

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
I. Overview						
1	vi	I	Guidelines Overview	This document provides guidelines and procedures necessary for Orange County agencies to apply for funding of transportation projects contained within the CTFP through a simplified and consistent process. Each program has a specific objective, funding source and set of selection criteria detailed in separate chapters contained within these guidelines. Guidelines are updated on a periodic basis in coordination with local agencies working through the Technical Steering Committee (TSC) and Technical Advisory Committee (TAC). Modifications to the guidelines are discussed in detail with the local agency representatives during the TSC and TAC meetings held to review and approve the updated guidelines.	This document provides guidelines and procedures necessary for Orange County local jurisdictions to apply for funding for transportation projects contained within the CTFP through a simplified and consistent process. Each program has a specific objective, established by the Ordinance (see Appendix for Ordinance excerpts), funding source and set of selection criteria, which are detailed in separate chapters contained within these guidelines. Guidelines are updated on a periodic basis in coordination with local agencies working through the OCTA Technical Steering Committee (TSC) and OCTA Technical Advisory Committee (TAC). Modifications to the guidelines are discussed in detail with the local jurisdiction representatives during the TSC and TAC meetings held to review and recommend Board approval of the updated guidelines.	Add reference to a new appendix that contains excerpts from the Measure M2 (M2) Ordinance No. 3 (Ordinance) to show the legal and policy foundation behind the guidelines and help provide clarity for why certain program requirements, processes, and limitations are structured the way they are.
2	New	New	New Section: OCTA's Responsibility	None	OCTA budgets and allocates M2 Net Revenues in accordance with Ordinance No. 3 and distributes the funds to local jurisdictions consistent with the Ordinance and the purposes, policies and procedures described in these guidelines. OCTA awards grants through the CTFP to local jurisdictions based on best qualifying grant applications which are received, reviewed, and ranked by staff and recommended to and approved for individual projects and phases through Board action. The OCTA Local Programs Section (Local Programs) within the Planning Division provides guidance and oversight of the M2 CTFP funds to support compliance with applicable M2 eligibility requirements and CTFP Guidelines, including timely use of funds and reporting obligations. Local Programs reviews payment requests for CTFP-funded projects to confirm consistency with program guidelines, verify required matching funds, and validate eligible phase activities. Local Programs will generally complete its review of payment requests within 180 days of submittal through OCFundtracker, provided the request is accurate, complete, and all required supporting documentation has been submitted. Final payment requests will be released within sixty (60) days after OCTA receives a complete and accurate Final CTFP Expenditure Report. Once verified, Local Programs processes the payment request through the Finance and Administration Division which generates the payment to the local jurisdiction. Local Programs functions as an oversight and grantor role, not as a project manager for CTFP projects. Local Programs is also responsible for verifying the ongoing M2 eligibility for each local jurisdiction, which is required in order to receive M2 funds. M2 eligibility requirements are outlined in the Measure M2 Eligibility Guidelines. These guidelines are available at the following link: https://www.octa.net/M2Eligibility. If a jurisdiction is not found eligible for some reason, a penalty may be applied that could withhold M2 funding for up to five years and require the return of funds depending on the severity and Board directives. OCTA or its authorized agents may perform an audit, agreed upon procedures review, and/or technical review of each project to ensure compliance with CTFP policies and procedures. If the audit or review determines that any activities are ineligible for CTFP funding, the local jurisdiction shall reimburse OCTA for the amount of CTFP funds expended on ineligible activities. See Chapter 11 – Audits for additional information. Please also see the master agreement for each local jurisdiction for additional requirements and responsibilities.	Add new section to clearly define the roles and responsibilities of the Orange County Transportation Authority (OCTA) in administering the M2 CTFP, consistent with the Ordinance and M2 master agreements with local jurisdictions. Add link to M2 Eligibility, reference Chapter 11 - Audit, and clarify that Local Programs is reponsible for verifying the M2 Eligibility for each local jursidiction based on TSC recommendation.
3	New	New	New Section: Local Jurisdiction's Responsibility	None	See redline version of the CTFP Guidelines for revisions	Add new section to clearly define the roles and responsibilities of local jurisdictions as participants in the M2 CTFP, consistent with the Ordinance and M2 master agreements with local jurisdictions.

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4	New	New	New Section: Technical Advisory Committee Responsibility	None	The OCTA Technical Advisory Committee (TAC), which is comprised of representatives from all Orange County cities and the County of Orange (County), shall provide OCTA staff with technical support on items related to M2 CTFP grant programs that serve to improve capacity on local streets and roads. In order to provide the best recommendations, as part of the discussion process, the TAC designates the Technical Steering Committee (TSC) to review programming recommendations and provide policy direction on more complex or major technical issues prior to submittal to the full TAC. The TAC member is responsible for ensuring that information discussed and materials provided at meetings are communicated to the appropriate parties within their local jurisdiction.	Add new section to clearly define the roles and responsibilities of Technical Advisory Committee
II. Funding Sources						
5	viii	II	Renewed Measure M	See Renewed Measure M under Funding Sources chapter.	See redline version of the CTFP Guidelines for revisions	Minor revisions were made to clarify Funding Sources chapter and the distribution percentage of M2 net revenues, and references to the Local Fair Share Guidelines (pending Board approval anticipated April 2026). No substantive changes that would impact the payment process.
III. Definitions						
6	New	New	New Definition	None	1. The term "approved invoice" refers to a third-party invoice submitted by a vendor, consultant, and/or contractor, in which the payment was authorized by an appropriate delegated authority from the local jurisdiction and includes the project name or a clear project reference linking the invoice to the corresponding CTFP grant, and provides the date or date range, a detailed description of services rendered and/or items purchased.	<i>Consultant: Need clarification on approved invoice.</i> OCTA: Define "approved invoice" to clarify documentation requirements for reimbursement requests.
7	New	New	New Definition	None	3.The "betterment" (e.g., gates, minor parking lot restriping, underground utility, etc) generally refers to any upgrade or improvement to a facility that goes beyond simply restoring it to its original condition or existing standard. It is an enhancement that results in a condition superior to or more extensive than its prior state	Define "betterment" to reinforce that M2 does not fund betterments on private property, an issue frequently encountered during reimbursement requests under the Regional Capacity Program (RCP - Project O). Clarify betterment by adding examples based on TSC feedback.
8	x	III	Definitions	2. The term "construction support" includes construction engineering which is design carried out during construction, construction management, project management, materials testing, design support, and/or other specific activities that are carried out during construction and are related to but are not directly construction activities.	4. The term "construction engineering" is the supervision and inspection of construction activities (construction management and project management) which includes design carried out during construction, additional staking functions considered necessary for effective control of construction operations, testing materials incorporated into construction, checking shop drawings, and measurements needed for the preparation of pay estimates.	Update the term "construction support" to "construction engineering" to align with Caltrans terminology and industry standards. Add back design, which was inadvertently removed and brought up by the TSC.
9	x	III	Definitions	5. The term "complete project" as in the entire project, is inclusive of environmental documents, preliminary engineering, final design/engineering, right-of-way (ROW) acquisition, construction, and construction support for infrastructure projects and may also mean the timeframe outlined in the grant for transit operations, or the acquisition and acceptance of equipment or vehicles which is then used for the intended transportation need.	7. The term "complete project" refers to all phases of the project. For infrastructure projects, "complete project" refers to the entire scope of work, including environmental documentation, preliminary engineering, final design or engineering, right-of-way (ROW) acquisition, construction, and construction engineering. For transit projects, "complete project" refers to the full duration specified in the grant for transit operations and/or the acquisition and acceptance of equipment or vehicles intended for the approved transportation purpose.	<i>Consultant: Three different definitions are included here; suggest breaking to a, b, c, and showing examples of each.</i> OCTA: No substantive changes proposed; formatting revisions were implemented for clarity.
10	x	III	Definitions	6. The term "cost overrun" in reference to projects awarded through the CTFP shall refer to any and all costs beyond the original estimate that are necessary to complete the approved project scope.	n/a	<i>Consultant: Definition is unclear</i> New section, "Cost Overruns," added in Chapter 2 - Project Programming based on TSC feedback.
11	x	III	Definitions	8. The term "escalation" or "escalate" is the inflationary adjustment, as determined by the Engineering News Record (ENR) Construction Cost Index (CCI) 20-city average, added to the application funding request (current year basis) for ROW and construction phases (see Precept 12).	10.The term "escalation" or "escalate" is the inflationary adjustment, as determined by the Engineering News Record (ENR) Construction Cost Index (CCI) 20-city average, added to the application funding request (current year basis) for ROW and construction phases (see Precept 12), see Chapter 2 for an example calculation.	<i>Consultant: Add link to precept 12 and add an example calculation.</i> Link to Precept 12 will be added to the final PDF version of the guidelines. Add reference to Chapter 2 - Project Programming as escalation example was added there based on TSC feedback.
12	xi	III	Definitions	10. For the purpose of these guidelines, the terms "excess right-of-way" and "surplus right-of-way" shall interchangeably refer to ROW acquired for a specific transportation purpose that is not needed for that purpose. ROW designation shall be acknowledged by applicant to OCTA within sixty (60) calendar days of designation. Furthermore, surplus property plan must also be provided to OCTA at time of designation.	12. For the purpose of these guidelines, the terms "excess right-of-way" and "surplus right-of-way" shall interchangeably refer to ROW acquired for a specific transportation purpose that is not needed for that purpose. ROW designation shall be acknowledged by applicant to OCTA within sixty (60) calendar days of designation. Furthermore, an excess ROW disposal plan must also be provided to OCTA at time of designation.	<i>Consultant: Observed a few conflicts on right of way definitions. Examples here would be helpful, as well as what is an acceptable surplus property plan.</i> OCTA: Replace "surplus property plan" with "excess ROW disposal plan" for consistency and clarity.

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13	New	New	New Definition	None	14. The term "Final CTFP Expenditure Report" refers to the OCTA forms and documentation listed in Chapter 10.	Add new term "Final CTFP Expenditure Report" to address recurring issues in which jurisdictions submit incomplete OCTA payment and reimbursement documentation or are unaware of the full submittal requirements.
14	xi	III	Definitions	19. A “micro-purchase” is any purchase that does not exceed \$5,000. For the purposes of proof of payment, only an approved invoice is required.	22. A "micro-purchase" is any purchase that does not exceed \$5,000. For the purposes of proof of payment, only an invoice or general ledger report is required. If a local jurisdiction has an established micro-purchase threshold that differs from this amount, supporting documentation may be provided, and OCTA will accept the applicable local threshold.	<i>Consultant: Need clarification on approved invoice and provide example showing fields that must be on the invoice.</i> OCTA: Procedural change due to OCTA recognizing that jurisdictions may have different micro-purchase thresholds. The revisions allow agencies to provide documentation if they have a higher threshold. Definition for "approved invoice" added in Item #6.
15	New	New	New Definition	None	25.The term "payment" and "reimbursement" shall refer to the disbursement of approved CTFP grant funds by OCTA to the implementing agency. Procedures for requesting and receiving funds are described more fully in Chapter 10.	Add new term to clarify "payment" and "reimbursement" are used interchangeably when referring to disbursing M2 grant funds programmed through the CTFP, based on TSC feedback.
16	New	New	New Definition	None	29. The term "M2 Project Final Report" is the certification of completion of a project funded with M2 Net Revenues, description of work performed, and accounting of Net Revenues expended and interest earned on Net Revenues allocated for the project.	Define "M2 Project Final Rreport" to clarify the document local jurisdictions must submit to meet the 180-day deadline, which is an M2 eligibility requirement. OCTA will develop a new standardized form across all CTFP programs for this purpose.
V. Precepts						
17	New	New	New Precept	None	5. The local jurisdiction shall not use M2 Net Revenues to supplant developer funding which has been or will be committed for any transportation project.	In accordance with the Ordinance, a new precept has been added to explicitly state that M2 funds may not be used to supplant developer funding.
18	xix	V	Precepts	5. An agency must have a fully executed letter agreement prior to the obligation of funds. Local agencies may be granted pre-award authority for M2 funded projects. Local agencies, at their own risk, may use this pre-award authority to obligate funds for an M2 funded project prior to the programmed year. Expenditures actualized prior to the Board approved programmed year will not be eligible for reimbursement (see Chapter 9).	6. The local jurisdiction must have a fully executed letter agreement prior to the reimbursement of funds. Local jurisdictions, at their own risk, may obligate funds for an M2 funded project prior to the programmed year. Expenditures actualized prior to the Board approval of the grant, will not be eligible for reimbursement (see Chapter 10). Unless an advancement is approved, reimbursements will be released in the programmed year. Board approval of a project does not guarantee the eligibility of all items. For construction phases, the local jurisdiction must have OCTA's written confirmation of eligible and ineligible costs and staff approval to proceed prior to obligating any funds through contract award. For PI phases, the lead jurisdiction must have OCTA's written confirmation of eligible and ineligible costs, as well as written approval to proceed, prior to issuing any construction-related Notice to Proceed, Task Order, and/or construction contract.	Revise the letter agreement process to provide jurisdictions additional time to award contracts due to lengthy or unpredictable timelines to execute letter agreements. Pre-award authority to award a contract/start a project after Board approval, but before a letter agreement is executed, will no longer need to be requested or approved by OCTA. Clarify that Board approval to fund a project does not automatically mean that all components of the project are eligible for reimbursement. For Construction and PI phases, determining expense eligibility at project phase closeout has contributed to extended review periods that delay reimbursement. Add a formal cost eligibility confirmation process where OCTA performs an in-depth eligibility review and provides written confirmation to help mitigate delays, enhance clarity, and support fiscal accountability. This would be required prior to construction contracts being awarded by jurisdictions.
19	xix	V	Precepts	6. For transit programs (e.g., Projects S, V, and W), pre-award authority is granted upon Board approval of the funding grant. See Precept 5 above for pre-award authority provisions.	Remove precept	Precept is being removed as pre-award authority would be extended to all programs under Item #18 (new Precept 6).
20	xx	V	Precepts	11. OCTA will base funding grants on project cost estimates including up to 10 percent (10%) contingency for right-of-way and construction. During the programming process, OCTA adds an inflationary adjustment, as appropriate.	11. OCTA will base funding grants on project cost estimates including up to 10 percent (10%) contingency for right of way, construction, and PI. A local jurisdiction may request a higher contingency with supporting documentation identifying the specific risks that justify the increase. During the programming process, OCTA adds an inflationary adjustment, as appropriate.	<i>Consultant: Related back to definition of ROW, show examples (or link to examples).</i> OCTA: Add option to submit a higher justified contingency threshold, if needed. Consultant recommendation considered; no action recommended.
21	xx	V	Precepts	13. Match rate commitments identified by implementing agencies in the project grant application shall remain constant throughout the funded project phase. This includes projects where the programming has been escalated for future years. OCTA and implementing agencies shall not reduce match rate commitments or split the match rate by phase. Actual project contributions by the local agency or OCTA are dependent on final project costs and may not be equal to the match rate if a local agency overmatch exists. Local agency contributions may exceed the committed local match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures cannot be considered when calculating the local match rate.	13. Match rate commitments identified by implementing agencies in the project grant application shall remain constant throughout the funded project phase. This includes projects where the programming has been escalated for future years. OCTA and implementing agencies shall not reduce match rate commitments or split the match rate by phase. Actual project contributions by the local agency or OCTA are dependent on final project costs and may not be equal to the match rate if a local agency overmatch exists. Local agency contributions may exceed the committed local match rate in the event of cost overruns.	<i>Consultant: No increase even if scope change/eligible or reasonable expense?</i> OCTA: Move the last sentence and create a separate standalone precept under Item #22 (new precept 14) explicitly stating that M2 grants will not be increased.
22	New	New	New Precept	None	14. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures cannot be considered when calculating the local match rate.	Add a new precept to clarify that OCTA will not increase funding.

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23	xxi	V	Precepts	19. Funds that have been encumbered shall be used in a timely fashion. There shall be one encumbrance date determined for each project phase. For project phases (excluding Projects O and P), funds must be expensed within 36 months from encumbrance. Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline. See Precept 20 for Project O and Project P.	20. Funds that have been encumbered shall be used in a timely fashion. There shall be one encumbrance date determined for each project phase. For project phases (excluding Projects O and P), work must be carried out within 36 months from encumbrance. Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline. See Precept 21 for Project O and Project P.	Clarify that work must be carried out within 36 months of encumbrance, based on TSC feedback. Previous language often caused confusion regarding eligible expenses.
24	xxi	V	Precepts	20. For Project O and Project P, funds that have been encumbered shall be used in a timely fashion. There shall be one encumbrance date determined for each project phase. For project phases, local agencies have at least 36 months from encumbrance to complete a project phase and expend the funds. For project phases expected to be longer than 36 months, funds must be expensed within 6 months from the scheduled completion date for that project phase. This schedule information is provided within the application. As an example, if an agency indicates construction will be completed within 40 months from encumbrance, the agency would have 46 months to complete the phase or request an extension. Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline. For Project O construction phase funds, participating environmental mitigation activities (see Precept 28) may be reimbursed up to 48 months after adopted Notice of Completion (NOC), contingent upon verification of environmental mitigation requirements.	21. For Project O and Project P, funds that have been encumbered shall be used in a timely fashion. There shall be one encumbrance date determined for each project phase. For project phases, local jurisdictions have at least 36 months from encumbrance to complete a project phase and expend the funds. For project phases expected to be longer than 36 months, work must be carried out within 6 months from the scheduled completion date for that project phase. This schedule information is provided within the application. As an example, if a local jurisdiction indicates construction will be completed within 40 months from encumbrance, the local jurisdiction would have 46 months to complete the phase or request an extension. Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline. For Project O construction phase funds, participating environmental mitigation activities (see Precept 28) may be reimbursed up to 48 months after adopted Notice of Completion (NOC), contingent upon verification of environmental mitigation requirements.	Clarify that work must be carried out within 36 months of encumbrance, based on TSC feedback. Previous language often caused confusion regarding eligible expenses.
25	New	New	New Precept	None	23. Local jurisdictions shall acknowledge Measure M as a funding source in communications and at public-facing events, as applicable. Such acknowledgment shall include appropriate visual recognition in materials including, but not limited to, signage, digital and printed collateral, presentations, and on-site displays. Refer to Chapter 2 for further information.	Add a new precept regarding M2 acknowledgement to ensure consistent recognition of Measure M as a funding source for improvements funded through the CTFP. Consistent acknowledgment promotes transparency and reinforces public confidence by visibly linking CTFP-funded projects to voter-approved funding. Add a reference to Chapter 2, Project Programming, since examples were added to that chapter based on the TSC feedback.
26	xxii	V	Precepts	23. OCTA shall reprogram funds derived from savings or project cancellation based upon final project status. An implementing agency may request to transfer 100 percent (100%) of savings of M2 funds between the phases within a project with approval from the TAC and Board. Funds can only be transferred to a phase that has already been awarded competitive funds. Such requests must be made prior to the acceptance of a final report and submitted as part of a SAR. Agencies may only use savings as an aid for unanticipated cost overruns within the approved scope of work.	25. OCTA shall reprogram funds derived from savings or project cancellation based upon final project status. An implementing agency may request to transfer 100 percent (100%) of savings of M2 funds between the phases within a project with approval from the TAC and Board. Such requests must be made prior to the acceptance of a final CTFP expenditure report and submitted as part of a SAR. Construction phase savings may be applied to eligible construction engineering costs within the same project. Request must be made before issuance of the final payment. Agencies may only use savings as an aid for unanticipated cost overruns within the approved scope of work.	Revisions were made to align with the updates under Precept 31 (Item #29).

