

Programming and Implementing Projects Using STP-DA Funds

Description

The purpose of this procedure is to outline the process for the programming and administration of Surface Transportation Direct Attributable (STP-DA) projects by local entities. There are three types of the STP-DA projects covered under this procedure:

- Annual Unified Planning Work Program (UPWP) Supplement Project
- TIP Incidental Project (part of an existing NCDOT programmed project)
- TIP Independent Project (stand-alone project in the TIP).

These guidelines provide a basis for programming the STP-DA Funds. These guidelines affirm the Department's commitment to providing maximum flexibility to MPO's in the use of these funds in the Department's transportation programming process.

Responsibility

TPB MPO Coordinator to administer the STP-DA funds used to supplement the MPO's Unified Planning Work Program.

Preconstruction Co-Project Managers and Divisions to administer the TIP Incidental Projects.

Local Programs Management Office (LPMO) and Divisions to administer TIP Independent Projects.

Scheduling and Time Constraints

Prior to January 1st of each year of the TIP Draft (or each year for supplements to the MPOs annual PWP), the MPO may notify the Program Development Branch in writing of its desire for the Department to program STP-DA funds for a supplement to their annual Planning Work Program, Independent or Incidental projects as identified by the MPO. The request should state the (TIP) federal fiscal year(s) the funds are to be programmed, by work phase (PE, R/W, or CON), and the amount of DA funds to be applied to each phase by year. If funding a project in the current program years of the TIP would cause the total STP-DA funded projects to exceed that area's allocation (as adjusted to anticipated obligation limitation), then the MPO must identify in writing the project(s) that are to be reprogrammed to years beyond the current scope of the TIP.

Procedures

Programming and Implementing STP-DA Annual UPWP Supplement Project

Step	Action
1	The MPO develops their draft annual Unified Planning Work Program (UPWP) and notifies the Program Development Branch (PDB) of the amount of STP-DA funds needed to support the annual PWP.
2	The MPO receives approval from PDB and adds the STP-DA funds to their Draft UPWP.
3	The PDB amends the TIP to create the STP-DA UPWP project.
4	The MPO develops their final UPWP and approves their final UPWP with the STP-DA funds budgeted by work task.

5	The MPO Staff includes the Funds in their annual work program and submits it to the TPB MPO Coordinator through the MPO Grants Teamsite (see Administration of MPO Work Program procedure).
6	The MPO Staff performs the work and requests reimbursement from TPB through the normal UPWP invoice process as per the Process MPO Invoices procedure.
7	NCDOT reimburses the MPO.
8	NCDOT submits Federal Funds reimbursement request to FHWA.

Programming STP-DA TIP Incidental Projects

Step	Action
1	The MPO TAC takes formal action requesting that an incidental project be added to an existing TIP project.
2	The MPO provides written notification to the TIP Development Unit prior to the Roadway Project Final Field Inspection (FFI) date. Notification should be sent to the Director of the PDB. MPO notification is required and states the MPO's commitment to the project.
3	The TIP Development Unit reviews the STP-DA incidental project request and will accommodate it in the TIP project when feasible based on design considerations and funding being available, after consultation with PDEA and Roadway Design. Note: NCDOT will not commit the Department to the installation of incidental project in the Department's TIP projects where the facility causes an unpractical design modification, is not in accordance with AASHTO standards, creates an unsafe situation, or in the judgment of the Department is not practical to program.
4	NCDOT's PDB approves the addition of the incidental project to the TIP project. Note: NCDOT will administer the project and will be responsible for the project scheduling and construction.

Implementing STP-DA TIP Incidental Projects

5	NCDOT Preconstruction will develop an interagency agreement to define the responsibilities of each party. Execution of the agreement is required prior to construction contract let. Maintenance and liability responsibilities will be clarified in the project agreement.
6	The Local Governmental Entity (LGE) requesting the project is responsible for ensuring that the required additional right of way and/or construction easements are provided as well as utility relocations, at no cost to the Department. Note: Any additional ROW must be provided with local funding and/or STP-DA funding and certified prior to the FFI date.
7	NCDOT will program STP-DA funds to accomplish up to 80% of the cost of the incidental project based upon NCDOT's project estimate. In most cases, the LGE will be responsible for providing the 20% required matching funds for the incidental element.
8	NCDOT will incorporate the STP-DA incidental project with the TIP project and let it as part of the project.
9	NCDOT invoices the LGE based on the executed agreement once the project is complete.

