

EXCERPTS

COMPREHENSIVE TRANSPORTATION FUNDING PROGRAMS GUIDELINES

2027 CALL FOR PROJECTS

Orange County Transportation Authority



Chapter 9 – Environmental Cleanup Program (Project X)

Overview

The ECP, herein referred to as Project X, provides M2 revenues to improve overall water quality in Orange County from transportation-generated pollution. Specifically, OCTA's Ordinance No. 3 (Ordinance), dated July 24, 2006, provides that 2 percent (2%) of gross M2 revenues be dedicated to protecting Orange County beaches and waterways from the conveyance of urban runoff associated with transportation-generated pollution. Project X ensures that funds will be used on a countywide competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution by funding nationally recognized Best Management Practices (BMPs).

As required by the Ordinance, an Environmental Cleanup Allocation Committee (ECAC), representing a broad cross-section of the water quality community, was formed in October 2007 to provide guidance on program design and funding. The goal of Project X is to fund projects on a countywide, competitive basis. This will assist the County of Orange and Orange County cities in reducing transportation-related water quality pollution by meeting Clean Water Act standards for local waterways and beaches.

Proposed projects must demonstrate a direct nexus (connection) to a reduction of transportation-related pollution as developed and defined by the ECAC in conformity with the Ordinance. All proposing agencies must demonstrate an understanding of how their proposed projects meet the following transportation pollution nexus definition:

- Transportation-related activities can be a contributor of pollutants and/or impairments to receiving waters via aerial deposition, storm, and non-storm water discharges. Transportation-related activities are associated with the operation, construction, and maintenance of public roads, highways, and other ground transportation systems.
- The conveyance of transportation-related pollutants to surface and groundwater can occur from precipitation, runoff, and leachate entering or discharging from public roads, highways, and other ground transportation systems via drainage systems, such as catch basins, curbs, gutters, ditches, manmade channels, retention basins, or storm drains. The quality and quantity of these discharges vary considerably and are affected by hydrology, geology, land use, season, and sequence and discharge of hydrologic events.
- Pollutant sources can encompass right-of-way, properties, facilities, and activities related to motor vehicles, highway maintenance, construction site runoff, maintenance facility runoff, illegal dumping, spills, and landscaping care. Pollutant categories include but are not limited to metals (such as copper, lead, and zinc), organic chemicals and compounds (hydrocarbons), pesticides, sediment, nutrients (nitrogen and phosphorus), litter, oxygen demanding substances (decaying

vegetation, animal waste, and other organic matter), groundwater dewatering discharges, and pathogenic material.

Project X funds are designed to supplement, not supplant, existing water quality programs. Proposed projects must improve and not replace existing pollution reduction efforts by an eligible party. Funds will be awarded to the most competitive projects with the highest benefit to water quality.

The intent of Project X is to provide funding for water quality projects that do not replace existing transportation water quality expenditures. In other words, if a project has components which would replace features already in place or which would fulfill project specific mitigation, those components would not be eligible for funding consideration. Some upgrades and expansions may be eligible with appropriate supporting justification.

Proposed projects, which support compliance with the 2015 adopted Trash Provisions, are eligible for Project X funding provided the funds do not replace established and programmed funds and the funds are not applied to any mandated project design features or required mitigation measures.

The eligibility of the project and its components will be determined during the evaluation process. Contact Mason Doshier at (714) 560-5427, or mdoshier@octa.net with questions.

Tier 1 Grant Program Overview

The Tier 1 Grant Program is designed to mitigate the more visible forms of pollutants, such as litter and debris, which collect on roadways and in the catch basins (storm drains) prior to being deposited in waterways and the ocean. It consists of grant funding for Orange County local governments to purchase equipment and upgrades for existing catch basins and other related BMPs (i.e., “street-scale” low flow diversion projects). Examples include screens, filters, and inserts for catch basins, as well as other devices designed to remove the above-mentioned pollutants. To date, 15 Tier 1 calls for projects have been held. Through this process, many of the opportunities for street-scale BMPs have been fulfilled. Water quality projects, regardless of technology, are eligible for Tier 1 funding provided they have a verifiable benefit to water quality and fall within the maximum per project programming cap. The intent of this funding program is for project applicants to complete the work generally within one year from the letter agreement execution date.

Tier 1 Project Types

Tier 1 projects funded in the past include the following types. A description of each project type is provided below:

- 1) Automatic Retractable Screen and other debris screens or inserts: screen or insert units prevent debris from entering the storm drain system.
- 2) Irrigation system retrofits with non-spraying heads to reduce runoff: these projects decrease runoff from highway medians by using more efficient irrigation systems and/or replacing existing landscape to reduce the amount of water used in irrigation.
- 3) Continuous Deflection Separator (CDS): CDS units screen, separate, and trap debris, sediment, oil, and grease from storm water runoff.
- 4) Linear Radial Gross Solid Removal Device (GSRD): GSRDs are certified full capture systems which efficiently remove large solids from runoff water flows.
- 5) Marina Trash Skimmer: these devices draw in floating debris, such as plastics, bottles, paper, oil sheen, and driftwood. The installation of marina trash skimmers will reduce the amount of trash and debris reaching the open ocean.
- 6) Bioswales and Bioretention systems: pollutants and sediments are captured and subsequently removed from stormwater runoff.
- 7) Trash Boom: a floating boom placed across a channel captures trash and debris that have reached flood channels from being further conveyed to downstream receiving waters.

Pre-Application Process

In order to ensure the best use of M2 funds and assist eligible jurisdictions with the Tier 1 Grant Program, applicants may engage in a pre-application process with OCTA staff in project planning, cost estimate development, and determination of likely projected competitiveness. Specific meeting times will be established once the call is initiated. After the call for projects deadline and submittal of the grant application, applicants will not be able to change the content of the application or scope of the project.

Eligible Applicants

Project X funds can be used to implement transportation-related water quality improvement projects to assist Orange County cities and the County of Orange to meet federal Clean Water Act standards for urban runoff and State Water Resources Control Board requirements for trash capture. Applicants eligible for Project X funds include the 34 Orange County cities plus the County of Orange. Eligible applicants must meet the transportation requirements discussed in the M2 Ordinance.

Third parties, such as water and wastewater public entities, environmental resource organizations, nonprofit 501(c) environmental institutions, and homeowners' associations cannot act as the lead agency for a proposed project; however, these agencies can coordinate with an eligible Orange County city and/or the County of Orange.

Two or more agencies may participate in a project. If a joint application among agencies and/or third-party entities is submitted, a preliminary agreement with joint or third-party entities must be provided as part of the application. In order to meet Ordinance requirements, an eligible applicant must be the lead agency for the funding application. If a project includes more than one jurisdiction and is being submitted as a joint application, one agency shall act as lead agency and must provide a resolution of support from all joint applicants.

Each eligible jurisdiction must meet the eligibility criteria as set forth in Chapter 1 of these guidelines.

Project Programming

The Tier 1 Grant Program approach is designed to be consistent with Chapter 2 of the CTFP Guidelines regarding the provisions below:

- Program Consolidation
- Funding Projections
- Project Cost Escalation
- Programming Adjustments
- Programming Policies

- Schedule Change Requests
- Timely use of Funds
- Project Advancements
- Semi-Annual Review

Refer to Chapter 2 for explanations of the above provisions.

Funding Estimates

Approximately \$3.5 million is available for the 2026 Tier 1 call for projects.

The maximum amount for the Tier 1 Grant Program is \$600,000 per project. The maximum amount that an eligible local agency can receive in this funding period is \$600,000.

Matching Funds

For the Tier 1 Grant Program, a minimum local match of 20 percent (20%) of the eligible project cost is required. The matching funds shall be provided as a cash contribution.

Retroactive expenditures cannot be credited towards the matching fund threshold or project expenditures.

Overmatch

For the Tier 1 Grant Program, administering agencies may “overmatch” Project X projects; that is, additional cash match may be provided for the project. Applicants will receive additional points in the evaluation process for matching with cash above the minimum requirement. Proposals that exceed the 20 percent (20%) minimum funding match will be given an additional one-half point for every five percent (5%) over the minimum cash match (up to five bonus points).

Additionally, administering agencies must commit to cover any future cost overruns if the project is underfunded. Any work not eligible for Project X reimbursement must be funded by other means by the project applicant and cannot count as match. These non-eligible items should not be included in the cost estimate breakdown in the application.

Reimbursements

~~This program is administered on a progress payment basis, see Chapter 10. For the Tier 1 Grant Program, OCTA will release funds through two payments. The initial payment will constitute 75 percent (75%) of the CTFP grant share of the contract award or grant amount at contract award, whichever is less. OCTA will disburse the final payment, approximately 25 percent (25%) of eligible funds, after approval of the final report. Further information on reimbursements can be located within Chapter 9 of the CTFP Guidelines.~~

Scope Reductions/Modifications and Cost Savings

Any proposed scope modifications, such as a change in BMP device quantities and/or



the adjustment of device locations of an approved project must be submitted to OCTA staff for review and approval in advance of the change to ensure consistency with Tier 1 Grant Program requirements. The proposed modifications must mitigate the same pollutants, affect the same waterways, and meet all other provisions as stipulated in these guidelines.

OCTA staff will review and provide notification to the local agency of either approval or rejection of the scope change or if the modification warrants Board approval. If the proposed scope modification is approved by OCTA, any cost savings will be proportionally shared between OCTA and the grantee; for example, a reduction in Project X funds must be applied proportionally to maintain the approved local match percentage. All cost savings will be returned to the Tier 1 Grant Program for reallocation for subsequent calls for projects.

2026 Tier 1 Call for Projects

The Tier 1 call will be open for 60 days. 2026 Tier 1 Call for Projects applications must be received by OCTA **no later than 5:00 p.m. on Thursday, May 7, 2026**. OCTA allocates funds on July 1 of each year. **Tier 1 projects are not eligible for delay requests**; please refer to Precept ~~18 17~~ for additional information. Funds will become available upon execution of a letter agreement. Projects that do not award construction contracts by December 31, 2027 will not be considered.

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. Applications determined complete in accordance with the program requirements will be evaluated and scored by an advisory review panel. Project rankings and funding recommendations will be presented to the ECAC and subsequently forwarded to the Board for consideration and funding approval.

Local jurisdictions awarded funding will be notified as to which projects have been funded. No additional funds will be allocated for any project once approved by the Board. Grantees are responsible for any costs exceeding the allocated amount. A tentative call schedule is detailed below:

Board authorization to issue call: March 9, 2026

Application submittal deadline: May 7, 2026

ECAC Review: August 2026

Committee/Board approval: Fall 2026

Tier 1 Selection Criteria

OCTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit ~~9-1 11-1~~) with the following categories:

- Project Need, Transportation Nexus, and Water Quality Benefits (15 points)
- Cost/Benefit (16 points)
- Pollutant Reduction Benefits (12 points)
- Effectiveness Against More Visible Forms of Pollutants (10 points)

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- Justification for Project Devices Considered and Proposed (5 points)
 - Proposed Device Performance Efficiency and/or Effectiveness (6 points)
 - Project Readiness (6 points)
 - Secondary attributes* (5 points)
 - Methodology for Measuring Pollutant Reduction Before and After Implementation (10 points)
 - Operations and Maintenance Plan (15 points)

**Note: Project elements which may qualify for points under the "secondary attributes" category do not need to be eligible expenditures. See Eligible Expenditures and Ineligible Expenditures sections for further information.*

Each proposal can receive a maximum of 100 points, exclusive of five bonus points for cash overmatch. See Exhibit 9-1 ~~11-1~~ for scoring categories and point distribution.

