

At-Risk Preliminary Engineering

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CALTRANS DIVISION OF
LOCAL ASSISTANCE



Outline

- What is Section 1440, At-Risk Preliminary Engineering (At-Risk PE)
 - FAST Act
 - FHWA Memo
 - Office Bulletin #20-03
- Eligibility
- How to Implement
 - Form 3-A
 - LP2000 and Finance Letters
 - FADS
- Questions?



Fixing America's Surface Transportation Act (FAST Act)

- Section 1440 of the FAST Act authorized Federal Highway Administration (FHWA) to reimburse recipients and subrecipients for preliminary engineering (PE) cost incurred prior to project authorization
- On March 19, 2019, FHWA issued a Memorandum titled “At-Risk Project Pre-Agreement Authority for Preliminary Engineering” which clarifies Section 1440
- On August 11, 2020, the Division of Local Assistance issued Office Bulletin #20-03, At Risk Preliminary Engineering



Eligibility

- At Risk PE only applies to allowable preconstruction development and engineering costs
- Does NOT include
 - Planning
 - Right-of-Way Acquisition
 - Construction
- An Authorization for At-Risk PE must be processed prior to actual reimbursement of PE expenses



Eligibility

- If eligible, and once federal authorization is received, incurred costs can be reimbursed back to the effective date of the FAST Act, October 1, 2015 or the federal approval date to the Federal Statewide Transportation Improvement Program (FSTIP), whichever occurs later
- Project and PE Phase must be included in a federally-approved FSTIP
 - Must supply date of approved FSTIP or approved amendment prior to start of work (Original FSTIP listing).
 - Does not need to show PE as Federally funded
 - Must supply FSTIP listing at time of Authorization
 - Funds must be shown as federal



Eligibility

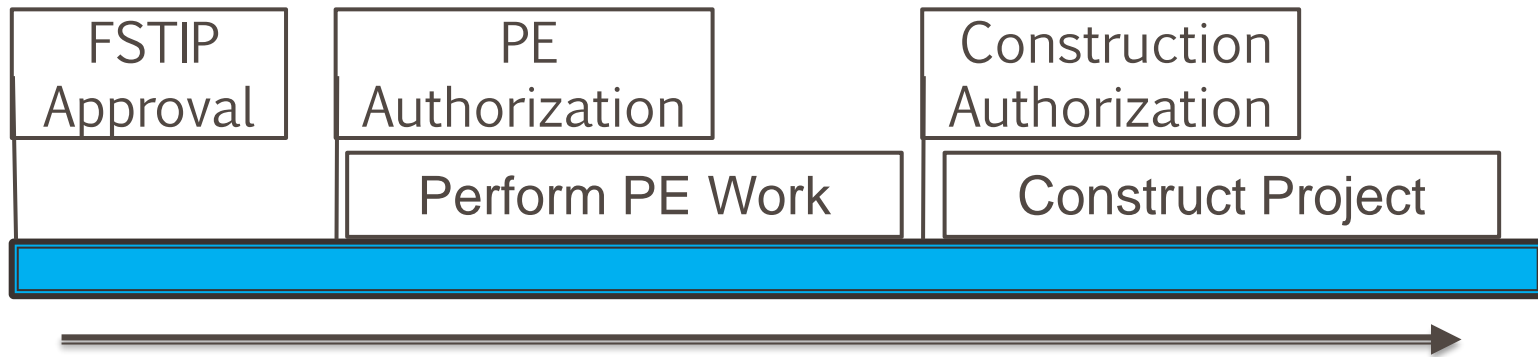
- Locals must meet all federal requirements
 - LAPM 10-C
 - DBE
 - ICRP

- **Does NOT** apply to projects with federal funds prior to an allocation by the CTC.
 - May invoke Section 1440 after the CTC has allocated the federal funds

