



Appendix B

Policies & Procedures

DEFINITION OF FULL FUNDING FOR PROJECTS AND PHASES PRIOR TO THE EXPENDITURE OF MEASURE B FUNDS

INTENT

The 2000 Measure B Transportation Expenditure Plan requires that a capital project be fully funded before Measure B funds are expended on the project. Some Measure B capital projects are funded with only with Measure B funds while others are funded from a variety of funding sources. These other sources may be comprised of local, state, and federal funds. Non-Measure B funds are classified as Committed Funds or Non-committed Funds. The intent of the Policy is to define the requirements for funding prior to the use of Measure B funds.

POLICY

Capital Projects included in the Expenditure Plan shall be considered “fully funded” if they have funding plans that meet the Funding Criteria below. For Capital Projects, the Sponsor’s commitment to provide funding for all Project shortfalls is incorporated in their Funding Agreements with the Alameda CTC. No additional commitment language is required.

Phases of Capital Projects will be considered a “fully funded phase” by meeting the requirements of Funding Criteria A or B prior to receiving an allocation of Measure B funds for the phase. Language within the Project Specific Funding Agreement defines the actions required if a phase loses its full funding during development. The Sponsor commitment for additional funds is incorporated in their Funding Agreements with the Alameda CTC.

Funding Criteria

Alameda CTC capital projects and phases are considered “Fully Funded” if their Funding Plan meets one of the following Criteria:

- A. Funded totally by Measure B with a commitment from Sponsor for additional funds to cover project overruns beyond the Measure B amount.
- B. Funded by Measure B plus other Committed Funds, with commitment from Sponsor for additional funds to cover project overruns beyond the Measure B amount.

Definitions

Non-Measure B funds are classified as Committed Funds as follows:

***Committed Funds** are funds that are committed by the agency with discretionary authority over the funds to the specific capital project by ordinance, resolution, Capital Improvement Plan (CIP) or Strategic Plan. State Committed Funds are any funds allocated by the California Transportation Commission (CTC). Federal Committed Funds are funds authorized by the Federal Highway Administration (FHWA) or Federal Transit Administration (FTA). State and Federal Committed Funds may be through the adoption of the Federal Transportation Improvement Program (TIP) or the Regional Transportation Program (RTP). Committed Funds include those funds that are programmed in these documents, but not necessarily allocated. Funds that are anticipated for the specific capital project in a long-range planning document such as the Countywide Transportation Plan (CWTP) or from a State or Federal funding source in the future beyond the sources' committed funding cycle are also considered Committed Funds.*

POLICY ON ELIGIBLE COSTS FOR REIMBURSEMENT BY MEASURE B CAPITAL FUNDS

INTENT

Measure B capital funds are intended for use in delivering capital projects included in the 1986 Measure B Transportation Expenditure Plan or the 2000 Measure B Transportation Expenditure Plan. The Measure B capital projects are delivered through the cooperative efforts of the project sponsor or implementing agency and the Alameda CTC. The Alameda CTC will limit the costs that are eligible for reimbursement to those costs directly related to the delivery of the capital projects and assure that the sponsor is providing efficient oversight and management of the project. The following policy therefore limits the costs that are eligible for reimbursement by the Alameda CTC using Measure B capital funds.

POLICY

Costs to be reimbursed by Measure B capital funds must be segregated into project phases to correlate with the encumbrance of the Measure B capital funds into project phases in the project funding agreements. Costs submitted for reimbursement shall be limited to activities, materials and services directly related to the implementation of the scope of the capital project for which the Measure B capital funds were allocated and encumbered in the project funding agreement.

Scoping / Preliminary Engineering / Environmental Studies Phase

Measure B capital funds are available to reimburse eligible expenses incurred for sponsor staff, consultant costs, and other direct costs necessary to scope the project, to perform preliminary engineering, and to secure approval for the appropriate environmental document for the project.

