



NASHVILLE AREA

Metropolitan Planning Organization

2035 Regional Transportation Plan Transportation Improvement Programming Policies

Adopted by the MPO Executive Board, December 15, 2010

Introduction

In order to demonstrate compliance with federal transportation planning requirements, and to ensure that state and local agencies have access to federal transportation funding for roadways, bridges, transit, and facilities for non-motorized modes, the MPO's Transportation Improvement Program must include all projects that are funded wholly or in part with federal funds, or are determined to be regionally significant. Though the TIP is developed in its entirety every four or five years, routine maintenance is required to accurately reflect anticipated federal expenditures, and to provide transparency to the public interested in short-term transportation improvements in the area.

The MPO has identified the following policies to provide guidance for the development and maintenance of the regional work program, and to assist in the effective administration of MPO-managed federal grant funds. Currently, the MPO manages federal grant funding appropriated by the U.S. Congress through the Federal Highway Administration and Federal Transit Administration to local government and agencies within the MPO planning area. Specifically, the MPO manages grant funds from the FHWA Surface Transportation Program (STP) and FTA Section 5307 grant programs set-aside for urbanized areas. From time to time, the MPO may receive a suballocation of revenues from other funding sources (e.g., FHWA Congestion Mitigation Air Quality, Economic Recovery, etc.), for which spending discretion also is provided.

Policy 1. Compliance with Regional Plan

For a project to be eligible for the TIP, it first must be included in the adopted regional transportation plan. Large capital projects, roadway capacity, and/or general purpose roadway projects must be individually listed or clearly part of a larger project included in the fiscally-constrained component of the plan. Certain projects seeking to improve safety, increase multi-modal opportunities, or enhance the existing transportation system may be programmed in the TIP without individual identification in the regional plan, so long as they are consistent with the established goals and objectives of the plan, are funded with revenue identified by the plan, and are included in the assumptions of the air quality conformity determination (if required).

Policy 2. Compliance with Air Quality Standards

Prior to the adoption of a TIP or the approval of any subsequent amendment or modification to the TIP, the MPO shall ensure that the collection of projects comprising the work program conform to applicable air quality standards and/ or meet state and federal air quality regulations or requirements. Such regulations or requirements may necessitate that members of the MPO submit to the MPO detailed information about any project that adds vehicular capacity to the major roadway system -- whether funded with federal grants or not.

Policy 3. Compliance with State Transportation Work Program

No TIP project may assume the receipt of state revenues or state-managed federal grant funds unless those funds are included in the state's three-year work program presented annually to the Tennessee General Assembly, or unless otherwise authorized in writing by the Tennessee Commissioner of Transportation. Valid contractual agreements between the State of Tennessee and a local grant recipient may serve as sufficient proof of the State's commitment.

Policy 4. Fiscal Constraint Limitations

The MPO shall not program in the TIP any MPO-managed federal grant funds for which funding cannot be identified, either as part of unobligated amounts appropriated by Congress in the current or previous federal fiscal years, or as part of the MPO's adopted financial forecast for the corresponding TIP year(s).

Policy 5. Illustrative Priorities

Upon adoption of the TIP and in each year thereafter, the MPO shall endorse or reaffirm its commitment to seeking resources for regional priority projects not funded by grants provided by the TIP. The endorsed list of priorities shall be used to identify next-in-line projects to receive additional funding available to the MPO, either through higher-than-expected appropriations or new federal grant programs, or from funding that is returned to the MPO general fund from any project not able to use its award. The list also shall be used to communicate the region's top priorities for other funding opportunities to TDOT, state legislators, the U.S. Congressional delegation, and other interested parties.

Policy 6. Eligibility for MPO-Managed Federal Grant Funds

At minimum, any proposed project to improve the safety, capacity, operations, or physical condition of roadways identified on the MPO's federal-aid network are eligible for MPO-managed federal grant funds. In addition, projects that improve safety or multi-modal opportunities on routes not identified on the federal-aid system (e.g., sidewalks on local roads, greenways, transit routes, etc.) also are eligible as long as they meet any applicable federal codes and regulations. Certain MPO-managed federal grant funds may require additional conditions be met in order to be considered eligible (e.g., CMAQ funds require an air quality benefit).

In general, MPO-managed federal grant funds should be awarded to projects that serve locations contained within the geographic area of the associated grant program (e.g., urbanized area Surface Transportation Program funds), but exceptions may be granted in cases where an MPO priority project located outside of the area is shown to have benefit to the region as a whole, and where that project has no other opportunity for funding within the desired implementation schedule.

Policy 7. MPO Commitment to Projects

With the adoption of the TIP, or its subsequent amendment, the MPO formally commits to ensuring that MPO-managed federal grant funds identified for a project are provided as programmed unless such funding is not available due to changes in law or federal regulations, or if funding is not appropriated at anticipated levels, or is lost to the periodic rescission of unobligated balances. Should MPO-managed federal grant funding be removed from a project as a result of a decrease in funding levels, that project shall remain a top priority for funding once revenues are identified or restored.

Any project programmed in the TIP with MPO-managed federal grant fund, which continues to meet all eligibility requirements while maintaining the proper support of the project sponsor, shall continue to be a priority for the MPO as the region develops a new TIP. Projects with federal funding already obligated shall automatically have unobligated programmed funds carried forward to the new TIP, along with the appropriate increase in funding to cover inflation (see Policy 11) unless that project is proven to have a fatal flaw, loses support from the project sponsor, or is estimated to cost more than 10% beyond previous cost estimates provided to the MPO (see Policy 12).