Programming STP-DA Independent Projects

Step	Action
1	The MPO Staff meets with the PDB to determine STP-DA funds available. The MPO TAC takes formal action to program an independent project with STP-DA funding available. The MPO's TAC must approve the project and its action must state the funding committed based upon the estimated cost of preliminary engineering (PE), right of way (ROW), and construction phase of the project as well as a schedule to accomplish each phase of the project. The MPO shall also document that the scope of work meets the eligibility requirements contained in 23 USC 133.
2	The PDB of NCDOT programs the project(s) based upon the information submitted with Board of Transportation concurrence. With concurrence, the PDB of NCDOT assigns a TIP Project Number. The MPO may request that the planning elements of its STP-DA projects be combined and authorize a planning project for all independent project preliminary planning activities and feasibility studies with STP-DA funding.
3	The MPO identifies the Local Governmental Entity (LGE) that will administer the project in accordance with the STP-DA Independent Project Guidelines . The LPMO will assign a NCDOT Project Manager (NCDOT PM) to coordinate the project for NCDOT.
4	The NCDOT PM works with the LGE to execute an agreement to define funding and project responsibilities. Note: The STP-DA program is a cost reimbursement program with reimbursement on a quarterly basis. The programmed funding amount is the maximum amount allowed for reimbursement per the executed agreement for eligible project costs unless the MPO's TAC takes formal action to amend the allocation. If this occurs, then an amended agreement must be executed. The estimated cost of the project should exceed \$125,000 and the STP-DA funds programmed should equal \$100,000 or more (80% of the programmed cost of the project funding). Projects that cost less should be clustered to meet this threshold. If this is not possible, individual projects costing less than \$125,000 will be considered on an individual basis. As per the NC BOT's Policy on Federally Funded Projects Selected by Entities Other than the NCBOT , the LGE is responsible for providing at least the 20% project matching funds to the STP-DA funds authorized and all costs greater than the programmed STP-DA funding.

Implementing STP-DA TIP Independent Projects

5	NCDOT's Local Projects Management Office will develop a Project Agreement for Design, Maintenance and Liability. Note: The agreement must be executed, and any required planning documents approved prior to NCDOT authorizing project specific ROW or construction funding and prior to the LGE initiation of any ROW acquisition activities. This agreement will define the project's location and whether the proposal is on a state or locally owned facility. If the project is not on the state maintained roadway system, the agreement specifications allow for local design standards to be applied. The agreement will also specify the maintenance and liability responsibilities for the completed project.
---	---