Plan, Specification and Estimate (PS&E) Phase

Measure B capital funds are available to reimburse expenses incurred for sponsor staff, consultant costs, and other direct costs necessary to prepare final PS&E and to provide support during the bidding process until the time of contract award. Services beyond the award of the contract are considered design services during construction. The milestone, e.g. advertisement, award, etc. at which the costs change from being budgeted and tracked in the PS&E Phase to the Construction Support Phase may vary on a case-by-case basis. Regardless of the phase in which the advertise-bid-award costs are budgeted and tracked, they should be clearly segregated from other costs in the same phase.

If the sponsor wishes to include items of work not included in the Measure B funded scope of the project, the cost for including the additional work shall be segregated and borne by the sponsor from non-Measure B fund sources. Examples of items of work that would fall into this category include the correction or betterment of pre-existing non-transportation items.

Right-of-Way Acquisition Phase

Measure B capital funds are available to reimburse eligible expenses incurred for sponsor staff, consultant costs and other direct costs necessary for the acquisition of right-of-way, right-of-way preservation, and hardship acquisitions.

Right-of-way activities involved with property not necessary for the Measure B funded project shall be at the expense of the sponsor where these costs can be determined.

If any excess right-of-way is sold, or otherwise disposed of, a share of any proceeds from the sale of such excess property shall be returned to the Alameda CTC based on the prorated percentage of Measure B funds contributed to the purchase of the property.

If condemnation procedures are required to obtain access to right-of-way, The Alameda CTC will consider the required deposit as an eligible cost and reimburse the SPONSOR upon request. If the amount of Measure B reimbursement to the SPONSOR is higher than the Measure B share of the amount of settlement in the final order of condemnation, the SPONSOR shall pay the Alameda CTC the difference between the amount reimbursed and the Measure B share of the amount settled plus the Measure B share of the interest accrued to the deposit account.

Property acquired for the PROJECT using Measure B funds shall be available for project construction within ten (10) years of Measure B reimbursement to the SPONSOR. If, after ten (10) years, the property has not been utilized for construction of the PROJECT, the SPONSOR shall reimburse the Alameda CTC for its proportional share of the fair market value of the property, based on the net proceeds from the sale of the property or an appraisal of the property conducted at no cost to the Alameda CTC, within one (1) year after the expiration of this ten (10)-year period.

If right-of-way is acquired for the PROJECT and is not utilized for PROJECT purposes because the PROJECT is removed from the PLAN, the Alameda CTC shall be reimbursed its proportional share of the fair market value of the property, based on the net proceeds from the sale of the property or an appraisal of the property conducted at no cost to the Alameda CTC, within one (1) year from the time the PROJECT is removed from the PLAN.

Utility Relocation Phase

Measure B capital funds are available to reimburse eligible expenses incurred for sponsor staff, consultant costs and other direct costs necessary for all Utility Relocation

work directly related to the Measure B funded project as described in the appropriate project funding agreement.

Construction Phase

Measure B capital funds are available for the Construction Phase to reimburse eligible expenses incurred for sponsor staff, consultant costs and other direct costs necessary for all construction expenditures on the project that are part of the scope of work agreed to by the Alameda CTC. Measure B capital funds are eligible for reimbursement of sponsor's management oversight expenses associated with the construction of the project.

Sponsor may include additional work beyond the scope of work for the Measure B funded project at their expense. These costs will be segregated from the other item work expenses and paid for with non-Measure B capital funds. Items of work within the scope, but utilizing more expensive than standard treatment, such as specialized lighting standards and signs, more elaborate landscaping, specialized treatment on the face of soundwalls/retaining walls, and specialized sidewalk/hardscape treatments will be eligible for reimbursement only if they are agreed to in advance and no additional Measure B capital funds are required.

Proposed contract change orders that may arise once the contract has been awarded will be reviewed on a case-by-case basis by the Alameda CTC for approval to be reimbursed with Measure B capital funds. The Alameda CTC will require written approval of such change orders over \$25,000 unless the Alameda CTC approves otherwise as reflected in the project funding agreement.