Exhibit ~~9-1~~ ~~11-1~~ (Tier 1 Scoring Criteria)

| Scoring Criteria | Points Possible | | | | | | | | | | | | |
|--|--|---------------------|------------------|------------|---|------------|---------------------|---|----------|---|--|--------|-----------|
| <p>1. Describe the need for the selected BMP(s), including nexus to transportation pollutants, and detail the benefits to water quality the BMP(s) will achieve. (up to 15 Points)</p> | 15 | | | | | | | | | | | | |
| <p>2. Cost/Benefit (Up to 16 points): Based on information provided by the applicant, a cost/benefit calculation will be conducted to compare the total project cost to the area of priority land uses treated by the proposed BMP(s). Applicant is required to provide¹:</p> <ul style="list-style-type: none"> • Types(s) of BMP(s) proposed • Number of each BMP type • Total drainage area(s) contributing to each BMP type • Percent of drainage area(s) that is/are considered priority land uses (i.e., high density residential, industrial, commercial, mixed urban, public transportation stations) <p>The applicant must also provide geospatial information (through ArcGIS and/or Google Earth) that identifies the drainage area(s) and BMP location(s) for the project.</p> | 16 | | | | | | | | | | | | |
| <p>3. Pollutant Reduction Benefits: Based on treatment capacity and BMP type, project benefit will be calculated using the scoring equation: $(A \times 3) + (B \times 3) + (C \times 6) =$ (up to 12 points)¹</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">Line</th> <th style="width: 60%;">Factor</th> <th style="width: 30%;">Points Available</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td>Fractional percent of 1 year, 1-hour event flowrate discharging from priority land uses to the BMP(s)</td> <td style="text-align: center;">0 to 1</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Fractional percent of 85th percentile, 24-hr design event that is treated by a low-impact development (LID) or treatment control BMP²</td> <td style="text-align: center;">0 to 1.5</td> </tr> <tr> <td style="text-align: center;">C</td> <td> BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs </td> <td style="text-align: center;">0 to 1</td> </tr> </tbody> </table> | Line | Factor | Points Available | A | Fractional percent of 1 year, 1-hour event flowrate discharging from priority land uses to the BMP(s) | 0 to 1 | B | Fractional percent of 85th percentile, 24-hr design event that is treated by a low-impact development (LID) or treatment control BMP ² | 0 to 1.5 | C | BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs | 0 to 1 | 12 |
| Line | Factor | Points Available | | | | | | | | | | | |
| A | Fractional percent of 1 year, 1-hour event flowrate discharging from priority land uses to the BMP(s) | 0 to 1 | | | | | | | | | | | |
| B | Fractional percent of 85th percentile, 24-hr design event that is treated by a low-impact development (LID) or treatment control BMP ² | 0 to 1.5 | | | | | | | | | | | |
| C | BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs | 0 to 1 | | | | | | | | | | | |
| <p>4. How effective will the proposed project be in dealing with the more visible forms of pollutants, such as a litter and debris? (up to 10 points)</p> | 10 | | | | | | | | | | | | |
| <p>5. What other BMP types were considered for this project? Why was the proposed BMP chosen? (5 points)</p> | 5 | | | | | | | | | | | | |
| <p>6. Provide information on proposed BMP performance efficiency and/or effectiveness, including pollutant capture, storage capacity, flow capacity, etc. (up to 6 points)</p> | 6 | | | | | | | | | | | | |
| <p>7. Project Readiness: The project schedule will be reviewed by the evaluation committee to determine when the proposed BMP will be operational following OCTA Board of Directors approval. (up to 6 points):</p> <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 33%;">Less than 4 Months</td> <td style="width: 33%;">(6 points)</td> <td style="width: 33%;">8 - 12 months</td> <td style="width: 33%;">(2 points)</td> </tr> <tr> <td>4 - 8 months</td> <td>(4 points)</td> <td>More than 12 months</td> <td>(1 point)</td> </tr> </table> | Less than 4 Months | (6 points) | 8 - 12 months | (2 points) | 4 - 8 months | (4 points) | More than 12 months | (1 point) | 6 | | | | |
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| 4 - 8 months | (4 points) | More than 12 months | (1 point) | | | | | | | | | | |

¹Applicants are not expected to calculate the score for question 2 and question 3. OCTA's technical consultant will provide the analysis for these questions based on the application materials provided by the applicant.

²Examples include high-capacity systems (i.e., hydrodynamic separators), filters/biofilters, or zero-discharge BMPs (i.e., retention/infiltration).



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|--|-------|
| 8. Secondary Attributes: Will the proposed project provide any benefits beyond water quality improvement (i.e., water use efficiency, public awareness, flooding control, recreation, habitat, sustainability)? (up to 5 points) | 5 |
| 9. What is the methodology for measuring pollutant reduction before and after the BMP is implemented? How frequently will monitoring and performance assessment occur? (up to 10 points) | 10 |
| 10. Provide an O&M plan for the lifespan of the proposed project. Include schedule of inspections, cleaning, removal and disposal of pollutants, repairs, etc. (up to 15 points) | 15 |
| | <hr/> |
| | 100 |
| 11. BONUS: Are local matching funds in excess of the 20% minimum cash being proposed? If yes, at what percentage? (.5 point for each 5% cash overmatch, up to 5 points) | 5 |
| | <hr/> |
| | 105 |

Application Process

The following information, which is to be completed within the Tier 1 Grant Application Form, available electronically from OCTA, is required to evaluate and select projects. A checklist is included in the Tier 1 Grant Application Form to assist eligible agencies in assembling project proposals. The following project information will be necessary as part of the application process:

- Project Title
- Lead Agency Information
- Proposed Schedule
- Project Management
- Description and Scope of Proposed Project
- Integrated Regional Water Management Plan (IRWMP) identification (if applicable)
- Project Readiness
- Performance Metrics
- Detailed Project Estimate
- Minimum 20% Local Match (cash match only)
- Joint-Application (if applicable)

In addition to the completed Tier 1 Grant Application, the following documentation is required as part of the application process:

- Project design or concept drawings, including preliminary design calculations, of proposed BMPs.
- Precise maps to show tributary drainage area and proposed location(s) for BMP installation including geospatial information (through ArcGIS and/or Google Earth)
- Digital project site photos
- Preliminary agreements with joint and/or third-party entities if part of the funding application (if applicable)
- A city council resolution specific to each proposed project and funding commitment must be approved by the local jurisdiction's governing body prior to the Board approval of grant funds. A sample resolution is included as Exhibit [9-2](#) ~~11-2~~. **Local agencies, at a minimum, must include items a-i.** The mechanism selected shall serve as a formal request for CTFP funds and states that matching funds will be provided by the agency. A final resolution authorizing a request for funding consideration with a commitment of local match funding must be provided with the project application. **If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** For a project to be considered for funding the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the programming recommendations being presented to OCTA's Board.



One electronic copy of the complete application form and supporting documentation materials must be submitted to OCTA by the application deadline. Electronic application materials can be submitted via email as an attachment, or via a link to an online storage device site, such as DropBox or OneDrive. Submittal via USB drive is also allowed. CD/DVD files will not be accepted. There is no maximum length for proposals.

Application materials are to be submitted by the call for projects deadline to the following OCTA staff email or via digital media device by mail or in person:

Mason Doshier
Orange County Transportation Authority
mdoshier@octa.net

By mail:
Mason Doshier
Orange County Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-5427

In person:
Orange County Transportation Authority
600 South Main Street
Orange, CA 92863-1584

Note: if submitting via email, please note that certain attachments may be subject to file size or file type restrictions, which may prevent emails from being successfully sent to OCTA. OCTA staff will provide a confirmation email that the application was successfully received by the deadline.

Applications are considered final once the electronic application has been submitted. OCTA will document the submittal date and time and download the files for storage and application review. Any applications that do not contain all required information and documentation will be disqualified. Revisions may be allowed if changes are made prior to the application deadline.



Exhibit 9-2-11-2 (Tier 1 Sample Resolution)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL/BOARD OF THE CITY/COUNTY OF _____

AUTHORIZING AN APPLICATION FOR FUNDS FOR THE ENVIRONMENTAL CLEANUP, TIER 1 GRANT PROGRAM UNDER ORANGE COUNTY LOCAL TRANSPORTATION ORDINANCE NO. 3 FOR (PROJECT NAME).

- (a) WHEREAS, Orange County Local Transportation Ordinance No. 3, dated July 24, 2006, and is known and cited as the Renewed Measure M Transportation Ordinance and Investment Plan makes funds available through the Environmental Cleanup Program to help protect Orange County beaches and waterways from transportation-generated pollution (urban runoff) and improve overall water quality; and
- (b) WHEREAS, the Environmental Cleanup, Tier 1 Grant Program consists of funding purchases and installation to catch basins with Best Management Practices, such as screens, filters, inserts, and other "street-scale" low flow diversion projects; and
- (c) WHEREAS, OCTA has established the procedures and criteria for reviewing proposals; and
- (d) WHEREAS, (ADMINISTERING AGENCY) possesses authority to nominate water quality improvement projects that have a transportation pollution nexus to finance and construct the proposed project; and
- (e) WHEREAS, by formal action the (GOVERNING BODY) authorizes the nomination of (PROJECT NAME), including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the (ADMINISTERING AGENCY) to act in connection with the nomination and to provide such additional information as may be required; and
- (f) WHEREAS, the (ADMINISTERING AGENCY) will maintain and operate the equipment acquired and installed; and
- (g) WHEREAS, the (ADMINISTERING AGENCY) will give OCTA's representatives access to and the right to examine all records, books, papers or documents related to the funded Tier 1 Grant Project; and
- (h) WHEREAS, the (ADMINISTERING AGENCY) will cause work on the project to be commenced within a reasonable time after receipt of notification from OCTA and that the project will be carried to completion with reasonable diligence; and
- (i) WHEREAS, the (ADMINISTERING AGENCY) will comply where applicable with provisions of the California Environmental Quality Act, the National Environmental Policy Act, the American with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations; and
- (j) WHEREAS, the (ADMINISTERING AGENCY) must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement; and
- (k) WHEREAS, the (ADMINISTERING AGENCY) authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the Orange County Transportation Authority Board of Directors; and
- (l) WHEREAS, the City/County of _____ will provide a minimum of 20% in matching funds for the (PROJECT NAME) as required by the Orange County Transportation Authority Comprehensive Transportation Funding Programs Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____ hereby authorizes (NAME OF AGENCY REPRESENTATIVE) as the official representative of the (ADMINISTERING AGENCY) to accept funds for the Environmental Cleanup, Tier 1 Grant Program for (PROJECT NAME).

BE IT FURTHER RESOLVED that the City/County of _____ agrees to fund its share of the project costs and any additional costs over the identified programmed amount.

Eligible Expenditures

- Tier 1 projects must meet the transportation nexus as outlined previously in this chapter.
- Project X funds must be for capital improvements.
- For Tier 1, construction ~~engineering support~~ cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.
- Project X funds can only be used for facilities that are in public ownership for public use; however, water quality improvements on private property, which are connected to municipal separate storm sewer systems, are eligible if part of a right of way agreement (For example, a homeowner association can coordinate through an eligible agency for funding if the proposed project is connected to a public facility). Administering agencies shall provide supporting documentation to justify improvements on private property.
- Reducing volume of surface flows is an integral factor of improving water quality, therefore, projects that have water-saving features (i.e., drip systems) are eligible for funding consideration.

Ineligible Expenditures

- O&M costs are not eligible expenditures. O&M costs cannot be utilized as a source of matching funds.
- Project X funds are not to be used for planning but can be used for final design, subject to the restrictions above.
- Expenditures prior to the grantee executed letter agreement date cannot be considered eligible for funding or match.
- Landscaping and vegetation not directly related to improving water quality (i.e., ornamental shrubs, trees).
- Replacement of equipment funded with Project X funds that is still within its anticipated useful life (based on manufacturer's specifications).
- Capital equipment purchases related to regular on-going street maintenance efforts, including, but not limited to: trash receptacles, vacuum trucks and/or equipment, street sweepers, signage, etc.
- Street improvement and maintenance activities (e.g., curb and gutter channelization, pavement rehabilitation/restoration, sidewalk reconstruction, or full catch-basin replacement/construction) are not eligible, unless surface repairs are required to restore a funded BMP installation area to pre-construction conditions and generally do not expand beyond the BMP disturbance area.

Reporting and Reimbursement

A ~~M2 Project Final Report~~ must be filed within 180 days of the project being completed ~~with information as shown in Form 10-16~~. See Chapter ~~10-9~~ for the process and requirements regarding reimbursements and reporting for the Tier 1 Grant



Program.

Additionally, an exception to Precept ~~42#40~~: Agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve, as such are the reviewing and approving bodies, respectively, for this program.

Technical and/or Field Review

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP guidelines and may conduct a field review. OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. Only CTFP eligible items listed on a project's cost estimate form will be reimbursed. See Chapter ~~11.10~~ for independent audit requirements beyond the technical and/or field review.

Additional Information

Questions regarding these procedures and criteria should be directed to:

By mail:

Mason Doshier
Orange County Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-5427

In person:

Orange County Transportation Authority
600 South Main Street
Orange, CA 92863-1584

Via email:

mdoshier@octa.net

Tier 2 Grant Program

The Tier 2 Grant Program consists of funding larger scale, potentially multi-jurisdictional, capital-intensive structural treatment BMP projects. Proposed projects will be evaluated based on their water quality improvement benefits and cost-effectiveness under the scoring criteria guidelines. Examples of large-scale BMPs include constructed wetlands, detention/infiltration basins and other large BMPs that mitigate litter and debris, heavy metals, organic chemicals, sediment, nutrients, and other transportation-related pollutants. Funds will be awarded through a competitive grant process geared towards awarding funds to the highest scoring, most cost-effective projects.

For the 2024 call for projects (call), applicants will use a web-based platform called OC Stormwater Tools (OCST) as part of the application process. The OCST platform was originally developed by Orange County Public Works (OCPW). The OCST platform has been in use for over five years supporting Orange County cities and the County of Orange in managing stormwater BMP inventories, establishing facility delineations, and modeling the performance of the BMPs. It is maintained by OCPW. In 2022, OCTA and OCPW partnered to develop the Planning Module in OCST. The OCST Planning Module allows users to access mapping layers to view priority areas, evaluate the performance of candidate BMPs, and submit selected projects for consideration in the Tier 2 Grant Program, in combination with traditional application forms. Use of the OCST Planning Module to submit the project drainage area and facility design information is a requirement for Tier 2 funding applicants.