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27	xxii	V	Precepts	25. For the purpose of calculated Level of Service (LOS), the capacity used in the volume over capacity calculation shall be 100 percent (100%) capacity, or LOS level “E”. Intersection Capacity Utilization (ICU) calculations shall use 1,700 vehicles per hour per lane with a .05 clearance interval.	n/a	<i>Consultant: Show example calculation or have appendix of sample calculations for various requirements/definitions</i> OCTA: Consultant recommendation considered; no action needed as this is a fundamental calculation.
28		V	Precepts	27. An approved CTFP project may be determined ineligible for funding at any time if it is found that M2 funding has replaced all or a portion of funds or commitments that were to be provided by other sources such as: development conditions of approval, development deposits, fee programs, redevelopment programs or other dedicated local funding sources (i.e., assessment districts, community facilities districts, bonds, certificates of participation, etc.). Appeals may be made in accordance with Precept 40.	29. An approved CTFP project may be determined ineligible for funding at any time if it is found that M2 funding has replaced all or a portion of funds or commitments that were to be provided by other sources such as: development conditions of approval, development deposits, fee programs, redevelopment programs or other dedicated local funding sources (i.e., assessment districts, community facilities districts, bonds, certificates of participation, etc.).	Remove appeals language as appeals process would not apply in situations where M2 funds were found to supplant or replace other committed funds, which is strictly prohibited by the Ordinance.
29	xxii	V	Precepts	28. OCTA may fund environmental mitigation, up to 25 percent (25%) of the total eligible project cost by phase, as required for the proposed project contained in the environmental document. Participating environmental mitigation expenditures are eligible for funding under certain programs, but not all.	30. OCTA may fund environmental mitigation, up to 25 percent (25%) of the total grant , as required for the proposed project contained in the environmental document. Participating environmental mitigation expenditures are eligible for funding under Project O or on a case-by-case basis.	<i>Consultant: Clarify which programs</i> OCTA: Revise the language to calculate the 25% threshold based on the grant amount for consistency with other thresholds. Clarify the funding program that allows environmental mitigation.
30	xxii	V	Precepts	29. Construction support may be reimbursed up to 20 percent (20%) of the total M2 grant, with costs subject to the match requirements. Construction activities carried out by local agency workforces are not considered construction support.	31. Local jurisdictions may allocate up to 20 percent (20%) of the total grant for construction engineering activities. In the event that construction phase expenditures result in project cost savings at the time of final reimbursement, jurisdictions may request to apply savings toward eligible construction engineering costs. Costs are subject to match requirements.	<i>Consultant: What is included under "construction activities" provide examples</i> OCTA: Revision made give the agencies to option to use project savings towards eligible construction engineering activities. Consultant recommendation considered; no action needed as this is covered under defintion of "construction activities."
31	xxii	V	Precepts	30. Contract change orders are only eligible for reimbursement of work within the original scope of work and not exceeding 10 percent (10%) of eligible construction costs or contingency provided in the application cost estimate, whichever amount is higher.	32. Contract change orders are eligible for reimbursement only when the change order is required to deliver the Board approved scope of work and only for eligible project components.	<i>Consultant: Provide sample calculation</i> OCTA: Procedural change to simplify contract change order calculations, reduce administrative back-and-forth verifying calculated totals, and free up resources to focus on project delivery rather than cost interpretation.
32	xxiii	V	Precepts	31. OCTA shall evaluate “whole” projects during the initial review process. Subsequent phase application reviews shall not include prior phases in the evaluation unless locally funded and pledged as a match and are subject to OCTA verification. The criteria for ranking project applications is included in these guidelines as part of each program component chapter.	31. Local jurisdictions need to provide information so OCTA can evaluate complete projects during the initial review process. Subsequent phase application reviews shall not include prior phases in the evaluation unless locally funded and pledged as a match and are subject to OCTA verification. The criteria for ranking project applications is included in these guidelines as part of each program component chapter.	<i>Consultant: Why is "whole" in quotes? What does "whole" mean - provide example.</i> OCTA: Clarify the language to ensure agencies submit all required information at the time of application submittal.
33	xxiii	V	Precepts	35. Agencies shall submit payment requests to OCTA in a timely fashion. Agencies may request an initial payment for M2 (generally up to 75 percent (75%) of programmed amount or eligible expenditures, see Chapter 9) once the funds have been encumbered. The final 25 percent (25%) of the available programmed balance will be released upon the submission of an approved final report.	37. Local jurisdictions must submit progress payment requests to OCTA semi-annually. Request must be consistent with funding match requirements and must only include costs for completed work that has been paid. OCTA shall reimburse ninety percent (90%) of the grant amount until receipt and approval of a complete and accurate Final CTFP Expenditure Report. Jurisdictions may request an initial payment for M2 (generally up to 30 percent (30 %) of the grant, see Chapter 10) once the funds have been encumbered and a fully executed letter agreement has been issued. The final reimbursement will be released within sixty (60) days after OCTA receives a complete and accurate Final CTFP Expenditure Report.	<i>Consultant: Flagged for future. Changing if % of initial payment change and approval report - is this the final payment request?</i> OCTA: Procedural change to the reimbursement structure. A progress payment structure is proposed to help mitigate lengthy review times at project closeout, to allow earlier indentification of eligibility issues, cost overruns, and scope changes, and to maintain continuity of funding-related project history during staff transitions.
34	xxiii	V	Precepts	36. For situations where a grant amount exceeds \$2,000,000, the amount withheld pending the submittal of an approved final report shall be capped at \$500,000 per project phase but shall in no case be less than 10 percent (10%) of the grant or the contract amount, whichever is less. Should the 75 percent/25 percent (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. At no time will the final payment retention be less than 10 percent (10%).	38. Retention will be ten percent (10%) of the grant and will not be released until acceptance of Final CTFP Expenditure Report, unless otherwise determined by a separate cooperative agreement.	<i>Consultant: Provide sample calculations</i> OCTA: Revise the language to calculate the 10% threshold based on the grant amount for consistency with other thresholds and to align with the proposed progress payment structure.
35	xxiv	V	Precepts	40. Agencies may appeal to the TAC on issues that the agency and OCTA staff cannot resolve. An agency may file an appeal by submitting a brief written statement of the facts and circumstances to OCTA staff. The appellant local agency must submit a written statement which proposes an action for TAC consideration. The TSC shall recommend specific action for an appeal to the TAC. The Board shall have final approval on appeals.	42. Local jurisdictions may appeal a payment decision where the payment would result in the project receiving at least one hundred thousand dollars (\$100,000) less or ten percent (10%) less of the grant amount, whichever is less. See Chapter 10 for the appeal process.	<i>Consultant: Has this appeal process ever used for items in dispute that have been in review for years? May want to include example here.</i> OCTA: Clarify appeal process with a specified course of action to help resolve protracted disputes faster. Add in a percentage threshold to account for smaller dollar amount grants that would not meet the \$100,000 minimum, based on TSC feedback.

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36	xxiv	V	Precepts	41. Projects within the Coastal Zone Boundary, as a requirement of a Coast Development Permit, may be required to replace existing on-street parking on a one-for-one basis for spaces removed as a result of a roadway widening project. ROW costs to replace the existing on-street parking can be considered mitigation for coastal zone cities only (see exhibit IV-1). The mitigation activities can be covered up to 25 percent (25%) of the total eligible cost consistent with Precept 28. Jurisdictional boundaries are more fully described in the Public Resource Code, Division 20, California Coastal Act (2016) Sections 30168 & 30169. OCTA staff will work with the local agency staff during the project application process to determine eligibility of these costs and to identify any excess ROW that will require a disposal plan. OCTA and the local agency will also establish any savings that will revert back to the Measure M Program after project completion. The cost of ROW required to replace parking should be fair and reasonable in comparison to the total cost of the project.	43. Projects within the Coastal Zone Boundary, as a requirement of a Coast Development Permit, may be required to replace existing on-street parking on a one-for-one basis for spaces removed as a result of a roadway widening project. ROW costs to replace the existing on-street parking can be considered mitigation for coastal zone cities only (see exhibit IV-1). The mitigation activities can be covered up to 25 percent (25%) of the total grant consistent with Precept 30. Jurisdictional boundaries are more fully described in the Public Resource Code, Division 20, California Coastal Act (2016) Sections 30168 & 30169. OCTA staff will work with the local jurisdiction staff during the project application process to determine eligibility of these costs and to identify any excess ROW that will require a disposal plan. OCTA and the local jurisdiction will also establish any savings that will revert back to the Measure M Program after project completion. The cost of ROW required to replace parking should be fair and reasonable in comparison to the total cost of the project.	<i>Consultant: Provide sample calculations. Eligibility review typically doesn't happen until after the application phase. Opportunity for review sequencing recommendations here.</i> OCTA: Revise the language to calculate the 25% threshold based on the total grant amount to ensure alignment and consistency with the methodology used for other thresholds.
Chapter 2 - Project Programming						
37	2-3	2	Sequential Programming Process – RCP	An agency may request a Fast Track approach, seeking funds for planning and implementation phase at the same time. The agency must demonstrate that the policy variance is necessary due to the project schedule and waiting until the next annual call for projects to apply for implementation phase funding presents undue hardship or could jeopardize the overall project delivery and milestones. The agency will waive the opportunity to request a project delay under this approach. The Fast Track approach is permitted only for projects that do not have ROW acquisition needs. If seeking engineering funds, the local agency must have received environmental clearance and demonstrate that all necessary easements and titles are in place for local agency use. Under no circumstances will the Fast Track option be considered for local agency convenience as this could delay implementation of other projects that are shelf ready.	A local jurisdiction may request a Fast Track approach, seeking funds for planning and implementation phase at the same time. The jurisdiction may be asked to provide justification for the request, including an explanation of why adherence to standard sequential programming is not feasible. The justification should address how deferring the application to the next annual call for projects for implementation phase funding would impose undue hardship or potentially jeopardize overall project delivery and the achievement of key milestones. The jurisdiction will waive the opportunity to request a project delay under this approach. The Fast Track approach is permitted only for projects that do not have ROW acquisition needs. If seeking engineering funds, the local jurisdiction must have received environmental clearance and demonstrate that all necessary easements and titles are in place for local jurisdiction use. Under no circumstances will the Fast Track option be considered for local jurisdiction convenience as this could delay implementation of other projects that are shelf ready.	<i>Consultant: May be helpful to have an example of this scenario and what would constitute necessary in an appendix/reference.</i> OCTA: Clarify what is needed from the local jurisdiction when seeking a Fast Track approach.
38	2-4	2	Project Cost Escalation	OCTA will escalate approved ROW and construction projects in years two and three. The match rate percentage identified by implementing agencies in the project grant application shall remain constant throughout the project. This includes projects where the programming has been escalated for future years. OCTA will base escalation rates for future years on ENR CCI 20-City Average escalation rates.	OCTA bases funding grants on cost estimates that the local jurisdictions provide and that OCTA validates against industry norms during the evaluation process. When jurisdictions are preparing applications, all cost estimates must be in current year dollars with Month and Year cited. OCTA will review each cost estimate thoroughly and will escalate approved ROW and construction projects in years two and three of the funding cycle. The match rate percentage identified by implementing jurisdictions in the project grant application shall remain constant throughout the project. This includes projects where the programming has been escalated for future years. OCTA will base escalation rates for future years on ENR CCI 20-City Average escalation rates. These increases are applied annually and are compounded, meaning each year's increase build on the previous year's total. For example: The three-year funding period for the 2026 call for projects corresponds to the following fiscal years: • Year 1: FY 2026-27 • Year 2: FY 2027-28 • Year 3: FY 2028-29 If a jurisdiction submits a project funding request with right-of-way programmed (or anticipated to start) in Year 1 (FY2026-27) and construction programmed in in Year 3 (FY 2028-29), the escalation will only apply to the construction phase. OCTA will escalate the construction costs by the CCI -based adjustment factor beginning in Year 2 (FY 2027-28) of the funding cycle and continue compounding through Year 3. Refer to the table below for an example.	Add an example to clarify how grants programmed in year two and three are escalated.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change																																																				
39	New	New	Project Cost Escalation	None	<table><tr><th colspan="4">Escalation Adjustment Factor, CCI = 2.8%*</th></tr><tr><th>2026 Call Year</th><th>Fiscal Year (FY)</th><th>Adjustment</th><th>Escalation %</th></tr><tr><td>1</td><td>FY26/27</td><td>(1.028)^0 = 1.00</td><td>100.0%</td></tr><tr><td>2</td><td>FY27/28</td><td>(1.028)^1 = 1.028</td><td>102.8%</td></tr><tr><td>3</td><td>FY28/29</td><td>(1.028)^2 = 1.0568</td><td>105.7%</td></tr></table> *Example based on January 2026 ENR CCI 20-City Average. <table><tr><th colspan="8">2026 Call - Project Cost Escalation</th></tr><tr><th>Phase</th><th>M2 Request (A)</th><th>Programming Year (B)</th><th>Programmed FY</th><th>Escalation %</th><th>FY 26/27 (= A x B)</th><th>FY 27/28 (= A x B)</th><th>FY 28/29 (= A x B)</th></tr><tr><td>ROW</td><td>\$ 2,500,000</td><td>1</td><td>FY 26/27</td><td>100.0%</td><td>\$ 2,500,000</td><td></td><td></td></tr><tr><td>Construction</td><td>\$ 800,000</td><td>3</td><td>FY 28/29</td><td>105.7%</td><td></td><td></td><td>\$ 845,427</td></tr></table>	Escalation Adjustment Factor, CCI = 2.8%*				2026 Call Year	Fiscal Year (FY)	Adjustment	Escalation %	1	FY26/27	(1.028)^0 = 1.00	100.0%	2	FY27/28	(1.028)^1 = 1.028	102.8%	3	FY28/29	(1.028)^2 = 1.0568	105.7%	2026 Call - Project Cost Escalation								Phase	M2 Request (A)	Programming Year (B)	Programmed FY	Escalation %	FY 26/27 (= A x B)	FY 27/28 (= A x B)	FY 28/29 (= A x B)	ROW	\$ 2,500,000	1	FY 26/27	100.0%	\$ 2,500,000			Construction	\$ 800,000	3	FY 28/29	105.7%			\$ 845,427	<i>Consultant: Provide example of calculation</i> Add a visual example to clarify how grants programmed in year two and three are escalated through a compounded approach.
Escalation Adjustment Factor, CCI = 2.8%*																																																										
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40	New	New	Project Cost Escalation	None	If a local jurisdiction requests a delay to the project schedule after funding has been awarded by the Board, the project will not be escalated beyond the escalation amount associated with the original approved schedule.	Clarify, based on TSC feedback, that if a delay to the start of the project is requested, the project will not receive escalation beyond the amount associated with the original approved schedule.																																																				
41	2-4	2	Programming Adjustments Revisions to Grant Funding Following Board Approval	Programming Adjustments OCTA bases funding grants on cost estimates that agencies provide and that OCTA validates against industry norms during the evaluation process. Agencies must provide estimates in current year dollars.	Revisions to Grant Funding Following Board Approval If an application is ultimately approved by the Board for a CTFP grant, requests to increase the M2 funding levels will not be considered.	Clarify that OCTA will not consider requests to increase CTFP grant amounts after call applications are approved by the Board for funding.																																																				
42	2-4	2	Programming Adjustments Revisions to Grant Funding Following Board Approval	Projects programmed in Year Two or Year Three of each funding cycle include an ENR CCI-based adjustment factor for the ROW and construction phases only. Lead agencies shall not receive grant increases. Cost overruns are the responsibility of local agencies and may count against agencies' match rate commitment for eligible activities. Local agencies may request scope adjustments to meet budget shortfalls when the agency can demonstrate substantial consistency and attainment of proposed transportation benefits compared to the original project scope.	Under no circumstances shall lead jurisdictions receive increases to their awarded grant amount. Any cost overruns beyond the awarded grant are the responsibility of local jurisdictions. Jurisdictions may request scope adjustments to meet budget shortfalls when the jurisdiction can demonstrate substantial consistency and attainment of proposed transportation benefits compared to the original Board-approved project scope.	<i>Consultant: Are grant increases ever awarded? In this scenario, what happens when the cost overrun is an eligible expense? Explain a bit further and/or provide example</i> OCTA: Reinforce existing policy that Board-approved grant amounts are fixed and not subject to later increases. Reiterate that cost overruns are the responsibility of the local jurisdiction once funding recommendations for a call cycle are approved. Clarifying this is intended to eliminate any ambiguity regarding the possibility of additional funding when actual project costs exceed the original estimates provided in the application.																																																				
43	2-4	2	Programming Adjustments Revisions to Grant Funding Following Board Approval	When agencies are preparing applications, all cost estimates must be in current year dollars with Month and Year cited. OCTA will review each cost estimate thoroughly and will escalate ROW and construction costs based on the year OCTA programs the project grant. For example, if an agency's cost estimate lists construction costs for a project and OCTA programs the project for Year Three of the funding cycle, then OCTA will escalate the costs by the CCI-based adjustment factor, compounded annually, beginning in Year One of the funding cycle.	n/a	<i>Consultant: Provide example of calculation</i> OCTA: Paragraph was removed from this section and inserted under the Project Cost Escalation section, see Item #39.																																																				

