

CTFP Guidelines Revisions for Payment Processing
Sections: Overview, Funding Sources, Definitions, Precepts, Chapters 3-6

Item 2 - Attachment A

Item No.	2026 Guidelines Page	Chapter	Section Title	Current Language	Proposed Language	Reason for Change
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	I	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. 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 eligibility for each local jurisdiction, which is required in order to receive M2 funds. Eligibility requirements are outlined in the Measure M2 Eligibility Guidelines. 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 and/or technical review of each project to ensure compliance with CTFP policies and procedures. If the audit or technical 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. 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.
3	New	I	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.
4	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.
5	New	III	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.
6	New	III	New Definition	none	3.The "betterment" 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).
7	xii	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 (project management and construction management), additional staking function considered necessary for effective control of the 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.

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8	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.	<p>7. The term "complete project" refers to all phases of the project.</p> <p>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.</p> <p>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.</p>	<p>Consultant: Three different definitions are included here; suggest breaking to a, b, c, and showing examples of each.</p> <p>OCTA: No substantive changes proposed; formatting revisions were implemented for clarity.</p>
9	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	<p>Consultant: Definition is unclear</p> <p>OCTA: Seeking TSC feedback if change is needed.</p>
10	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).	n/a	<p>Consultant: Add link to precept 12 and add an example calculation.</p> <p>OCTA: Seeking TSC feedback if calculation example is needed. Link to Precept 12 will be added to the final PDF version of the guidelines.</p>
11	x	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.	<p>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.</p> <p>OCTA: Replace "surplus property plan" with "excess ROW disposal plan" for consistency and clarity.</p>
12	New	III	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 agencies submit incomplete documentation or are unaware of the full submittal requirements.
13	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.	<p>Consultant: Need clarification on approved invoice and provide example showing fields that must be on the invoice.</p> <p>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 #5.</p>
14	New	III	New Definition	none	28. The term "project final report" is the certification of completion of a project funded with Net Revenues, description of work performed, and accounting of Net Revenues expended and interest earned on Net Revenues allocated for the project.	Define "project final report" 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.
15	xiii	III	Definitions	28. The term "reasonable" in reference to project phase costs shall refer to a cost that, in its nature and amount, does not exceed that which would normally be incurred under the circumstances prevailing at the time the decision was made to incur the cost. Factors that influence the reasonableness of costs: whether the cost is of a type generally recognized as ordinary and necessary for the completion of the work effort and market prices for comparable goods or services.	n/a	<p>Consultant: Add examples of what is reasonable and what is not, especially pulling from historical examples.</p> <p>OCTA: Seeking TSC feedback if change is needed.</p>
16	xiii	III	Definitions	33. The term "offset intersection" or "offset signal" refers to traffic signalized intersections on the MPAH that are within 2,700 feet from either direction of the project corridor (Project P Only).	n/a	<p>Consultant: Include examples.</p> <p>OCTA: Seeking TSC feedback if change is needed.</p>
17	New	V	New Precept	none	5. The local jurisdiction shall not use 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 and primary implementation phases an agency must have OCTA's written confirmation of eligible and ineligible costs and staff approval to proceed prior to obligating any funds through contract award.	<p>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.</p> <p>Clarify that Board approval to fund a project does not automatically mean that all components of the project are eligible for reimbursement.</p> <p>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.</p>

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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 and construction. 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 #26 (new precept 14) explicitly stating that M2 grants will not be increased.
22	xx	V	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.
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 expended 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 completed 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 completed within 36 months of encumbrance, as the 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 expended 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 completed 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 completed within 36 months of encumbrance, as the previous language often caused confusion regarding eligible expenses.
25	New	V	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.	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.
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).
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.

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28	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 by phase, 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.
29	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 twenty 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, agencies 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 definition of "construction activities."
30	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.
31	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.
32	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 shall submit progress payment requests to OCTA at least quarterly, as appropriate. Requests 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 (generally up to 20 percent (20%) of the M2 grant, see Chapter 10) once the funds have been encumbered and a fully executed letter agreement has been issued. The final payment 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 identification of eligibility issues, cost overruns, and scope changes, and to maintain continuity of funding-related project history during staff transitions.
33	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.
34	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 less funding than expected. 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.
35	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.
36	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.		
37	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.		

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38	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.
39	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. Prior versions of the guidelines will retain this chapter for reference, if needed.		
40	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.		
41	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.
42	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 maintenance/major repairs.
43	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 #44.
44	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* 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. *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.
45	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 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 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.

CTFP Guidelines Revisions for Payment Processing
 Sections: Overview, Funding Sources, Definitions, Precepts, Chapters 3-6

Item No.	2026 Guidelines Page	Chapter	Section Title	Current Language	Proposed Language	Reason for Change
46	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.

Color Key
 Red = Revised text in CTFP Guidelines
 Yellow, *Italics* = Consultant recommendation
 Blue = Consultant recommendation deferred to TSC