Rolling Stock and Equipment Acquisition

Rolling stock purchased by sponsor and reimbursed by the Alameda CTC shall remain in the sponsor fleet for a minimum of five (5) years. If the rolling stock is removed from the fleet prior to the stated five years, sponsor shall notify the Alameda CTC as to the disposition of the rolling stock. If the rolling stock is sold and the receipts of the sale are not used to purchase replacement rolling stock, the proceeds from the sale shall be returned to the Alameda CTC for future use on the project.

Sponsor shall prepare and submit to the Alameda CTC for approval, prior to the beginning of service, an operations schedule indicating the frequency, vehicle type and operating hours of the rolling stock purchased by sponsor for the project. The rolling stock used in this service will be the same type as purchased with the Measure B capital funds, but may not be the exact vehicles due to the need to rotate vehicles in the fleet. The approved service level shall be maintained, as a minimum, for five (5) years. In the event that the minimum service level is not maintained, sponsor shall reimburse the Alameda CTC for its share of the reduced service based on vehicle

needs for the reduced service and the salvage value of the rolling stock purchased by sponsor and reimbursed by the Alameda CTC.

Specialized equipment required for the project must be identified in the project funding agreement to be eligible for reimbursement with Measure B capital funds.

Bonding Costs

If the Alameda CTC Board determines that it is in the best interest of the Measure B Capital Program to sell bonds, or otherwise incur financing costs to deliver the capital projects, the cost of bonding and financing, including interest payments, shall be considered a program-wide cost and shall be identified in the Measure B Capital Program Strategic Plan as the first priority repayment.

If a sponsor wishes to independently bond or use other approved borrowing programs, Measure B capital funds are eligible to reimburse expenses incurred by sponsor for staff time, consultant costs, principal payments, and the associated cost of financing that is required to provide the financing for the project.

Exchanging Measure B Capital Funds

Measure B capital funds may be exchanged through Exchange Programs recognized by the Alameda CTC on a case-by-case basis. Any exchange payments of Measure B capital funds must be identified in the project funding agreement to be eligible for reimbursement with Measure B capital funds.

SPONSOR Staff Costs

Costs for sponsor staff dedicated directly to management or development work on the project will be eligible for reimbursement by Measure B capital funds. Hourly wages and fringe benefits for sponsor staff will be reimbursed based on the audited fringe benefit rate supplied by the sponsor. The Alameda CTC will review and approve an approved fringe benefit rate based on the sponsor supplied documentation. Approved fringe benefit rates will be set forth in the project funding agreement, but in no case will fringe benefits of more than 70% of hourly wage be approved.

Alameda CTC PROJECT Support Requested by SPONSOR

If requested by sponsor, the Alameda CTC will provide support staff and/or consultant support for project. Costs for these services will be considered eligible costs and be reimbursed to the Alameda CTC from funds for the project, or deducted directly by the Alameda CTC from the Measure B capital funds allocated for the project.

Miscellaneous Costs

The costs of fees from other agencies, including permit fees, or reimbursement for review or oversight costs needed for the project are eligible project costs. However, the cost of permits or fees from the sponsor will not be eligible.

Utility relocation costs are eligible for reimbursement according to previous agreements establishing rights for those utilities.

The costs for specialized equipment for testing, analysis or production of documents for project-related work are also eligible as described in the project funding agreement.

Direct costs, such as reproduction, shipping, mileage and long distance calls, will be considered for reimbursement if they can be independently documented as directly relating to project delivery. Air travel and overnight stays are not eligible unless prior approval is obtained from the Alameda CTC.

General Exclusions

Cost that are not directly related to the completion of the project, as described in the Transportation Expenditure Plan, confirmed in the approved environmental document for the project and project funding agreement, will not be eligible for reimbursement with Measure B capital funds.

Ongoing annual expenses incurred for maintenance of the project shall be borne by the sponsor from fund sources other than the Measure B capital funds unless specifically identified in the project funding agreement.