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
44	New	New	Cost Overruns	None	Cost Overruns <u>Non-Allowable</u> Grant increases will not be provided to cover cost overruns, including but not limited to: • Increases in construction, material, or equipment costs above original estimates • Labor cost increases, including wage escalation or contractor rate changes • Budget shortfalls due to underestimated costs at the time of application • Expenses resulting from project delays or extended schedules • Change orders or scope expansions that increase total project cost • Unforeseen site conditions (e.g., subsurface issues, utility conflicts) • General market-driven cost escalation following award <u>Non-Overrun Adjustments</u> Adjustments may be considered only under limited circumstances and do not include cost overruns. Examples may include: • Administrative corrections (e.g., rounding, clerical errors in the approved amount) • Reallocation of funds within the approved budget that does not increase the total award • Formal reductions in scope accompanied by a corresponding decrease in funding	Add examples of cost overruns to further illustrate common types of project cost increases and to distinguish these from non-overrun adjustments based on TSC feedback.
45	2-5	2	Programming Policies	OCTA will not increase grants after the initial programming for each phase except through project savings transfers, where applicable. Project savings are defined as the grant value remaining after one project phase (such as engineering) has been completed. Transfers should be identified during the SAR phase. Formal request of savings transfers must be accompanied by updated information and justification for the intended phase. Scope reductions are not considered project savings. Adjustments in grant funding between PI and O&M can occur after programming approval for sixty (60) calendar days after contract award, in order to reflect actual contract award amounts. Overall projects savings at the conclusion of a project are returned to the original program for reprogramming in a subsequent call for projects. This section is intended to clarify rather than replace the transfer policy identified in Precept 23.	OCTA will not increase grant amounts after the initial programming for each phase, except through eligible project savings transfers. Project savings are defined as any remaining anticipated grant balance after a project phase (e.g., engineering) has been completed. Potential transfers should be identified during the SAR process. Formal requests for savings transfers must include updated project information and justification for applying the savings to the intended phase. Construction phase savings may be applied to eligible construction engineering costs within the same project. Request must be made before issuance of the final reimbursement. Scope reductions do not constitute project savings. Any remaining project savings at the conclusion of a project will be returned to the original program for reprogramming in a subsequent call for projects. This section is intended to clarify, not replace, the transfer policy described in Precept 25.	<i>Consultant: Provide example of what is and isn't project savings.</i> OCTA: Update section to align with revision made under Precept 25.
46	2-6	2	Programming Policies	Agencies are responsible for costs that exceed the project grant, maintaining the project schedule, and maintaining the project scope.	Local jurisdictions are responsible for all costs exceeding the project grant amount and for ensuring adherence to the approved project schedule and scope.	<i>Consultant: Vague - is this intended to cover mitigation measures for potential overruns?</i> OCTA: Clarify that local jurisdictions are responsible for cost overruns, and ensuring adherence to the approved project schedule and scope.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
47	2-6	2	Programming Policies	An agency must have a fully executed Letter Agreement prior to the obligation of funds unless they have been approved for pre-award authority.	A local jurisdiction must have a fully executed letter agreement prior to the reimbursement of funds. Local jurisdictions, at their own risk, may obligate funds for an M2 funded project prior to the programmed year. For construction phases, the local jurisdiction must have OCTA's written confirmation of eligible and ineligible costs and staff approval to proceed prior to obligating any funds through contract award. For PI phases, the lead jurisdiction must have OCTA's written confirmation of eligible and ineligible costs, as well as written approval to proceed, prior to issuing any construction-related Notice to Proceed, Task Order, and/or construction contract	Update section to align with revision made under Precept 6.
48	2-5	2	Programming Policies	As stated above, an agency's grant is based on the project's cost as requested and programmed with established escalation rates. If project costs escalate beyond original estimates and the agency is unable to cover additional costs, a request to reduce the project scope or limits will be considered where feasible. For the RTSSP (Project P), changes to the project costs with respect to the phase allocations will be considered based upon the issuance of the CTO, provided that the readjusted phase allocations do not increase the overall grant. All requests for changes in scope and limits should be submitted to OCTA in advance of the change. This request will be evaluated on a case- by-case basis and must be approved by the Board prior to initiation of the change by the lead agency. The lead agency must submit a letter to OCTA no later than June 30th of the year in which funds are programmed stating the reasons for cost increases, a proposal for project scope or limit reduction, and an explanation of why approval of the request is warranted. The review process is similar to the appeals process mentioned above.	As stated above, a jurisdiction's grant is based on the project's cost as requested and programmed with established escalation rates. If project costs escalate beyond original estimates and the jurisdiction is unable to cover additional costs, a request to reduce the project scope or limits will be considered where feasible. For example, shortening the roadway transition or reducing the median width (landscaping) to reduce costs. For the RTSSP (Project P), changes to the project costs with respect to the phase allocations will be considered based upon the issuance of the CTO, provided that the readjusted phase allocations do not increase the overall grant. All requests for changes in scope and limits should be submitted to OCTA in advance of the change. This request will be evaluated on a case-by-case basis and may need to be approved by the Board prior to initiation of the change by the lead jurisdiction agency. The lead jurisdiction must submit a letter to OCTA no later than June 30th of the year in which funds are programmed stating the reasons for cost increases, a proposal for project scope or limit reduction, and an explanation of why approval of the request is warranted. Grants approved as part of the CTFP process are subject to timely delivery requirements and ongoing grant monitoring for project delivery. Agencies with project funded through the CTFP must participate in the semiannual review, through a process established by OCTA.	Consultant: Provided example of a feasible and not feasible scenario. OCTA: Add example of feasible scenario. Add language to improve flow of chapter to introduce the semi-annual review process.
49	2-6	2	Schedule Change Request	Grants approved as part of the CTFP process are subject to timely delivery requirements. Implementation schedules are determined by the lead jurisdiction (applicant). Contract work must be awarded prior to the end of the programmed fiscal year to encumber the funds. If work cannot be initiated within this time frame, a request to defer funding may be submitted to OCTA for consideration. Project status is reviewed every six months during the SAR process. Expired project funding is subject to withdrawal from project and reprogramming in a subsequent call for projects. Funding delays must be submitted to OCTA in conjunction with the SAR process. These reviews are typically held in Fall and Spring. Emergency delays after the Spring SAR may be considered on a case-by-case basis, but no less than ninety (90) calendar days prior to the encumbrance deadline. The M2 Ordinance permits a delay for up to 24 months. Implementing jurisdictions may request a delay of up to 24 months per project grant. Jurisdictions shall justify this request, receive City Council/Board of Supervisor concurrence, and provide documentation justifying delay to OCTA staff, the TAC and Board as part of the SAR process. Projects that are expected to incur extensive delays beyond the parameters of the program should consider cancellation and reapplication at a future date. Advancement requests may be considered during the review process and may be approved subject to funding availability.	Removed in its entirety.	Remove Schedule Change Request section since information is included in later sections that detail delays, advancements, and cancellations.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
50	2-7	2	Semi-Annual Review	Semi-Annual Review OCTA staff will conduct a comprehensive review of CTFP projects on a semi-annual basis to determine the status of projects. Project updates will be provided by the local jurisdictions and uploaded to OCFundtracker. Follow-up meetings to these updates will be held as needed. Semi-annual project reviews are usually scheduled to occur in March and September of each year. Projects are reviewed to: 1. Update project cost estimates. For any project experiencing cost increases exceeding ten percent (10%) of the originally contracted amount, a revised cost estimate must be submitted to OCTA. This is applicable even if the increase is within the overall grant amount. 2. Review the project delivery schedule 3. Determine the project's continued viability 4. Verify project O&M expenditures (e.g. ECP (Project X)) 5. Discuss any potential issues with external fund sources committed as match against the competitive funds Prior to each review meeting, OCTA staff will distribute a list of active projects to each local jurisdiction. Each jurisdiction will be contacted as needed and asked to participate in the upcoming review where each jurisdiction's project schedules, cost estimates, and scope will be reviewed. Jurisdictions will be given the opportunity to request program changes (e.g. delaying and advancing funds from one fiscal year to another) and each adjustment will be considered on a case-by-case basis. The jurisdiction should be prepared to explain any changes and provide all necessary supporting documentation. Generally, the local jurisdiction is responsible for the implementation of the projects as approved by OCTA, however consideration will be given for circumstances beyond the lead jurisdiction's control that affect scope, cost, or schedule. Based on the semi-annual review meetings, OCTA staff will develop and present recommendations for project adjustments to the TAC. Requests for project changes (delays, advancements, scope modifications, etc.) will be considered on an individual basis. The following action plan has been developed for the semi-annual review process: •Require local jurisdictions to submit status reports, project worksheets, and supporting documentation to OCTA for all project adjustments. •Require local jurisdictions to abide by the Time Extension Policy: - oJurisdictions may request a delay of up to 24 months per grant. Local jurisdictions will be required to justify this request and seek approval of OCTA staff, the TAC, and the Board as part of the semi-annual review process. - oApproved schedule changes will require an update of the local jurisdiction's seven-year CIP and the OCTA cooperative funding agreement. - oEvidence of Council approval (resolution, minute order, or notification) must be provided prior to Board approval of delays. - oAn administrative extension may be granted for expiring M2 funds for a project phase that is clearly engaged in the procurement process (advertised but not yet awarded). The local jurisdiction must notify OCTA through a written request on agency letterhead extension, and provide evidence of advertisement. - oAgencies that have requested Fast Track funding cannot request time extensions.	Semi-Annual Review OCTA staff will conduct a comprehensive review of CTFP projects on a semi-annual basis to determine the status of projects. Project updates will be provided by the local jurisdictions and uploaded to OCFundtracker. Follow-up meetings to these updates will be held as needed. Semi-annual project reviews are usually scheduled to occur in March and September of each year. Projects are reviewed to: 1. Update project cost estimates. For any project experiencing cost increases exceeding ten percent (10%) of the originally contracted amount, a revised cost estimate must be submitted to OCTA. This is applicable even if the increase is within the overall grant amount. 2. Review the project delivery schedule 3. Verify the Board approved scope is being delivered 4. Determine the project's continued viability 5. Verify project O&M expenditures (e.g. ECP (Project X)) 6. Discuss any potential issues with external fund sources committed as match against the competitive funds Prior to each review meeting, OCTA staff will distribute a list of active projects to each local jurisdiction. Each jurisdiction will be contacted as needed and asked to participate in the upcoming review where each jurisdiction's project schedules, cost estimates, and scope will be reviewed. Jurisdictions will be given the opportunity to request program changes (e.g. delaying and advancing funds from one fiscal year to another) and each adjustment will be considered on a case-by-case basis. The jurisdiction should be prepared to explain any changes and provide all necessary supporting documentation. Generally, the local jurisdiction is responsible for the implementation of the projects as approved by OCTA, however consideration will be given for circumstances beyond the lead jurisdiction's control that affect scope, cost, or schedule. Based on the semi-annual review meetings, OCTA staff will develop and present recommendations for project adjustments to the TAC. Requests for project changes (delays, advancements, scope modifications, etc.) will be considered on an individual basis. The following action plan has been developed for the semi-annual review process: •Require local jurisdictions to submit status reports, project worksheets, and supporting documentation to OCTA for all project adjustments. •Require local jurisdictions to abide by the Time Extension Policy: - oJurisdictions may request a delay of up to 24 months per grant. Local jurisdictions will be required to justify this request and seek approval of OCTA staff, the TAC, and the Board as part of the semi-annual review process. - oApproved schedule changes will require an update of the local jurisdiction's seven-year CIP and the OCTA cooperative funding agreement. - oEvidence of Council approval (resolution, minute order, or notification) must be provided prior to Board approval of delays. - oAn administrative delay may be granted for expiring M2 funds for a project phase that is clearly engaged in the procurement process (advertised but not yet awarded). The local jurisdiction must notify OCTA through a written request on agency letterhead and provide evidence of advertisement. The letter request and proof of advertisement must be received by OCTA no less than thirty (30) calendar days prior to the award deadline to ensure sufficient time for OCTA to review and respond. - oAgencies that have requested Fast Track funding cannot request time extensions. To ensure delivery of Board approved projects local jurisdictions can make any of the six project adjustments shown in the sections below, as appropriate.	This section was moved to earlier in the chapter to improve guidelines flow. Update administrative delay process to ensure OCTA has sufficient time to review requests and provide time sensitive responses. Clarify no less than 30 days refers to calendar days, based on TSC feedback.

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51	New	New	Delays	None	Delays Funds programmed for a project must be obligated within the fiscal year (FY) in which they are allocated. For example, projects programmed in FY 2027–28 must be obligated by June 30, 2028. An exception applies to Project X grants, which must be obligated by December 30, 2028. If an implementing jurisdiction anticipates that the applicable obligation deadline cannot be met, it must request a funding delay to avoid the potential forfeiture of funds. The M2 Ordinance permits a delay of up to twenty-four (24) months. Implementing jurisdictions may request a funding delay of either twelve (12) or twenty-four (24) months per project grant. Funding delay requests must be submitted to OCTA through OCFundtracker as part of the applicable SAR cycle. Emergency delays requested after the Spring SAR may be considered on a case-by-case basis; however, OCTA will not consider funding delay requests submitted fewer than ninety (90) calendar days prior to the applicable obligation or encumbrance deadline. Each funding delay request must include a formal letter seeking the delay, detailed justification for the delay, and documentation of approval from the applicable City Council or Board of Supervisors. Documentation of the approved action must be submitted to OCTA by the applicable SAR deadline. Delay requests shall be reviewed by OCTA staff, the Technical Advisory Committee (TAC), and the Board as part of the SAR process. Projects that are expected to incur extensive delays beyond the parameters of the program should consider cancellation and reapplication during a future call for projects. Projects awarded Fast Track grants and Project X Tier 1 grants are not eligible for funding delays.	Add a new section for delay request to further clarify the current process.
52	2-7	2	Timely Use of Funds	For project phases (RCP and RTSSP projects see paragraph below), work must be expensed within 36 months from encumbrance to be considered eligible for reimbursement. Funds extensions up to 24 months may be granted through the SAR. Extension requests must be received prior to the expenditure deadline. For RCP and RTSSP project phases, work funds must be carried out expensed based on within the project phase schedule that is provided at the time of application plus 6 months (see Precept 210). Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline.	Timely Use of Funds For project phases (RCP and RTSSP projects see paragraph below), work must be carried out within 36 months from encumbrance to be considered eligible for reimbursement. Funds extensions up to 24 months may be granted through the SAR. Extension requests must be received prior to the expenditure deadline. For RCP and RTSSP project phases, work must be carried out within the project phase schedule that is provided at the time of application plus 6 months (see Precept 21). Funds extensions up to 24 months may be granted through the SAR process. Extension requests must be received prior to the expenditure deadline.	Updated section to align with revision made under Precepts 20 and 21. This section was moved within the chapter to improve guidelines flow.
53	2-7	2	Project Advancements	Agencies wishing to advance a project by one fiscal year, or more may request project advancement. Advancement requests will be considered only if program funds are available. The grant will be de-escalated according to the original escalation rate. Requests must be submitted as part of the SAR. All advancements will be reviewed by the TAC and approved by the Board. If approved, the agency and project will be required to meet the new fiscal year award or encumbrance deadline. Should OCTA be unable to accommodate an advancement request due to cash flow constraints, the agency may still move forward with the project using local funding (see Precept 6). The lead agency must have a fully executed letter agreement prior to beginning work. The lead agency may subsequently seek reimbursement of CTFP funds in the fiscal year in which funds are programmed. Reimbursement shall follow the standard CTFP process (see Chapter 9). Prior approval is not necessary if the project is being advanced through local funds. However, if the local agency intends to receive match credit for local funds spent, prior approval is required.	Project Advancements Agencies wishing to advance a project by one fiscal year, or more may request project advancement. Advancement requests will be considered only if program funds are available. The grant will be de-escalated according to the original escalation rate. Requests must be submitted as part of the SAR. All advancements will be reviewed by the TAC and approved by the Board. If approved, the agency and project will be required to meet the new fiscal year award or encumbrance deadline. Should OCTA be unable to accommodate an advancement request due to cash flow constraints, the jurisdiction may still move forward with the project using local funding (see Precept 6). The lead jurisdiction must have a fully executed letter agreement in order to receive an initial payment or reimbursement for costs. For construction phases, the local jurisdiction must have OCTA's written confirmation of eligible and ineligible costs and staff approval to proceed prior to obligating any funds through contract award. For PI phases, the lead jurisdiction must have OCTA's written confirmation of eligible and ineligible costs, as well as written approval to proceed, prior to issuing any construction-related Notice to Proceed, Task Order, and/or construction contract. The lead jurisdiction may subsequently seek reimbursement of CTFP funds in the fiscal year in which funds are programmed. Reimbursement shall follow the standard CTFP process (see Chapter 10). Prior approval is not necessary if the project is being advanced through local funds. However, if the local agency intends to receive match credit for local funds spent, prior approval is required.	Updated section to align with revision made under Precept 6. This section was moved within the chapter to improve guidelines flow.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
54	New	New	Project Scope Changes	None	Project Scope Changes Local jurisdictions may request a scope change so long as the overall project benefits committed to in the Board-approved application can still be delivered. Any request for scope modifications of an approved project must be submitted to OCTA staff in advance of the change to ensure consistency with the project requirements. Request must include the status of the project, detailed description of the modification, rationale for the proposed modification, and potential impacts to the community and funding. For scope changes that do not have significant impacts to the project, which varies by program, OCTA staff will review and provide notification to the local jurisdiction of either approval or rejection of the scope change or if the modification warrants Board approval. For all other scope changes, OCTA staff will review the modification against the original project scoring criteria, ensure that the proposed change delivers comparable or better benefits to the public, and confirm consistency with the project program requirements. Contingent on staff's evaluation, the scope modification will be presented to the Board for review and approval. For Project V, additional details on scope changes are provided in Chapter 6. Local jurisdictions should have prior approval for the scope modification before issuance of a reimbursement. Failure to obtain prior approval may result in a prorated reimbursement amount or a delay in reimbursement, as the scope modification may need to be submitted as part of the SAR for Board approval, which is typically received in June/July for a March SAR cycle and in December for a September SAR cycle.	Add a new section for scope changes; however, no substantive changes were made, as this language is consistent with the current language under Chapter 6.
55	New	New	Transfer of Savings	None	Transfer of Savings An implementing jurisdiction may request to transfer one-hundred percent (100%) of savings of M2 funds between the phases within a project. M2 funds can only be transferred to the phase of the same project that has already been awarded CTFP funds. Such requests must be made prior to the acceptance of a Final CTFP Expenditure Report in order to be considered. For Regional Traffic Signal Synchronization Program (RTSSP) projects that experience cost savings in the Primary Implementation (PI) phase, a request to transfer the savings into the subsequent operations and maintenance (O&M) phase must be submitted before final reimbursement is issued by OCTA for the PI phase.	Add a new section for transfer of savings request to further clarify the current process.
56	New	New	Cancellations	None	Cancellations 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 CTFP Expenditure Report, and cancel remaining phases so that remaining funds can be reprogrammed without penalty. All ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation even if property has been acquired. All construction funding received prior to cancellation shall be repaid upon cancellation. Cancelled projects will be eligible to reapply upon resolution of issues that led to original project termination. Jurisdictions can resubmit an application for funding consideration once either the cancellation of the existing funding grant has been approved by the Board or is in the process of approval through the SAR. In the event the Board does not approve the cancellation, the lead jurisdiction will be required to withdraw the application. For Project V, cancellation details are provided in Chapter 6.	Add a new section for cancellations request to further clarify the current process.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
57	New	New	OCTA Branding	None	OCTA Branding Public recognition of Measure M2-funded projects promotes transparency and accountability by informing residents about the transportation improvements made possible through voter-approved funding. Accordingly, local jurisdictions receiving funding through the Comprehensive Transportation Funding Programs (CTFP) shall acknowledge Measure M2 as a funding source in project-related communications and public-facing activities, as applicable. Such acknowledgement shall include appropriate visual recognition of Measure M2 in materials including, but not limited to, project signage, digital and printed materials, presentations, press releases, websites, and on-site displays. Local jurisdictions shall comply with OCTA branding and recognition requirements and any related guidance issued by OCTA. For examples of boilerplate language, media releases and public events, please refer to https://octa.net/about/about-octa/measure-m-branding-and-media-guidelines	New section added for OCTA Branding to further clarify Precept 23.
Chapter 3 - Safe Transit Stops (Project W)						
58	3-1	3	Safe Transit Stops (Project W)	Revisions to this chapter will be made as part of the next Project W call for projects. The consultants' comments have been documented and will be taken into consideration during those revisions.		
Chapter 4 - Transit Extensions to Metrolink (Project S)						
59	4-1	4	Transit Extensions to Metrolink (Project S)	A minor clarification has been made to this chapter. There are no additional proposed revisions to the Transit Extension to Metrolink (Project S) Program, as there are no active Project S grants at this time.		
60	4-2	4	Matching Funding Requirements	Local funding must meet a minimum 10 percent (10%) match rate requirement for the whole project comprised of any combination private contributions, advertising revenues, and local discretionary funds. Match funding commitments in excess of 10 percent (10%) for one project phase (capital or operations/maintenance) may result in a reduced minimum match rate requirement for another phase subject to Board of Directors (Board) approval. Minimum match rate commitments will be incorporated into a cooperative funding agreement and will apply on an annual basis to the entire service life of the project (typically 5, 7, or 25 years). The match must be a monetary contribution and may not be made up of in-kind services	Local funding must meet a minimum 10 percent (10%) match rate requirement for the whole project comprised of any combination private contributions, advertising revenues, and local discretionary funds. Match funding commitments in excess of 10 percent (10%) for one project phase (capital or operations/maintenance) may result in a reduced minimum match rate requirement for another phase subject to Board of Directors (Board) approval. Minimum match rate commitments will be incorporated into a cooperative funding agreement and will apply on an annual basis to the entire service life of the project (typically 5, 7, or 25 years). The match must be a monetary contribution and may not be made up of in-kind services.	Clarify that the match cannot consist of in-kind services and must be provided as a monetary contribution, consistent with the definition for local match.
Chapter 5 - Metrolink Gateways (Project T)						
61	5-1	5	Metrolink Gateways (Project T)	This chapter will be removed from the guidelines as the Metrolink Gateways Program has been completed and closed. The below was added: Project T has been removed from the 2027 CTFP Guidelines and will not be included in future CTFP Guidelines. For prior requirements and procedures, please refer to https://www.octa.net/programs-projects/programs/funding-programs/call-for-projects/metrolink-gateways.		
Chapter 6 - Community-Based Transit/Circulators (Project V)						
62	6-1	6	Community-Based Transit/Circulators (Project V)	Minor clarifications have been made to this chapter. Revisions to this chapter will be made as part of the next Project V call for projects. The consultants' comments have been documented and will be taken into consideration during that review.		
63	6-1	6	Eligible Service Categories	The services currently eligible for this program generally fall into two service categories defined as Traditional Project V transit services and On-Demand mobility services. These categories allow for special operating characteristics to be considered in the evaluation and administration of distinctive transit delivery models. The eligible service types under each category are as follows:	The services currently eligible for this program generally fall into two service categories defined as Traditional Project V transit services and On-Demand mobility services. These categories allow for special operating characteristics to be considered in the evaluation and administration of distinctive transit delivery models. Given the unique nature of this program and services provided through Project V, clarification on what types of services fall into these categories would be provided through workshops or direct communication. The eligible service types under each category are as follows:	<i>Consultant: Include examples of what is eligible. Also have sample of what may be close, but ineligible for clarity.</i> OCTA: Clarify that examples will be provided during call workshops or through direct communication.
64	6-9	6	Project Participating Categories	• Major revenue service vehicle maintenance and repairs (e.g., replacement of transmission, engine, etc.).	• Major revenue service vehicle maintenance and repairs (e.g., replacement of transmission, engine, etc.). • Minor vehicle services (routine maintenance: brake pads/rotors, fluids, filters, spark plugs, belts, hoses, ignition coils, cosmetic bodywork or paint without structural involvement, etc.)	<i>Consultant: What is major vs. minor?</i> OCTA: Add language describing minor vehicle services to help clarify what would not be considered major vehicle maintance/major repairs.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
65	6-11	6	Project Requirements	<u>Capital – Project Requirements</u> Project V funding is available to offset the costs of purchasing or leasing vehicles, equipment and other appropriate and reasonable capital amenities as described in Chapter 3, under eligible costs. Progress on capital projects must be reported to OCTA through the CTFP semi-annual review process. Agencies must inspect vehicle(s) to ensure they meet specifications prior to final acceptance and withhold retention until warranty issues and/or final acceptance is met and approved by the local agency.	n/a	<i>Per consultant can be open to interpretation - examples</i> OCTA: Clarifying language proposed through Item #66.
66	6-11	6	Project Requirements	If capital purchases (bus/vehicles, equipment, facilities, bus stop amenities, etc.) are provided with Project V funds, there is an expectation that these capital items will be used for their entire useful life and/or through the termination of the service. If termination occurs prior to the completion of the capital item's useful life and/or grant term, the local agency shall repay OCTA the same percentage of the sale price (or estimated value of the asset(s) based on straight line depreciation of the asset(s)), consistent with the Project V percentage of the initial purchase. Useful life shall be based upon OCTA's policy for service life, where applicable.	If capital purchases (bus/vehicles, equipment, facilities, bus stop amenities, etc.) are provided with Project V funds, there is an expectation that these capital items ¹ will be used for their entire useful life and/or through the termination of the service. If termination occurs prior to the completion of the capital item's useful life and/or grant term, the local agency shall repay OCTA the same percentage of the sale price (or estimated value of the asset(s) based on straight line depreciation of the asset(s)), consistent with the Project V percentage of the initial purchase. Useful life shall be based upon OCTA's policy for service life, where applicable. ¹ Specific capital items eligible for Project V funds will be identified in the terms and conditions of the cooperative agreement.	Add footnote to clarify that the eligible capital items will be defined in each jurisdiction's cooperative agreement given the unique nature of the program.
67	6-17	6	Project V Branding	Projects awarded Project V funding are required to place M2 (OC Go) decals on the vehicles used for fixed-route, community shuttles, seasonal services and regular microtransit. Local agencies will coordinate with OCTA in regard to the sizing, placement, and furnishing of decals. The implementing agency will be required to certify actual placement and visibility on a reasonable basis. For all awarded services, local agencies are required to place M2 logos on marketing and related service publication materials, including software applications. Promotion of the OC Go logo is not intended to overpower or take away from the service operated by the local agency but is intended to ensure transparency regarding the local sales tax measure expenditures.	Projects awarded Project V funding are required to place OCTA logo decals on the vehicles used for fixed-route, community shuttles, seasonal services and regular microtransit. Local jurisdictions will coordinate with OCTA in regard to the sizing, placement, and furnishing of decals. The implementing jurisdiction will be required to certify actual placement and visibility during the Project V Quarterly Report updates. For all awarded services, local jurisdictions are required to place OCTA logos on marketing and related service publication materials, including software applications. Promotion of the OCTA logo is not intended to overpower or take away from the service operated by the local jurisdiction but is intended to ensure transparency regarding the local sales tax measure expenditures. An example of the OCTA logo with the "Funded By" tagline is shown as follows:	<i>Consultant: What counts as certification? Is there a procedure for that?</i> OCTA: Add language for consistency with current process as agencies already complete this step in the quarterly ridership reports submitted to OCTA.
68	6-18	6	Project V Branding			Change logo used for projects funded by M2 to align with current OCTA branding guidance. The "OC Go" logo and term are no longer used.
Chapter 7 - Regional Capacity Program (Project O)						
69	7-1	7	Overview	The RCP (Project O) is a competitive program that will provide more than \$1 billion over a thirty-year period. The RCP replaces the Measure M local and regional streets and roads competitive programs (1991-2011). Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX and the California State Controller's Guidelines Relating to Gas Tax Expenditures (March 2019). These Guidelines are available at the following link: https://www.sco.ca.gov/Files-AUD/Gas_Tax_Fund_Guidelines.pdf .	The RCP (Project O) is a competitive program that will provide more than \$1 billion over a thirty-year period. The RCP replaces the Measure M local and regional streets and roads competitive programs (1991-2011). Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX and the California State Controller's Guidelines Relating to Gas Tax Expenditures for Cities and Counties (Gas Tax Fund Guidelines) . These Guidelines are available at the following link: https://sco.ca.gov/pubs_guides.html	Update link for resource accessibility.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
70	7-2	7	Funding Estimates	Funding will be provided on a pay-as-you-go basis. The RCP will make an estimated \$1.5 billion (in 2022 dollars) available during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with intersection, interchange and grade separation improvement categories. No predetermined funding has been set aside or established for street widening.	Consistent with the M2 Ordinance , funding for transportation improvements and operations will be provided on a pay-as-you-go basis. Under this approach , the RCP is anticipated to make approximately \$1.5 billion (in 2022 dollars) available over the 30-year life of the M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with intersection, interchange and grade separation improvement categories. No predetermined funding has been set aside or established for street widening	<i>Consultant: Inconsistent with other funding? Not via initial and/or final invoicing process?</i> OCTA: Clarify current language to align with the Ordinance language.
71	7-3	7	2026 Call For Projects 2027 Call For Projects	Funding will be provided for the three RCP funding programs: ACE, ICE, and FAST. Chapter 7 details the specific program's intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds. Each section should be read thoroughly before applying for funding. Application should be prepared for the program that best fits the proposed project. For this call, OCTA shall program projects for a three-year period (FY 26/27 – 28/29), based upon the current estimate of available funds. For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section V of these guidelines.	Funding will be provided for the three RCP funding programs: ACE, ICE, and FAST. Chapter 7 details the specific program's intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds. Each section should be read thoroughly before applying for funding. Application should be prepared for the program that best fits the proposed project. For this call, OCTA shall program projects for a three-year period (FY 27/28 – 29/30), based upon the current estimate of available funds. For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section V of these guidelines.	Revise programming years to align with the 2027 call schedule.
72	7-3	7	Applications	In order for OCTA to consider a project for funding, applications will be prepared by the lead agency. A separate application package must be completed for each individual project. Multiple variations of the same project (i.e. with different local match rates) will not be considered. If funding is requested under multiple program components for a single project (i.e. arterials and intersections) a separate application must be prepared for each request. OCTA shall require agencies to submit electronic applications for the 2026 call for projects by 5:00 p.m. on Thursday, November 20, 2025. Late and/or incomplete submittals will not be accepted.	In order for OCTA to consider a project for funding, applications will be prepared by the lead agency. A separate application package must be completed for each individual project. Multiple variations of the same project (i.e. with different local match rates) will not be considered. If funding is requested under multiple program components for a single project (i.e. arterials and intersections) a separate application must be prepared for each request. OCTA shall require agencies to submit electronic applications for the 2027 call for projects by 5:00 p.m. on Thursday, November 19, 2026. Late and/or incomplete submittals will not be accepted.	<i>Consultant: Have example of good application.</i> OCTA: Will work on gathering examples and making them available to the local jurisdictions. Revise application deadline to reflect the 2027 call schedule.
73	7-8	7	Project Cost Estimate Form	Include a separate attachment listing all expenditures and costs for the project using the Revised Cost Estimate Form 10-3 provided by OCTA and available for download at https://ocfundtracker.octa.net. Another attachment may be included in addition if desired. Accurate unit prices and a detailed description of work, including design, will be critical when the candidate project is reviewed. For example, design applications should include major tasks that will be performed. ROW cost estimate should include parcel information (including project area needed), improvements taken, severance damages, easements, ROW engineering, appraisal and legal costs. Construction should include a listing of all bid items including a maximum 10 percent (10%) allowance for contingencies and a maximum 20 percent (20%) of M2 grant allowance for construction support, subject to match requirements. The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the program from which funding is expected to be allocated when completing this portion of the form. Each of the funding programs described in these guidelines may have differing matching fund requirements. If more than one project phase is requested to be funded, a separate project cost estimate form is to be completed for each phase, or each phase must be clearly indicated, and a subtotal prepared on this form. Separate forms should also be prepared if funding for project phases is being requested over multiple fiscal years.	Include a separate attachment listing all project expenditures and costs using the Revised Cost Estimate Form 10-3, provided by OCTA and available for download at https://ocfundtracker.octa.net. An additional attachment may be included, if desired. Accurate unit prices and a detailed description of the proposed work, including design activities, are critical during the candidate project review process. Cost estimates must provide sufficient detail to understand cost components and determine eligible and noneligible items. For example, design applications must include major tasks that will be performed. ROW cost estimates must include parcel information (including the project area required), improvements to be acquired, severance damages, easements, ROW engineering, appraisal costs, and legal costs. Construction cost estimates must include a complete listing of all bid items, including up to 10 percent (10%) contingency and a maximum 20 percent (20%) of the M2 grant for construction support, subject to match requirements. Local jurisdictions may request a higher contingency with supporting documentation identifying the specific risk that justify the increase. This includes identifying project risks, potential scope changes, and any uncertainties in ROW or construction that could justify exceeding the 10 percent (10%) threshold. The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the funding program from which funds are expected to be allocated when completing this section of the form. Each funding program described in these guidelines may have different matching fund requirements. If funding is requested for more than one project phase, a separate project cost estimate form must be completed for each phase. Separate forms are also required when funding for project phases is being requested over multiple fiscal years.	<i>Consultant: Confirm form is current/accurate. Show completed examples and FAQ for items frequently submitted erroneously. Provide more specific link - link to form downloads page. What is considered major? Link to historical examples and sample calculations. Is there a specified format to show anticipated disbursements of costs (agency, other, non-eligible)? Is this clear on the form?</i> OCTA: Add context to further clarify information and level of detail needed on the Cost Estimate Form. Clarify what information is needed to justify a higher contingency based on TSC feedback.