Policy 8. Project Sponsor Commitment to Projects

Project sponsors hold ultimate responsibility for ensuring that project information contained in the TIP is correct, that it accurately represents the scope of work being performed, and the amount of funding being requested. The sponsor is responsible for providing to the MPO an honest accounting of project details including: costs, implementation schedules, and local matching fund sources, at the time of the application for federal funds and anytime such details change, or at the request of the MPO.

For a project funded with MPO-managed federal funds to remain eligible for those funds, the project's sponsor must provide proof of stated local matching funds at least 3-months prior to the beginning of the federal fiscal year for which the funds are programmed for use. Should a sponsor fail to satisfy the requirement, the project may be allowed a one-year grace period (see Policy 10).

Policy 9. Construction Funding

To facilitate the timely delivery of projects and to prevent the lapse of obligation authority provided by Congress to the state and MPO, the construction phase of projects shall not be formally programmed with MPO-managed federal grant funds until all preliminary engineering (PE) work is completed. This approach assists in the management of federal funds by providing a realistic construction cost estimate and implementation schedule, thus preventing large amounts of funding from being held up on delayed projects.

In order to ensure the availability of MPO-managed federal grant funds for projects ready for construction, the MPO will reserve at least 80% of the amount of funding needed for construction on projects programmed in the TIP (which have not completed PE) as unprogrammed funds. Funding will be programmed on projects in the TIP after the completion of the PE phase on a first-come, first-serve basis as funding is made available.

In order to be eligible for MPO-managed federal grant funds for a construction phase, the project sponsor must submit a construction cost estimate at the time of the MPO's call-for-projects associated with the development of a new TIP. If the project is selected for funding, the MPO's federal share of construction costs will be shown as "illustrative," until the PE phase has been completed.

Should the construction cost estimate identified after the completion of PE exceed the original estimate by 10% or more, the project sponsor must find an alternative source of revenue, make a special request to the MPO Executive Board for additional funding, or compete for the additional funding as part of the MPO's next call-for-projects. In such competition, priority will be given to viable projects previously programmed in the TIP (see Policy 7).

Policy 10. Dormant or Inactive Projects

Project sponsors are given a one-year grace period to obligate funding on projects beyond the originally programmed year of work. Failure to do so may cause federal funds to be returned to the MPO general fund and re-programmed to the next highest eligible MPO priority as identified by the MPO's annual list of priorities (see Policy 5).

Project phases which have been obligated, but have not realized any activity within a 12-month timeframe, may be subject to de-obligation and grant funds returned to the MPO general fund. Returned funds will be re-programmed to the next-highest eligible MPO priority, as identified by the MPO's annual list of priorities.

Policy 11. Inflation Adjustments

Whenever a project is deferred or carried over from one TIP to another, the MPO shall automatically increase the project award by 5% and up to 10%, unless evidence suggests that such adjustment is not necessary. Should evidence show that project cost estimates have increased by more than 10% on a project in a previous TIP, the project sponsor must compete for the additional funding. In such competition, priority will be given to viable projects previously programmed in the TIP (see Policy 7).

Policy 12. Cost Increases/ Cost Over-Runs

In cases where a project that is awarded MPO-managed federal grant funds does not have sufficient funding to fulfill the scope of the project as originally programmed, the project sponsor may be granted the flexibility to shift funding across phases and/or years (pending the availability of funding) to cover increased cost estimates for the affected phase. Should additional funding be required to implement the phase, the project sponsor will be responsible for securing that additional funding from an alternative source of revenue or compete for

additional funds at the next available MPO call-for-projects. In such competition, priority will be given to viable projects previously programmed in the TIP (see Policy 7).

The responsibility for any cost over-run on a project already under contract shall be determined by the prevailing contractual agreement between TDOT and the project sponsor. Such contractual agreement shall not bind the MPO to pay for cost-overruns with MPO-managed federal grant funds. The project sponsor may shift funding across phases and/or years (pending the availability of funding) to cover increased costs, however, should additional funding be required to conduct the programmed phase, the project sponsor will be responsible for securing that additional funding from an alternative source of revenue or compete for additional funds at the next available MPO call-for-projects. In such competition, priority will be given to viable projects previously programmed in the TIP (see Policy 7).

Policy 13. Changes in the Scope of Work

All changes to the scope of work for projects programmed in the TIP with MPO-managed federal grant funds must first be approved by the MPO. Projects are evaluated, scored, ranked, and prioritized, and selected based on the benefits and costs of the project as proposed at the time the TIP is developed. Any changes that significantly depart from the original scope may require that project to compete for federal funds during the next MPO call-for-projects.

Policy 14. Project Tracking

In order to facilitate the implementation of the TIP policies, the MPO will work with TDOT and project sponsors to present to MPO members, at least quarterly, a full accounting of the funds obligated for each project and any changes in the status of those projects.

Policy 15. TIP Amendment Cycles

MPO will consider amendments to the TIP on a quarterly basis. The annual schedule of amendment cycles shall be adopted by the MPO prior to the beginning of each federal fiscal year (October 1). Any project sponsor requesting an amendment not deemed to be an emergency must wait for the next amendment cycle or reimburse the MPO for the direct costs incurred to pay for the required public noticing.