – An updated cost estimate for the costs to build the improvement per the improved plans and specifications.
- Engineering Cost – An estimate based as a percentage of the construction cost.
- Right-of-way Cost – An estimate for right-of-way costs prepared with an accuracy comparable to standards in the industry. Overhead charges are not included.
- Scheduling Cost – An estimated cost for the scheduling of engineering, right-of-way acquisition, construction and project phasing, if any.
- Agency or Lead Agency - A public agency which has the responsibility for carrying out or approving a project.

3.1 Project Identification

Any project submitted for review and funding shall meet or provide all of the following:

- A statement that the project appears in the latest approved TPPS list of projects.
- A general statement of the project, including need, etc.
- A preliminary design estimate for all design services.
- A preliminary construction cost estimate (to be updated once design is completed).
- A preliminary cost estimate for administration and Agency project management.

4.0 Right-of-way Acquisition and Other Associated Costs

All right-of-way acquisition and other associated costs, including appraisals and other costs allowed by state and federal law, are eligible for regional funding.

The Agency shall submit a detailed list of costs associated with the right-of-way acquisition to CVAG for review and comment. CVAG will assess each cost and determine its eligibility for regional funding. All protests shall be sent to the Transportation Technical Advisory Subcommittee (TTAS) for further review. Protests shall be in writing with the grounds for protest clearly identified.

Where the likelihood of extensive right-of-way acquisition or the need for extensive relocation of homes or businesses exists, or where new roadway, openings or other extenuating physical or economic restraints so warrant, preliminary engineering, alignment and traffic studies shall be eligible for reimbursement or funding from regional funds.

Any excess property purchased to secure the necessary right-of-way for a project will be shared between the agency and the Regional Arterial Program proportionately according to the funding of the purchase by each jurisdiction participating in the project. Because recaptured funds may reduce the overall cost of the project, excess property will be disposed of in the best interests of the Regional Arterial Program. *(Added by Executive Committee, July 30, 2007)*

5.0 Project Limits

The Lead Agency submitting a proposed project for review and funding shall clearly identify the project limits. The limits of the project shall be defined as the beginning and ending point of construction. If more than one beginning and/or ending point is necessary, they shall be clearly indicated on the statement of project limits.

A vicinity map shall be included with the project submittal package clearly showing the location of the project.

6.0 Project Funding Source

Project funding may come from both regional Measure A and TUMF revenues collected by CVAG member agencies as well as state or federal funding sources. Other sources of funds, such as local funds, local gas tax, state and federal funds from the Agency or Agencies proposing the project must also be identified.

All funding sources should be considered prior to project submittal to CVAG for funding from the Regional system funds. Project contingency costs will not be funded. Any additional costs incurred due to any change in the scope of work may be submitted to CVAG for funding eligibility and processing through CVAG's committee structure for approval.

The CVAG Maintenance of Effort Policy is intended to establish that regional transportation funds are meant to supplement, not to replace, local revenues and/or

developer contributions required for approved regional road construction projects. To conform to the CVAG maintenance of Effort Policy, all CVAG member agencies shall require the construction of adopted, standard road construction improvements for regional roads adjacent to all land development projects. *(Amended by Executive Committee, September 27, 2010)*

It is CVAG's policy that CVAG will pay 75% of project costs and Agencies will pay their 25% share of eligible project costs *(added by Executive Committee, July 31, 2006)*.

CVAG members that fully participate in the TUMF and Multiple Species program pay only 25% of the cost of regional transportation projects while CVAG pays 75%. For those jurisdictions that do not fully participate in TUMF and/or the Multiple Species Habitat Conservation Plan program, their share of projects becomes 75% while CVAG's share will be 25%. This policy is described in further detail in CVAG Policy 13-03. Additionally, for those jurisdictions that cause additional environmental compliance requirements and costs due to withdrawing from the Multiple Species program, they shall be responsible for 100% of environmental compliance costs. *(Adopted by Executive Committee – April 29, 2013)*

The proposed policy does not apply to the City of Desert Hot Springs as CVAG/CVCC processes their inclusion into the Multiple Species program.

It is the proposed intent that any additional costs associated with this policy imposed on a jurisdiction not be recoverable if the jurisdiction later decides, and CVAG and/or allied agencies agree, to re-enter the TUMF and/or Multiple Species programs.