POLICY REGARDING THE DEFINITION AND USE OF EXCESS

2000 MEASURE B CAPITAL REVENUES AND UNUSED FUNDS

2000 Measure B Excess Revenues

Excess Revenues are those funds that exceed the funding shown in the 2000 Measure B Transportation Expenditure Plan. Excess revenues can come from higher than expected receipts or lower than expected project costs.

Excess revenues are programmed annually in the Measure B Capital Program Strategic Plan based on geographic equity and the following priorities:

1. Meet the unanticipated needs of Tier 1 projects over the 2000 Measure B Transportation Expenditure Plan amount.
2. Address gaps in Special Transportation Service for seniors and People with Disabilities.
3. Fund Tier 2 projects.

Unused Funds

Unused Funds are those funds that become available should a planned project become infeasible, unfundable or funded by others due to circumstances unforeseen at the time of the 2000 Measure B Transportation Expenditure Plan preparation.

Unused Funds will be programmed to another project in the same planning area with the approval of a majority of the cities (and County for unincorporated areas) representing a majority of the population in the planning area.

Any project eligible for funding must be in the 2000 Measure B Transportation Expenditure Plan. The 2000 Measure B Transportation Expenditure Plan may be amended by a two-thirds vote of the Alameda CTC. All jurisdictions within the County will be given a minimum of 45 days to comment on proposed amendments to the 2000 Measure B Transportation Expenditure Plan.

POLICY REGARDING 2000 MEASURE B CAPITAL FUNDS SPENT OR ALLOCATED TO PROJECTS THAT ARE LATER REMOVED FROM THE PLAN

INTENT

It is the intent of the Alameda CTC to fund projects shown in the 2000 Measure B Transportation Expenditure Plan (2000 EP) in accordance with the limitations set forth in the 2000 EP. In the event that 2000 EP projects cannot be delivered for any reason, the equitable close out of the project is contained in this Policy.

POLICY

Where more than Measure B capital funds are required to complete a project, sponsor shall secure additional funding. In the event that sponsor cannot secure additional funding, and/or the scope of a project cannot be reduced to meet the available funds and still conform to the 2000 EP requirements, or where sponsor does not meet the delivery schedule and a project is removed from the 2000 EP, sponsor and Alameda CTC agree to share expenditures on eligible costs to date on the following basis:

1. Costs expended to Scope a project shall be considered reimbursable costs and shall be paid for in total by the Alameda CTC.
 - a. The amount of these costs shall be limited by project funding agreement prior to the expenditure of such funds, and are generally limited to no more than 10% of the Measure B participation.
 - b. Tasks under this phase shall be limited by agreement to those tasks necessary to determine the scope and funding requirements of a project.
2. Costs expended for any phase beyond the Scope phase shall be shared on a proportionate share basis. Each proportionate share shall be based on the proposed 2000 EP capital expenditures. The Measure B proportionate share of eligible costs shall be calculated based on the percentage anticipated in the 2000 EP or that developed in the Scope phase as discussed above. The formula shall be as follows:

$$\text{Measure B Proportionate Share} = \frac{\text{Measure B Funds in 2000 EP (97/98 dollars)}}{\text{Total Project Cost in 2000 EP (97/98 dollars)}} \times \text{Eligible Costs}$$

The remainder of the eligible costs shall be the sponsor's Proportionate Share.

In the case where “Other Funding Sources” amounts are shown in the 2000 EP as “tbd” (to be determined) then the formula shall be altered in the project funding agreement with the sponsor to reflect proportionate risk and the proposed size of the particular project.