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74	7-13	7	Application Review Process	The following guidelines will be used in reviewing project applications. Any application that does not meet these minimum guidelines must include an explanation of why the guidelines were not met: 1. The travel lane width should be no less than 11 feet (12 feet if adjacent to a raised median or other obstruction) for all arterial highways. 2. For divided roadways, the minimum median width should be no less than 10 feet to allow for turning movements. Divided roadways are defined as those with either a painted or raised median. 3. Arterial highways that are designated for uses in addition to automobile travel (e.g., bicycle, pedestrian, parking) shall provide additional ROW consistent with local jurisdiction standards to facilitate such uses.	1. The travel lane width should be no less than 11 feet unless reviewed and approved by OCTA's Transit Planning (12 feet if adjacent to a raised median or other obstruction) for all arterial highways. 2. For divided roadways, the minimum median width should be no less than 10 feet to allow for turning movements. Divided roadways are defined as those with either a painted or raised median. 3. Arterial highways that are designated for uses in addition to automobile travel (e.g., bicycle, pedestrian, parking) shall provide additional ROW consistent with local jurisdiction standards to facilitate such uses.	<i>Consultant: Include examples for each requirement.</i> OCTA: Feedback requested from TSC at April 8, 2026 TSC meeting. Based on TSC feedback, reduce the minimum travel lane width requirement that would require additional explanation during the application review process to 10 1/2 feet from 11 feet.
75	7-14	7	Application Review Process	Board authorization to issue call: September 8, 2025 Application submittal deadline: November 20, 2025 TSC/TAC Review: March/April 2026 Committee/Board approval: May/June 2026	Board authorization to issue call: September 14, 2026 Application submittal deadline: November 19, 2026 TSC/TAC Review: March/April 2027 Committee/Board approval: May/June 2027	Revise the key call dates to align with the 2027 call schedule.
76	7-14	7	Funding	A thorough review of eligible activities is not always possible during the call for projects evaluation period. As a result, it is possible that cost elements contained within an application and included in a funding recommendation may ultimately be deemed ineligible for program participation. The applicant is responsible for ensuring projects are implemented according to eligible activities contained within the program guidelines. In order to make certain that local agencies are aware of ineligible activities and/or potentially ineligible elements within a funded project, OCTA staff is available to review elements of the project design at any time through the duration of the M2 grant. It is highly recommended that grantees engage in the design review process with OCTA staff prior to initiating project implementation (i.e., commencing ROW acquisitions, executing construction contract) to allow for design changes by the local agencies, as needed.	A thorough review of eligible activities is not always possible during the call for projects evaluation period. As a result, it is possible that cost elements contained within an application and included in a funding recommendation may ultimately be deemed ineligible for program participation. The applicant is responsible for ensuring projects are implemented according to eligible activities contained within the program guidelines. It is highly recommended that local jurisdictions engage in the design review process with OCTA staff as early as possible prior to initiating project implementation (i.e., 35%-65% design, commencing ROW acquisitions) to allow for design changes by the local jurisdictions, as needed. In order to make certain that local jurisdictions are aware of ineligible activities and/or potentially ineligible elements within a funded project, OCTA staff <u>will review the cost elements following Board approval of the funding recommendation for construction. OCTA will then issue written confirmation identifying eligible and ineligible costs and provide staff approval to proceed prior to the obligation of any funds through contract award.</u>	Update section to align with revision made under the new Precept 6 (letter agreement process/pre-award authority and cost eligibility confirmation process for CON and PI phases).
77	7-15	7	Project Participating Categories	Gap closures – the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic.	Gap closures – the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic. Gap closures must use the minimum lane width of 11 feet, unless reviewed and approved by OCTA's Transit Planning.	Add minimum lane width to ensure the intent of the program is being maintained and funds are not being used for restriping, specifically for gap closure projects. Add link for resource accessibility. Based on TSC feedback, use a minimim lane width of 10 1/2 feet, consistent with Item No. 74. While the CTFP specifies 10 1/2 feet as a general minimum lane width, local jurisdictions are responsible for ensuring roadways meet minimum widths governed by other applicable state and federal guidance, which may be greater than 10 1/2 feet.
78	7-16 7-33 7-44	7	Potentially Eligible Items	Below is a list of potentially eligible items. However, final determination of the eligibility of all project related costs will be made at the time of reimbursement. Prior to the submittal of an application for funding, or at any point in the project life cycle, local agencies may meet with OCTA staff to review the eligibility of project related costs. Application review and approval does not guarantee the eligibility of all items.	Below is a list of potentially eligible items. However, initial determination of the eligibility of all project related costs will be made following Board approval and OCTA will provide a written confirmation of the eligible costs for construction. Prior to the submittal of an application for funding, or at any point in the project life cycle, local jurisdictions may meet with OCTA staff to review the eligibility of project related costs. Application review and Board approval does not guarantee the eligibility of all items.	<i>Consultant: "Potentially" is confusing/unclear</i> OCTA: Update section to align with revision made under Precept 6 (letter agreement process/pre-award authority and cost eligibility confirmation process for CON and PI phases)

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79	7-16, 7-33, 7-45	7	Potentially Eligible Items	• Direct environmental mitigation for projects funded by ACE (subject to limitations identified in precepts) • Sound walls (in conjunction with roadway improvement mitigation measures) • Aesthetic improvements including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of construction costs, provided costs are reasonable for the transportation benefit) • Improvements to private property if part of a ROW settlement agreement • Roadway grading within the ROW (inclusive of any TCE and/or ROW agreement related improvements) should not exceed a depth for normal roadway excavation (e.g., structural section). Additional grading will be considered on a case-by-case basis. Agencies shall provide supporting documentation (e.g., soils reports, ROW agreements) to justify the additional grading.	• Environmental mitigation for projects funded by ACE (subject to limitations identified in Precept 30) as defined in an approved CEQA environmental document • Sound walls (in conjunction with roadway improvement mitigation measures) as defined in an approved CEQA environmental document • Aesthetic improvements, including landscaping and enhanced landscaping within the project ROW, are eligible for up to 10 percent (10%) of the construction grant, subject to match requirements. • Improvements and/or betterments (e.g., gates, minor parking lot restriping, underground utility, etc.) to private property if part of a ROW settlement agreement • Grading within the roadway is eligible. However, additional grading will be considered on a case-by-case basis. Agencies must provide supporting documentation (e.g., soils reports, ROW agreements) to justify the additional grading, if seeking reimbursement for this component.	<i>Consultant: Specify what is eligible, unclear - need examples.</i> OCTA: Add examples and additional details for clarity. Clarify that environmental mitigation and sound walls are potentially eligible if items are included in an approved environmental document. Simplify calculations of aesthetic improvements by making percentage based off grant amount. Grading within the roadway is now eligible without limitation on depth; however, any additional grading must be supported by documentation to be considered eligible for reimbursement. Revise potentially eligible items to include enhanced landscaping as an eligible expense based on TSC feedback. Enhanced landscaping incorporated under aesthetic improvements, which is subject to a maximum of 10% of the construction grant.
80	7-16, 7-34, 7-45	7	Potentially Eligible Items	Environmental mitigation will be allowed only as required for the proposed roadway improvement and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the total eligible construction costs.	Environmental mitigation will be allowed only as required for the proposed roadway improvement and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the grant .	Simply calculations by making percentage based off the grant amount.
81	7-16, 7-34, 7-45	7	Potentially Eligible Items	Longitudinal storm drains are eligible for program participation when the storm drain is an incidental part (cost is less than 25 percent (25%) of the total eligible construction cost) of an eligible improvement. Program participation shall not exceed 10 percent (10%) of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ACE Program funding. Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g., within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin designated by aforementioned criteria.	Storm drains systems required for the MPAH road improvement are eligible. Eligibility is limited to storm drain improvements that are necessary as a direct result of the MPAH roadway enhancement and are needed to support the delivery of the roadway improvement. OCTA may request supporting documentation from the local jurisdiction to demonstrate that the storm drain improvements are required due to the MPAH roadway improvement and are not part of a separate regional storm drain project or broader drainage system improvement. M2 funds shall not supplant developer funding (see Precept 5). Storm drains outside standard project area are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g., within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin designated by aforementioned criteria.	<i>Consultant: Show sample calculation</i> OCTA: Remove percentage limitation on storm drain systems deemed by the hydrology report to be required for the roadway improvement. Additional guidance from the TSC requested at the April 8, 2026 TSC meeting. Specify that storm drain systems required for the MPAH road improvement are eligible based on TSC feedback.
82	7-17, 7-34, 7-45	7	Potentially Eligible Items	Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and the Measure M contribution to the cost of soundwalls shall not exceed 25 percent (25%) of the total eligible construction costs. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.	Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and the Measure M contribution to the cost of soundwalls shall not exceed 25 percent (25%) of the total grant . Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.	Simply calculations by making percentage based off the grant amount.
83	7-18, 7-33, 7-47	7	Ineligible Items	Enhanced landscaping, aesthetics and gateway treatments (landscaping that exceeds that necessary for normal erosion control and ornamental hardscape)	Statues, ornaments and fountains or similar	Consultant: What counts as normal/necessary erosion control and ornamental hardscape? OCTA: Add examples for clarity. Revise to consider enhanced landscaping as a potentially eligible item based on TSC feedback. Enhanced landscaping specified as an aesthetic improvement, see Item No. 74. For ineligible gateway treatments, specified statues, ornaments, fountains or similar.
84	7-18, 7-34, 7-47	7	Ineligible Items	None	Street improvements and maintenance activities (e.g., curb and gutter, pavement rehabilitation/restoration, sidewalk reconstruction, or full catch-basin replacement/construction) are not eligible, unless surface repairs are required to restore a funded RCP project area to pre-construction conditions.	Clarify that general street improvement and maintenance work are ineligible, except surface repairs necessary to restore project area to pre-construction conditions.

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85	7-25, 7-39, 7-50	7	Application Process	Application Process Project grants are determined through a competitive application process. Local jurisdictions seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below. Detailed instructions and checklists are provided in this chapter. Complete application • Funding needs by phase and fiscal year • Local committed match funding source, confirmed through city council resolution or minute order • Supporting technical information (including current traffic counts) • Project development and implementation schedule • ROW status and detailed plan for acquisition/disposal of excess right-of-way. The ROW acquisition/disposal plan must be submitted using the "ROW acquisition/disposal plan" form provided by OCTA and available for download at https://ocfundtracker.octa.net. • Any additional information deemed relevant by the applicant • Grants subject to Master Funding Agreement Calls are expected to be issued on an annual basis, or as determined by the Board. Complete project applications must be submitted by the established due date to be considered eligible for consideration.	No material changes to text.	The section was moved to earlier in the chapter to improve the flow of the guidelines; however, no changes were made to the existing language.
86	7-26, 7-39, 7-51	7	Minimum Eligibility Requirements	Minimum Eligibility Requirements Projects must have an existing or projected LOS "D" (.81 v/c) or worse to qualify for priority consideration for funding in this program. All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.	No material changes to text.	The section was moved to earlier in the chapter to improve the flow of the guidelines; however, no changes were made to the existing language.
87	7-27, 7-40, 7-52	7	Other Application Materials	Other Application Materials Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials: <u>Council Approval</u>: A Council Resolution or Minute Order action authorizing 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 of Directors. <u>Project Documentation</u>: If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer stamped site plan, or other summary information to demonstrate completion or planning phases. An electronic copy of the PSR and/or environmental document must be supplied as applicable. The applicant will be asked for additional detailed information if necessary, to adequately evaluate the project application. <u>Project Summary Information</u>: With each application being recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. OCTA staff will request the PowerPoint file when/if a project is recommended for funding.	No material changes to text.	The section was moved to earlier in the chapter improve the flow of the guidelines; however, no changes were made to the existing language.
88	7-22	7	Selection Criteria	Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the 36 months preceding the release date of the current call. Note: New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. The OCTAM modeling request deadline is October 9, 2025 for the 2026 Call for Projects. If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application will not be considered. For agencies where event, weekend, or seasonal traffic presents a significant issue, Average Annual Daily Traffic (AADT) counts can be used, provided the agency gives sufficient justification for the use of AADT	Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the 36 months preceding the release date of the current call. Note: New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. The OCTAM modeling request deadline is October 8, 2026 for the 2027 Call for Projects. If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application will not be considered. For agencies where event, weekend, or seasonal traffic presents a significant issue, Average Annual Daily Traffic (AADT) counts can be used, provided the agency gives sufficient justification for the use of AADT.	Revise deadline for OCTAM modeling requests to align with the 2027 call schedule.