Pre-Application Process

In order to facilitate a jurisdiction's best use of Project X funds, Tier 2 applicants may engage in a pre-application process with OCTA staff to assist jurisdictions in project planning, proposal and cost estimate development, and determination of likely projected competitiveness in the scoring criteria. The pre-application timeframe is defined as the time between the initiation of the call and one week prior to the application deadline date. After the call deadline and submittal of the grant application, applicants will not be able to change the content of their application or scope of the project.

Eligible Applicants

Project X funds can be used to implement transportation-related water quality improvement projects to assist Orange County cities and the County of Orange meet federal Clean Water Act standards for urban runoff. Applicants eligible for Project X funds include the 34 Orange County cities plus the County of Orange. Eligible applicants must meet the transportation requirements discussed in the M2 Ordinance.

For Tier 2 multi-agency collaborations, eligible jurisdictions may partner with other entities such as special districts and non-profits, but the lead agency must be an M2 eligible jurisdiction.

Third parties, such as water and wastewater public entities, environmental resource organizations, non-profit 501(c) environmental institutions, and homeowners' associations cannot act as the lead agency for a proposed project, however; these agencies can coordinate with an M2 eligible Orange County city and/or the County of Orange to submit a project application. All project partners must contribute to the project in some capacity (i.e., monetary contribution, time contribution, etc.).

Two or more agencies may participate in a project. If a joint application among agencies and/or an application is submitted for the benefit of third-party entities is submitted, a preliminary agreement with joint or third-party entities must be provided as part of the application. In order to meet M2 Ordinance requirements, an eligible applicant must be the lead agency for the funding application. If a project includes more than one jurisdiction and is being submitted as a joint application, one agency shall act as the lead agency and must provide a resolution of support from the partnering agency. In addition, the applicant shall provide a schedule by which the lead agency will obtain a final agreement with a third party. The final agreement must be executed prior to contract award date.

Each eligible jurisdiction must meet the eligibility criteria as set forth in Chapter 1 of the Comprehensive Transportation Funding Program (CTFP) Guidelines. For example, to apply for CTFP funding, local agencies must fulfill an annual eligibility process. Eligibility packages are due to OCTA by June 30 of each year. The M2 Eligibility Preparation Manual outlines the eligibility requirements in detail.

In order for an applicant to accept Project X funding for their proposed project, OCTA has certain requirements that must be met. These requirements include adhering to the OCTA CTFP Guidelines; meeting a ten-year BMP Operations and Maintenance (O&M) commitment; and commitment to maintain and monitor the project commensurate with the design life.

Project Programming

The Tier 2 Grant Program is designed to be consistent with Chapter 2 of the CTFP Guidelines regarding the provisions below:

- Program Consolidation
- Sequential Programming Process
- Funding Projections
- Project Cost Escalation
- Programming Adjustments
- Project Readiness
- Programming Policies
- Schedule Change Requests
- Timely use of Funds

- Project Advancements
- Semi-Annual Review

Refer to Chapter 2 for explanations of the above provisions.

Funding Estimates

Approximately \$15 million is available for the 2024 Tier 2 call. The maximum amount for the Tier 2 Grant Program is \$2.5 million per project. The maximum amount that an eligible local agency can receive in this funding period is \$2.5 million.

2024 Tier 2 Call Implementation Timeline

The Tier 2 call will be open for 90 days. 2024 Tier 2 call applications must be received by OCTA **no later than 5:00 PM on Thursday, May 16, 2024**. OCTA is seeking applications for projects, which can be awarded no later than December 31, 2025. Funds will become available upon execution of a letter agreement. Projects that do not award construction contracts by December 31, 2025 will not be considered.

After Tier 2 applications are reviewed by OCTA staff for completeness and accuracy, an evaluation panel will review and rank projects. Following review and recommendation by the ECAC, a recommended priority list of projects will be presented to the OCTA Board for approval. Funding amounts allocated for projects are final once approved by the OCTA Board. No additional funds will be allocated to the project. Grantees are responsible for any costs exceeding the allocated amount.

Matching Funds

For the Tier 2 Grant Program, a minimum local match of fifty percent (50%) of the eligible project phase cost is required. The matching funds shall be provided by cash contributions. Previously completed phases of a project may not be attributed to the match. Prior expenditures cannot be used as matching funds. There is a potential to reduce matching funds up to 15 percent (15%) for project readiness (at time of application submittal) as follows:

- Environmental (5%): The environmental document has been completed and certified.
- Design (5%): The project has completed 100% design plans.
- Right of Way (5%): This reduction applies to only those projects that require right of way acquisition, and acquisition has been completed.

If a joint application among agencies and/or third-party project partners is submitted, matching funds documentation must clearly identify the entity providing the funds for each line item in the matching funds description. Additionally, preliminary agreements are required to be submitted with the grant application that contains the matching funds commitments from a supporting agency.

Matching rate commitments identified in the project grant application shall remain constant throughout the project. Match rate commitments may not be reduced for any reason.

Operations and Maintenance

Applicants must submit a draft BMP O&M Plan covering a minimum of ten years after project completion. The BMP O&M Plan must document (through the resolution) project O&M financial commitment and sustainability for ten years. Applicants must include project assessment and monitoring of performance as part of the O&M Plan. OCTA may request to review this plan from time to time.

For guidance, please refer to Section 2.8 and Appendix G of the Technical Guidance Document for the Preparation of Conceptual/Preliminary and/or Project Water Quality Management Plans at:

<https://ocgov.app.box.com/v/SDR-WQIP-Clearinghouse/file/252490400944>

Eligible Expenditures

- Tier 2 projects must meet the transportation nexus as outlined previously in this chapter.
- Project X funds are designed to fund capital improvements. Tier 2 funds are designed to be strictly used for project construction costs, although up to ten percent (10%) of the total grant may be used for preliminary project design, environmental, and engineering costs.
- For Tier 2, construction **engineering support** cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.
- Project X funds can only be used for facilities that are in public ownership for public use; however, water quality improvements on private property, which are connected to municipal separate storm sewer systems, are eligible if part of a right of way agreement (For example, a homeowner's association coordinate through an eligible agency for funding if the proposed project is connected to a public facility). Agencies shall provide supporting documentation to justify improvements on private property.

Ineligible Expenditures (including, but not limited to)

- Non-capital expenses for enhancements such as education, recreation, etc.
- Expenditures prior to letter agreement execution
- Amenities such as benches, lighting, signage, waste receptacles, etc.
- Landscaping and vegetation not directly related to improving water quality (i.e., ornamental shrubs, trees)

- Irrigation (sprinklers or drip systems) not directly related to plant establishment of water quality features
- Trails/sidewalks, unless contributing to water quality improvement
- O&M
- Planning activities beyond ten percent (10%) of grant
- Replacement of existing water quality features still within anticipated useful life (based on manufacturer's specifications).

Reimbursements

~~This program is administered on a progress payment basis, see Chapter 10. For the Tier 2 Grant Program, OCTA will typically release funds through two payments. The initial payment will constitute 75 percent (75%) of the CFTP grant share of the contract award or grant amount at time of award, whichever is lower. OCTA will disburse the final payment, approximately 25 percent (25%) of eligible funds, after approval of the final report. Further information on reimbursements can be found within Chapter 9 of the CFTP Guidelines.~~

Additionally, administering agencies must commit to cover any future cost overruns if the project is underfunded. Any work not eligible for Project X reimbursement must be funded through other means by the project applicant and cannot count as match. These non-eligible items should not be included in the cost estimate breakdown in the application.

Scope Reductions and Cost Savings

Any proposed scope reductions of an approved project must be submitted to OCTA to ensure consistency with the Tier 2 Grant Program requirements. If the proposed scope reduction is approved by OCTA, cost savings will be proportionally shared between OCTA and the grantee. A reduction in Project X funds must be applied proportionally to maintain the approved local match percentage. All cost savings will be returned to the Tier 2 Grant Program for reallocation to subsequent calls.

Tier 2 Selection Criteria

OCTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit ~~9-3 11-3~~) with the following categories:

- Problem and source identification
- Project design
- Project implementation and readiness
- Project benefits
- Performance metrics

Each proposal can receive a maximum of 100 points. Tier 2 selection criteria include both technical scoring criteria –70 percent (70%) weighting – and non-technical scoring criteria –30 percent (30%) weighting.

A focus on several overarching concepts is emphasized in the funding guidelines and scoring criteria:

- Focus on a clear and measurable transportation nexus, defined as total lane miles in the project catchment area, as defined by the MPAH
- Priority in the scoring criteria is given to projects in areas of highest water quality need, as established by predicted pollutant loading, receiving water monitoring, and the extent of impairment of receiving waters (i.e., higher priority given to 303(d) listed water bodies or project in a water quality plan)
- Quantification of project benefits where possible in terms of a load reduction metric (pollutants or water volumes)
- Emphasis on cost beneficial projects
- Emphasis on project readiness, and ability to leverage funding
- Emphasis on other regional and environmental benefits
- Emphasis on multi-jurisdictional and public benefits

Application Process

The technical scoring will be calculated wholly within the OCST Planning Module. The Tier 2 Grant Application Form (available electronically from OCTA) is required to evaluate general project information, funding, and to score non-technical project components. See Exhibit [9-3 11-3](#) for Tier 2 Scoring Criteria.

The applicant will be required to enter the technical project information into the OCST Planning Module (<https://planning.ocstormwatertools.org/>), populate the project with attributes necessary to quantify performance, and elect to share the project with OCTA within the Planning Module.

OCST Planning Module Project Entry

Complete the workflow for adding the project in the OCST Planning Module. The Planning Module Project workflow includes the following steps:

1. Log in to <https://planning.ocstormwatertools.org/>. If a user is not yet registered in this system, use the "Create Account" button to set username and password; permission to act on behalf of a city or the County will be assigned by the system administrators.
2. Under "Quick Actions", select "Add a Project".
3. Complete the Project Basics form using the same project name as in the Application Form. Enter project information such as Project Name, Description, and Primary Contact Person. Check the box to compute metrics for the OCTA M2 Tier 2 Grant Program.

4. Select "OCTA M2 Tier 2 Grant Program" to view scores (this does not enable sharing with OCTA, it will just calculate scoring metrics for the project for applicant review).
5. On the "Stormwater Treatments / Proposed Treatment BMPs" page, enter BMP type and location, and modeling attributes (a set of key design parameters used to estimate performance). More than one BMP can be entered within a project.
6. On the "Stormwater Treatments / Delineations" page, define the upstream delineation using the web map.
7. On the "Stormwater Treatments / Modeled Performance and Grant Metrics" page, select "Calculate" to review modeling results and preliminary grant scoring metrics for the project.
8. Review results.
9. On the "Review and Share" page, click the button to "Share" the project with the OCTA M2 Tier 2 Grant Program. This will add the project to the grant application reviewers dashboard. While a project is being shared it cannot be edited.

If an applicant believes an edit is needed, or if a change is requested by OCTA, the applicant may "Revoke" the project sharing status, make the edit, and re-share the project. Projects must be shared with the OCTA M2 Tier 2 Grant Program before the call for projects closes in order for the application to be considered eligible for funding.

Important Note: All Tier 2 score metrics computed by the Planning Module are preliminary. Final project scores will be calculated by OCTA after the call is closed, including comparisons between submitted projects.

In addition to entering project information into the OCST Planning Module and the Tier 2 Grant Application Form, the following items are required to be included within the submitted proposal:

- Project design or concept drawings, including preliminary design calculations, of proposed BMP. This should clearly justify the modeling attributes entered into the OCST Planning Module.
- Environmental Document (if applicable)
- Preliminary Cooperative Agreement(s) with joint and/or third-party entities (if applicable)
- Project Cost Estimate
- Maps
- Project site photos
- Project master schedule
- City Council resolution specific to the project and funding commitment must be approved by the local jurisdiction's governing body prior to the Board approval of grant funds. A sample resolution is included as Exhibit [9-4_11-4](#). **Local**



agencies, at a minimum, must include items a-l. The mechanism selected shall serve as a formal request for CTFP funds and states that matching funds will be provided by the agency. A final resolution authorizing a request for funding consideration with a commitment of local match funding must be provided with the project application. **If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board.

- 10-year draft BMP O&M Plan

For the Tier 2 Grant Program, one unbound original and one electronic copy of the complete application form and supporting documentation materials must be submitted to OCTA by the application deadline. Electronic application materials can be submitted via email as an attachment, or via a link to an online storage device site, such as DropBox or OneDrive. Submittal via USB drive is allowed. CD/DVD files will not be accepted.

