FEDERAL-AID PROCESS & STATE-AID PROGRAMS

2010 Highway School

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Federal-aid Project Selection

• Some federal aid programs are selected through an application process (e.g. SRTS, TEP)

• Project Must be Initiated – placed on the TIP (Transportation Improvement Program)/STIP (Statewide Transportation Improvement Program)

Note: Emergency Repairs do not require TIP/STIP authorization
What documents will be needed?

- **Local Resolution** to encumber funds and execute State-Local Agreement (SLA)
- **State-Local Agreement**
- **Consultant Agreements**
  Engineering Design/Inspection Services
- **Supplemental State-Local Agreement(s)**
  Modify funding, phases, tasks, etc.
- **PS&E Package/Contract Bid Documents**
  Project approval, advertisement, letting, contract bid preparation
- **Construction Contract**
Federal-Aid Authorization

Federal Authorization to Proceed and Obligation of Federal Funds are required for:

• Preliminary Engineering (PE) & Right-of-Way (ROW) Incidentals Phases
• Final Design and/or ROW Acquisition Phases (if needed)
• Construction Phase including Inspection, Force Accounts, Utilities, etc. (and additional design and/or ROW costs, if needed)
Preliminary Engineering Phase Activities

- Project Scope Determination
- Consultant Selection, Negotiations, and Consultant Contract Execution (pre-award audit completion)
- Feasible Alternative(s) Development & Preliminary Environmental Analyses
- Design Criteria Approval
- Draft Design Report Preparation
Preliminary Engineering Phase Activities (cont.)

- NEPA Determination
- SEQRA Process Completion
- Non-Standard Features Approval
- Public Hearing/Information Meeting(s)
- Final Design Report
  & Design Approval Request Memo Preparation
- Design Approval
- ROW Plan Approval
ROW Incidentals Activities

- Request NYSDOT perform ROW activities (these are usually critical path activities)
- Scoping – ROW Cost Estimate
- Title Certification
- Environmental Impacts Evaluations & Public Meetings
- Relocation Planning
Final Design Phase

- Prepare and finalize Plans, Specifications & Estimate (PS&E)
- Prepare Construction Contract Documents and Advertisement
- Acquire needed permits
- Obtain Utility Relocation Agreements and Railroad Agreements
ROW Acquisition Phase

- Design Approval & Acquisition Stage
  - Relocation Plan Approval (if necessary)
- Offers/Negotiations
  - $10,000 Rule
- Uneconomic Remainders
  - Must Offer to Purchase
- Relocations
  - 90-Day Notice
- Appraisal – *Must Offer to Accompany*
- Appraisal Review
- Just Compensation Determination
  (cannot be set by Consultant; must be set by Sponsor)
Why “Just Compensation”

US Constitution - 5th Amendment
...nor shall private property be taken for public use, without just compensation [fair market value]

US Constitution - 14th Amendment
...nor shall any state deprive any person of life, liberty, or property, without due process of law.

NYS Constitution - Article I, Section 7
(a) Private property shall not be taken for public use without just compensation.
Construction Phase

- Bid Advertisement, Opening & Analysis; and Award Recommendation
- Award Package Preparation, Concurrence for Contract Award Request, and Award Contract
- Contract Administration, Documentation, and Construction Inspection
- Final Payment Request, Agreement Close-out,
Reimbursement Requests

- Office of the State Comptroller (OSC) requires an executed State-Local Agreement (SLA)
- Per SLA –
  - 30 days ≤ payment requests ≤ 6 months
- Submit as soon as possible after construction begins
- Per FHWA project funds management –
  - 12 months without reimbursement results in de-obligation
- Reimbursement up to 100%, typically 80%
Marchiselli
(Municipal Streets & Highways Program)

- State program which partially funds the local match of Federal-aid projects
- Funding intended for construction or reconstruction of, or improvements to
  - Highways
  - Bridges
  - Highway-RR Crossings off the State Highway System
- Authorized under §80-b, 1991 State Highway Laws
Marchiselli Eligibility Criteria