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89	7-23 7-36 7-48	7	Selection Criteria	Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match differential. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.	Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. Pursuant to the M2 Ordinance, this minimum match requirement may be reduced by up to twenty-five (25) percentage points if the following criteria are met: • A ten percent (10%) local match reduction if the local jurisdiction implements, maintains and operates in conformance with the Traffic Signal Synchronization Master Plan. • A ten percent (10%) local match reduction if the local jurisdiction either: (a) has measurable improvement of paved road conditions during the previous reporting period as determined pursuant to OCTA's method of measuring improvement of road pavement conditions or (b) has road pavement conditions during the previous reporting period which are within the highest 20 percent (20%) of the scale for road pavement conditions as determined pursuant to OCTA's method of measuring improvement of road pavement conditions. • A five percent (5%) local match reduction if the local jurisdiction does not use any Net Revenues as part of the funds for the local match. If a jurisdiction's minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match differential. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.	<i>Consultant: What are these components?</i> OCTA: Add the specific components that can reduce the local match requirement, as stated in the Ordinance.
90	7-25	7	Selection Criteria	LOS Improvement: This category is a product of the existing or projected LOS based upon volume/capacity -- or v/c -- and LOS improvement "with project". Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) "without project" condition to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for the proposed segment. However, for projects where traffic volumes follow unconventional patterns, unidirectional volumes may be proposed as an acceptable alternate methodology for determining LOS. If unidirectional volumes are used for LOS calculations, ADT for the proposed direction of improvement shall serve as the basis for ADT, cost benefit and vehicle miles travelled (VMT) scoring categories. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process. If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Projects with a LOS better than "C" (.70 v/c) will not be considered.	LOS Improvement: This category is a product of the existing or projected LOS based upon volume/capacity -- or v/c -- and LOS improvement "with project". Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) "without project" condition to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for the proposed segment. However, for projects where traffic volumes follow unconventional patterns, unidirectional volumes may be proposed as an acceptable alternate methodology for determining LOS. If unidirectional volumes are used for LOS calculations, ADT for the proposed direction of improvement shall serve as the basis for ADT, cost benefit and vehicle miles travelled (VMT) scoring categories. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process. If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Unless the project is a New Facility/Extension, projects with a LOS better than "C" (.70 v/c) will not be considered.	<i>Consultant: What is unconventional?</i> OCTA: Feedback from the TSC requested at the April 8, 2026 TSC meeting if examples of "unconventional patterns" are needed and regarding language provided by a local jurisdiction for consideration with respect to new facilities/extensions. No concerns for added examples or proposed revision were raised. Specify that the minimum LOS "C" requirement does not apply to New Facility and Extension projects.
91	7-27, 7-39, 7-51	7	Matching Funds	Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met, as described in the Selection Criteria section of this chapter. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local jurisdictions throughout the life of the project. Actual project contributions by the local jurisdiction are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate.	Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met, as described in the Selection Criteria section of this chapter. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local jurisdictions throughout the life of the project. Actual project contributions by the local jurisdiction are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate. The match must be a monetary contribution and may not be made up of in-kind services.	Clarify that the match cannot consist of in-kind services and must be provided as a monetary contribution, consistent with the definition for local match.
92	7-28 7-40 7-51	7	Reimbursements	This program is administered on a reimbursement basis for capital improvements, planning, design, and ROW acquisition. Reimbursements will be disbursed upon review and approval of an acceptable initial payment submittal, final report, and consistency with Master Funding Agreement or cooperative agreement if federal funds are awarded. The reimbursement process is more fully described in Chapter 9 of this manual.	This program is administered on a progress payment basis, see Chapter 10.	Revise to align with revision made under Precept 37 (new progress payment structure).

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93	7-28 7-40 7-52	7	Project Cancellations Project Adjustments	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. All ROW funding received for property acquisition prior to cancellation shall be repaid upon cancellation even if property has been acquired. All construction funding received prior to cancellation shall be repaid upon cancellation. Cancelled projects will be eligible to reapply upon resolution of issues that led to original project termination. Agencies can resubmit an application for funding consideration once either the cancellation of the existing funding grant has been approved by the OCTA Board or is in the process of approval through the semi-annual review. In the event the OCTA Board does not approve the cancellation, the lead jurisdiction will be required to withdraw the application.	Project Adjustments For project adjustments (scope changes, delays, cancellations, etc.), please refer to Chapter 2: Project Programming.	Remove cancellation language as it was added within Chapter 2 - Project Programming. Add reference to Chapter 2 - Project Programming for project adjustments.
94	7-35	7	Utility Relocation	Utility Relocations The expenses associated with the relocation of utilities are eligible for RCP reimbursement only when all conditions listed below have been met: • The relocation is made necessary due to conflict with proposed improvements. • The facility to be relocated is within the project right-of-way. • It has been determined that the local agency is legally liable for either a portion of or all of the relocation costs. Liability can be determined by property rights, franchise rights/agreements, state and local statutes/ordinances, permits, a finding by the local agency's counsel, or other recorded legal document. Documentation providing proof of the local jurisdiction's liability for the costs of utility relocation must be submitted at the time of a payment request (see Chapter 10). Utilities funded through enterprise funds shall not be eligible for reimbursement. If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local jurisdiction's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g., water valves, manhole frames and covers), due to new roadway cross sections are either eligible or not eligible in the construction phase subject to the limitations previously described (e.g., prior rights). New or relocated fire hydrants are ineligible. In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must include any salvage credits received.	No material changes to text.	The section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.
95	7-38	7	Selection Criteria	For projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) HCM 2010 may be proposed as an alternate methodology for determining LOS. HCM calculations must use SYNCHRO and be supported with complete calculation documentation using standard industry approaches and current signal timing plans. If an alternative methodology is proposed, all analysis must be submitted to OCTA for review no later than October 9, 2025 for the 2026 Call for Projects. OCTA will contract with an independent third-party firm to review the technical analysis. The cost for the review will be charged to the applicant.	For projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) HCM 2010 may be proposed as an alternate methodology for determining LOS. HCM calculations must use SYNCHRO and be supported with complete calculation documentation using standard industry approaches and current signal timing plans. If an alternative methodology is proposed, all analysis must be submitted to OCTA for review no later than October 8, 2026 for the 2027 Call for Projects. OCTA will contract with an independent third-party firm to review the technical analysis. The cost for the review will be charged to the applicant.	Revise the dates to align with the 2027 call schedule.

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96	7-51	7	Caltrans Coordination	Caltrans Coordination Caltrans is not eligible to submit applications or receive payment under this program. Only eligible cities or the County of Orange may submit applications and receive funds. This program was designed to benefit local agencies. Coordination with Caltrans will be essential for most, if not all, of the projects submitted for this program. Local agencies should therefore establish contacts with the Caltrans District 12 Office (Project Development Branch) to ensure that candidate projects have been reviewed and approved by Caltrans. All other affected agencies should be consulted as well. Agencies submitting projects for this program must have confirmation from Caltrans that the proposed improvement is consistent with other freeway improvements as evidenced by an agreement or other formal document. Applications should be submitted so that interchange projects are done in conjunction with construction of other freeway improvements whenever possible. However, if the interchange project can be done in advance of the freeway project, verification and/or supporting documentation must be submitted showing the interchange improvement has merit for advanced construction and that it will be compatible with the freeway design and operation. Additionally, the interchange improvements should take into account the ultimate freeway improvements if the interchange is to be improved in advance.	No material changes to text.	The section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.
97	7-49	7	Selection Criteria	LOS Improvement: This category is a product of the existing or projected LOS based upon v/c and LOS improvement “with project” for arterial based improvements and ICU for intersection-based improvements. Projects must meet a minimum existing or projected LOS of “D” (.81 v/c) to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for arterials and peak hour turning movements at intersections for the proposed segment. However, for projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) alternate methodologies for determining LOS can be proposed. If HCM 2010 is proposed for intersections as an alternative methodology, all analysis must be submitted to OCTA no later than October 9, 2025 and the cost for independent review shall be reimbursed by the applicant. Projects that do not meet the minimum LOS “D” can be submitted but are not guaranteed consideration as part of the competitive process.	LOS Improvement: This category is a product of the existing or projected LOS based upon v/c and LOS improvement “with project” for arterial based improvements and ICU for intersection-based improvements. Projects must meet a minimum existing or projected LOS of “D” (.81 v/c) to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for arterials and peak hour turning movements at intersections for the proposed segment. However, for projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) alternate methodologies for determining LOS can be proposed. If HCM 2010 is proposed for intersections as an alternative methodology, all analysis must be submitted to OCTA no later than October 8, 2026 and the cost for independent review shall be reimbursed by the applicant. Projects that do not meet the minimum LOS “D” can be submitted but are not guaranteed consideration as part of the competitive process.	Revise deadline for alternative methodology submittals to align with the 2027 call schedule.
Chapter 8 - Regional Traffic Signal Synchronization Program (Project P)						
98	8-1	8	Overview	The RTSSMP will be reviewed and updated by OCTA. Local agencies are required to adopt and maintain a Local Traffic Signal Synchronization Plan (Local Plan) that is consistent with the RTSSMP and shall issue a report on the status and performance of its traffic signal synchronization activities. Details on both the RTSSMP and requirements for Local Plan development are available in the Guidelines for the Preparation of Local Signal Synchronization Plans (updated April 2023). These guidelines are available at the following link: https://www.octa.net/pdf/Guidelines-Preparation-LSSP.pdf.	The RTSSMP will be reviewed and updated by OCTA. Local agencies are required to adopt and maintain a Local Traffic Signal Synchronization Plan (Local Plan) that is consistent with the RTSSMP and shall issue a report on the status and performance of its traffic signal synchronization activities. Details on both the RTSSMP and requirements for Local Plan development are available in the Guidelines for the Preparation of Local Signal Synchronization Plans (updated April 2026). These guidelines are available at the following link: https://www.octa.net/M2Eligibility.	Update link for resource accessibility
99	8-10	8	Funding Estimates	The streets and roads component of M2 is to receive 32 percent (32%) of net revenues, 4 percent (4%) of which are allocated for the RTSSP. The RTSSP will make an estimated \$270 million (2009 dollars) available over the course of the 30-year M2 Program. Programming estimates are developed in conjunction with a call for projects cycle corresponding to concurrent funding agreements with all local agencies. The RTSSP targets over 2,000 intersections across Orange County for coordinated operations. Because of the limited amount of funds available for the RTSSP, a project cap of \$75,000 per signal or \$250,000 per project corridor mile included as part of each project (whichever is higher) has been established for this call for projects. Note that offset signals will not be counted towards the total number of signals on the project for purposes of calculating the project cap.	The streets and roads component of M2 is to receive 32 percent (32%) of net revenues, four percent (4%) of which are allocated for the RTSSP. The RTSSP will make an estimated \$270 million (2009 dollars) available over the course of the 30-year M2 Program. Programming estimates are developed in conjunction with a call for projects cycle corresponding to concurrent funding agreements with all local agencies. The RTSSP targets over 2,000 intersections across Orange County for coordinated operations. Because of the limited amount of funds available for the RTSSP, a project cap of \$84,000 per signal or \$280,000 per project corridor mile included as part of each project (whichever is higher) has been established for this call for projects. Note that offset signals will not be counted towards the total number of signals on the project for purposes of calculating the project cap.	The “Funding Estimates” section was moved to earlier in the chapter to improve the flow of information and for consistency with other CTFP program chapters. The signal synchronization tasks that were previously waived due to efforts by the Countywide Baseline project will return as a requirement for this call. The project cap was increased by \$9,000 per signal to account for these efforts while leaving the same amount of funds for eligible improvements. The same percentage increase (12%) was incorporated to the per mile cap (additional \$30,000 per mile).

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100	8-2	8	2027 Call for Projects	5. Projects are funded for a grant period of three (3) years and are divided into two phases: a. Primary Implementation (PI) – includes the required implementation of optimized signal timing as well as any signal improvements proposed as part of a project. A report is required at the conclusion of this phase to document work completed during the PI phase. This PI Report shall be submitted with the final report.	3. Projects are funded for a grant period of three (3) years for the Primary Implementation phase, followed by a subsequent Ongoing Operations and Maintenance phase: a. Primary Implementation (PI) – includes the required implementation of optimized signal timing as well as any signal improvements proposed as part of a project. Implementing agency must have OCTA's written confirmation of eligible and ineligible costs, as well as written approval to proceed, prior to issuing any construction-related Notice to Proceed, Task Order, and/or construction contract. A report is required at the conclusion of this phase to document work completed during the PI phase. This PI Report shall be submitted with the Final CTFP Expenditure Report .	Revise grant period to 3 years for the PI phase to provide adequate time to complete the scope of the grant application. The typical period of 2 years of O&M following PI will remain. Added text to align with new Precept 6 (cost eligibility confirmation process for CON and PI phases) and the process proposed in Chapter 2 under Programming Policies to minimize closeout delays by confirming eligible elements in the final design package.
101	8-2	8	2027 Call for Projects	3. Projects selected will be programmed after July 1 of the programmed year (July 1 – June 30). 4. Project delays resulting in a time extension request will fall within the process outlined in the CTFP Guidelines.	5. Projects selected will be programmed after July 1 of the programmed year (July 1 – June 30). The date of encumbrance of each phase will be determined by contractual documents (e.g. fully executed contract, NTP, etc.). Local agencies are encouraged to issue separate NTP when combining contracts for both the PI and O&M phases. NTP requirements should be identified in the initial contract/agreement to avoid obligation of both phases at the same time. 6. Project delays resulting in a time extension request will fall within the process outlined in Chapter 2, Project Programming .	Move bullets down the list to improve the flow of the section. And, appropriate language from Project Extensions section moved to this bullet. Clarify date of encumbrance as each phase can start simultaneously or staggered depending on how the projects are procured. Specify the chapter within the guideline to reference for extension requests.
102	8-3	8	2027 Call for Projects	7. Any corridor or portion of a corridor funded through this call cannot re-apply for funding until the three-year grant period is completed and a final report for both phases have been submitted to OCTA.	7. Any corridor or portion of a corridor funded through this call cannot re-apply for funding until the Final CTFP Expenditure Report for both phases have been submitted to OCTA.	Delete reference to three-year grant period based on revision to new bullet 3 in this section.
103	8-3	8	2027 Call for Projects	9. Applications with full participation of agencies and signals in the OCTA Countywide Signal Synchronization Baseline Project (Baseline Project) may elect to waive data collection, timing development, and timing implementation tasks in their application. A waiver will only be accepted if all participating agencies (excluding Caltrans) execute a cooperative agreement with OCTA by no later than the date the funding recommendations are presented to the TSC, as these tasks will be covered in the Baseline Project. Note that "Before" and "After" studies and tasks in the O&M phase will still be required as part of Project P.	Removed in its entirety.	Delete all references to the Countywide Baseline project as these terms are not valid for this call.
104	8-3	8	2027 Call for Projects	For specifics on the funding policies that apply to this call, refer to the Program Precepts in Section V of these guidelines.	For specifics on the funding policies that apply to this call, refer to the Program Precepts in Section V and Chapter 2 of these guidelines.	Reference to where applicants can find more information.
105	8-3	8	Applications	In order for OCTA to consider a project for funding, applications will be prepared by the local agency responsible for the project application. OCTA shall require agencies to submit applications for the call for projects by 5:00 p.m. on Thursday, November 20, 2025. Late and/or incomplete submittals will not be reviewed or considered. The local agency responsible for the project application must submit the application and any supporting documentation via OCFundtracker as outlined below. A separate application package must be completed for each individual project and uploaded to OCFundtracker. One (1) electronic copy on a USB, thumb drive, memory stick, or via electronic file upload and/or email of each complete application shall also be delivered to:	In order for OCTA to consider a project for funding, applications will be prepared by the local agency responsible for the project application. OCTA shall require agencies to submit applications for the call for projects by 5:00 p.m. on Thursday, November 19, 2026 . Late and/or incomplete submittals will not be reviewed or considered. The local agency responsible for the project application must submit the application and any supporting documentation via OCFundtracker as outlined below. A separate application package must be completed for each individual project and uploaded to OCFundtracker. One (1) electronic copy on a USB, thumb drive, memory stick, or via electronic file upload and/or email of each complete application shall also be submitted to OCTA by the application deadline. Hardcopies will not be accepted.	Revise the key call date to align with the 2027 call schedule. All application materials must be sent electronically. Hardcopies will not be accepted.
106	8-6	8	OCFundtracker Application Components	OCFundtracker Application Components Final applications MUST be submitted via OCFundtracker and in electronic format. Selection criteria must be inputted as part of the OCFundtracker online application and includes the following categories of information: Transportation Significance, Number of Jurisdictions, Project Scale, Economic Effectiveness, Project Characteristics, Current Project Status, and Funding Match Rate.	No material changes to text	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language.

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107	8-7	8	Checklist Guide	Checklist Guide The "Project P Regional Traffic Signal Synchronization Program Application Checklist" has been provided for the RTSSP (Exhibit 8-1). The checklist identifies the basic documentation required for the program. In addition to items required at the time of project submittal, additional items that are not specified may be requested later. The checklist should be provided as a table of contents for each application submitted. For any items that are required for the candidate project or program that are missing or incomplete, an explanation should be included in a cover letter with the application.	No material changes to text	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language.
108	8-7	8	Sample Resolution Form	Sample Resolution Form A resolution or minute action must be approved by the local agency's governing body. A sample resolution is included as Exhibit 8-2. Local agencies, at a minimum, must include items a-h from the sample resolution. The mechanism selected shall serve as a formal request for RTSSP funds and will state that matching funds will be provided by the agency, if necessary. All project requests (i.e., multiple corridors proposed for RTSSP funds) must be included in this action.	No material changes to text	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language.
109	8-23	8	Project Summary Information	For each application that is recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for TAC review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. OCTA staff will request the PowerPoint file when/if a project is recommended for funding.	For each application that is recommended for funding, the agency may be asked to submit a PowerPoint presentation summarizing the pertinent project information for TAC review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. OCTA staff may request the PowerPoint file when/if a project is recommended for funding.	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language. Revised requirement for a PowerPoint presentation for RTSSP applications to an "as-needed" basis.