There is no maximum length for proposals. All pages must be numbered and printed on 8 1/2 x 11 sheets of white paper. Use separate sheets of paper if necessary. Maps and drawings can be included on 11 x 17 sheets, folded into the proposal. *The original proposal should be left unbound for reproduction purposes.*

Application materials are to be submitted by the call for projects deadline to the following OCTA staff email and via hardcopy by mail or in person:

Adrian Salazar

Orange County Transportation Authority

asalazar@octa.net

By mail:

Adrian Salazar

Orange County Transportation Authority

P.O. Box 14184

Orange, CA 92863-1584

Tel: (714) 560-5363

In person:

Orange County Transportation Authority

600 South Main Street

Orange, CA 92863-1584

Note: if submitting via email, please note that certain attachments may be subject to file size or file type restrictions, which may prevent emails from being successfully sent to OCTA. OCTA staff will provide a confirmation email that the application was successfully received by the deadline.



Applications are considered final once the electronic application has been submitted. OCTA will document the submittal date and time and download the files for storage and application review. Any applications that do not contain all required information and documentation will be disqualified. Revisions may be allowed if changes are made prior to the application deadline.

Reporting and Reimbursement

The Tier 2 Grant Program is consistent with Chapter [10.9](#) of the CTFP Guidelines regarding the process and requirements of reimbursements and reporting including semi-annual reviews. Upon completion of project construction, a 10-year final BMP O&M Plan is required to be submitted along with the final report.

Additionally, an exception to Precept [42-#40](#): Agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve.

Technical and/or Field Review

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP Guidelines and may conduct a field review. OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. Only CTFP eligible items listed on a project's cost estimate form will be reimbursed. See Chapter [11.10](#) for independent audit requirements beyond the technical and/or field review.

Exhibit ~~9-3~~ 11-3
Tier 2 Scoring Criteria

| Technical Scoring – 70 points (Points awarded based on scoring metrics computed within OCST Planning Module) | | |
|--|---|---------------|
| Scoring Metric | Description | Points |
| Transportation Priority Index (TPI) | The TPI is developed based on density of roadway lane miles within pre-defined catchment areas. | 5 |
| WQ Need Analysis | WQ Need is based on the presence of TMDLs and 303(d) list impairments, as well as receiving water quality monitoring data. | 40 |
| BMP Performance | BMP performance is a normalized score based on the total inflow volume, Water Quality Load Reduction Index, the ratio of wet to dry weather pollutant load reduction, and project cost. | 25 |
| Non-technical Scoring – 30 points (Points awarded based upon information provided by applicant) | | |
| Multiple Benefits <ul style="list-style-type: none"> • Drainage • Recreation • Habitat • Water Resources | Describe the benefits of the proposed project above and beyond water quality improvement (load reduction benefit). | 10 |
| Cost/Benefit | Describe how the project is designed to maximize benefits while reducing costs, such as by aligning with parallel project efforts in the region and/or obtaining additional sources of funding beyond the minimum required match. | 10 |
| Regional Benefit | Describe how the proposed project would provide a regional benefit. | 5 |
| Project Readiness | Describe the proposed project’s readiness with regard to concept development, cost estimates, design, environmental compliance, and construction documents. | 5 |
| Total | | 100 |

Exhibit ~~9-4~~ 11-4
SAMPLE AGENCY RESOLUTION REQUESTING FUNDS FOR PROPOSED PROJECT

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL/BOARD OF THE CITY/COUNTY OF _____
AUTHORIZING AN APPLICATION FOR FUNDS FOR THE ENVIRONMENTAL CLEANUP, TIER 2 GRANT PROGRAM UNDER ORANGE COUNTY LOCAL TRANSPORTATION ORDINANCE NO. 3 FOR
(NAME OF PROPOSAL) PROJECT.

(a) WHEREAS, Orange County Local Transportation Ordinance No. 3, dated July 24, 2006, and is known and cited as the Renewed Measure M Transportation Ordinance and Investment Plan makes funds available through the Environmental Cleanup Program to help protect Orange County beaches and waterways from transportation-generated pollution (urban runoff) and improve overall water quality; and

(b) WHEREAS, the Environmental Cleanup, Tier 2 Grant Program consists of funding regional, potentially multi-jurisdictional, capital-intensive projects, such as constructed wetlands, detention/infiltration basins and bioswales, which mitigate pollutants including litter and debris, heavy metals, organic chemicals, sediment, and nutrients; and

(c) WHEREAS, OCTA has established the procedures and criteria for reviewing proposals; and

(d) WHEREAS, (ADMINISTERING AGENCY) possesses authority to nominate water quality improvement projects that have a transportation pollution nexus to finance and construct the proposed project; and

(e) WHEREAS, by formal action the (GOVERNING BODY) authorizes the nomination of (NAME OF PROPOSAL), including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the (ADMINISTERING AGENCY) to act in connection with the nomination and to provide such additional information as may be required; and

(f) WHEREAS, the (ADMINISTERING AGENCY) will maintain and operate the equipment acquired and installed; and

(g) WHEREAS, the (ADMINISTERING AGENCY) will give OCTA's representatives access to and the right to examine all records, books, papers or documents related to the funded Tier 2 Grant Project; and

(h) WHEREAS, the (ADMINISTERING AGENCY) will cause work on the project to be commenced within a reasonable time after receipt of notification from OCTA and that the project will be carried to completion with reasonable diligence; and

(i) WHEREAS, the (ADMINISTERING AGENCY) will comply where applicable with provisions of the California Environmental Quality Act, the National Environmental Policy Act, the American with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations; and

(j) WHEREAS, the (ADMINISTERING AGENCY) must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement;



and

(k) WHEREAS, the (ADMINISTERING AGENCY) authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the Orange County Transportation Authority Board of Directors; and

(l) WHEREAS, the City/County of _____ is committing to a minimum match of up to 50% for the (PROJECT NAME) as required by the Orange County Transportation Authority Comprehensive Transportation Funding Programs Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, hereby authorizes (NAME OF AGENCY REPRESENTATIVE) as the official representative of the (ADMINISTERING AGENCY) to accept funds for the Environmental Cleanup, Tier 2 Grant Program for (NAME OF PROPOSAL).

BE IT FURTHER RESOLVED that the City/County of _____, agrees to fund its share of the project costs and support any additional costs over the grant funding.

Chapter 9 10 – Reimbursements and Reporting

Procedures for Receiving Funds

An implementing jurisdiction must encumber funds OCTA awards to a project phase within the fiscal year the grant is programmed (July 1-June 30). For example, if a project phase is programmed for fiscal year 2027-28, the implementing jurisdiction must encumber funds by June 30, 2028. For jurisdictions awarded funding for the construction or PI phases, OCTA will work with the local jurisdiction following Board approval of the grant to determine eligible and ineligible costs. Written confirmation from OCTA identifying these eligible and ineligible costs must be obtained prior to encumbering funds for the construction phase and before issuing any construction-related Notice to Proceed, task order, or contract for PI construction activities. Prior to the encumbrance of funds, an agency must have a fully executed letter agreement with OCTA.

~~An agency encumbers~~ A local jurisdiction may demonstrate encumbrance of funds by: (1) awarding a contract; (2) completing the appraisal or issuing an offer letter for one parcel of right-of-way; (3) by providing expense reports with supporting documentation to prove an agency's workforce costs (provided that the agency intends to complete the phase with agency staff) (4) or by issuing a Notice to Proceed, which must include the project name, scope of services to be provided and cost.

When a contract is used to demonstrate encumbrance, OCTA shall consider the primary contract(s) or the contract with the largest dollar amount, associated with the phase's tasks, when an agency uses a contract to show encumbrance of CTFP funds. Once the jurisdiction has encumbered CTFP funds for a phase and has a fully executed letter agreement, it may initiate the process for requesting receiving payment of the funds.

~~OCTA will release funds through two payments. The initial payment will provide up to 75 percent (75%) of the CTFP grant share of the contract award or grant amount, whichever is less. OCTA will disburse the final payment, 25 percent (25%) of eligible funds, after it approves the final report (See Precept 35).~~

~~For situations where a grant exceeds \$2 million, the final report retention shall be capped at \$500,000 per project phase but shall in no case be less than 10 percent (10%) of the grant for that phase. Should the 75/25 payment distribution ratio result in a final payment retention that exceeds \$500,000, the payment percentages will be adjusted to meet the \$500,000 cap until the 10 percent (10%) threshold is reached (See Precept 36).~~

OCTA will disburse grant funds through a progress payment process. To receive any payment, the local jurisdiction must submit a payment request via OCFundtracker. The local jurisdiction may elect to receive an initial payment of up to twenty percent (20%) of the total grant amount, followed by progress payment requests, or may elect to

proceed directly with progress payment requests. In all cases, the local jurisdiction shall submit progress payment requests on a semi-annual basis. Unless otherwise determined by a separate cooperative agreement, progress payments must be submitted in accordance with the schedule shown in Exhibit 10-1. The odd numbered-year jurisdictions must submit progress payments by September 30th and March 31st. The even numbered-year jurisdictions must submit progress payments by December 31st and June 30th.

All payments issued, including any initial payment and subsequent progress payments, shall cumulatively be reimbursed up to ninety percent (90%) of the total grant amount, unless otherwise determined by a separate cooperative agreement. The final retention payment will be issued within sixty (60) days following OCTA's receipt and approval of a complete and accurate Final CTFP Expenditure Report.

OCTA shall not reimburse for a project prior to the programmed fiscal year of the grant. If an agency receives an advancement and begins work prior to the start of the fiscal year of the grant, the agency may request an initial payment against the grant. If an agency receives an advancement and completes a project prior to the start of the fiscal year of the grant, OCTA shall disburse the grant in a single payment. OCTA must accept the Final CTFP Expenditure Report prior to issuing the final payment. However, if the project is not anticipated to be completed prior to the start of the fiscal year of the grant, the local jurisdiction shall follow the progress payment process.

Once an agency encumbers Measure M funds and has a fully executed letter agreement, the jurisdiction may request a maximum of 20 percent (20%) of the grant amount as an initial payment.

Examples of calculating the initial payment request and a progress payment are described below.

Initial Payment Example

If the total grant amount is \$1,000,000, the initial payment will be 20% of the grant.

Calculation:

- Grant Amount x 20% = Initial Payment

| Grant Amount | | Initial Payment Percentage | | Initial Payment |
|--------------|---|----------------------------|---|-----------------|
| \$1,000,000 | X | 20% | = | \$200,000 |

Accordingly: the initial payment to the local jurisdiction would be \$200,000.

The remaining balance shall be requested by the local jurisdiction through progress payment submissions and will be reimbursed based on paid eligible costs during the reporting period.

Progress Payment Example

If the reported expenditures are \$300,000 and OCTA's match rate is 75%, and OCTA has determined the costs to be fully eligible, the progress payment amount will be 75% of the \$300,000.

Calculation:

- Paid Expenditures x OCTA Match Rate = Progress Payment Amount

| Paid Expenditures | | OCTA Match Rate | | Progress Payment Amount |
|-------------------|---|-----------------|---|-------------------------|
| \$300,000 | X | 75% | = | \$225,000 |

Result: The progress payment amount would be \$225,000 for the reporting period.

The combined total of the initial payment and/or all progress payments shall not exceed ninety percent (90%) of the grant. Retention will be ten percent (10%) of the grant and will not be released until acceptance of the Final CTFP Expenditure Report, unless otherwise determined by a separate cooperative agreement.

~~Agencies shall submit payment requests to OCTA in a timely fashion.~~ The M2 Ordinance requires the submittal of an M2 Project Final Report within 180 days of the project phase completion date (See M2 Ordinance/Definition 28/Precept 40 37). **Failure to submit a final report within the 180-day time frame will result in an agency being found ineligible to receive net revenues. Per the M2 Ordinance, no provision for extension is allowed.** The term "project phase completion" refers to the date that the local jurisdiction has paid the final contractor/consultant invoice (including retention) for work performed and any pending litigation has been adjudicated for the engineering phase or for the ROW phase, and all liens/claims have been settled for the construction phase.

OCTA will provide separate CTFP payment ~~supplement that includes~~ sample forms and instructions for payment submittals ~~and that~~ can be downloaded from the OCFundtracker database. Payment submittals are described in this chapter and must be submitted through OCTA's online database, [OCFundtracker](#). Detailed instructions for OCFundtracker are available online at the previously mentioned website. Staff is also available to assist jurisdictions with this process.

Local jurisdictions must upload appropriate backup documentation to the database. OCTA will not initiate review of any payment request until all documents listed on the Payment Checklist have been submitted through OCFundtracker and a payment request has been opened². ~~OCTA may request hardcopy payment requests.~~

² Please see [OCTA.net](#) for a step-by-step guide on opening a payment request in OCFundtracker.

Timely M2 Project Final Reports

The M2 Project Final Report is a requirement of the M2 Ordinance and is distinct from the Final CTFP Expenditure Report. The M2 Project Final Report serves as the local jurisdiction's certification of project completion for projects funded with Net Revenues and shall include a description of the work performed, an accounting of Net Revenues expended, and any interest earned on Net Revenues allocated to the project. OCTA will work with local agencies to ensure the timeliness of final reports by utilizing the following procedures:

1. Local agencies should notify OCTA of the project phase completion date within 30 days of completion.

2. OCTA to issue a reminder notification to the project manager, public works directors or TAC representative(s) 90 days after the project completion date, as reported in OCFundtracker, to remind local agencies that the final report is due in 90 days. OCTA staff will provide guidance to assist in preparation of the final report.