6	The LGE will oversee project implementation once a project agreement is prepared. The LGE ensures the terms of the agreement are adhered to for reimbursement.
7	NCDOT Authorizes Preliminary Engineering.
8	<p>The LGE will complete the preliminary engineering for the project. For projects requiring a document more comprehensive than a Type I Categorical Exclusion. A file copy of the approved planning environmental document should be forwarded to the NCDOT PM prior to, or with the request for ROW authorization for all projects.</p> <p>Note: The LGE is responsible for evaluating the need for the facility (i.e., generators, safety, continuity, integration, existing or projected traffic) and public involvement. The LGE is responsible for certification to the Department that local governing standards and generally accepted engineering practices have been adhered to and a professional engineer has sealed the plans.</p> <p>The LGE may use a PEF or in-house planning efforts. If a PEF is used, the LGE shall select a consultant in accordance with Federal and State Guidelines for procurement as stated in "Rules and Regulations for Major Professional or Specialized Services Contracts" that conforms to NCGS 143-64, and Title 23 of the Code of Federal Regulations. For engineering contracts exceeding \$250,000, the consultant, the scope of work and its cost proposal must be pre-approved by NCDOT prior to execution of a consultant contract. The consultant selected to perform engineering services on a state maintained roadway must be pre-approved by the Department.</p>
9	The LGE submits invoices to the NCDOT PM for engineering costs incurred as specified in the agreement. The invoice should note the project number and whether the invoice is a partial, or final invoice. Proof of payment and supporting documentation is not necessary if the governmental entity is reporting under the Single Audit Act.
10	If the project is on the state maintained roadway system, preliminary design plans will be submitted by the LGE for review and approval by NCDOT PM. Preliminary design plans are to show design, profiles, typical section, construction limits, drainage, and proposed ROW and /or easements. The project shall be designed in accordance with federal and state regulations as well as AASHTO standards. A plan showing utility conflicts shall also be included with the final plans.
11	NCDOT PM approves the planning document.
12	The LGE obtains any required permits for the project and verifies to the NCDOT PM that all such required permits have been obtained and have not expired prior to project construction.
13	<p>NCDOT authorizes ROW funding upon completion of the environmental document and receipt of a request for ROW funding in the listed \$ amount per the attached preliminary plans. The LGE is responsible for the acquisition of ROW or easements and such acquisition must be certified in accordance with the Federal Aid Policy Guide, Part 710. Certification of existing municipally owned ROW shall be in accordance with procedures governing the acquisition of ROW. ROW costs or utility relocation costs incurred prior to federal authorization of ROW funding will not be reimbursed.</p> <p>Note: It is recommended that the LPM contact the Division ROW Agent prior to initiating any ROW acquisition to review the preliminary ROW plans and the required negotiation and relocation processes that must be followed by the and to determine if an encroachment agreement is necessary.</p>

14	The LGE shall accomplish or cause to be accomplished the relocation and/or adjustment of any and all publicly or privately owned utilities in conflict with the project.
15	Prior to the LGE advertising for construction bids, the LGE shall submit final plans, specifications, and contractor's estimates (PS&E package) for construction funding federal authorization. For projects on the state maintained roadway system, the PS&E package should include 3 sets of final plans/2 copies of contract proposals for NCDOT for review and approval prior to advertisement of the construction project.
16	The LGE shall advertise the project as per the FHWA regulations as contained in the Federal-Aid Policy Guide. Letting of contracts for construction and purchases shall be in accordance with NCGS 143-129 and NCGS 136-28.1.
17	The LGE shall submit a bid tabulation with DBE goals stated (along with 2 copies of the construction contract for projects on the state maintained system) to the NCDOT PM prior to award of the construction contract by the LGE. The NCDOT PM will notify the LGE of FHWA and Departmental concurrence, thereby authorizing the LGE to proceed with the awarding of the construction contract.
18	The LGE will oversee and inspect the project construction. The Local DOT Division Office should also be consulted and will be responsible for performing the final project inspection. The LGE submits all construction invoices to the NCDOT PM for review and reimbursement <i>subject to all conditions</i> as contained within the project Agreement. The LGE must adhere to Cost Principles as contained in OMB Circular A-87, Administrative Requirements as contained in 49 CFR 18, and shall arrange for an independent audit in compliance with NCGS 159-34 and in accordance with OMB Circular A-128.

Warnings and Precautions

1. MPO STP-DA funding is subject to Title 23 Code of Federal Regulations and the project must comply with all federal, state and/or local standards and regulations.
2. STP-DA funds that are used to supplement an MPOs UPWP will be recharacterized as planning funds and can only be used on qualified planning activities. These must be shown in the MPOs annual planning work program and reimbursed through the PL invoice process.
3. The MPO STP-DA funding is determined by annual apportionment from FHWA and is subject to the obligation ceiling. Therefore, the MPO STP-DA funds multiplied by the obligation ceiling divided by NC DOT's total apportionment equals the actual amount available for programming. Congress's reallocation authority can affect the MPO's annual apportionment STP-DA funds.
4. Traditionally, the Department, in conjunction with the MPOs, programs STP-DA funds available to the MPOs to achieve the MPO priority projects identified. This is the methodology that applies unless the MPO takes official action to direct these funds to Independent Projects. The Department provides the 20% required matching funds to the federal funds authorized for identified transportation projects prioritized and programmed by NCDOT in the TIP.
5. Prior to January 1st of the TIP Draft, the MPO may notify the Department in writing of its desire for the Department to program STP-DA funds for independent or incidental projects as identified by the MPO. The request should state the (TIP) federal fiscal year the funds are to be programmed. If funding a project in the current program years of the TIP would cause the total STP-DA funded projects to exceed that area's allocation, then the MPO must

identify in writing the project(s) that are to be reprogrammed to years beyond the current scope of the TIP.