7.0 Outside Funding

For projects that receive funding from CVAG, any funds other than Measure "A" and TUMF shall be subtracted from the total cost of a project before determining CVAG and agency shares (i.e. "outside funds" come "off the top"). *Adopted by Executive Committee – September 26, 2011)*

A lower ranked project (as determined in the current TPPS) receiving "Outside Funds" may be moved up the priority list but will be considered by the Executive Committee as an exception provided that there are findings of sufficient benefit to the region and that the funding of any lower ranked project will not have a detrimental effect on higher ranked projects. *(Adopted by Executive Committee – September 26, 2011)*

8.0 Project Scope of Work

A project scope of work narrative shall be submitted to CVAG with the submittal for expense eligibility and regional funding. The narrative shall include, but not be limited to, discussion of the following:

- Right-of-Way Acquisition and Relocation
- Project limits
- Typical roadway improvement section
- Vicinity map for project location identification
- Anticipated starting date – Engineering, R-O-W Acquisition and Construction
- Anticipated completion date – Engineering, R-O-W Acquisition and Construction
- Anticipated funding amount

9.0 Project Design (Civil)

The project design is the sole responsibility of the Agency and/or Agencies which are proposing and constructing the project. However, the design and construction standards as outlined in the most recent adopted update of the Regional Arterial Cost Estimate (RACE) shall be a guideline to be used by the designer for project design and construction standards. Any deviations should be identified, along with the rationale for such deviations.

The total project design services shall not exceed in cost ten percent (10%) of the estimated construction costs, or as determined by CVAG.

10.0 Project Design (Landscaping)

The following is a narrative of the landscape improvements which shall or shall not be eligible for regional funding:

- All new landscaping, electrical and irrigation work shall NOT be eligible for regional funding.
- Only new utility sleeves which are to be placed below the roadway surface for future use shall be eligible for regional funding.

Additionally, any existing landscaping, electrical and irrigation which is directly affected by the project shall be eligible for funding providing it is replaced "in kind."

CVAG will provide one percent (1%) of construction costs for "Design Enhancements" on new interchanges on Interstate 10 and SR86. Extended Measure A (Post 2008) funds are eligible to pay for on-going maintenance costs of interchange landscaping improvements. *(Added by Executive Committee, February 28, 2005)*

CVAG will not allow the use of the one percent (1%) of construction costs for “Design Enhancements” or extended Measure A funds for on-going maintenance costs of interchange landscaping improvements for improvements to regional transportation projects when they can be more closely identified with individual jurisdictions, such as city names being constructed onto interchanges. *(Added by Executive Committee, April 30, 2007)*

11.1 Project Construction Funding

All regionally funded Agency project construction will consist of furnishing all materials, equipment, labor, tools and incidentals as required to construct the improvements as required by the approved plans, specifications and contract documents.

“Curb-to-curb” improvements are eligible for funding, with the exception of landscaping. (See section 10.0 for further detail on landscaping.) “Curb-to-curb” improvements include asphalt paving, striping, curb, etc. Sidewalks, handicap ramps, median paving, etc. are not eligible for Regional Arterial funding.

Exception: Sidewalks on one side of a major structure will be eligible for Regional Arterial funding if crossing;

1. Whitewater River Channel
2. All American Canal
3. Interstate 10 Interchange
4. Interstate 86 Interchange

On-street bicycle lanes are eligible for Regional Arterial funding. *(Added by Executive Committee, October 30, 2000)*

CVAG Executive Committee has authorized up to \$20 Million dollars in transportation funds to match Sentinel Project air quality mitigation funds in order to construct the CV Link project (Added by Executive Committee February 27, 2012).

All regionally funded Agency projects will comply with the prevailing rates of wages and apprenticeship employment standards established by the State Director of Industrial Relations.

Any Agency receiving federal funds must have an approved Disadvantaged Business Enterprise program. All recipients of Federal Highway Administration (FHWA) funds must carry out the current provisions, as amended, of the Code of Federal Regulations (CFR) which established the Federal Department of Transportation’s policy supporting the fullest possible participation of firms owned and controlled by minorities and women in the Department of Transportation programs.

All approved regional construction projects will be funded to 100% of the lesser of the following:

- CVAG approved project construction cost estimate.
- The lowest responsible bidder's award.

11.2 Payment of Caltrans Charges

CVAG will pay qualified charges as submitted by Caltrans for work performed reviewing plans, specifications, reports, studies, analyses, etc., for projects which CVAG has entered into a Reimbursement Agreement with one or more of our Jurisdictions. *(Added by Executive Committee, February 23, 2015)*

12.0 Project Construction Survey

Construction survey is defined as all surveying and construction staking necessary for the construction of the project as determined by the engineer.

The cost of any additional surveying and/or construction staking primarily for the convenience of the contractor, not in conformance with usual and customary practices, and for replacement of stakes lost as a result of the contractor's or Agency's negligence, shall be the responsibility of the contractor and/or agency.

The Agency shall be responsible for all resetting of monumentation within public and/or private right-of-way that is destroyed by the construction operations unless it is itemized in the approved construction survey estimate.