3. Local jurisdictions must to file a final M2 Project Final Report within 180 days of project phase completion date.

~~3. OCTA to issue a notification to the project manager, public works directors or TAC representative(s) 90 days after the project completion date, as reported in OCFundtracker, to remind local agencies that the final report is due in 90 days. OCTA staff will provide guidance to assist in preparation of the final report.~~

4. If the M2 Project Final Report is not received within the 180-day deadline OCTA may issue a final notice letter to the project manager, public works directors or TAC representative(s) with a copy to the agency's management and finance director if OCTA does not receive the final report within 180 days of the project completion date. The final notice letter will inform the local jurisdiction that if OCTA does not receive a response to the final notice letter and the final report within 180 days, then the funds will be unencumbered, and OCTA shall request that the agency return disbursed funds, plus interest and subsequent action may be taken to find the jurisdiction ineligible to receive Net Revenues.

~~5. OCTA to issue the final payment to local agencies within 60 days of receiving the complete final report and all supporting documentation.~~

Availability of Funds

~~The funds granted by OCTA for each phase will be available on July 1, the first day of the fiscal year in which the funds are programmed and upon implementation of the letter agreement for the specific project.~~

Cancellation of Project

~~If a local jurisdiction decides to cancel a project, for whatever reason, the jurisdiction~~

~~shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation, regardless of whether property has been purchased or not. Construction funding received prior to cancellation shall be repaid upon cancellation.~~

~~Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.~~

Agency Workforce and Equipment Rental

The local jurisdiction must provide supporting documentation for work completed by agency staff or the use of agency workforce. The decision or justification that local agency forces could perform the work more cost effectively, more timely than a contractor or other justification must be documented. It is recommended that a unique project job key be created for each project and all project charges be billed under that job code. The agency shall multiply the fully burdened labor rate by the number of hours for each staff person assigned to the project. The jurisdiction may add overhead costs at an allowable rate up to 30 percent (30%) of payroll and fringe benefits.

The jurisdiction must provide supporting documentation for equipment used by local agency staff. The jurisdiction may use local agency or Caltrans surcharge and equipment rental rates.

Technical and/or Field Review

Once a local jurisdiction submits a final CTFP expenditure report for a project, OCTA shall review the report for compliance with the CTFP Guidelines and may conduct a technical and/or field review. As part of the technical/field review of a CTFP project, OCTA may:

- review ROW acquisitions and the potential for excess right-of-way
- compare hourly breakdown of staff time compared to staff time sheets
- conduct a project field review – ensure improvements are within scope
- review items that agencies self-certify
- verification of the reasonableness of project costs

OCTA may review all phases of the project.

OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the Final CTFP Expenditure Report ~~final report~~ as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. OCTA will only reimburse eligible CTFP items listed on the cost estimate. The implementing agency is expected to complete the entire scope of work as presented in the OCTA approved scope ~~original application~~.

For construction and PI phases, OCTA will use the OCTA written approval of eligible costs, project accounting records and the Final CTFP Expenditure Report as the primary items to conduct the review.

See Chapter 11 ~~10~~ for independent audit requirements beyond the technical/field review.

Appeal Process

An appeal may be submitted only if the disputed amount is at least \$100,000 or 10% of the grant amount, whichever is less.

Appeals must be submitted as part of the semi-annual review process. The local jurisdiction may file an appeal by submitting a brief written statement of the facts and circumstances to OCTA staff, including references to applicable CTFP Guidelines language. The appellant local jurisdiction must submit a written statement which proposes an action for TAC consideration. The TAC shall designate TSC to receive and review the appeal. The TSC shall consider the local jurisdiction's appeal along with information provided by staff, any known precedents or past practices, the CTFP guidelines and the Ordinance. The TSC shall report to the TAC on its findings. Depending on the findings and consistency with the Ordinance, staff will make a recommendation as part of the subsequent semi-annual review staff report. The Board shall have final approval on appeals.

Reporting of Local Fair Share (LFS)

For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Measure M LFS funds, the Measure M2 expenditure report cited M2 Ordinance, Section III(B)(8) shall satisfy reporting requirements. If LFS funds are used for projects, the local agency shall also include those projects and the utilized LFS funds and/or other Measure M2 funds in the Measure M2 expenditure report. For further information, please refer to the Measure M2 Eligibility Guidelines which can be found on the Eligibility Website: <https://www.octa.net/M2Eligibility>.

Availability of Funds

The funds granted by OCTA for each phase will be available on July 1, the first day of the fiscal year in which the funds are programmed and upon implementation of the letter agreement for the specific project.

Cancellation of Project

If a local jurisdiction decides to cancel a project, for whatever reason, the jurisdiction shall notify OCTA as soon as possible. Projects deemed infeasible during the planning phase shall bring that phase to a logical conclusion, file a final report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation, regardless of whether property has been purchased or not. Construction funding received prior to cancellation shall be repaid upon cancellation.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

**Exhibit 10-1
Progress Payment Schedule**

| <u>Local Jurisdictions</u> | <u>Reporting Period</u> | <u>Due Dates</u> |
|-------------------------------|-------------------------|--------------------------|
| <u>Aliso Viejo</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Anaheim</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Brea</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Buena Park</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Costa Mesa</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>County of Orange</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Cypress</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Dana Point</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Fountain Valley</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Fullerton</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Garden Grove</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Huntington Beach</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Irvine</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>La Habra</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>La Palma</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Laguna Beach</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Laguna Hills</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Laguna Niguel</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Laguna Woods</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Lake Forest</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Los Alamitos</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Mission Viejo</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Newport Beach</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Orange</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Placentia</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Rancho Santa Margarita</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>San Clemente</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>San Juan Capistrano</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Santa Ana</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Seal Beach</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Stanton</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Tustin</u> | <u>Odd</u> | <u>Dec 31, June 30</u> |
| <u>Villa Park</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Westminster</u> | <u>Even</u> | <u>Sept 30, March 31</u> |
| <u>Yorba Linda</u> | <u>Even</u> | <u>Sept 30, March 31</u> |

Project O - Regional Capacity Program-Initial Payment- Reimbursement and Reporting

Project O - Initial Payment Request Process

~~The local jurisdiction must submit a payment request to receive an initial payment, as described under the Procedures for Receiving Funds section of this chapter. Payment requirements are located in the Guidelines. Staff may request additional documentation that is not listed on the checklist prior to approving the request.~~

~~Checklists and interactive electronic versions of all payment forms can be downloaded via OCFundtracker at <http://ocfundtracker.octa.net>.~~

~~OCTA usually releases funds through two payments. The initial payment will constitute 75 percent (75%) of the eligible contract award or allocation amount, whichever is less. In addition to the bid abstract, OCTA will require local agencies to submit appropriate backup documentation for all project phases to support the initial payment request. OCTA will release the final payment of remaining balance, usually the final 25 percent (25%) of CTFP grant funds, when the project is complete and OCTA accepts the final report. The balance is determined based on final costs for CTFP eligible program expenditures. Prior to submitting the report, review the program specific section in these guidelines that addresses the final report process.~~

OCTA will reimburse costs associated with the Measure M informational signs (fabrication, installation, and removal) and do not count against a project's grant. Measure M informational "Funded By" sign removal costs should be requested in the Final CTFP Expenditure Report.

Prior to submitting an initial payment request for engineering or ROW phases, a local jurisdiction may request a meeting with OCTA staff to determine eligible/ineligible items prior to requesting reimbursement.

~~Below is additional information regarding the documentation requirements of initial payment requests:~~

~~The initial payment request must include the following:~~

- ~~1. Invoice – The local jurisdiction shall invoice OCTA for up to twenty percent (20%) of the CTFP grant. Jurisdictions seeking reimbursement for planning, environmental, or preliminary engineering work performed by local agency forces must also submit payroll records and City Council budget allocation documentation. Payroll records must identify the project name, date(s) of expenditure, amount, and employee position. It is recommended that a unique project key be established and all project charges be tracked under that job code. OCTA staff can provide a sample payroll report upon request. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and~~

2027 Call for Projects

~~reimbursement amount. For initial payments, the local jurisdiction shall invoice for 75 percent (75%) of the CTFP grant share of the primary contract(s) amount or grant amount, whichever is less. For situations where a grant exceeds \$2 million, the final report retention shall be capped at \$500,000 per project phase but shall in no case be less than 10 percent (10%) of the grant for that phase. Should the 75/25 payment distribution ratio result in a final payment retention that exceeds \$500,000, the payment percentages will be adjusted to meet the \$500,000 cap until the 10 percent (10%) threshold is reached (See Precept 36). Agencies seeking initial payment for the planning, environmental and preliminary engineering work performed by local agency forces, must submit payroll records and City Council budget allocation with the initial payment request. The payroll records should identify the project name, date of expenditures, amount, and employee position. It is recommended that a unique project key be created for each project and all project charges be billed under that job code. OCTA staff can provide a sample of acceptable form of payroll report upon local agency request.~~

- ~~2. Project and Plans, Specifications, & Estimate (PS&E) Certification FormLetter – The local jurisdiction shall submit a completed Project and PS&E Certification Form, signed by the Public Works Director, City Engineer, or appropriate authorized equivalent. The form shall certify that the project complies with all applicable requirements, including signage requirements outlined in Precept 24, and that the plans and specifications were properly prepared and approved in accordance with authorized procedures and adopted standards, that the approved scope of work was followed, and that the materials report was incorporated. The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, using the Project Certification Form 10-2. This will include the certification that the project being reimbursed has met the signage requirements laid out in Precept 22.~~
- ~~3. Documentation of the Contract Award – The local jurisdiction shall provide documentation demonstrating award of the contract. Acceptable documentation includes a minute order, agency resolution, executed contract, purchase order, NTP or other action authorized by an approved delegate. All submitted documentation shall clearly identify the contract amount, project name, project scope of work, and the associated bid documents or task list, and shall be certified, as applicable, by the City Clerk, Clerk of the Board, or other duly authorized official. For contracts issued under on-call or as-needed consultant agreements, the local jurisdiction shall submit a purchase order or NTP that clearly defines the project-specific scope of work and includes the associated bid/task list. Bid/task list with lump sum items may require an itemized breakdown of the costs.~~

~~The local jurisdiction shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After~~



~~contract award, the agency shall submit the project name, contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants shall submit a purchase order or Notice to Proceed (NTP) that includes the project-specific scope of work for the contractor.~~

~~3.4. Contract Cost Summary Revised Cost Estimate – The jurisdiction shall use the format provided in the Contract Cost Summary Revised Costs Estimate Form 10-3 and must fully itemize all costs, clearly separating eligible and ineligible items. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made.~~

~~4.5. Initial Payment Form Work Schedule – The local jurisdiction shall submit a completed Initial Payment Form. For the project schedule section, OCTA prefers submission of a complete project schedule; however, at a minimum, the jurisdiction may provide the anticipated start and completion dates for the preliminary engineering, final engineering, right-of-way, and construction phases. For the ROW phase, the local jurisdiction shall submit a fully completed Right-of-Way Phase Initial Report Form. OCTA prefers a complete project schedule, but an agency may provide as little as the expected start and completion dates for preliminary engineering, final engineering, right-of-way, and construction phases on the Engineering & Construction Phase Initial Report Form 10-1A.~~

~~6. ROW Documents – Each parcel shall include an appraiser’s report, written offer letter, legal description with map, square footage of parcel(s), plat map (where applicable), and parcel map (where applicable). Jurisdictions may submit equivalent documentation for OCTA’s consideration on a case-by-case basis. Jurisdictions attempting to acquire five or more parcels for a project shall include a parcel location map. Initial payments for ROW will be considered after submittal of documentation of an issuance of an offer.~~

~~7. ROW Disposal Plan – Provide an updated ROW disposal plan reflecting changes that have occurred since the original application submittal. Plans, Specifications, & Estimate (PS&E) Certification – Agencies shall submit a PS&E certification using the PS&E Certification Form 10-4. The agency engineer shall certify that the local agency properly prepared and approved plans and specifications in accordance with authorized procedures and adopted standards, followed approved scope of work, and incorporated materials report.~~

~~6.8. Layout Plans – The local jurisdiction shall submit the most current and up-to-date layout plans available at the time of the payment request. An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches.~~

2027 Call for Projects

7.9. Documentation of Decision to Use Local Agency Forces – For all project phases, for any work performed by local agency forces in lieu of a primary contract, local agency must document that local agency forces could perform the work more cost effectively or timely than a contractor; and documentation of this decision can be supplied in case of audit.

8.10. Documentation Supporting Local Agency Liability for Utility Relocation Costs – The local jurisdiction liability can be supported by the documentation of property rights, right/agreements, state and local statutes/ordinance, permit, or a finding by the local agency’s counsel rights/agreements, state and local statutes/ordinance, permits, or a finding by the local agency’s counsel.