6. If the MPO desires to program STP-DA funds for independent or incidental projects, the project must be an element of the MPO's approved Metropolitan Transportation Plan (MTP), if applicable, and programmed in the Local TIP. These projects may not be reimbursed through the MPOs annual Work Program process.
7. [NCDOT's Policy and Procedures for Major Professional or Specialized Services Contracts](#) must be followed.
8. The project must be authorized in the years programmed due to limited obligation authority available for all TIP projects. Obligation authority may lapse unless the MPO notifies the PDB in writing by August 1st of each year to modify the project-funding year and the NC Board of Transportation (NC BOT) approves said request. STP-DA Apportioned funds authorized but not expended, lapse four years after the apportionment. NCDOT will work with the MPOs to avoid a lapse in funds, but cannot be responsible for independent project or programming delays that may cause this to occur. The Department will provide an annual accounting of the STP-DA funds.
9. In the event that funding is withdrawn or adjusted by FHWA, the DOT shall have no further obligation to the local governmental entity or liability for the project. The LGE is also responsible for all costs not reimbursed by Federal Highway Administration (FHWA) due to non-compliance with federal regulations or ineligibility. Any unobligated STP-DA funds shall revert back to NCDOT for future programming of projects within the MPO area, subject to available obligation authority.
10. For Independent Projects, if, in the opinion of the Department, a submitted project is ineligible for federal funding or creates an unsafe situation or does not conform to acceptable engineering practices, the Department will notify the LGE of departmental concerns for review and negotiation. If the issues cannot be negotiated and resolved, NCDOT may not include this project in the TIP and will not fund the project using STP-DA funds.

Policy, Regulatory, and Legal Requirements

- [Title 23 U.S. Code](#)
 - Apportionment of Funds – Section 104(b)(3)
 - Eligible Project Categories – Section 133(b)
 - Allocation to MPOs greater than 200,000 – Section 133(d)(3)(D)
- [NCDOT's Policy and Procedures for Major Professional or Specialized Services Contracts](#)
- [Federal Transit Administration, Section 5303 Grant Program](#)
- [NCGS 136-18](#)

Resources

STP-DA Independent Project Guidelines

Background

STP-DA funds are apportioned only to census designated urbanized areas with populations greater than 200,000 (TMAs). North Carolina currently has eleven of these areas: French Broad River MPO (Asheville); Greensboro Urban Area MPO; Winston-Salem Urban Area MPO;

Mecklenburg-Union MPO (Charlotte); Fayetteville Area MPO; Wilmington Urban Area MPO; Greater Hickory MPO; Capital Area MPO (Raleigh); Durham-Chapel Hill-Carrboro MPO; Grand Strand MPO (Myrtle Beach); and Cabarrus-Rowan MPO. Most of these MPOs have chosen to directly program, or become the local administrator of some, or all of their STP-DA funds. These locally administered funds may be used for a variety of projects, including supplements to their annual Planning Work Program (requires new or amended Funding Agreement see [Develop MPO PL Funding Agreement](#) procedure and funds must be included in the MPOs annual Planning Work Program: see [Administration of the MPO Work Program](#) procedure; enhancements to existing NCDOT TIP projects (TIP Incidental Projects); or for stand-alone locally administered projects (TIP Independent Projects).

Record of Revision

The information contained in this procedure is deemed accurate and complete when posted. Content may change at any time without notice. We cannot guarantee the accuracy or completeness of printed copies. Please refer to the online procedure for the most current version.

Version	Section Affected	Description	Effective Date
2.1	All steps	Procedure has been revised to reflect STIP unit suggestions.	1/10/12
3	Procedures	Procedure's template was modified. Content untouched.	1/15/2013

Flowchart