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110	8-7	8	Project Definition	Local agencies are required to submit complete projects that, at minimum, result in field-implemented coordinated timing. Project tasks that are eligible for funding can consist of design, engineering, construction, and construction management. Partial projects that include design improvements, but do not field implement the improvements are ineligible. Projects must consist of a corridor along the priority corridor network, signal synchronization network, or the MPAH. Projects previously awarded RTSSP funding must be complete with a Final Report for both phases submitted to OCTA. Projects can be the full length of the corridor or a segment that complies with the minimum project requirements identified later in the chapter. All participating agencies (except Caltrans) and their respective project signals in the application must be participants of the OCTA Baseline Project in order to be eligible to waive the data collection, timing development, and timing implementation tasks of the Project P project. Offset signal improvements are also only available to applications that have full Baseline Project participation (excluding Caltrans). Per the RTSSMP, the Project P projects are corridor-based. The applicant agency and owning agencies submitting a “route” project must provide evidence, including actual vehicle counts and a description of the proposed route to demonstrate that the interconnected corridors do form a coherent route. A “route” project shall meet the Minimum Eligibility Requirements as described on Page 8-19. For route projects encompassing more than two (2) corridors, current Origin-Destination (OD) count data (field or third-party crowdsourcing accepted), shall be provided. This data shall include a detailed depiction of the route and clearly highlight the OD points using the collected vehicle data. Discussion with OCTA staff regarding OD data gathering prior to collection for the application is highly encouraged. The analysis must illustrate how the route offers a coherent and logical path, detail the expected benefits, and explain the rationale behind drivers' choice of this particular route. Additionally, routes must maintain the integrity of eligible and/or previously synchronized corridors, avoiding any disruption to established routes to ensure seamless connectivity. The provided data should be recent, preferably within the last 12 months, and collected during peak traffic hours. Include maps and diagrams that illustrate the OD points and the flow of the route. A draft application must be submitted at least four (4) weeks prior to the application deadline. Failure to submit a draft application by September 24, 2026, will result in automatic disqualification of the project. By adhering to these guidelines, applicants will ensure their projects align with the objectives of Project P. A “grid” project shall consist of one main corridor that is specifically identified in the application with a maximum of two crossing corridors to make a grid. Grid projects shall also be multijurisdictional with a minimum of two local agencies, excluding Caltrans. For a grid project, applicant agency and owning agency must demonstrate through simulation or actual vehicle counts the following: • Show that timing changes on the main corridor will greatly impact the crossing corridor(s) • Crossing corridors shall have closely spaced signals in close proximity to the main corridor with timing changes along these crossings impacting the operation of the main corridor All corridors in the grid shall individually meet the Minimum Eligibility Requirements and, as part of the project, travel time studies shall also be collected along all corridors making the grid. Multimodal consideration of bicyclists and pedestrians along or crossing the intersection or roadway may enhance overall circulation. Therefore, active transportation elements may be included as part of the project as outlined in the following section.	Local agencies are required to submit complete projects that, at minimum, result in field-implemented coordinated timing. Project tasks that are eligible for funding can consist of design, engineering, construction, and construction management. Partial projects that include design improvements, but do not field implement the improvements are ineligible. Projects must consist of a corridor along the priority corridor network, signal synchronization network, or the MPAH. Projects previously awarded RTSSP funding must be complete with a Final Report for both phases submitted to OCTA. Projects can be the full length of the corridor or a segment that complies with the minimum project requirements identified later in the chapter. Per the RTSSMP, the Project P projects are corridor-based. The applicant agency and owning agencies submitting a “route” project must provide evidence, including actual vehicle counts and a description of the proposed route to demonstrate that the interconnected corridors do form a coherent route. A “route” project shall meet the Minimum Eligibility Requirements as described on Page 8-10. For route projects encompassing more than two (2) corridors, current Origin-Destination (OD) count data (field or third-party crowdsourcing accepted), shall be provided. This data shall include a detailed depiction of the route and clearly highlight the OD points using the collected vehicle data. Discussion with OCTA staff regarding OD data gathering prior to collection for the application is highly encouraged. The analysis must illustrate how the route offers a coherent and logical path, detail the expected benefits, and explain the rationale behind drivers' choice of this particular route. Additionally, routes must maintain the integrity of eligible and/or previously synchronized corridors, avoiding any disruption to established routes to ensure seamless connectivity. The provided data should be recent, preferably within the last 12 months, and collected during peak traffic hours. Include maps and diagrams that illustrate the OD points and the flow of the route. A draft application must be submitted at least four (4) weeks prior to the application deadline. Failure to submit a draft application by October 23,2026, will result in automatic disqualification of the project. By adhering to these guidelines, applicants will ensure their projects align with the objectives of Project P. A “grid” project shall consist of one main corridor that is specifically identified in the application with a maximum of two crossing corridors to make a grid. Grid projects shall also be multijurisdictional with a minimum of two local agencies, excluding Caltrans. For a grid project, applicant agency and owning agency must demonstrate through simulation or actual vehicle counts the following: • Show that timing changes on the main corridor will greatly impact the crossing corridor(s) • Crossing corridors shall have closely spaced signals in close proximity to the main corridor with timing changes along these crossings impacting the operation of the main corridor All corridors in the grid shall individually meet the Minimum Eligibility Requirements and, as part of the project, travel time studies shall also be collected along all corridors making the grid. Multimodal consideration of bicyclists and pedestrians along or crossing the intersection or roadway may enhance overall circulation. Therefore, active transportation elements may be included as part of the project as outlined under Selection Criteria.	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters. Delete all references to the Countywide Baseline project as these terms are not valid for this call. Bolded text for the specific items in this paragraph for emphasis and revised deadline for draft application submittal to align with the 2027 call schedule. Clarifying the specific section to reference.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
111	8-9	8	Eligible Activities	The primary purpose of Project P is to provide funding for projects that develop and maintain corridor-based, multi-jurisdictional signal synchronization along corridors throughout Orange County. All projects funded by Project P must be corridor-based and have a signal coordination component that includes the following: •Developing and implementing new signal synchronization timing parameters based on current travel patterns, and federal and state traffic signal timing mandates and guidance, including but not limited to the Manual on Uniform Traffic Control Devices (MUTCD). These tasks may be waived if ALL the applicants (excluding Caltrans) and all of their respective project signals are participating in the Baseline Project. All timing development (including data collection) and implementation for Caltrans intersection(s) included in the project will be the responsibility of the applicant. Funding/effort is allowed as part of the application. •Monitor, maintain (minimum quarterly/maximum monthly) and/or regularly improve the newly implemented signal synchronization timing and parameters for the remainder of the project. As part of the closeout process, an O&M Report is required to document activities of the O&M phase. This is required regardless of Baseline participation. •"Before" and "after" studies for the project comparing travel times, average speeds, ratio of green lights passed to red lights stopped (greens per red), average stops per mile, and emissions of greenhouse gases. The results of the "before" and "after" studies shall be included in the PI Report. This is required regardless of Baseline participation. In addition to developing optimized signal timing, a project may include other improvements, as long as they contribute to the goal of multi-agency signal synchronization of corridors throughout Orange County. These improvements are restricted to the signal synchronization project limits (main corridor) but may include synchronization with traffic signalized intersections on the MPAH that are within 2,700 feet from either direction of the project corridor. These offset signals; however, will not be counted towards the total number of signals on the project (for implementation of timing plans only). Projects waiving the development of optimized signal timing through the participation of the Baseline Project are eligible to include signal. Caltrans encroachment permits and agency to Caltrans Cooperative Agreement fees are eligible activities. This includes Caltrans labor, such as expenses for reviewing signal timing plans, providing signal timing parameters, and providing existing timing sheets, etc. Applicant must specify how the project intends to handle Caltrans intersections.	The primary purpose of Project P is to provide funding for projects that develop and maintain corridor-based, multi-jurisdictional signal synchronization along corridors throughout Orange County. All projects funded by Project P must be corridor-based and have a signal coordination component that includes the following: • Developing and implementing new signal synchronization timing parameters based on current travel patterns, and federal and state traffic signal timing mandates and guidance, including but not limited to the Manual on Uniform Traffic Control Devices (MUTCD). All timing development (including data collection) and implementation for Caltrans intersection(s) included in the project will be the responsibility of the applicant. Funding/effort is allowed as part of the application. • Monitor, maintain (minimum quarterly/maximum monthly) and/or regularly improve the newly implemented signal synchronization timing and parameters for the remainder of the project. As part of the closeout process, an O&M Report is required to document activities of the O&M phase. • "Before" and "after" studies for the project comparing travel times, average speeds, ratio of green lights passed to red lights stopped (greens per red), average stops per mile, and emissions of greenhouse gases. The results of the "before" and "after" studies shall be included in the PI Report. In addition to developing optimized signal timing, a project may include other improvements, as long as they contribute to the goal of multi-agency signal synchronization of corridors throughout Orange County. These improvements are restricted to the signal synchronization project limits (main corridor) but may include synchronization with traffic signalized intersections on the MPAH that are within 2,700 feet from either direction of the project corridor. These offset signals; however, will not be counted towards the total number of signals on the project (for implementation of timing plans only). Caltrans encroachment permits and agency to Caltrans Cooperative Agreement fees are eligible activities. This includes Caltrans labor, such as expenses for reviewing signal timing plans, providing signal timing parameters, and providing existing timing sheets, etc. Applicant must specify how the project intends to handle Caltrans intersections.	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; Delete all references to the Countywide Baseline project as these terms are not valid for this call.
112	8-10	8	Ineligible Expenditures Ineligible Items	•Isolated traffic signal improvements •Traffic hardware (pole, mast arms, lights, electrical, signs, etc.) •Regular signal operation and maintenance (such as replacement of light bulbs or communication repairs) •Field display equipment (Traffic signal heads other than pedestrian countdown, or special bicycle, or Transit Vehicle signal heads) •Feasibility studies •Relocation of utilities except for electrical service requirements •Right-of-way •Rewiring of complete intersection because of age or isolated mitigation	No material changes to text	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language.
113	8-22	8	Data Compatibility	All count data, including average daily traffic (ADT) and intersection turning movement (ITM), collected as part of any funded project shall be provided to OCTA in Microsoft Excel format. Any data files containing numeric intersection or node identifiers shall use the same node identification (ID) numbers as is stored and maintained by OCTA. OCTA will provide a listing of intersections and corresponding unique node ID numbers upon request. Each count data filename shall describe the year the counts were collected, agency, type of count file, intersection name, and OCTA node ID number. As an example, an ITM file recently collected for the intersection of Harbor Boulevard and Wilson Street in the City of Costa Mesa would be given the filename 2020_CostaMesa_ITM_Harbor-Wilson_4534.xls. All traffic signal synchronization data collected and compiled as part of any funded project for both existing (before) and final optimized (after) conditions shall be provided to OCTA in Synchro version 10 or later format. This data shall include validated network layout, node, link, lane, volume, timing, and phase data for all coordinated times. The nodes for these files shall also correspond to the OCTA node ID numbers.	No material changes to text	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters; however, no changes were made to the existing language.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
114	8-6	8	Application Review and Program Adoption	OCTA staff will conduct a preliminary review of all applications for completeness and accuracy, may request supplemental information for projects during initial staff evaluations, and prepare a recommended program of projects to the TSC and TAC. In addition, OCTA may hire a consultant(s) to verify information within individual applications including, but not limited to, project scope, cost estimates, vehicle miles traveled, and average daily traffic. Final programming recommendations will be provided to the TSC and TAC for approval. Recommendations will be presented to the Board, who will approve projects for funding under the CTFP. Local agencies awarded funding will be notified as to which projects have been funded and from what sources after the Board takes action. A tentative call schedule is detailed below: Board authorization to issue call: September 8, 2025 Application submittal deadline: November 20, 2025 TSC/TAC Review: March/April 2026 Committee/Board approval: May/June 2026	OCTA staff will conduct a preliminary review of all applications for completeness and accuracy, may request supplemental information for projects during initial staff evaluations, and prepare a recommended program of projects to the TSC and TAC. In addition, OCTA may hire a consultant(s) to verify information within individual applications including, but not limited to, project scope, cost estimates, vehicle miles traveled, and average daily traffic. Final programming recommendations will be provided to the TSC and TAC for approval. Recommendations will be presented to the Board, who will approve projects for funding under the CTFP. Local agencies awarded funding will be notified as to which projects have been funded and from what sources after the Board takes action. A tentative call schedule is detailed below: Board authorization to issue call: September 14, 2026 Application submittal deadline: November 19, 2026 TSC/TAC Review: March/April 2027 Committee/Board approval: May/June 2027	This section was moved to earlier in the chapter to improve the flow of the information and for consistency with other CTFP program chapters Revise the key call date to align with the 2027 call schedule.
115	8-5	8	Other Application Materials	Supporting documentation is required to fully consider each project application. A Supplemental Application (available on the OCTA website and OCFundtracker) is required to be completed for each project application and included in the electronic submittal. Any Supplemental Application not submitted in the 2026 format will NOT be considered. The template is distributed with other application materials at the issuance of the Call for Projects. In addition to the funding plan described above, local agencies will be required to submit additional materials. Lead Agency: Eligible jurisdictions consistent with Measure M2 Ordinance definitions and requirements.	Supporting documentation is required to fully consider each project application. A Supplemental Application (available on the OCTA website and OCFundtracker) is required to be completed for each project application and included in the electronic submittal. Any Supplemental Application not submitted in the 2027 format will NOT be considered. The template is distributed with other application materials at the issuance of the Call for Projects. In addition to the funding plan described above, local agencies will be required to submit additional materials. Lead Agency: Eligible jurisdictions consistent with Measure M2 Ordinance definitions and requirements. See Section 3 Definitions.	Revise supplemental application format year to align with current call and add reference to Section 3 definitions.
116	8-5	8	Lead Agency Implementing Agency	Local Agency Lead: Only the lead agency will receive payments in accordance with the CTFP Guidelines regarding payment for costs related to project for optimized signal timing development, capital improvements, planning, and related design. Payments will be disbursed consistent with Chapter 9. The lead agency is responsible for reimbursing other agencies as part of the effort. Additionally, the lead agency is also responsible for ensuring that all agencies participating in the project provide the local match proposed in the project application.	Only the implementing agency will receive payments in accordance with the CTFP Guidelines regarding payment for costs related to project for optimized signal timing development, capital improvements, planning, and related design. Payments will be disbursed consistent with Chapter 9. The implementing agency is responsible for reimbursing other agencies as part of the effort. Additionally, the lead agency is also responsible for ensuring that all agencies participating in the project provide the local match proposed in the project application.	Revise section name to "Implementing Agency" to be consistent with the definition. Removed "Local Agency Lead" to eliminate redundancy.
117	8-6	8	Lead Agency Implementing Agency	OCTA Lead (NOT AVAILABLE FOR 2026 CALL FOR PROJECTS): OCTA may, at the request of the involved local agencies, act as the lead agency for RTSSP projects. If the involved local agencies would like OCTA to implement a project on the signal synchronization network, the local agency shall work cooperatively with OCTA to develop the scope of work and cost elements of the project. For example, accounting for OCTA's administrative and project management efforts by incorporating an additional 10 percent (10%) of the total project cost when calculating the Cost Benefit of the project. The lead local agency shall contact OCTA with a written request at least four weeks prior to deadline for submittal of the project grant application. Applications must be prepared by a designated local agency acting in a lead capacity during grant preparation. Applications must include a complete photographic field review (as outlined above) when submitted. The application will be scored using the criteria outlined in the following sections. Based on local agency interest and OCTA resource availability, a limited number of projects can be developed and implemented by OCTA. If any projects that are designated as OCTA led are awarded funding, OCTA will then be responsible for implementation of the project, including optimized signal timing development, capital improvements, planning, and related design. OCTA will implement the project based on the cost estimates developed in the application. Project elements may be modified based on final costs with the agreement of all participating agencies. OCTA will be responsible for ensuring that all agencies participating in the project provide the local match as identified in the project application (minimum 20 percent (20%))	OCTA Implementing Agency (NOT AVAILABLE FOR 2027 CALL FOR PROJECTS): OCTA may, at the request of the involved local agencies, act as the implementing agency for RTSSP projects. If the involved local agencies would like OCTA to implement a project on the signal synchronization network, the local agency shall work cooperatively with OCTA to develop the scope of work and cost elements of the project. For example, accounting for OCTA's administrative and project management efforts by incorporating an additional 10 percent (10%) of the total project cost when calculating the Cost Benefit of the project. The lead agency shall contact OCTA with a written request at least four weeks prior to deadline for submittal of the project grant application. Applications must be prepared by a designated local agency acting in a lead capacity during grant preparation. Applications must include a complete photographic field review (as outlined above) when submitted. The application will be scored using the criteria outlined in the following sections. Based on local agency interest and OCTA resource availability, a limited number of projects can be developed and implemented by OCTA. If OCTA accepts the request and the project is awarded funding, OCTA will then be responsible for implementation of the project, including optimized signal timing development, capital improvements, planning, and related design. OCTA will implement the project based on the cost estimates developed in the application. Project elements may be modified based on final costs with the agreement of all participating agencies. OCTA will be responsible for ensuring that all agencies participating in the project provide the local match as identified in the project application (minimum 20 percent (20%))	Revise date to align with current call. Revise term for projects led and managed by OCTA to be consistent with definition for Implementing Agency.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change																																																																																																																																																																
118	8-16	8	Selection Criteria	Caltrans. Scores for this category will depend on the commitment of a cooperative agreement with Caltrans that results in active Caltrans participation and inclusion of Caltrans as a partnering agency. The associated timing fee is an eligible expense. Note that if a cooperative agreement with Caltrans will not be executed, the participating agencies will still be responsible for modeling any Caltrans signalized intersections within the project limits.	Caltrans. Scores for this category will depend on the commitment of a cooperative agreement with Caltrans that results in active Caltrans participation and inclusion of Caltrans as a partnering agency. The associated timing fee is an eligible expense. Note that if a cooperative agreement with Caltrans will not be executed, the participating agencies will still be responsible for modeling any Caltrans signalized intersections within the project limits.	Bolded text for the specific note in this paragraph to emphasize the need to model Caltrans signalized intersections on project corridors.																																																																																																																																																																
119	8-15	8	Selection Criteria	• Central system - o New TMCs or TOCs, such as a new Advanced Traffic Management System (ATMS). Any project funded under this category should plan for center-to-center communication (C2C) with nearby agencies and/or OCTA. - o Upgrades to existing TMCs or TOCs. Any project funded under this category should plan for C2C with nearby agencies and/or OCTA. - o Motorist information systems (up to 10 percent (10%) of total project costs for PI phase only). - o Automated Traffic Signal Performance Measures (ATSPM) system can only be implemented if all signals, in at least one agency on the project, are included in the system, which will also be used during the O&M phase of the project. If implemented, these items will require a data sharing agreement with OCTA. • Video display equipment, including wall monitors, screens, mounting cabinets, and optical engines (up to 10 percent (10%) of total construction costs for PI phase only).	• Central system - o New TMCs or TOCs, such as a new Advanced Traffic Management System (ATMS). Any project funded under this category should plan for center-to-center communication (C2C) with nearby agencies and/or OCTA. - o Upgrades to existing TMCs or TOCs. Any project funded under this category should plan for C2C with nearby agencies and/or OCTA. - o Motorist information systems (up to 10 percent (10%) of the total grant for PI phase only). - o Automated Traffic Signal Performance Measures (ATSPM) system can only be implemented if all signals, in at least one agency on the project, are included in the system, which will also be used during the O&M phase of the project. If implemented, these items will require a data sharing agreement with OCTA. • Video display equipment, including wall monitors, screens, mounting cabinets, and optical engines (up to 10 percent (10%) of the total grant for PI phase only).	Simply calculations by making percentage based off the grant amount.																																																																																																																																																																
120	8-18	8	Tabel 8-1 Point Breakdown	Table 8-1 Point Breakdown RTSSP SCORING CRITERIA Point Breakdown for Regional Traffic Signal Synchronization Program Projects Maximum Points = 100 <table><tr><th>Transportation Significance</th><th>Points: 25</th><th>Project Scale</th><th>Points: 20</th></tr><tr><td>Inclusion of offset signals within 2700'</td><td>10</td><td>Number of Signals on Main Corridor</td><td>10</td></tr><tr><td>90% or above</td><td>5</td><td>Coordinated by Project</td><td>Points</td></tr><tr><td>50 - 89%</td><td>5</td><td>Range</td><td></td></tr><tr><td>< 50%</td><td>0</td><td>50+</td><td>10</td></tr><tr><td>OR</td><td></td><td>40 - 49</td><td>8</td></tr><tr><td>Participation in the Baseline Project</td><td>10</td><td>30 - 39</td><td>6</td></tr><tr><td>AND</td><td></td><td>20 - 29</td><td>4</td></tr><tr><td></td><td></td><td>10 - 19</td><td>2</td></tr><tr><td></td><td></td><td>< 10</td><td>0</td></tr><tr><td>Vehicle Miles Traveled (VMT)</td><td>Points</td><td>AND</td><td></td></tr><tr><td>Range</td><td></td><td>Percent of Main Corridor Signals Being</td><td></td></tr><tr><td>250+ thousand</td><td>15</td><td>Retimed</td><td>Points</td></tr><tr><td>200 - 249 thousand</td><td>10</td><td>Range</td><td></td></tr><tr><td>150 - 199 thousand</td><td>6</td><td>90% or above</td><td>10</td></tr><tr><td>100 - 149 thousand</td><td>3</td><td>80 - 89%</td><td>8</td></tr><tr><td>0 - 99 thousand</td><td>1</td><td>70 - 79%</td><td>6</td></tr><tr><td></td><td></td><td>60 - 69%</td><td>4</td></tr><tr><td>Calculation: ADT x segment length</td><td></td><td></td><td></td></tr><tr><td>(Applies only to coordinated segments of project)</td><td></td><td></td><td></td></tr></table>	Transportation Significance	Points: 25	Project Scale	Points: 20	Inclusion of offset signals within 2700'	10	Number of Signals on Main Corridor	10	90% or above	5	Coordinated by Project	Points	50 - 89%	5	Range		< 50%	0	50+	10	OR		40 - 49	8	Participation in the Baseline Project	10	30 - 39	6	AND		20 - 29	4			10 - 19	2			< 10	0	Vehicle Miles Traveled (VMT)	Points	AND		Range		Percent of Main Corridor Signals Being		250+ thousand	15	Retimed	Points	200 - 249 thousand	10	Range		150 - 199 thousand	6	90% or above	10	100 - 149 thousand	3	80 - 89%	8	0 - 99 thousand	1	70 - 79%	6			60 - 69%	4	Calculation: ADT x segment length				(Applies only to coordinated segments of project)				Table 8-1 Point Breakdown RTSSP SCORING CRITERIA Point Breakdown for Regional Traffic Signal Synchronization Program Projects Maximum Points = 100 <table><tr><th>Transportation Significance</th><th>Points: 25</th><th>Project Scale</th><th>Points: 20</th></tr><tr><td>Inclusion of offset signals within 2700'</td><td>10</td><td>Number of Signals on Main Corridor</td><td>10</td></tr><tr><td>90% or above</td><td>5</td><td>Coordinated by Project</td><td>Points</td></tr><tr><td>50 - 89%</td><td>5</td><td>Range</td><td></td></tr><tr><td>< 50%</td><td>0</td><td>50+</td><td>10</td></tr><tr><td>AND</td><td></td><td>40 - 49</td><td>8</td></tr><tr><td></td><td></td><td>30 - 39</td><td>6</td></tr><tr><td></td><td></td><td>20 - 29</td><td>4</td></tr><tr><td></td><td></td><td>10 - 19</td><td>2</td></tr><tr><td></td><td></td><td>< 10</td><td>0</td></tr><tr><td>Vehicle Miles Traveled (VMT)</td><td>Points</td><td>AND</td><td></td></tr><tr><td>Range</td><td></td><td>Percent of Main Corridor Signals Being</td><td></td></tr><tr><td>250+ thousand</td><td>15</td><td>Retimed</td><td>Points</td></tr><tr><td>200 - 249 thousand</td><td>10</td><td>Range</td><td></td></tr><tr><td>150 - 199 thousand</td><td>6</td><td>90% or above</td><td>10</td></tr><tr><td>100 - 149 thousand</td><td>3</td><td>80 - 89%</td><td>8</td></tr><tr><td>0 - 99 thousand</td><td>1</td><td>70 - 79%</td><td>6</td></tr><tr><td></td><td></td><td>60 - 69%</td><td>4</td></tr><tr><td>Calculation: ADT x segment length</td><td></td><td></td><td></td></tr><tr><td>(Applies only to coordinated segments of project)</td><td></td><td></td><td></td></tr></table>	Transportation Significance	Points: 25	Project Scale	Points: 20	Inclusion of offset signals within 2700'	10	Number of Signals on Main Corridor	10	90% or above	5	Coordinated by Project	Points	50 - 89%	5	Range		< 50%	0	50+	10	AND		40 - 49	8			30 - 39	6			20 - 29	4			10 - 19	2			< 10	0	Vehicle Miles Traveled (VMT)	Points	AND		Range		Percent of Main Corridor Signals Being		250+ thousand	15	Retimed	Points	200 - 249 thousand	10	Range		150 - 199 thousand	6	90% or above	10	100 - 149 thousand	3	80 - 89%	8	0 - 99 thousand	1	70 - 79%	6			60 - 69%	4	Calculation: ADT x segment length				(Applies only to coordinated segments of project)				Remove the possibility of 10 points tied to the baseline project.
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		60 - 69%	4																																																																																																																																																																			
Calculation: ADT x segment length																																																																																																																																																																						
(Applies only to coordinated segments of project)																																																																																																																																																																						
121	8-20	8	Matching Funds	• Primary Implementation (PI) (12 months) - o Project Administration – Each local agency traffic engineer or equivalent participates in approximately 10-15 hours per month of project administration (meetings, review of reports, minutes, and other administration).	• Primary Implementation (PI) - o Project Administration – Each local agency traffic engineer or equivalent participates in approximately 10-15 hours per month of project administration (meetings, review of reports, minutes, and other administration).	Removed the “(12 months)” indication for the PI phase to align with Item #100.																																																																																																																																																																
122	8-21	8	Matching Funds	o Construction management – Each local agency traffic engineer or equivalent provides construction management support including inspection (hours vary depending on improvements).	o Construction engineering – Each local agency traffic engineer or equivalent provides construction management support including inspection (hours vary depending on improvements).	Changed from “construction management” to “construction engineering” to match proposed Definitions.																																																																																																																																																																
123	8-21	8	Matching Funds	Participating agencies pledging in-kind services shall be responsible for keeping track of said hours and/or improvements. In-kind services are part of the total project cost. As indicated in the Precepts, construction support shall not exceed 20 percent (20%) of the M2 grant, subject to the match requirement. For OCTA-led projects, an in-kind services match report will be requested throughout the project to ensure agencies meet their promised in-kind match. All submissions shall include backup documentation, such as accounting/payroll detailed summaries, third-party invoices (consultant, contractor, and equipment) and are subject to Audit.	Participating agencies pledging in-kind services shall be responsible for keeping track of said hours and/or improvements. In-kind services are part of the total project cost. As indicated in the Precepts, construction engineering shall not exceed 20 percent (20%) of the M2 grant, subject to the match requirement. For OCTA-led projects, an in-kind services match report will be requested throughout the project to ensure agencies meet their promised in-kind match. If the required in-kind match is not fully satisfied by project closeout, the agency will be required to provide an equivalent cash contribution to meet the match requirement. All submissions shall include backup documentation, such as accounting/payroll detailed summaries, third-party invoices (consultant, contractor, and equipment) and are subject to Audit	Changed from “construction support” to “construction engineering” to match proposed Definitions. Add language to emphasize that any unmet in-kind match will result in additional cash match to meet the 20 percent match requirement.																																																																																																																																																																
124	New	8	Reimbursements	None	This program is administered on a progress payment basis, see Chapter 10.	Add a section to reflect the updates to reimbursements and align with flow with other program guidelines.																																																																																																																																																																