Reimbursement

~~OCTA shall not reimburse for a project prior to the beginning of the fiscal year of the grant. If an agency receives an advancement and begins work prior to the start of the fiscal year of the grant, the agency may request an initial payment against the grant. If an agency receives an advancement and completes a project prior to the start of the fiscal year of the grant, OCTA shall disburse the grant in a single payment. OCTA must accept the final report prior to issuing a payment.~~

Calculation of Payment

~~Once an agency encumbers Measure M funds, the agency may request a maximum of 75 percent (75%) of the CTFP share of the contract award amount or grant amount, whichever is less. For situations where a grant exceeds \$2 million, (See Precept 36). An example of calculating the initial funding request for a standard 75/25 payment is described below.~~

Example:

Project O – Regional Capacity Program Progress Payment Process

The local jurisdiction must submit a progress payment semi-annually for incurred cost that have been paid. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

The local jurisdiction must submit progress payments in accordance with the schedule shown in Exhibit 10-1. If the local jurisdiction elects not to receive an initial payment, the first progress payment request must also include the documentation required for initial payment, as described in the section above.

The Progress Payment Form is available for download via OCFundtracker.

Each progress payment request must include the following:

1. Invoice – The local jurisdiction shall submit an invoice to OCTA for OCTA’s share of eligible project costs paid during the applicable reporting period. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount

2. Progress Payment Form – The form must be fully completed and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.

3. Proof of Payment – Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.

Once the local jurisdiction has been reimbursed for ninety percent (90%) of the total grant amount, OCTA will not issue additional payments until the project is complete and all closeout requirements are met. However, the local jurisdiction must continue to submit progress payment requests to document ongoing project status and costs.

If the local jurisdiction does not have any expenses to report during a given period, it must submit the No Cost Report Form indicating no costs for that reporting period.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the reimbursement request~~final report~~. OCTA will review these reports to:

- 1.- Determine that the agency submitted proper justification for the change order(s)

2027 Call for Projects

- 2.1. Determine if the items are eligible for reimbursement
- 3.2. Confirm that expenses are consistent within delivering the OCTA approved project's original scope of work
3. The lead agency should provide information supporting the need for the change orders ~~in the final report~~. Changes in project limits for construction projects are not eligible for reimbursement.

M2 Project Final Report

The local jurisdiction shall notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the Project Final Report Form within one hundred eighty (180) days from the project completion date. The 180-day deadline is a mandatory M2 requirement directly tied to the local jurisdiction's eligibility to receive M2 Net Revenues, and no extensions shall be granted.

The Project Final Report Form is available for download via OCFundtracker.

Project O - Regional Capacity Program ~~Final Report and Final Payment Process~~

The remaining CTFP funds ~~shall be~~ ~~are~~ reimbursed to the lead jurisdiction following completion of the final payment reporting process. ~~This final payment is calculated by considering the grant allocation amount, the minimum local agency match rate, how much has been previously reimbursed as part of the initial payment, and the total eligible costs that can be applied to the grant (see program specific eligibility sections). M2 funds are applied proportionally to all eligible project expenses. Prior to submitting the Final CTFP Expenditure Report, review the following section which includes items important to the final CTFP reporting process. ~~The CTFP Payment Supplement provides additional instructions and sample forms to complete payment requests. Payment requirements are located in this chapter.~~~~

The final payment must include the following: ~~The items listed below are to be submitted to complete the final reporting process.~~

1. Invoice - ~~For final payments, an agency~~The local jurisdiction shall invoice for the remaining balance of the OCTA share of eligible costs or up to the grant amount, ~~Final payment request invoices shall normally be approximately 25 percent (25%) of the eligible funds.~~ Interest earned by an agency for ~~initial~~ payments received shall be applied to and deducted from the final payment balance amount. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.

2027 Call for Projects

-
- ~~2. Project Certification Letter—The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, using the Project Certification Form 10-2. This will include the certification that the project being reimbursed has met the signage requirements laid out in Precept 22.~~

~~Progress Payment Form - The form must be fully completed, indicate it is the final progress payment and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.~~

- ~~3. Documentation of the Contract Award—The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After contract award, the agency shall submit the project name,~~

~~contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants would need to submit a purchase order or NTP that includes the scope of work for the contractor.~~

~~4.3. Where ineligible costs are twenty percent (20%) or greater of the overall project cost, indicating considerable work outside of the goal and purpose of Project O, shared project costs that cannot be directly attributed to the eligible or ineligible work, will be prorated based on the share of the project that is eligible compared to ineligible. This does not supersede the OCTA written confirmation of eligible and ineligible expenses provided before the start of the project.~~

~~5. PS&E Certification — Agencies shall submit a PS&E certification using the PS&E Certification Form 10-4. The agency engineer shall certify that the local agency properly prepared and approved plans and specifications in accordance with authorized procedures and adopted standards, followed approved scope of work, and incorporated materials report.~~

~~4. Proof of Project Payment – The required documentation that will be submitted includes approved contract invoices and may also include, but is not limited to, supportive material for agency work forces, equipment, material, and corresponding proof of payment. Additional records are required to be maintained as outlined in the Audit (Chapter 1110).~~

~~6. Final Report Form — The local agency shall prepare a final report form using the~~

~~7. Engineering & Construction Phase Final Report Form 10-5A.~~

~~8.5. Layout Plans – The local jurisdiction shall submit the most current and up-to-date layout plans available at the time of the payment request. An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches (where applicable). Agencies shall submit the most recently updated final design plans or “as-built” plans.~~

~~9. Division of Costs — Supportive material shall equal the Division of Costs Form 10-6 totals that are located in the final report form separating eligible and ineligible items.~~

~~10.6. ROW Documents – Each parcel shall include an appraiser’s report, written offer letter, legal description with map, square footage of parcel(s), plat map (where applicable), and parcel map (where applicable). Agencies may submit equivalent documentation for OCTA’s considerations on a case-by-case basis. Agencies attempting to acquire five or more parcels for a project shall include a parcel location map. For ROW grants with surplus land please see the Excess Right of~~

Way section for additional required documentation and disposal process.

~~11.7. Where ineligible costs are twenty percent (20%) or greater of the overall project cost, indicating considerable work outside of the goal and purpose of Project O, shared project costs that cannot be directly attributed to the eligible or ineligible work, will be prorated based on the share of the project that is eligible compared to ineligible.~~

Summary of ROW Acquisition – Agencies shall submit a summary of ROW acquisition as described in the Summary of ROW acquisition Form 10-5B Progress Payment Form.

~~12.8. Proof of Project Payment—The required documentation that will be submitted includes approved contract invoices and may also include, but is not limited to, supportive material for agency work forces, equipment, material, and corresponding proof of payment. Additional records are required to be maintained as outlined in the Audit (Chapter 10).~~

Notice of Completion – An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 26-30 for phase completion date.

9. Before and After Project Photos (implementation and construction phases) – photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats.

~~13.10. _____ Documentation of Decision to Use Local Agency Forces or Agency Workforce – For all project phases, for any work performed by local agency forces or agency workforce in lieu of a primary contract for that phase, local agency must document that local agency forces could perform the work more cost effectively, more timely than a contractor or provide other appropriate justification. Documentation of this decision would also be required for audit.~~

~~14.11. _____ Documentation Supporting Local Agency Liability for Utility Relocation Costs—Local agency liability can be supported by the documentation of property rights, franchise rights/agreements, state and local statutes/ordinances, permits, or a finding by the local agency’s counsel.~~

~~15.12. _____ ROW Documents—Each parcel shall include an appraiser’s report, written offer letter, legal description with map, square footage of parcel(s), plat map (where applicable), and parcel map (where applicable). Agencies may submit equivalent documentation for OCTA’s considerations on a case by case basis. Agencies attempting to acquire five or more parcels for a project shall include a parcel location map.~~

~~16.13. _____ Summary of ROW Acquisition—Agencies shall submit a summary of ROW~~

acquisition as described in the Summary of ROW acquisition Form 10-5B.

~~17.14. _____ Notice of Completion — An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 26 for phase completion date.~~

~~18.15. _____ Before and After Project Photos (implementation and construction phases) — photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats.~~

Electronic copies of all payment forms can be downloaded from OCFundtracker.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the reimbursement request~~final report~~. OCTA will review these reports to:

- ~~1. Determine that the agency submitted proper justification for the change order(s)~~
- ~~2.1. Determine if the items are eligible for reimbursement~~
- ~~3.2. Confirm that expenses are consistent within delivering the OCTA approved project's original scope of work~~
- ~~4.3. The lead agency should provide information supporting the need for the change orders in the final report. Changes in project limits for construction projects are not eligible for reimbursement.~~

Excess Right-of-Way

Agencies that use Net Revenues (through CTFP or LFS programs) to acquire project ROW shall dispose of land deemed in excess of the proposed transportation use. Excess land sold by the lead agency will be disposed of in accordance with the process established in Government Code, Article 8, Surplus Land, Section 54220-54232, etc. Seq. and the ROW acquisition/disposal plan submitted as part of the application process. The agency shall return proceeds from the sale to OCTA. OCTA shall return the funds to the program of origin for future use.

Proceeds from the sale of excess ROW shall be returned to OCTA in proportion to the amount of M2 funds used in the purchase.

Agencies shall submit ROW documents for all parcels utilizing M2 Net Revenues. Agencies must submit the following documents:

- Summary of the ROW required for the project

-
- Plat maps and legal descriptions for ROW acquisitions
 - Parcel location map
 - Identification of anticipated excess right-of-way, if any
 - Appraisal reports for excess right-of-way
 - ROW acquisition/disposal plan

OCTA shall consider excess ROW with a value of \$10,000 or less as an uneconomic remnant. OCTA shall determine if excess ROW is considered an uneconomic remnant.

The agency shall submit a fair market value appraisal report for the excess land of each parcel. Appraisers must conduct appraisals in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). If an agency suspects that the excess ROW has a value of \$10,000 or less, the agency may conduct a limited fair market value appraisal to confirm the value of the excess right-of-way. The agency shall submit the appraisals with the ROW final report.

OCTA shall retain from the final payment the value of excess ROW that is proportional to OCTA's percentage match rate to the project up to OCTA's match rate of ROW grant. However, if the local agency provided additional funds beyond what was originally estimated, OCTA will be reimbursed based on its proportional share of the cost of right-of-way.

An agency may include incidental expenditures from the disposal of property in their final report for the ROW grant.

An agency shall begin the process to sell excess ROW within 60 days after acceptance of the construction improvements.

OCTA shall not close out the ROW grant or construction grant until the agency and OCTA resolve questions regarding excess right-of-way.

Excess Right of Way Payment Example:

| | |
|------------------------------------|-------------------------|
| CTFP ROW Grant: | \$500,000 |
| OCTA Match Rate | 75% |
| Parcel Costs: | |
| Cost – Parcel 1: | \$300,000 |
| Cost – Parcel 2: | \$380,000 |
| Cost – Parcel 3: | \$120,000 |
| Cost – Parcel 4: | \$100,000 |
| Agency Total ROW Costs: | <u>\$900,000</u> |
| Payment with no excess ROW: | \$500,000 |
| <u>Excess ROW Values</u> | |
| Value of excess ROW for parcel 1: | \$200,000 |
| Value of excess ROW for parcel 2: | \$105,000 |
| Value of excess ROW for parcel 3: | \$ 0 |
| Value of excess ROW for parcel 4: | \$ 0 |
| Total Value of excess ROW: | <u>\$305,000</u> |

OCTA contribution to ROW acquisition:

$$\text{CTFP ROW Grant} \div \text{Agency Total ROW Cost}$$

$$\$500,000 \div \$900,000 = 56\%$$

If excess ROW is identified, OCTA’s contribution is reduced proportionally as follows:

| | | |
|-----------------------------------|-------------------|-------------------------|
| Value of excess ROW for parcel 1: | \$200,000 x 56% = | \$112,000 |
| Value of excess ROW for parcel 2: | \$105,000 x 56% = | \$58,800 |
| Total Excess ROW Value: | | <u>\$170,800</u> |
| | CTFP ROW Grant: | \$500,000 |
| | Less Excess ROW: | \$170,800 |
| Final ROW Payment Amount: | | <u>\$329,200</u> |

Agency Workforce and Equipment Rental

An agency must provide supporting documentation for work completed by agency staff or the use of agency workforce. The decision or justification that local agency forces could perform the work more cost effectively, more timely than a contractor or other justification must be documented. It is recommended that a unique project job key be created for each project and all project charges be billed under that job code. The agency shall multiply the fully burdened labor rate by the number of hours for each staff person assigned to the project. An agency may add overhead costs at an allowable rate up to 30 percent (30%) of payroll and fringe benefits.

An agency must provide supporting documentation for equipment used by local agency staff. An agency may use local agency or Caltrans surcharge and equipment rental rates.