13.0 Project Construction Management

Project construction management costs shall be eligible for regional funding only to fund one or more of the following:

- Construction inspection
- Materials testing
- Project management
- Contract administration

The activities set forth above shall be eligible for regional funding based upon actual costs provided the total sum does not exceed fifteen percent (15%) of the approved estimated construction costs.

An additional five percent (5%) of construction costs may be available, at CVAG's discretion, for project construction management costs for the Interstate 10 Interchange projects. Construction survey and geotechnical/ environmental work shall be separate from the definition of project construction management, with those costs to be determined separately. *(Added by Executive Committee, July 26, 2010)*

14.0 Project Oversight – Agency Time

Project cost estimates should include an amount intended to allow Agency to recover an amount representing the costs incurred for the time of its employed staff in working on the project. These amounts shall be eligible for regional funding based upon actual costs provided the total sum does not exceed 5% of the approved estimated project costs.

15.0 Project Contingency Funds

Project Contingency Funds are an accepted part of project planning and may be considered as part of the funding for CVAG projects. However, contingency amounts shall not be set above normal and usual standards, and CVAG will make such a determination. Further, contingency amounts shall not be considered as project funding for the purposes of extending a project beyond the originally planned limits of work. If a change in scope or design creates a need for a Change Order which may require additional funds, Agency shall make application with CVAG for expense eligibility from regional funds. Only actual project costs incurred shall be eligible for funding. *(Added by Executive Committee, January 27, 2014)*

16.0 Future Reimbursement Agreements

By Policy Number 13-02, CVAG will consider a Future Reimbursement Agreement to establish an approximate date, by CVAG Fiscal Year, when a participating jurisdiction may anticipate that the regional share of project costs will be reimbursed to the jurisdiction(s) which have constructed a qualified regional transportation project using their own funds. *(Added by Executive Committee, January 28, 2013)*

17.0 Cash Flow Preservation Policy

The purpose of the CVAG Cash Flow Preservation Policy 10-04 is intended to help CVAG staff maintain funds for regional transportation improvement projects. The Cash Flow Preservation Policy will provide two major “Triggers” as to when CVAG fund support may be withdrawn from an approved regional transportation project.

The primary trigger will be a “Time Trigger” such that any regional transportation project must start construction within two years of the date of execution of the approved Reimbursement Agreement for the project, or an Amendment thereto. If the project has not started construction of a defined phase after two years, the Lead Agency will be required to again submit the project for consideration. The Time Trigger may also be defined by a mutually agreeable future date certain for start of construction, particularly on projects with multiple approved phases.

The second trigger of the Policy will be the “Event Trigger” and will be geared to address planned future phases of a project such that when an agreed upon event or occasion arises, the defined next phase of the project must be initiated within one year thereafter.

Failure by any jurisdiction to comply with the conditions of the CVAG Cash Flow Preservation Policy will require the affected jurisdiction(s) to repay any regional funds advanced for the initial/earlier completed phases of an approved project which do not meet the deadlines established by the Time Trigger and/or the Event Trigger as described.

Regional funds subject to repayment will accrue interest at the rate for the Local Agency Investment Fund (LAIF), as determined on July 1st of each year.

Repayment schedules for regional funds are subject to negotiation and approval by the CVAG Executive Committee. *(Added by the Executive Committee, September 27, 2010)*

18.0 TUMF Participation

- 1) A jurisdiction that is not a member of the TUMF program and desires to join the TUMF may become a full member upon completing the full payment of the difference between TUMF fees that would have been collected and the amount of local Measure “A” contributed to the TUMF program
- 2) A jurisdiction may make this payment in “lump sum” or a schedule of payments of no less than 20% of the difference per year for five years and initiate collection of TUMF upon CVAG’s approval of entrance into the TUMF program.
- 3) A non-participating jurisdiction joining the TUMF program must agree to participate for a period of not less than five years.
- 4) A jurisdiction wishing to terminate its participation in the TUMF program may do so 30 days from receipt of official notification from the jurisdiction (consistent with Policy 3 above). The jurisdiction’s TUMF program will be audited within 60 days of effective termination to close out all fee collection discrepancies.
- 5) Repayments of TUMF not collected previously is due upon notification and will continue to accrue interest at CVAG’s cost of borrowing until repayment is completed.

18.1 Transportation Uniform Mitigation Fee (TUMF) and Local Development Mitigation Fee (LDMF)

To be eligible for reimbursement, jurisdictions must be in compliance with all policies and procedures adopted by (a) the CVAG Executive Committee with regard to the

implementation, administration and collection of TUMF, and (b) the Coachella Valley Conservation Commission with regard to the implementation, administration and collection of the Local Development Mitigation Fee. *(Added by Executive Committee, February 23, 2015)*

19.1 Reference Documents

Latest Adopted Update Transportation Project Prioritization Study (TPPS)

Latest Adopted Update Regional Arterial Cost Estimate (RACE)

Sample Project Sign