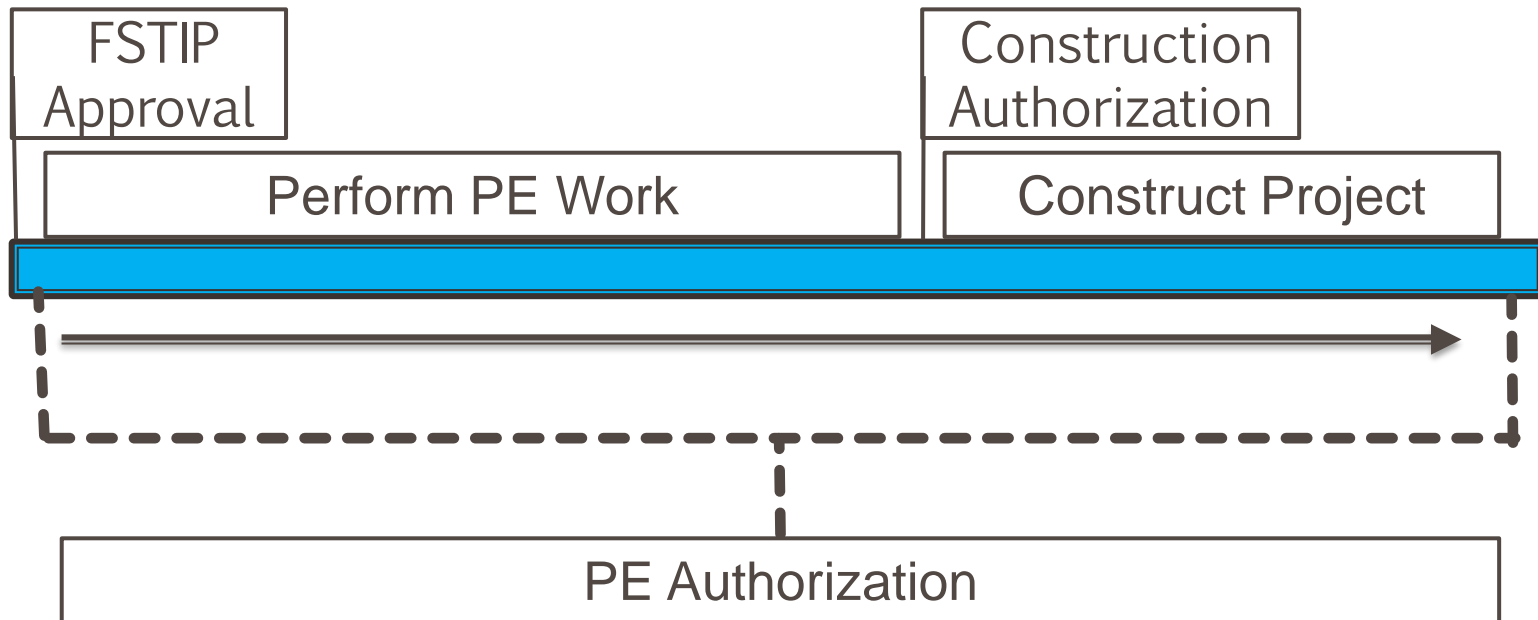
- NEPA environmental review can begin without demonstrating full funding.
 - Subsequent phases must be included in the approved FSTIP before the NEPA document be signed.



Timing (pre At-Risk PE)



Timing (At-Risk PE)



LAPM 3-A

PROJECT AUTHORIZATION/ADJUSTMENT REQUEST		Page 1 of 2	
Invoking Section 1440 of the FAST ACT? (aka At-Risk PE)?		<input checked="" type="checkbox"/>	Yes
Project title		Congressional District	
		Phone	
First Date PE was Approved in the FSTIP			<input type="checkbox"/> HBP
Estimate of Cost Under Section 1440		Phase Completion Date	PED
(aka At-Risk PE)?		Amount	0.00
Approved in the FSTIP		Cost Under Section 1440	



LP2000

General Project Information

Project: **STPL - 6066(167)** District: **11** County: **5957** Agency: **(6066) San Diego Association of Governments**
Adv* Project Id: **1120000195** Status: **ACTIVE** Route: **0-SDAG** Location: **Throughout San Diego County and U.S.-Mexico Border Region**
Adv* Draft Id **1120000195**

General | Allocation | Staff Assignments

Project Information

Prefix
State Highway
Non-infrastructure
County
Route
Length
Cycle/Ratio

FADS Work Type
Work Category: **Miscellaneous - Other**
Work Desc.: **Comprehensive update to the regional freight gateway study for transportation planning**

Effective PE Reimburse Date: **06/25/2020** On **11/02/2020** TPATRICK

ATP Id
Project Completion

Location: **Throughout San Diego County and U.S.-Mexico Border Region**
Alternate Location

At-Risk PE

Effective PE Reimburse Date **06/25/2020**



LP2000 Finance Letter

DEPARTMENT OF TRANSPORTATION

To: San Diego Association of Government

FINANCE ITEMS	
Other	

Totals:

Participation Ratio: 100.00%

The information history is prepared by Caltrans' Information Management Office and is provided here for local agency information and use only.

Date: 11/02/2020
D_CO_RT: TT-SD-0-SDAG
Project No: STPL-6066(167)
Adv Project Id: 1120000195
Project End Date: 06/30/2023
Effective PE Reimburse Date: 06/25/2020

Signature: _____

Title: HQ Local Assistance Area Engineer

For questions regarding finance letter, contact:

Printed Name : Patrick Loue

Telephone No: (916) 653-7349

Remarks: SANDAG FTIP ID SAN40. Based on amount submitted in agency request documents dated 5/11/20 for preliminary engineering for planning studies. Reimbursement ratio = 100% by applying \$34,356 in toll credits in lieu of non-federal matching funds.