Technical and/or Field Review

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP Guidelines and may conduct a technical and/or field review. As part of the technical/field review of a CTFP project, OCTA may:

- review ROW acquisitions and the potential for excess right-of-way
- compare hourly breakdown of staff time compared to staff time sheets
- conduct a project field review—ensure improvements are within scope
- review items that agencies self-certify
- verification of the reasonableness of project costs

OCTA may review all phases of the project.

OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. OCTA will only reimburse eligible CTFP items listed on the cost estimate. The implementing agency is expected to complete the entire scope of work as presented in the original application.

See Chapter 10 for independent audit requirements beyond the technical/field review.

Reporting of Local Fair Share (LFS)

For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Measure M LFS funds, the Measure M2 expenditure report cited M2 Ordinance, Section III(B)(8) shall satisfy reporting requirements. If LFS funds are used for projects, the local agency shall also include those projects and the utilized LFS funds and/or other Measure M2 funds in the Measure M2 expenditure report.

Project P - Regional Traffic Signal Synchronization Program Reimbursements and Reporting Requirements

The **Procedures for Receiving Funds** ~~previous~~ sections of this chapter outline the process and requirements regarding reimbursements and reporting for all competitive programs that are part of Measure M2. A lead agency shall also use the following additional reporting and documentation requirements specific to any competitive project funded through RTSSP (Project P) as part of the reimbursement process.

Under the RTSSP, projects are divided into two components for the purposes of reimbursements and reporting: PI and Ongoing O&M.

Primary Implementation (PI) includes the following:

- Project administration (required)
- Developing and implementing optimized signal synchronization timing (required)
- Producing a PI Report, which includes the Before and After Study for the proposed project (required)
- Engineering design of signal improvements for the project (optional)
- System integration (optional)
- Proposed signal improvements, construction support, and contingency (optional):
 - New or upgraded detection
 - New or upgraded communication systems
 - Intersection/field system modernization and replacement
 - Minor signal operation improvements
 - Traffic management centers
 - Real-time traffic actuated operations and demonstration projects

Note: Equipment and quantity must be consistent with the project application.

- Contingencies (optional)
- Construction management (optional)

Ongoing Operation and Maintenance (O&M) includes the following:

- Monitoring and improving optimized signal timing (required)
- Communications support (optional)
- Detection support (optional)
- O&M report (required)

~~A lead agency must encumber funds OCTA allocates to a project within the fiscal year of the grant and after funding agreements with OCTA are executed. A lead agency~~

~~encumbers funds by awarding a contract or providing expense reports to prove the lead or a participating agency's workforce costs, provided that the lead agency intends to complete the PI with lead agency or participating agency staff. Once an agency encumbers RTSSP (Project P) funds for PI, it can begin the process for receiving payment of the funds. Note that only the lead agency will receive payment of funds from OCTA. Any funds that are due to other participating agencies are the responsibility of the lead agency and not OCTA.~~

~~The project lead agency must submit payment requests through OCTA's online database, [OCFundtracker](#). Additional details about the retention caps, timely payment requests, project closeout, and payment are available in Chapter 9.~~

Availability of Funds

~~The funds allocated for projects will be available to project lead agencies July 1st of the programmed year and after funding agreements with OCTA are executed.~~

Project P – Regional Traffic Signal Synchronization Initial Payment Requests for Primary Implementation

~~The local jurisdiction must submit a payment request to receive an initial payment. Staff may request additional documentation that is not listed on the checklist prior to approving the request.~~

~~Checklists and interactive electronic versions of all payment forms can be downloaded via [OCFundtracker](#).~~

~~The initial payment will provide up to 75 percent (75%) of funds for the PI of the project. The following information specific to the RTSSP (Project P) Project is provided regarding the documentation requirements for initial payment of PI after an agency encumbers funds for the project.~~

~~The interactive electronic versions of all payment forms can be downloaded via [OCFundtracker](#).~~

~~The final report has been provided so a lead agency can determine the reporting and documentation required for an initial payment request. Staff may request additional documentation that is not listed on the PI Report prior to approving the request. The checklist and electronic versions of the forms are available through [OCFundtracker](#). Below is additional information regarding documentation requirements for RTSSP payment requests.~~

Primary Implementation Initial Payment Process

The PI initial payment request must include the following:

1. Invoice –The local jurisdiction shall invoice OCTA for up to twenty percent (20%) of the CTFP grant. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Project and Plans, Specifications, & Estimate (PS&E) Certification Form – The local jurisdiction shall submit a completed Project and PS&E Certification Form, signed by the Public Works Director, City Engineer, or appropriate authorized equivalent. The form shall certify that the project complies with all applicable requirements, including signage requirements outlined in Precept 24, and that the plans and specifications were properly prepared and approved in accordance with authorized procedures and adopted standards, that the approved scope of work was followed, and that the materials report was incorporated.
3. Documentation of the Contract Award – The local jurisdiction shall provide documentation demonstrating award of the contract. Acceptable documentation includes a minute order, agency resolution, executed contract, purchase order, or NTP. All submitted documentation shall clearly identify the contract amount, project name, project scope of work, and the associated bid documents or task list, and shall be certified, as applicable, by the City Clerk, Clerk of the Board, or other duly authorized official. For contracts issued under on-call or as-needed consultant agreements, the local jurisdiction shall submit a purchase order or NTP that clearly defines the project-specific scope of work and includes the associated bid/task list.
4. Contract Cost Summary – The jurisdiction shall use the format provided in the Contract Cost Summar Form and must fully itemize all costs. Each line items shall clearly identify the type of equipment, quantity of equipment being installed, unit cost and total cost. Cost must be separated between eligible and ineligible items. All equipment quantities must be explicitly stated to allow OCTA to verify the scope and installation details. Submissions that do not include itemized quantities will be considered incomplete. Lump sum submissions will not be accepted and will be returned to the local jurisdiction for revision.
5. Initial Payment Form – The Local Jurisdiction shall submit a completed Initial Payment Form. For the project schedule section, OCTA prefers submission of a complete project schedule; however, at a minimum, the local jurisdiction shall provide the anticipated start and completion dates for the preliminary engineering, final engineering, right-of-way, and construction phases.

Ongoing Operation and Maintenance Initial Payment Process

The O&M initial payment request must include the following:

1. Invoice – The local jurisdiction shall invoice OCTA for up to twenty percent (20%) of the CTFP grant. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount
2. Contract Cost Summary – The jurisdiction shall use the format provided in the Contract Cost Summar Form and must fully itemize all costs. Each line items shall clearly identify the type of equipment, quantity of equipment being installed, unit cost and total cost. Cost must be separated between eligible and ineligible items. All equipment quantities must be explicitly stated to allow OCTA to verify the scope and installation details. Submissions that do not include itemized quantities will be considered incomplete. Lump sum submissions will not be accepted and will be returned to the local jurisdiction for revision.
3. Initial Payment From – The Local Jurisdiction shall submit a completed Initial Payment Form. For the project schedule section, OCTA prefers submission of a complete project schedule; however, at a minimum, the local jurisdiction shall provide the anticipated start and completion dates for the preliminary engineering, final engineering, right-of-way, and construction phases.

Project P – Regional Traffic Signal Synchronization Progress Payments

The local jurisdiction must submit a progress payment semi-annually for costs that have been incurred and paid for. PI and O&M costs must be submitted under separate progress payment requests; OCTA will not accept progress payment that combine both PI and O&M expenses. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

The local jurisdiction must submit progress payments in accordance with the schedule shown in Exhibit 10-1. If the local jurisdiction elects not to receive an initial payment, the first progress payment request must also include the documentation required for initial payment, as described in the section above.

The Progress Payment Form is available for download via OCFundtracker.

Each progress payment request must include the following:

1. Invoice – The local jurisdiction shall submit an invoice to OCTA for OCTA’s share of eligible project costs incurred during the applicable reporting period. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form – The form must be fully completed and include itemized project costs, clearly separating eligible and ineligible expenses. For the

2027 Call for Projects

PI phase, all equipment quantities must be explicitly stated to allow OCTA to verify the scope and installation details. For the O&M phase, cost must be fully itemized. Lump sum submissions will not be accepted and will be returned to the local jurisdiction for revision. The project manager must sign and certify that the costs listed are true and accurate.

3. Proof of Payment – Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.

Once the local jurisdiction has been reimbursed for ninety percent (90%) of the total grant amount, OCTA will not issue additional payments until the project is complete and all closeout requirements are met. However, the local jurisdiction must continue to submit progress payment requests to document ongoing project status and costs.

If the local jurisdiction does not have any expenses to report during a given period, it must submit the No Cost Report Form indicating no costs for that reporting period.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the reimbursement request. OCTA will review these reports to:

1. Determine if the items are eligible for reimbursement
2. Confirm that expenses are consistent within delivering the OCTA approved scope of work
3. The lead agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.

M2 Project Final Report

The local jurisdiction shall notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the Project Final Report Form within one hundred eighty (180) days from the project completion date. The 180-day deadline is a mandatory M2 requirement directly tied to the local jurisdiction's eligibility to receive M2 Net Revenues, and no extensions shall be granted.

The Project Final Report Form is available for download via OCFundtracker.

Project P – Regional Traffic Signal Synchronization Final Payment Project P– Final Report and Payment Process

Final Payment Requests for Primary Implementation Final Payment Process

The remaining CTFP funds shall be reimbursed to the lead jurisdiction after completion of the final payment process and upon OCTA’s receipt of the project Before and After Study for the PI phase and the O&M Report for the O&M phase.

~~OCTA will release the remaining balance to the lead agency, approximately 25 percent (25%) of funds for the PI, when the project’s PI phase is complete and OCTA receives the project Before and After Study. The balance is determined based on the final costs for the eligible RTSSP expenditures.~~ The Before and After Study is defined as the following:

This study shall at minimum collect morning and evening peak period using travel times, average speeds, green lights to red lights, stops per mile, and the derived CSPI metric. In addition, greenhouse gas and gasoline savings should be identified. This information shall be developed both before any signal timing changes have been made and after the PI. The study shall compare the information collected both before and after the timing changes. Comparisons shall identify the absolute and percent differences for the entire corridor, by segment, direction, and time period. Segments will be defined by major traffic movements as observed during the project (e.g. commuting segments between freeways, pedestrian-friendly segments in a downtown area, etc.).

~~The PI Report, which includes the Before and After Study for RTSSP, shall be included as a requirement at the end of the Primary Implementation phase and as part of the Final Report as required by the M2 Ordinance, Attachment B, Section III.A.9.~~

Prior to submitting the Final CTFP Expenditure Report, review the following section, which outlines items important to the final CTFP process.

The final payment request for PI must include the following:

1. Invoice - The local jurisdiction shall invoice for the remaining balance of the OCTA grant. Interest earned by an agency for payments received shall be applied to and deducted from the final payment balance amount. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form - The form must be fully completed, indicate it is the final progress payment and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the

payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.

3. Proof of Payment - Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.
4. PI Report – The PI Report which includes the Before and After Study.
5. Notice of Completion - An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 30 for phase completion date.
6. Before and After Photos – Photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats.

Ongoing Operations and Maintenance Final Payment Process

The final payment request for O&M must include the following:

1. Invoice - The local jurisdiction shall invoice for the remaining balance of the OCTA grant. Interest earned by an agency for payments received shall be applied to and deducted from the final payment balance amount. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form - The form must be fully completed, indicate it is the final progress payment and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.
3. Proof of Payment - Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.
4. O&M Report – The O&M Report shall be completed in accordance with all CTFP Guidelines upon the end of the O&M phase. In addition, the O&M Report shall summarize the O&M period, documenting the O&M efforts and procedures for continuing maintenance. At a minimum, the O&M Report shall include when travel runs were conducted and issues and solutions

throughout the phase. The report shall document all planned and programmed improvements on the study corridor as well as recommendations for further infrastructure improvements that would likely enhance the corridor signal coordination project results.

5. Notice of Completion - An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 30 for phase completion date.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the reimbursement request. OCTA will review these reports to:

1. Determine if the items are eligible for reimbursement
2. Confirm that expenses are consistent within delivering the OCTA approved scope of work
3. The lead agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.

~~The payments for the Ongoing O&M portion of the project award will cover the remainder of the grant period after the PI phase is completed and will be paid as a reimbursement upon proof of work/payment and receipt of invoice. The invoice should include the Final O&M report with details on the ongoing O&M work done including the required (1) work monitoring and improving optimized signal timing; and optional (2) communications and detection support.~~

O&M Report

~~The O&M Report shall be completed in accordance with all CTFP Guidelines upon the end of the O&M phase. In addition, the O&M Report shall summarize the O&M period, documenting the O&M efforts and procedures for continuing maintenance. At a minimum, the O&M Report shall include when travel runs were conducted and issues and solutions throughout the phase. The report shall document all planned and programmed improvements on the study corridor as well as recommendations for further infrastructure improvements that would likely enhance the corridor signal coordination project results.~~

Project X - Environmental Cleanup Program Reimbursements & Reporting Requirements

The **Procedures for Receiving Funds** section of this chapter outlines the process and requirements for reimbursements and reporting for all competitive programs under Measure M2. The ECP Program consists of two tiers, Tier 1 and Tier 2; however, both tiers must submit the documentation listed below for payment reimbursement. The processes described herein apply to both Tier 1 and Tier 2 grant programs.