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
125	8-21	8	Project Cancellations Project Adjustments	If a local agency decides to cancel a project, for whatever reason, the agency shall notify OCTA as soon as possible. Projects deemed infeasible 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. Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination. If a lead agency decides to cancel a project before completion of the entire project, for whatever reason, the agency shall notify OCTA as soon as possible. It is the responsibility of the project lead agency to repay OCTA for any funds received.	Project Adjustments For project adjustments (scope changes, delays, cancellations, etc.), please refer to Chapter 2: Project Programming.	Remove cancellation language as it was added within Chapter 2 - Project Programming. Add reference to Chapter 2 - Project Programming for project adjustments.
126	8-22	8	Project Extensions	Project Extensions Local agencies are provided at least 36 months to expend the funds from the date of encumbrance. Agencies can request timely-use of funds extensions through the SAR in accordance with the CTFP guidelines. Local agencies should issue a separate NTP when combining contracts for both the PI and O&M phases. NTP requirement should be identified in the initial contract/agreement to avoid obligation of both phases at the same time. If this procedure is followed by the local agency the NTP date will be considered the date of encumbrance for the O&M phase.	Removed in its entirety.	Delete section as timely-use and SAR details are covered in Chapter 2 and referenced in “2027 Call for Projects” section of this chapter. Details regarding phase obligation and NTP moved to the “2027 Call for Projects” section with some edits.
Chapter 9 - Environmental Cleanup Program (Project X)						
127	11-1	11	Environmental Cleanup Program (Project X)	Minor clarifications have been made to the Environmental Cleanup Program (Project X) chapter. Revisions to this chapter will be made as part of the next Project X call for projects.		
Tier 1 Grant Program						
128	11-5	11	Reimbursements	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.	This program is administered on a progress payment basis, see Chapter 10.	Revised to align with previously discussed revisions to the reimbursement process and align with the flow of other chapters.
129	11-6	11	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 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.	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 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.	Update precept number to align with prior changes made.
130	11-6	11	Tier 1 Selection Criteria	CTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit 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) • 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 11-1 for scoring categories and point distribution.	CTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit 9-1) 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) • 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 for scoring categories and point distribution.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
131	11-8	11	Exhibit 11-1 (Tier Scoring Criteria)	Exhibit 11-1 (Tier 1 Scoring Criteria)	Exhibit 9-1 (Tier 1 Scoring Criteria)	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
132	11-10	11	Application Process	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 11-2. 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. 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.	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. 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. 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.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
133	11-12	11	Exhibit 11-2 (Tier 1 Sample Resolution)	Exhibit 11-2 (Tier 1 Sample Resolution) RESOLUTION NO.	Exhibit 9-2 (Tier 1 Sample Resolution) RESOLUTION NO.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
134	11-13	11	Eligible Expenditures	For Tier 1, construction support cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.	For Tier 1, construction engineering cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.	Revised "construction support" to "construction engineering" to align with proposed Definitions.
135	11-13	11	Reporting and Reimbursement	A final report must be filed within 180 days of the project being completed with information as shown in Form 10-16. See Chapter 9 for the process and requirements regarding reimbursements and reporting for the Tier 1 Grant Program. Additionally, an exception to Precept #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.	A M2 Project Final Report must be filed within 180 days of the project being completed. See Chapter 10 for the process and requirements regarding reimbursements and reporting for the Tier 1 Grant Program. Additionally, an exception to Precept 42: 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. See Chapter 10 for additional information.	Update chapter number and precept number to align with revisions being made.
136	11-14	11	Technical Review 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 10 for independent audit requirements beyond the technical and/or field review.	Once an agency submits the Final CTFP Expenditure 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 for independent audit requirements beyond the technical and/or field review.	Update chapter number to align with revisions being made.
Tier 2 Grant Program						
137	11-18	11	Eligible Expenditures	For Tier 2, construction support cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.	For Tier 2, construction engineering cannot exceed 20 percent (20%) of the M2 grant, subject to match requirements.	Revised "construction support" to "construction engineering" to align with proposed Definitions.
138	11-19	11	Reimbursements	For the Tier 2 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.	This program is administered on a progress payment basis, see Chapter 10.	Revised section to reflect updated to the reimbursement process and align with the flow of other chapters.
139	11-19	11	Tier 2 Selection Criteria	OCTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit 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.	OCTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit 9-3) 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.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
140	11-20	11	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 11-3 for Tier 2 Scoring Criteria.	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 for Tier 2 Scoring Criteria.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
141	11-20	11	OCST Planning Module Project Entry	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 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.	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. 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.	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
142	11-23	11	Reporting and Reimbursement	The Tier 2 Grant Program is consistent with Chapter 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 #40: Agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve.	The Tier 2 Grant Program is consistent with Chapter 10 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: Agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve.	Update chapter number and precept number to align with revisions being made.
143	11-23	11	Technical Review 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 10 for independent audit requirements beyond the technical and/or field review.	Once an agency submits a Final CTFP Expenditure 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 for independent audit requirements beyond the technical and/or field review.	Update chapter number to align with revisions being made.
144	11-24	11	Exhibit 11-3 Tier 2 Scoring Criteria	Exhibit 11-3 Tier 2 Scoring Criteria	Exhibit 9-3 Tier 2 Scoring Criteria	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
145	11-25	11	Exhibit 11-4 Sample Agency Resolution Requesting Funds for Proposed Project	Exhibit 11-4 SAMPLE AGENCY RESOLUTION REQUESTING FUNDS FOR PROPOSED PROJECT	Exhibit 9-4 SAMPLE AGENCY RESOLUTION REQUESTING FUNDS FOR PROPOSED PROJECT	Update exhibit number to align with this chapter being moved from Chapter 11 to Chapter 9.
Chapter 10 - Reimbursements and Reporting						
146	9-1	9	Procedures for Receiving Funds	An implementing agency must encumber funds OCTA awards to a project phase within the fiscal year the grant is programmed (July 1-June 30). Prior to the encumbrance of funds, an agency must have a fully executed letter agreement with OCTA. An agency encumbers funds by awarding a contract, completing the appraisal or issuing an offer letter for one parcel of right-of-way, or 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). 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 an agency encumbers CTFP funds for a phase, it can begin the process for receiving payment of the 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. 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. Once an the jurisdiction has encumbered CTFP funds for a phase and has a fully executed letter agreement, it can may initiate the process for requesting payment of the funds.	Reimbursement and Reporting chapter moved to Chapter 10 (from Chapter 9) to align with Master Agreements between OCTA and local jurisdictions. Revise section to align with the newly proposed progress payment process and OCTA's written approval process of eligibility items.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change																												
147	9-1	9	Procedures for Receiving 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 30 percent (30%) 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 no later than February 15th and August 15th. If the 15th falls on a weekend, the progress payment is due the following Monday. All payments issued, including any initial payment and subsequent progress payments, shall cumulatively be reimbursed for 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.	Revise section to align with the proposed progress payment process. Create a progress payment submittal timeframe of February and August that is consistent across all jurisdictions, based on TSC feedback.																												
148	9-5	9	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.	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.	This section was moved to earlier in the chapter to improve the flow of the information. Add that if the project is not anticipated to be completed it shall follow the proposed progress payment process.																												
149	9-5	9	Procedures for Receiving Funds	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: <table><tr><td>CTFP Grant Allocation</td><td>OCTA Match Rate</td><td>Local Agency Match Rate</td></tr><tr><td>\$200,000</td><td>80%</td><td>20%</td></tr></table> Step 1 Eligible Expenses x OCTA Match Rate = Product \$ 225,000.00 X 80% = \$ 180,000.00 Step 2 Check if Product is greater than or less than CTFP Allocation Amount: \$200,000 Step 3 Use the lower of the Product or Allocation \$ 180,000.00 In this case the \$180,000 amount is less Step 4 Then multiply the \$180,000 amount by 75% (Initial Payment Percentage) <table><tr><td>\$180,000</td><td>X</td><td>75%</td><td>=</td><td>\$135,000.00</td></tr><tr><td colspan="4"></td><td>Invoice Amount</td></tr></table>	CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate	\$200,000	80%	20%	\$180,000	X	75%	=	\$135,000.00					Invoice Amount	Once an agency encumbers Measure M funds and has a fully executed letter agreement, the jurisdiction may request a maximum of 30 percent (30%) 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 is 20% of the grant. Formula <table><tr><td>Grant Amount</td><td>Initial Payment Percentage</td><td>Initial Payment</td></tr><tr><td>\$1,000,000</td><td>20%</td><td>\$200,000</td></tr></table> Result: 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 <table><tr><td>Paid Expenditures</td><td>OCTA Match Rate</td><td>Progress Payment Amount</td></tr><tr><td>\$300,000</td><td>75%</td><td>\$225,000</td></tr></table> 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.	Grant Amount	Initial Payment Percentage	Initial Payment	\$1,000,000	20%	\$200,000	Paid Expenditures	OCTA Match Rate	Progress Payment Amount	\$300,000	75%	\$225,000	Revise section to align with proposed progress payment process.
CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate																																
\$200,000	80%	20%																																
\$180,000	X	75%	=	\$135,000.00																														
				Invoice Amount																														
Grant Amount	Initial Payment Percentage	Initial Payment																																
\$1,000,000	20%	\$200,000																																
Paid Expenditures	OCTA Match Rate	Progress Payment Amount																																
\$300,000	75%	\$225,000																																
150	9-1	9	Procedures for Receiving Funds	Agencies shall submit payment requests to OCTA in a timely fashion. The M2 Ordinance requires the submittal of a final report within 180 days of the project phase completion date (See M2 Ordinance/definitions/Precept 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 agency 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.	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 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.	Update the referenced Definition and Precept numbers. Bold the text to emphasize the severity of consequences for not submitting an M2 Project Final Report within 180 days of project completion.																												

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
151	9-1	9	Procedures for Receiving Funds	OCTA will provide a separate CTFP payment supplement that includes sample forms and instructions for payment submittals and can be downloaded from the OCFundtracker database. Payment submittals are described in this chapter and must be submitted through OCTA's online database, OCFundtracker: http://ocfundtracker.octa.net . Detailed instructions for OCFundtracker are available online at the previously mentioned website. Staff is also available to assist agencies with this process. Agencies must upload appropriate backup documentation to the database. OCTA may request hardcopy payment requests.	OCTA will provide separate CTFP payment sample forms and instructions for payment submittals 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 opened.	Clarify that the local jurisdictions must submit their payment request on OCFundtracker. This will help OCTA know when payment requests are ready to be reviewed and processed.
152	9-8	9	Timely Final Reports	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. Local agencies to file a 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. 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 agencies 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. 5. OCTA to issue the final payment to local agencies within 60 days of receiving the complete final report and all supporting documentation.	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 by emailing M2ProjectFinalReport@octa.net. 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 file a final M2 Project Final Report within 180 days of project phase completion date. 4. If the M2 Project Final Report is not received within the 180-day deadline OCTA may issue a final notice letter to inform the local jurisdiction funds will be unencumbered, request that the agency return disbursed funds, plus interest and subsequent action may be taken to find the jurisdiction ineligible to receive Net Revenues.	Final Reports section was moved to earlier in the chapter to improve the flow of the information. Formally refer to the M2 Ordinance-required final report as the "M2 Project Final Report" to distinguish it from other closeout or expenditure reporting documents and address past confusion. This clarifies that the M2 Project Final Report is distinct from the Final CTFP Expenditure Report and serves as the local jurisdiction's certification of project completion and accounting of expended M2 funds. Clarify that the 180-day reporting deadline is an important requirement tied to eligibility status. Clarify the consequences of late or missing reports, including unencumbering M2 funds, requiring repayment of disbursed CTFP funds plus applicable interest, and advising that the jurisdiction may be deemed ineligible to receive Net Revenues. Add email contact for agencies to submit their M2 Project Final Report, based on TSC feedback.
153	9-11	9	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.	No materials changes to text	This section was moved to earlier in the chapter to improve the flow of the information; however no changes were made to the existing language.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
154	9-11	9	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.	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 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. 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 for independent audit requirements beyond the technical/field review.	Add clarification that, for the construction and PI phases, OCTA's technical and/or field reviews will be based on OCTA's written approval to ensure consistency with the proposed process.
155	New	New	Appeal Process	None	An appeal may be submitted only if the disputed amount is at least \$100,000 or 10% of the grant amount, whichever is less. <u>RCP and RTSSP Projects</u> Appeals must be submitted as part of the semi-annual review process. The local jurisdiction must submit its appeal request no later than the second semi-annual review cycle following OCTA's payment determination. The 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. Following its review, the TSC shall make a recommendation to the TAC to approve the appeal as presented, deny the appeal, or partially approve the appeal. TSC recommendations to approve the appeal as presented or partially approve the appeal shall be advanced to the Board for consideration. Denied appeals shall not be submitted for Board consideration. Depending on the findings and consistency with the Ordinance, staff shall include a recommendation as part of the subsequent semi-annual review staff report. The Board shall have final approval authority on the appeal. <u>ECP Projects</u> Appeals must be submitted as part of the semi-annual review process. The local jurisdiction must submit its appeal request no later than the second SAR cycle following OCTA's payment determination. The 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 ECAC consideration. The ECAC 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. Following its review, the ECAC shall make a recommendation to approve the appeal as presented, deny the appeal, or partially approve the appeal. ECAC recommendations to approve the appeal as presented or partially approve the appeal shall be advanced to the Board for consideration. Denied appeals shall not be submitted for Board consideration. Depending on the findings and consistency with the Ordinance, staff shall include a recommendation as part of the subsequent semi-annual review staff report. The Board shall have final approval authority on the appeal.	Add section further clarify the appeal process that was proposed under Precept 42. Based on TSC feedback, added a timeframe to the process and clarified the TSC's role.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
156	9-11	9	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 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.	Provide link to the OCTA M2 Eligibility website as a resource for accessibility and reference.
157	9-2	9	Availability of Funding	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.	No materials changes to text	This section was moved to earlier in the chapter to improve the flow of the information; however no changes were made to the existing language.
158	9-2	9	Cancellation of Project Project Adjustments	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.	For project adjustments (scope modifications, delays, cancellation, etc.), please refer to Chapter 2: Project Programming.	This section was moved to earlier in the chapter to improve the flow of the information; however no changes were made to the existing language.
Project O - Regional Capacity Program Reimbursement and Reporting Section						
159	9-3	9	Project O - Regional Capacity Program Reimbursement and Reporting	Payment Requests Payment requirements are located in the Guidelines. Staff may request additional documentation that is not listed on the checklist prior to approving the request. The 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 Report. Prior to submitting an initial payment request, a local agency may request a meeting Below is additional information regarding the documentation requirements of initial payment requests:	Project O – Regional Capacity Initial Payment Requests 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. 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 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. The initial payment request must include the following:	Clarify that the local jurisdictions must submit a payment request to receive an initial payment. Revise the term "final report" to "Final CTFP Expenditure Report" to align with the proposed Definitions.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
160	9-3	9	Project O Regional Capacity Program - Initial Payment Request Process	1. Invoice – For initial payments, an agency 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.	1. Invoice – The local jurisdiction shall invoice OCTA for up to 30 percent (30%) 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.	Revise invoice language to align with the proposed progress payment process. Include the minimum invoice information required by OCTA Accounts Payable to ensure accurate distribution of funds. Remove local agency workforce language and further clarified it under Documentation of Decision to Use Local Agency Forces, based on TSC feedback.
161	9-4	9	Project O - Initial Payment Request Process	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.	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.	Combine the Project Certification Letter and the PS&E Certification Form into a single form to streamline the process and reduce the number of forms required to be completed by local jurisdictions. Clarify that the form shall be signed by the Public Works Director, City Engineer, or other appropriately authorized equivalent representative.
162	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	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 shall submit a purchase order or Notice to Proceed (NTP) that includes the project-specific scope of work for the contractor.	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.	Clarify that all supporting documentation must clearly identify the contract amount, project name, and project scope of work, and include the associated bid/task list. Further clarify that lump sum bid/task lists may require submission of an itemized cost breakdown to facilitate review and verification of project-related expenses under the CTFP requirements.
163	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	4. Revised Cost Estimate – The agency shall use the format provided in the Revised Costs Estimate Form 10-3 separating eligible and ineligible items.	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.	Update the form name from “Revised Cost Estimate” to “Contract Cost Summary” to better reflect that the information provided must be based on the awarded contract amount. Additionally, clarify that lump sum submissions are not acceptable, as itemized cost information is required to support review and reimbursement processing. This has been OCTA’s current practice and is being added to the Guidelines for clarification and consistency. Lump sum submissions will be returned to the local jurisdiction for revision, and the associated payment request will be removed from the processing queue until a revised submittal is received.
164	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	5. Work Schedule – 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.	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 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.	Update the form title from “Work Schedule” to “Initial Payment Form” to reflect the correct name of the form. Minor revisions were also made to improve clarity and overall flow.
165	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	7. 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.		The PS&E form was combined with the Project Certification Letter, see Item Number 16.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
166	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	New	7. ROW Disposal Plan – Provide an updated ROW disposal plan reflecting changes that have occurred since the original application submittal	Add a new requirement for the ROW Disposal Plan requiring local jurisdictions to submit an updated ROW Disposal Plan reflecting any changes that have occurred since the original application submittal. This clarification is intended to improve consistency and reduce potential confusion during the reimbursement review process.
167	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	8. Layout Plans – An agency shall not submit layout plans that print on paper larger than 11 inches by 17 inches.	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.	Clarify that the local jurisdiction shall submit the most current and up-to-date layout plans at the time of the payment request. This requirement is intended to help avoid confusion regarding eligible and ineligible project items and ensure OCTA's reimbursement review is based on the latest approved project information.
168	9-4	9	Project O Regional Capacity Program - Initial Payment Request Process	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.	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. Memo confirmation from the local agency is acceptable. Payroll records must identify the project identifier, 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.	Clarify the documenation needed for using Local Agency Forces, based on TSC feedback.
169	New	New	Project O Regional Capacity Program - Progress Payment Process	None	The local jurisdiction must submit a progress payment request semi-annually for incurred costs that have been paid. Progress payment request must be submitted no later than February 15th and August 15th. If the 15th falls on a weekend, the progress payment request is due the following Monday. 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. Staff may request additional documentation that is not listed on the checklist prior to approving the request. 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, as applicable, will not be accepted and 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 Public Works Director or appropriate authorized equivalent 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.	Add a new section outlining the proposed Progress Payment Process. The new section identifies the documentation and minimum requirements necessary for submission of a progress payment request, including invoice requirements, the Progress Payment Form, and proof of payment documentation. The section also clarifies that local jurisdictions are required to continue submitting progress payment documentation even after reimbursement of ninety percent (90%) of the grant amount in order to document ongoing project status and costs. In addition, the section introduces a No Cost Report Form for reporting periods in which the local jurisdiction has no eligible costs to report. The proposed process maintains OCTA's ability to monitor project progress, improve consistency in reimbursement documentation, and reduce delays or confusion during payment processing. Proposed language was added under each program reimbursement section for consistency.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
170	9-6	9	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 final report. OCTA will review these reports to: 1. Determine that the agency submitted proper justification for the change order(s) 2. Determine if the items are eligible for reimbursement 3. Confirm that expenses are within the project's original scope of work 4. 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.	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.	This section was moved earlier in the chapter to improve the overall flow and organization of the information. Additionally, the first item from the existing language was removed because it has contributed to delays in the reimbursement process due to incomplete or unavailable documentation from local jurisdictions. Proposed language was added under each program reimbursement section for consistency.
171	New	New	M2 Project Final Report	None	The local jurisdiction should notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline by emailing M2ProjectFinalReport@octa.net. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the M2 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 M2 Project Final Report Form is available for download via OCFundtracker.	Add a new section for the M2 Project Final Report to further clarify and emphasize the local jurisdiction's reporting requirements under the M2 Ordinance. The added language is intended to improve awareness of the mandatory reporting timeline and its direct connection to M2 Net Revenue eligibility. Proposed language was added under each program reimbursement section for consistency.
172	9-6	9	Project O - Regional Capacity Program Final Payment Process	The remaining CTFP funds are reimbursed to the lead agency following completion of the final 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 Report, review the following section which includes items important to the final reporting process. The CTFP Payment Supplement provides additional instructions and sample forms to complete payment requests. Payment requirements are located in this chapter.	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.	Revised this section to align with the proposed payment process.
173	9-6	9	Project O - Regional Capacity Program Final Payment Process	The items listed below are to be submitted to complete the final reporting process. 1. Invoice - For final payments, an agency 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 final payment must include the following: 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.	Revised this section to align with the proposed payment process.
174	9-6	9	Project O - Regional Capacity Program Final Payment Process	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.	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 Public Works Director or appropriate authorized equivalent must sign and certify that the costs listed are true and accurate.	Removed the requirement for the Project Certification Letter as part of the final payment request process, as this documentation is required to be submitted with the initial payment request or the first progress payment request. Added in the Progress Payment Form, which must indicate it is the final payment request and include itemized project costs, clearly separating eligible and ineligible items.
175	9-6	9	Project O - Regional Capacity Program Final Payment Process	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.	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.	This section was moved to earlier in the chapter due to the removal of certain requirements. Removed the requirement for Documentation of Contract award as part of the final payment request process, as this documentation is already required to be submitted with the initial payment request or the first progress payment request. Clarified that this section does not supersede the OCTA written confirmation of eligible and ineligible expenses provided before the start of the project.