- Sponsor must be a Municipality (County, City, Town or Village)
- Eligibility and participation level of Federal Aid must first be determined
- Work must have a 10-year minimum service life
- Activity must be an approved Work Type
- Funding dependent on availability of budget authority
Eligible Marchiselli Work Types

- Local Street/Highway/Bridge Resurfacing, Repair, Reconstruction, Rehab, or Replacement
- Sidewalk & Curb Replacement (only for sections impacted by eligible work)
- ADA Crosswalk Accessibility Projects
- Bikeways (integral to the road shoulder area)
- Fixed Signs, Signals, Lighting, or Improvement Fixtures
- Drainage Systems (related to eligible highway, bridge or at-grade RR crossing projects)
- Study or Test Costs integral to the Design/PE project phase
- Bridge Removal (when a minority component of an eligible highway/bridge project)
- In-kind Cost Replacement of impacted facilities
Ineligible Marchiselli Work Types

- Bike Paths not located in the highway ROW
- Parking Lots (even if located in the highway ROW)
- Standalone Bridge Removal or Demolition
- New Sidewalk Construction
- Sidewalk Replacement (when not impacted by eligible highway/bridge work)
- Roadside Rest Area
- Bus Shelter or other Transit Structure
- Mobile or Portable Traffic Management or Monitoring Systems
- Studies or Tests not integral to the Design/PE phase of an otherwise qualified project
- Equipment, Garages or Municipal Storage Buildings
- Debt Service Costs
Marchiselli
Additional Information

• Marchiselli generally covers 75% of the local matching share (typically 20%) of Federal-aid projects
• Payments are made quarterly
• Funding approved for a project cannot be re-allocated to another project
• Questions?
  – Marchiselli Coordinator (518) 457-6494
CHIPS
Consolidated Local Street & Highway Improvement Program

• Established by the State Legislature in 1981
• Provides funding to local governments for construction/reconstruction of, or improvements to
  - highways
  - bridges,
  - highway-railroad crossings
  - other facilities not on the State Highway System
• Applicable rules for the program are contained in Section 10-c of the State Highway Law
CHIPS Project Eligibility Criteria

- Must be a Municipality (County, City, Town or Village)
- Highway-Related Purposes
- Public Purpose (not for benefit of private parties)
- 10 Year Minimum Service Life
Eligible CHIPS Expenditures

- Highway Resurfacing & Reconstruction
- Traffic Control Devices
- Bridge/Culvert Rehabilitation & Replacement
- Other:
  - guiderail replacement
  - fencing
  - highway lighting
  - drainage work
  - transportation storage or transportation maintenance buildings & equipment
  - mass transportation commuter parking facilities owned by a municipality
- Principal on Local Bonds Issued for a Highway Capital Project
Ineligible CHIPS Expenditures

- Pothole Repairs and Crack Sealing
- Snow Removal and Street Cleaning
- Brush & Weed Control
- State Highways (including locally-maintained State arterials in cities)
- Parking Lots/Garages Not Owned by a Municipality and Linked to a Transit Purpose
- Sanitary Sewers, Water Lines, and Other Utilities Not Impacted by a Highway/Bridge Reconstruction Project
- Interest Payments on a Local Bond for a Highway Capital Project
CHIPS Website

www.nysdot.gov/programs/chips

- On-Line Fillable/Printable Reimbursement Form & Instructions
- Electronic Payment Guidelines & Authorization Form
New On-Line CHIPS Fillable Reimbursement Form

- Quicker to Complete
- Many Drop-Down Menus (rather than having to type or write in the info)
- Total Reimbursement Amount Claimed for All Projects on Each Form Automatically Computed
- Old Paper Form to be Eliminated in the Future
Electronic Payments

- **Easy** - eliminates lost or misdirected checks and time consuming handling of checks
- **Fast** - funds transferred directly to your municipality’s bank account and are immediately available for payments
- **Secure** - uses the Automated Clearinghouse (ACH) network which supplements internal controls
- **E-Mail Notification** in advance of when payment will be credited to your municipality’s account
- **Office of Taxpayer Accountability Mandate** for contracts executed after February 28, 2010