The interactive electronic versions of all payment forms can be downloaded via OCFundtracker. ~~These processes are applicable to the Tier 1 and Tier 2 grant programs.~~

Project X – Environmental Cleanup Program Initial Payment Process

The initial payment request must include the following:

1. Invoice – The local jurisdiction shall invoice OCTA for up to twenty percent (20%) of the CTFP grant. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount
2. Project and Plans, Specifications, & Estimate (PS&E) Certification Form – The local jurisdiction shall submit a completed Project and Plans, Specifications, and Estimate (PS&E) Certification Form, signed by the Public Works Director, the City Engineer, or their appropriate authorized equivalent. The form shall certify that the project complies with all applicable requirements and that the plans and specifications were properly prepared and approved in accordance with authorized procedures and adopted standards, that the approved scope of work was followed, and that the materials report was incorporated.
3. Documentation of the Contract Award – The local jurisdiction shall provide documentation demonstrating award of the contract. Acceptable documentation includes a minute order, agency resolution, executed contract, purchase order, or NTP. All submitted documentation shall clearly identify the contract amount, project name, project scope of work, and the associated bid documents or task list, and shall be certified, as applicable, by the City Clerk, Clerk of the Board, or other duly authorized official. For contracts issued under on-call or as-needed consultant agreements, the local jurisdiction shall submit a purchase order or NTP that clearly defines the project-specific scope of work and includes the associated bid/task list.
4. Contract Cost Summary – The agency jurisdiction shall use the format provided in the ~~Contract Cost Summare Revised Costs Estimate Form 10-3~~ and must fully itemize all costs, clearly separating eligible and ineligible items. ~~Lump sum submissions will not be accepted and will be returned to the local jurisdiction for revision.~~
5. Initial Payment Form – The Local Jurisdiction shall submit a completed Initial Payment Form. For the project schedule section, OCTA prefers submission of a

2027 Call for Projects



complete project schedule; however, at a minimum, the local jurisdiction shall provide the anticipated start and completion dates.

- 2.6. Location Maps of Installation – The local jurisdiction shall provide a map that shows the specific locations Best Management Practices (BMP) devices were installed with catch basin identification numbers, as applicable.

Project X – Environmental Cleanup Program Progress Payment Process

The local jurisdiction must submit a progress payment semi-annually for costs that have been incurred and paid for. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

The local jurisdiction must submit progress payments in accordance with the schedule shown in Exhibit 10-1. If the local jurisdiction elects not to receive an initial payment, the first progress payment request must also include the documentation required for initial payment, as described in the section above.

The Progress Payment Form is available for download via OCFundtracker: <http://ocfundtracker.octa.net>.

Each progress payment request must include the following:

1. Invoice – The local jurisdiction shall submit an invoice to OCTA for OCTA’s share of eligible project costs incurred during the applicable reporting period. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form – The form must be fully completed and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted and will be returned to the local jurisdiction for revision. The project manager must sign and certify that the costs listed are true and accurate.
3. Proof of Payment – Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.

Once the local jurisdiction has been reimbursed for ninety percent (90%) of the total grant amount, OCTA will not issue additional payments until the project is complete and all closeout requirements are met. However, the local jurisdiction must continue to submit progress payment requests to document ongoing project status and costs.

If the local jurisdiction does not have any expenses to report during a given period, it must still submit the No Cost Form indicating no costs for that reporting period.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the

2027 Call for Projects



additional costs during the review of the reimbursement request. OCTA will review these reports to:

1. Determine if the items are eligible for reimbursement
2. Confirm that expenses are consistent within delivering the OCTA approved scope of work
3. The lead agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.

M2 Project Final Report

The local jurisdiction shall notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the Project Final Report Form within one hundred eighty (180) days from the project completion date. The 180-day deadline is a mandatory M2 requirement directly tied to the local jurisdiction's eligibility to receive M2 Net Revenues, and no extensions shall be granted.

The Project Final Report Form is available for download via OCFundtracker.

Project X – Environmental Cleanup Program Final Payment Process Reporting Process:

The remaining CTFP funds shall be reimbursed to the lead jurisdiction following completion of the final payment process. Prior to submitting the Final CTFP Expenditure Report, review the following section which includes items important to the final process. The items listed below are to be submitted to complete the final reporting process. A final report must be filed within 180 days of the project phase completion. Additionally, an exception to Precept 4042: agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve, as such are the approving bodies for this program.

The final payment must include the following:

1. Invoice – The local jurisdiction shall invoice for the remaining balance of the OCTA grant. Interest earned by an agency for payments received shall be applied to and deducted from the final payment balance amount. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount. For final payments, an agency shall invoice for the remaining balance of the OCTA share of eligible costs up to the grant amount. Final payment request invoices shall normally be approximately 25 percent (25%) of the eligible funds. Interest earned by an agency for initial payments received shall be applied to and deducted from the final payment balance amount.
2. Project Certification Letter – The public works director, or appropriate equivalent, shall submit a certification letter, with applicable statements, using the Project

2027 Call for Projects

~~Certification Form 10-2.~~

- ~~3. Documentation of the Contract Award—The agency shall submit a minute order, agency resolution, or other council/board action showing award of the contract and the contract amount. After contract award, the agency shall submit the project name, contractor/consultant company name, and project scope including bid/task list, for each contract. The city clerk, clerk of the board, or appropriate equivalent shall certify minutes. Agencies that use on-call consultants would need to submit a purchase order or NTP that includes the scope of work for the contractor.~~
- ~~4. PS&E Certification—Agencies shall submit a PS&E certification using the PS&E Certification Form 10-4.~~
- ~~5. Final Report Division of Costs Schedule—The agency shall use the format provided in Form 10-6.~~
2. Progress Payment Form - The form must be fully completed, indicate it is the final progress payment and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.
- 6.3. Certification of Phase Completion – The agency shall certify the phase completion date using the Form 10-7. See definition 26-30 for phase completion date.
- 7.4. ECP (Project X) Final Report Form 10-16 – The agency shall prepare a final report form using the ECP Final Report Form 10-16.
- 8.5. Location Maps of Installation – The agency shall provide a map that shows the specific locations BMP devices were installed with catch basin identification numbers, as applicable.
- 9.6. Proof of Project Payment – The required documentation that will be submitted includes approved contract invoices and may also include, but is not limited to, supportive material for agency work forces, equipment, material, and corresponding

proof of payment. Additional records are required to be maintained as outlined in the Audit chapter.

~~10.7.~~ Form 10-17 (where applicable) Supporting documentation for O&M costs (if used as local match).

For Tier 1 of the ECP (Project X), where ongoing O&M of the project were pledged as a local match, as part of the semi-annual review reporting process, OCTA will verify local agency O&M expenditures to ensure local match commitments are being met. Local agencies must complete the In-Kind O&M Report Form 10-17 for each ECP (Project X) grant as part of their semi-annual review updates.

Project W – Safe Transit Stops Program Reimbursements & Reporting Requirements

The local jurisdiction must submit a payment request to receive an initial payment, as described under the Procedures for Receiving Funds section of this chapter. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

Checklists and interactive electronic versions of all payment forms can be downloaded via OCFundtracker at <http://ocfundtracker.octa.net>.

Project W – Safe Transit Stops Program Initial Payment Process

The initial payment request must include the following:

1. Invoice – The local jurisdiction shall invoice OCTA for up to twenty percent (20%) of the CTFP grant. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Project and Plans, Specifications, & Estimate (PS&E) Certification Form – The local jurisdiction shall submit a completed Project and PS&E Certification Form, signed by the Public Works Director, City Engineer, or appropriate authorized equivalent. The form shall certify that the project complies with all applicable requirements, and that the plans and specifications were properly prepared and approved in accordance with authorized procedures and adopted standards, that the approved scope of work was followed, and that the materials report was incorporated.
3. Documentation of the Contract Award – The local jurisdiction shall provide documentation demonstrating award of the contract. Acceptable documentation includes a minute order, agency resolution, executed contract, purchase order, NTP or other action authorized by an approved delegate. All submitted documentation shall clearly identify the contract amount, project name, project

2027 Call for Projects

scope of work, and the associated bid documents or task list, and shall be certified, as applicable, by the City Clerk, Clerk of the Board, or other duly authorized official. For contracts issued under on-call or as-needed consultant agreements, the local jurisdiction shall submit a purchase order or NTP that clearly defines the project-specific scope of work and includes the associated bid/task list. Bid/task list with lump sum items may require an itemized breakdown of the costs.

4. Contract Cost Summary – The jurisdiction shall use the format provided in the Contract Cost Summar Form and must fully itemize all costs, clearly separating eligible and ineligible items. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made.
5. Initial Payment From – The local jurisdiction shall submit a completed Initial Payment Form. For the project schedule section, OCTA prefers submission of a complete project schedule; however, at a minimum, the jurisdiction may provide the anticipated start and completion dates for the preliminary engineering, final engineering, right-of-way, and construction phases. For the ROW phase, the local jurisdiction shall submit a fully completed Right-of-Way Phase Initial Report Form 10-1B.

Project W – Safe Transit Stops Program Progress Payment Process

The local jurisdiction must submit a progress payment semi-annually for incurred cost that have been paid. Staff may request additional documentation that is not listed on the checklist prior to approving the request.

The local jurisdiction must submit progress payments in accordance with the schedule shown in Exhibit 10-1. If the local jurisdiction elects not to receive an initial payment, the first progress payment request must also include the documentation required for initial payment, as described in the section above.

The Progress Payment Form is available for download via OCFundtracker.

Each progress payment request must include the following:

1. Invoice – The local jurisdiction shall submit an invoice to OCTA for OCTA’s share of eligible project costs paid during the applicable reporting period. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form – The form must be fully completed and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local

jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.

3. Proof of Payment – Provide approved invoices and supporting documentation that correspond to the costs listed on the Progress Payment Form.

Once the local jurisdiction has been reimbursed for ninety percent (90%) of the total grant amount, OCTA will not issue additional payments until the project is complete and all closeout requirements are met. However, the local jurisdiction must continue to submit progress payment requests to document ongoing project status and costs.

If the local jurisdiction does not have any expenses to report during a given period, it must submit the No Cost Report Form indicating no costs for that reporting period.

Project Cost Changes

If the contract price is lower than the amount programmed, and the agency requested additional items and/or change orders during construction/study, OCTA may approve the additional costs during the review of the reimbursement request. OCTA will review these reports to:

1. Determine if the items are eligible for reimbursement
2. Confirm that expenses are consistent within delivering the OCTA approved scope of work
3. The lead agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.

M2 Project Final Report

The local jurisdiction shall notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the Project Final Report Form within one hundred eighty (180) days from the project completion date. The 180-day deadline is a mandatory M2 requirement directly tied to the local jurisdiction's eligibility to receive M2 Net Revenues, and no extensions shall be granted.

The Project Final Report Form is available for download via OCFundtracker.

Project W - Safe Transit Stops Final Payment Process

The remaining CTFP funds shall be reimbursed to the lead jurisdiction following completion of the final payment process. Prior to submitting the Final CTFP Expenditure Report, review the following section which includes items important to the final CTFP process.

The final payment must include the following:

2027 Call for Projects

1. Invoice - The local jurisdiction shall invoice for the remaining balance of the OCTA share of the grant amount. Interest earned by an agency for payments received shall be applied to and deducted from the final payment balance amount. The invoice must include at a minimum: unique invoice number, remit to address, project number or project name and reimbursement amount.
2. Progress Payment Form - The form must be fully completed, indicate it is the final progress payment and include itemized project costs, clearly separating eligible and ineligible expenses. Lump sum submissions will not be accepted, will be returned to the local jurisdiction for revision and the payment request will be removed from the queue. The local jurisdiction will need to resubmit as a new payment request once the revisions are made. The project manager must sign and certify that the costs listed are true and accurate.
3. Proof of Project Payment – The required documentation that will be submitted includes approved invoices and may also include, but is not limited to, supportive material for agency work forces, equipment, material, and corresponding proof of payment. Additional records are required to be maintained as outlined in the Audit (Chapter 11).
4. Layout Plans – The local jurisdiction shall submit the most current and up-to-date layout plans available at the time of the payment request.
5. Notice of Completion – An agency shall submit The Notice of Completion form to certify the phase completion date (Form 10-7). See Definition 30 for phase completion date.
6. Before and After Project Photos – photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats.

Electronic copies of all payment forms can be downloaded from OCFundtracker.

Project V – Community Base Transit Program Reimbursements & Reporting Requirements

Due to the unique nature of Project V, reimbursements shall be processed in accordance with the separate cooperative agreement. Prior to submitting a payment request, a local jurisdiction may request a meeting with OCTA staff to review and determine eligible and ineligible items before seeking reimbursement.