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176	9-7	9	Project O - Regional Capacity Program Final Payment Process	4. 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 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).	Removed the requirement for the PS&E Certification as part of the final payment request process, as this documentation is required to be submitted with the initial payment request or the first progress payment request. Added in the Proof of Payment which aligns with the proposed payment process.
177	9-7	9	Project O - Regional Capacity Program Final Payment Process	5. Final Report Form – The local agency shall prepare a final report form using the Engineering & Construction Phase Final Report Form 10-5A.	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.	Removed the requirement of the Final Report Form as part of the final payment request process. Added in the Layout Plans to ensure OCTA has the most up-to-date plans.
178	9-7	9	Project O - Regional Capacity Program Final Payment Process	6. 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.	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.	This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language.
179	9-7	9	Project O - Regional Capacity Program Final Payment Process	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.	7. Summary of ROW Acquisition – Agencies shall submit a summary of ROW acquisition as described in the Progress Payment Form.	This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language. Revised applicable form containing the ROW acquisition summary.
180	9-7	9	Project O - Regional Capacity Program Final Payment Process	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).	8. Before and After Project Photos (construction phases) – photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats.	This section was moved to earlier in the chapter due to the removal of certain requirements. Revise the Definiton number to 30.
181	9-7	9	Project O - Regional Capacity Program Final Payment Process	9. Layout Plans – 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.		This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language.
182	9-7	9	Project O - Regional Capacity Program Final Payment Process	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.		Removed the requirement for Documentation of Decision to Use Local Agency Forces or Agency Workforce as part of the final payment request process as documention needs to be provided, as this documentation is required to be submitted with the initial payment request or the first progress payment request..
183	9-7	9	Project O - Regional Capacity Program Final Payment Process	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.		Removed the requirement for Documentation Supporting Local Agency Liability for Utility Relocation Costs as part of the final payment request process, as this documentation is required to be submitted with the initial payment request or the first progress payment request.
184	9-8	9	Project O - Regional Capacity Program Final Payment Process	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.		This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language.

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185	9-8	9	Project O - Regional Capacity Program Final Payment Process	13. Summary of ROW Acquisition – Agencies shall submit a summary of ROW acquisition as described in the Summary of ROW acquisition Form 10-5B.		This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language.
186	9-8	9	Project O - Regional Capacity Program Final Payment Process	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.		This section was moved to earlier in the chapter due to the removal of certain requirements.
187	9-8	9	Project O - Regional Capacity Program Final Payment Process	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.		This section was moved to earlier in the chapter due to the removal of certain requirements; however no changes were made to the existing language.
Project P - Regional Traffic Signal Synchronization Program Reimbursement and Reporting Section						
188	9-12	9	Project P - Regional Traffic Signal Synchronization Program Reimbursements and Reporting Requirements	The 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.	The Procedures for Receiving Funds section of this chapter outline the process and requirements regarding reimbursements and reporting for all competitive programs that are part of Measure M2. An implementing 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.	Revise the language to clarify that references to "previous sections of this chapter" pertain to the "Procedures of Receiving Funds" section.
189	9-12	9	Procedures for Receiving Funds	RTSSP funds projects with a three (3) year grant. Projects are divided into two components for the purposes of reimbursements and reporting: PI and Ongoing O&M.	Under the RTSSP, projects are divided into two components for the purposes of reimbursements and reporting: PI and Ongoing O&M	Remove the reference to the three-year grant requirement to align with the proposed changes made under the RTSSP chapter.
190	9-12	9	Procedures for Receiving Funds	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.	Removed in its entirety.	Remove this section, as the information is already addressed under the "Procedures of Receiving Funds" section.
191	9-13	9	Availability of Funding	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.	Removed in its entirety.	Remove this section, as the information is already addressed under the "Procedures of Receiving Funds" section.

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192	9-13	9	Project P – Regional Traffic Signal Synchronization Initial Payment Process	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.	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.	Revise this section to align with the proposed progress payment process.
193	9-13	9	Primary Implementation Initial Payment Process	Below is additional information regarding documentation requirements for RTSSP payment requests. • Invoice - For initial payments, the lead agency shall invoice for 75 percent (75%) of the CTFP grant share of the contract amount or grant amount of the project's PI, whichever is less. For final payments of the PI, the lead agency shall invoice the remaining balance of the project's PI phase contract amount or programmed amount, whichever is less • Project Certification Letter • Project Certification Letter (initial and final) • Revised Cost Estimate (initial) • PS&E Certification (initial and final) • Certification of Phase (initial) • Report Submission • Division of Cost Schedule (final) • Work Schedule - OCTA requires a complete project schedule, including expected start and competition dates for tasks in the PI and Ongoing O&M phases (initial and final) • ROW Documents - No requirements as ROW is not a part of RTSSP • Before and After Project Photos (PI phase) – photographs showing the project before and after the improvements. Photographs should be high quality resolution images in JPEG or PNG file formats (final). Details on other aspects on Initial Payment Requests for PI including project advancement and reimbursement is available in this chapter.	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 30 percent (30%) 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, 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 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.	Clarify the requirements for the PI initial payment. Clarify the required documentation and add additional information to align with the reimbursement process requirements under the RCP section.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change																
194	9-14	9	Example of Initial Reimbursement for Primary Implementation (PI):	Example of Initial Reimbursement for Primary Implementation (PI): <table><tr><td>CTFP Grant Allocation</td><td>OCTA Match Rate</td><td>Local Agency Match Rate</td></tr><tr><td>\$960,000.00</td><td>80%</td><td>20%</td></tr></table> Step 1 Eligible Expenses x OCTA Match Rate = Product \$1,000,000.00 x 80% = \$800,000.00 Step 2 Check if Product is greater than or less than CTFP Grant Allocation Amount: \$800,000 vs \$960,000 Step 3 Use the lower of the Product or CTFP Grant Allocation In this case, the \$800,000.00 amount is lower Step 4 Then multiply the amount by 75% (Initial Payment Percentage) <table><tr><td>\$800,000.00</td><td>x</td><td>75%</td><td>=</td><td>\$600,000.00</td></tr><tr><td colspan="4"></td><td>Invoice Amount</td></tr></table>	CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate	\$960,000.00	80%	20%	\$800,000.00	x	75%	=	\$600,000.00					Invoice Amount		Remove the example illustrating the calculation of the initial payment to avoid duplication, as the information is already included under the “Procedures of Receiving Funds” section.
CTFP Grant Allocation	OCTA Match Rate	Local Agency Match Rate																				
\$960,000.00	80%	20%																				
\$800,000.00	x	75%	=	\$600,000.00																		
				Invoice Amount																		
195	New	New	Ongoing Operation and Maintenance Initial Payment Process	None	The O&M initial payment request must include the following: 1. Invoice – The local jurisdiction shall invoice OCTA for up to 30 percent (30%) 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. 2. Documentation of the Contract Award – The local jurisdiction shall provide a NTP or equivalent. The documentation provided must include the project name, scope of services to be provided and cost. 3. 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. 4. 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.	Add a new section for O&M initial payment requests.																

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196	New	New	Project P - Regional Traffic Signal Synchronization Program Progress Payment Process	None	The local jurisdiction must submit a progress payment request semi-annually for incurred costs that have been paid. Progress payment request must be submitted no later than February 15th and August 15th. If the 15th falls on a weekend, the progress payment request is due the following Monday. PI and O&M costs must be submitted under separate progress payment requests; OCTA will not accept progress payment requests that combine both PI and O&M expenses. 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. Staff may request additional documentation that is not listed on the checklist prior to approving the request. 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 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 Public Works Director or appropriate authorized equivalent 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.	Add a new section outlining the proposed Progress Payment Process. The new section identifies the documentation and minimum requirements necessary for submission of a progress payment request, including invoice requirements, the Progress Payment Form, and proof of payment documentation. The section also clarifies that local jurisdictions are required to continue submitting progress payment documentation even after reimbursement of ninety percent (90%) of the grant amount in order to document ongoing project status and costs. In addition, the section introduces a No Cost Report Form for reporting periods in which the local jurisdiction has no eligible costs to report. The proposed process maintains OCTA's ability to monitor project progress, improve consistency in reimbursement documentation, and reduce delays or confusion during payment processing.
197	New	New	Project Cost Changes	None	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 implementing agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.	Add a new section addressing Project Cost Changes to ensure consistency with the language and requirements established under the RCP section.
198	New	New	M2 Project Final Report	None	The local jurisdiction should notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline by emailing M2ProjectFinalReport@octa.net. 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.	Add a new section for the M2 Project Final Report to further clarify and emphasize the local jurisdiction's reporting requirements under the M2 Ordinance. The added language is intended to improve awareness of the mandatory reporting timeline and its direct connection to M2 Net Revenue eligibility.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
199	9-15	9	Primary Implementation Final Payment Process	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 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. 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.). Prior to submitting the Final CTFP Expenditure Report, review the following section, which outlines items important to the final CTFP process.	Revise section to align with the proposed progress payment process.
200	9-15	9	Primary Implementation Final Payment Process	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.	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. 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. 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.	Clarify the documentation needed for the final PI payment request.

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201	9-15	9	Ongoing Operations and Maintenance Final Payment Process	Payment Requests for Ongoing Operations and Maintenance 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.	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. 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.	Clarify the documentation needed for the final O&M payment request
202	New	New	Project Cost Changes	None	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 implementing agency should provide information supporting the need for the change orders. Changes in project limits for construction projects are not eligible for reimbursement.	Add a new section addressing Project Cost Changes to ensure consistency with the language and requirements established under the RCP section.
Project X - Environmental Cleanup Program Reimbursement and Reporting Section						
203	9-16	9	Project X - Environmental Cleanup Program Reimbursements & Reporting Requirements	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:	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.	Add a reference to the “Procedures of Receiving Funds” section and clarify that the documentation requirements listed apply to both Tier 1 and Tier 2 funded projects.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
204	9-16	9	Project X – Environmental Cleanup Program Initial Payment Process	Initial payments: 1. Invoice – For initial payments, an agency shall invoice for 75 percent (75%) of the CTFP grant share of the contract 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). 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. 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 shall submit a purchase order that includes the scope of work for the contractor. 4. Revised Cost Estimate – The agency shall use the format provided in the Revised Costs Estimate Form 10-3 separating eligible and ineligible items. 5. PS&E Certification – The agency shall provide 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. ECP (Project X) Initial Payment - The agency shall prepare an initial payment report form using the ECP Initial Payment Report 10-5A. 7. Location Maps of Installation – The agency shall provide a map that shows the specific locations Best Management Practices (BMP) devices were installed with catch basin identification numbers, as applicable.	The initial payment request must include the following: 1. Invoice – The local jurisdiction shall invoice OCTA for up to 30 percent (30%) 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 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 and will be returned to the local jurisdiction for revision. 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 local jurisdiction shall provide the anticipated start and completion dates. 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.	Clarify the required documentation and add additional information to align with the reimbursement process requirements under the RCP section.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
205	New	New	Project X – Environmental Cleanup Program Progress Payment Process	None	The local jurisdiction must submit a progress payment request semi-annually for incurred costs that have been paid. Progress payment request must be submitted no later than February 15th and August 15th. If the 15th falls on a weekend, the progress payment request is due the following Monday. 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. Staff may request additional documentation that is not listed on the checklist prior to approving the request. 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 Public Works Director or appropriate authorized equivalent 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.	Add a new section outlining the proposed Progress Payment Process. The new section identifies the documentation and minimum requirements necessary for submission of a progress payment request, including invoice requirements, the Progress Payment Form, and proof of payment documentation. The section also clarifies that local jurisdictions are required to continue submitting progress payment documentation even after reimbursement of ninety percent (90%) of the grant amount in order to document ongoing project status and costs. In addition, the section introduces a No Cost Report Form for reporting periods in which the local jurisdiction has no eligible costs to report. The proposed process maintains OCTA's ability to monitor project progress, improve consistency in reimbursement documentation, and reduce delays or confusion during payment processing.
206	New	New	Project Cost Changes	None	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.	Add a new section addressing Project Cost Changes to ensure consistency with the language and requirements established under the RCP section.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
207	New	New	M2 Project Final Report	None	The local jurisdiction should notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline by emailing M2ProjectFinalReport@octa.net. 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.	Add a new section for the M2 Project Final Report to further clarify and emphasize the local jurisdiction's reporting requirements under the M2 Ordinance. The added language is intended to improve awareness of the mandatory reporting timeline and its direct connection to M2 Net Revenue eligibility.
208	9-17	9	Project X – Environmental Cleanup Program Final Payment Process	Final Reporting 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 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 approving bodies for this program.	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.	Revise to align with the proposed progress payment process.
209	9-17	9	Project X – Environmental Cleanup Program Final Payment Process	1. Invoice – 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 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. 6. Certification of Phase Completion – The agency shall certify the phase completion date using the Form 10-7. See definition 26 for phase completion date. 7. 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. 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. 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. 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.	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. 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 Public Works Director or appropriate authorized equivalent must sign and certify that the costs listed are true and accurate. 3. 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. 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. 5. 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.	Removed the requirements for the Project Certification Letter, Documentation of Contract Award, and PS&E Certification as part of the final payment request process, as these documents are required to be submitted with the initial payment request or first progress payment request. Additionally, removed the Final Report Division of Costs Schedule and replaced it with the Progress Payment Form.
Project W - Safe Transit Stops Program Reimbursement and Reporting Section						
210	New	New	Project W – Safe Transit Stops Program Reimbursements & Reporting Requirements	None	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.	Add a new section for the Safe Transit Stops (Project W) program. Added language aligns with the proposed progress payment process.

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Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
211	New	New	Project W – Safe Transit Stops Program Initial Payment Process	None	The initial payment request must include the following: 1. Invoice – The local jurisdiction shall invoice OCTA for up to 30 percent (30%) of the CTFP grant. 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 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, and that the approved scope of work was followed. 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. 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. 6. Layout Plans – The local jurisdiction shall submit the most current and up-to-date layout plans available at the time of the payment request, if applicable.	Added clarification regarding the documentation required for the initial payment request to ensure consistency with the requirements established under the RCP, ECP, and RTSSP programs.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
212	New	New	Project W – Safe Transit Stops Program Progress Payment Process	None	The local jurisdiction must submit a progress payment request semi-annually for incurred costs that have been paid. Progress payment request must be submitted no later than February 15th and August 15th. If the 15th falls on a weekend, the progress payment request is due the following Monday. 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. Staff may request additional documentation that is not listed on the checklist prior to approving the request. 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. 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 Public Works Director or appropriate authorized equivalent 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.	Add a new section outlining the proposed Progress Payment Process. The new section identifies the documentation and minimum requirements necessary for submission of a progress payment request, including invoice requirements, the Progress Payment Form, and proof of payment documentation. The section also clarifies that local jurisdictions are required to continue submitting progress payment documentation even after reimbursement of ninety percent (90%) of the grant amount in order to document ongoing project status and costs. In addition, the section introduces a No Cost Report Form for reporting periods in which the local jurisdiction has no eligible costs to report. The proposed process maintains OCTA's ability to monitor project progress, improve consistency in reimbursement documentation, and reduce delays or confusion during payment processing.
213	New	New	Project Cost Changes	None	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.	Add a new section addressing Project Cost Changes to ensure consistency with the language and requirements established under the RCP section.
214	New	New	M2 Project Final Report	None	The local jurisdiction should notify OCTA in writing of the project phase completion date within thirty (30) days of completion to establish the applicable reporting deadline by emailing M2ProjectFinalReport@octa.net. Pursuant to M2 Ordinance requirements, the local jurisdiction shall submit the M2 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 M2 Project Final Report Form is available for download via OCFundtracker.	Add a new section for the M2 Project Final Report to further clarify and emphasize the local jurisdiction's reporting requirements under the M2 Ordinance. The added language is intended to improve awareness of the mandatory reporting timeline and its direct connection to M2 Net Revenue eligibility.

CTFP Guidelines Revisions for Payment Processing

Item No.	2026 Guidelines Page	2026 Guidelines Chapter	Section Title	Current Language	Proposed Language	Reason for Change
215	New	New	Project W - Safe Transit Stops Final Payment Process	None	The remaining CTFP funds shall be reimbursed to the lead jurisdiction following completion of the final CTFP 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: 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, if applicable. 5. 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.	Added clarification regarding the documentation required for the final payment request to ensure consistency with the requirements established under the RCP, ECP, and RTSSP programs.
Project V - Community-Based Transit/Circulators Program Reimbursement and Reporting Section						
216	New	New	Project V – Community Based Transit Program Reimbursements & Reporting Requirements	None	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.	Add a new section for the Community-Based Transit/Circulators Program.

Color Key

Red = Revised text in CTFP Guidelines

Yellow, *Italics* = Consultant recommendation

Green = Section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.

Pink = Revision incorporates TSC feedback