In the event that funds have been expended prior to the removal of a project from the 2000 EP, the proportionate shares shall be calculated as indicated above. If the Measure B proportionate share is less than the amount of Measure B capital funds paid to sponsor, sponsor shall reimburse the Alameda CTC the amount paid to sponsor in excess of the Measure B proportionate share. If the Measure B proportionate share is more than the amount of Measure B funds paid to sponsor, the Alameda CTC shall reimburse sponsor subject to the following limitations:

- In no case, shall the Measure B proportionate share exceed the amount specified in the 2000 EP as escalated by the terms of the Master Project Funding Agreement.
- In no case, shall the Alameda CTC reimburse sponsor for more than sponsor’s actual out of pocket eligible costs.

POLICY REGARDING 2000 MEASURE B PROGRAM FINANCING COSTS

INTENT

The Alameda CTC wishes to implement all of the 2000 Measure B Transportation Expenditure Plan (2000 EP) projects as soon as possible. In order to do this, demands for funds may temporarily exceed income during the duration of the Program. In order to meet these demands, the Alameda CTC may borrow against future income. Should this become necessary, the cost for such financing shall be attributed to Capital Projects included in the 2000 EP and any 2000 EP programmatic expenditures requiring advanced funding.

POLICY

It is difficult if not impossible to determine which projects are using borrowed funds and which projects are using accumulated income. In order to simplify and provide equity to all sponsors, the following policy shall be used.

If the Alameda CTC determines that it is in the best interest of the 2000 EP to sell bonds, or otherwise incur financing costs to develop projects, the cost of bonding and financing, including interest payments, shall be considered a 2000 EP cost and shall be identified in the Measure B Capital Program Strategic Plan as the first priority repayment. The financing costs will reduce the overall funding level available to be distributed to all projects.

If Programmatic Expenditures in the 2000 EP require the advancement of funds, funds shall be repaid to the Alameda CTC with interest. Interest shall cover the specific Programmatic Expenditure share of financing costs and interest.

POLICY REGARDING THE TIMELY USE OF ALLOCATED 2000 MEASURE B CAPITAL FUNDS FOR CAPITAL PROJECTS

PURPOSE

The Alameda CTC intends to maximize the benefits to the transportation system in Alameda County resulting from Measure B, and to have those benefits realized as soon as possible. While project sponsors are responsible for individual project management and administration, the Alameda CTC is responsible for the management of the overall 2000 Measure B Capital Program. At some point, it is expected that the Alameda CTC will need to secure financing to back its funding commitment to capital project delivery schedules. The amount and timing of such financing will have a significant effect on the cost of financing, and the cost of financing will directly reduce the amount of funding available for capital projects. The intent of the timely use of allocated funds policy is to encourage project sponsors to request allocation in the fiscal years that reflect the anticipated draw down of Measure B funds. This will allow the Alameda CTC to maintain and manage an overall schedule of commitments for the Measure B Capital Program.

ALLOCATION OF FUNDS

The annual Measure B Capital Program Strategic Plan will include an Allocation Plan. The Allocation Plan will serve as a guide for assessing future allocation requests from sponsors and/or implementing agencies. Project sponsors may make a request for allocation of Measure B funds at any time during a given fiscal year. Sponsors must submit a Request for Allocation package at least 60 days prior to the date of the Alameda CTC meeting at which the allocation request is considered. Allocation requests will be reviewed for consistency with the Allocation Plan from the current Strategic Plan at the time of the request. The initiation of a project funding agreement to encumber the allocated funds must occur within six months of the date of allocation or the allocation may be rescinded. The project funding agreement will stipulate the provisions for timely use of encumbered funds.

POLICY REGARDING THE TIMING LIMITATION FOR ENVIRONMENTAL APPROVAL FOR 2000 MEASURE B CAPITAL PROJECTS

INTENT

The 2000 Measure B Transportation Expenditure Plan (2000 EP) contains provisions for projects which cannot clear the Environmental Approval process or cannot do so in a timely manner. Such projects are subject to deletion under the 2000 EP. The Measure B commitment for any deleted project will become “unused funds.” Unused funds are returned to the geographic area thereby maintaining the geographic equity included in the 2000 EP.

