

Comprehensive Transportation Funding Programs September 2018 Semi-Annual Review Adjustment Trend Analysis

As part of the September 2018 semi-annual review process, staff conducted a trend analysis of all Measure M2 (M2) grant-funded project adjustments since inception (15 semi-annual review evaluations over seven years). The analysis yielded the following observations:

- Semi-annual review adjustment request types have generally broken down accordingly to the following percentages:
 - Funds extension (37%),
 - Scope change (21%),
 - Delay requests (21%),
 - Transfer (10%),
 - Cancellation (9%), and
 - Advancements (2%).
- There tends to be seasonal trends with respect to semi-annual review adjustment requests. The March semi-annual review process typically experiences a higher volume of adjustment requests than the September semi-annual review. Based upon trend data, the increase in March semi-annual review adjustment requests appears to be linked to the timing of both encumbrance and fund expenditure deadlines.
- There also appears to be an upward trend in the volume of adjustment requests each successive semi-annual review cycle. These increases appear to be attributable to the overall increase in total active project phases within the M2 program. Even year semi-annual review stats are listed below:

Year	Requests (March and September)	Total active Phases
2012	8	256
2014	33	248
2016	53	358
2018	60	373

- In terms of funds extension requests¹, the Regional Traffic Signal Synchronization Program (RTSSP) and the Regional Capacity Program (RCP) required the most adjustments. The RTSSP accounted for the largest number of requests (approximately 67% and the RCP approximately 27%). With respect to the RTSSP, it appears the high volume of funds extension requests is likely tied to the large amount of utility conflicts the program experiences. With respect to the RCP, these requests generally appear to be the result of procurement, right-of-way (ROW),

¹ Once obligated, M2 Comprehensive Transportation Funding Program funds expire 36 months from the contract award date. Funds extension requests allow local agencies to request a one-time extension of up to 24-months.

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and/or construction activities taking longer than anticipated. Also, both the RTSSP and RCP require a significant amount of coordination and interface with neighboring local agencies/project partners, which frequently impacts project initiation and delivery schedules.

- The majority of scope change adjustment requests have occurred within the RTSSP and Environmental Cleanup Program (ECP). This trend is likely due to the nature of each of these respective programs. These programs' scope adjustments have typically either been for location changes, site constraint issues, and/or for device type/technology modifications. It should be noted that with respect to these programs, site constraint issues do not appear to be well known nor readily apparent until after project initiation. Also, both programs are dependent upon technological devices, which are continuing to evolve during project delivery processes.
- For transfer requests, the majority of these adjustments have occurred within the RCP. This is likely due to engineering and/or ROW phase project savings being transferred to the subsequent construction phase. To a lesser extent, the RTSSP and Community Based Transit Circulators (CBT) Program also experience project savings. The requests for the RTSSP involve transferring funds from the primary implementation phase to the subsequent operations and maintenance phase. For the CBT Program, these requests typically involve transferring operations and maintenance funds from one fiscal year to another. Based upon past observations in the CBT Program, these requests typically occurred between years one and two of the program and have been attributed to taking longer to "ramp-up" service than initially anticipated.
- Most funds cancellation requests have been evenly distributed amongst the RCP, RTSSP, ECP, and to a lesser extent the CBT Program. Typical issues resulting in project cancellations have generally included stakeholder coordination challenges, lack of resolution of ROW impact/negotiations, site constraints, and for the CBT Program, low ridership.
- Project advancements have occurred much less frequently than other semi-annual review adjustment requests. Most of these requests have been associated with the RCP. Project advancement requests are primarily needed to accommodate procurements and/or earlier project develop phases being completed sooner than anticipated.

Staff will continue to monitor and report on M2 requested project adjustments to further identify, understand, and anticipate future trends which may emerge with respect to M2 project delivery.