ACCOUNTING INFORMATION

STPL-6066(167)

Cooperative Work Agreement

ADV. PROJECT ID	APPROP. UNIT	STATE PROG.	FED/STATE	ENCUMBRANCE AMOUNT	APPROP YEAR	EXPENDITURE AMOUNT	ENCUMBRANCE BALANCE	REVERSION DATE	APPROVED AMOUNT	EXPIRATION DATE
1120000195	20102F	2030010810	F	\$299,526.00	1920	\$0.00	\$299,526.00	06/30/25		



FADS

Fund Summary

Resp Agency: 6066
***Project Type:** C - CONVENTIONAL PROJECT
***Project Oversight:** ASSUMED/LOCALLY ADMINISTERED
Design/Build: NO
CMGC: NO *(Construction Manager/General Contractor)*
RW Stage 1: NO
DLA Locator: 11-SD-0-SDAG
Statewide: NO *(Includes regional)*
State Route:
Est Const. Start Date:

Funding Summary

Phase	Project Cost	Federal Funds
PE Prev Oblg	\$0.00	\$0.00
This Request	\$0.00	\$0.00
ROW Prev Oblg	\$0.00	\$0.00
This Request	\$0.00	\$0.00
CON Prev Oblg	\$0.00	\$0.00
This Request	\$0.00	\$0.00
OTH Prev Oblg	\$0.00	\$0.00
This Request	\$299,525.00	\$299,525.00
TOTAL	\$299,525.00	\$299,525.00

Disaster No:
***Request Reason:** OTH - OTHER
***Project Location:** THROUGHOUT SAN DIEGO CO
***Type Of Work:** COMPREHENSIVE UPDATE TO
Final Voucher: NO
***Project End Date:** 06/30/2023
CFDA Number: 20.205 Highway Planning and C
***Date Request Initiated By Agency:** 05/08/2020 *(mm/dd/yyyy)*
***Date Complete Request Received:** 06/25/2020 *(mm/dd/yyyy)*

ER Eligible: NO
For: METRO PLANNING STUDY

At Risk: Y

Effective PE Reimb Date: 06/25/2020



FADS

Comments

Add/Edit Comment

Add or Edit a comment here. Click on Save to save record. Click on Clear to clear screen for input of new record.

Send to FMIS



Check here to send this comment to FMIS.

NOTE: FMIS does not allow formatting. Do not use the Enter key to create multiple lines in the comment.

NOTE: FMIS does not allow formatting. Do not use the Enter key to create multiple lines in the comment.

Caltrans Only View



Check here to remove comment from FHWA view in FADS.

The State requests authorization for reimbursement of prior incurred preliminary engineering costs in accordance with Section 1440 of the Fast Act. All Federal requirements for such costs were met. The costs incurred between xx/xx/xxxx and xx/xx/xxxx and in the amount of \$xx



At-Risk PE versus AC

- AC may be used for any phase. Section 1440 (At-Risk PE) only applies to PE
- After AC approval, the project moves forward with non-federal funds
 - No prior approval is required for At Risk-PE
- Federal eligible costs after AC Authorization are eligible for reimbursement
 - Eligible costs for At-Risk PE are effective to the date of the FSTIP
- Both require FHWA authorization prior to reimbursement of funds.

10-Year PE Rule

- The At-Risk PE does not change the 10-Year PE rule
 - The 10-year period starts at the end of the fiscal year that FHWA authorized the PE.
- Projects not making use of the At-Risk PE, the 10-year period starts with the authorization of PE.
- Project using At-Risk PE, the 10-year period does not immediately start. It starts when the At-Risk PE authorization is approved by FHWA.
 - The time that PE occurred before the At-Risk Authorization does not count against the 10-year rule



Resources

- FHWA Memorandum

- <https://www.fhwa.dot.gov/specialfunding/190319.cfm>

- Office Bulletin #20-03

- <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/ob/2020/ob20-03.pdf>



Summary

- Office Bulletin #20-03 was issued on August 11, 2020
- Applies only to PE
- Policy is retroactive to the effective date of the FAST-ACT, October 1, 2015
- PE phase must be in an approved FSTIP document or amendment (agency must keep a copy of the FSTIP in their file showing the original programmed PE funds)



Summary

- Reimbursement is allowed for PE costs incurred prior to project authorization, assuming the costs are for otherwise eligible activities
- Incurred costs can be reimbursed back to the effective date of the FAST Act, October 1, 2015 or the federal approval date of the FSTIP, whichever occurs later
- LAPM 3-A (Authorization) has been updated to include the At-Risk PE.
- FADS and LP2000 require an Effective PE Reimbursement Date





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