The 2000 EP establishes a deadline for environmental approval for each project that receives Measure B capital funding. Approval is defined as the issuance of a Categorical Exclusion (CE), a Finding of No Significant Impact (FONSI) or the filing of the Record of Decision (ROD) for NEPA documents and the Notice of Determination (NOD) or Notice of Exemption for CEQA documents. That deadline is April 1, 2007, however the 2000 EP includes provisions for one-year extensions to the deadline, if approved by the Alameda CTC.

The intent is to assure continued “due diligence” by the sponsor to secure environmental clearance.

POLICY

This policy is to clarify the requirements for one-year extensions.

Projects that are dependent on other projects not managed by sponsor, or are substantially rescoped to match changed conditions, may be granted automatic one year extensions through April 2011. After that time, SPONSOR must make application to the Alameda CTC for additional extensions.

In the event that the Administrative Draft Environmental Document has not been submitted for review by April 2007, no time extension will be recommended by staff unless one of the following conditions is met.

1. A time extension of one year may be recommended for projects where the sponsor has started the environmental process, and has worked diligently on critical items in an Alameda CTC-approved project schedule showing initial completion before April 2007.
2. Projects with an original Alameda CTC-approved schedule starting the Environmental Document prior to April 2003 and showing environmental

approval after April 2007 shall automatically be recommended for extensions to the year of scheduled approval.

Projects not meeting the criteria above are required to make direct application to the Alameda CTC to justify any time extensions. In the event that the Alameda CTC does not grant any time extensions, Staff will recommend that the project be deleted from the 2000 EP.

COST ALLOCATION POLICY

PURPOSE

The Cost Allocation Policy is intended to provide a basis for segregating direct and indirect costs for the Alameda CTC and to allow for the proper allocation of direct costs among Alameda CTC funds.

The goals of this policy are to:

- Allocate a fair share of direct costs to projects and program activities;
- Maintain accurate administrative cost information by cleanly segregating direct and indirect costs; and
- Facilitate generally acceptable cost allocations, which will stand up to external audits.

POLICY PROVISIONS

- A. The cost allocation methodology will comply with OMB Circular A-87.
- B. Direct costs relate to activities directly identifiable with Capital Projects Fund, Program Funds, and contracted sponsor assignments or grants. These direct costs shall be posted to appropriate benefitting funds or activities. Direct cost allocations shall be supported by time cards, related benefits based on calculated percentages, direct consulting and other costs supported by approved invoices. Where specific agreements are in place, the direct cost along with the indirect cost allocation (see below) shall be posted to specific projects or grants. Where such agreements do not exist, the direct costs shall be posted to a control account within the Capital Projects of Program Funds.
- C. Indirect costs relate to activities that cannot be directly identified with specific Capital Projects or Program Funds. Such costs shall be accumulated under the General Fund and supported by time cards, invoices and other appropriate documents. The indirect cost ratio for billing purposes will be based on the General Fund costs less non-billable activities. Non-billable activities are those costs that do not benefit sponsor/grant funded activities. These non-billable costs include Measure B mandated costs such as CWC publication fees, sales tax recovery fees, etc.
- D. Staff will maintain a cost allocation plan as required by OMB A-87, certified by the Finance and Administration Manager, reviewed by independent auditors and available to the public and grant funding agencies.

- E. Staff will implement a billing system, supported by acceptable detail for direct and indirect costs. However, no allowance shall be made for profit margin.
- F. All direct costs and billable indirect costs will be excluded from the 1% and 4.5% administrative ratio computations. Residual indirect costs less the billable indirect costs will be used to compute the administrative cost ratios.

MEASURE B CAPITAL PROJECTS FUNDING PROCEDURES

SUMMARY

The procedures for funding Measure B capital projects from the 1986 and 2000 Measure B Capital Programs have been consolidated as summarized below. The remaining commitments of 1986 Measure B capital funding are considered allocated as shown in the annual Strategic Plan. The procedures below related to the Initial Programming and Programmed Balances of 2000 Measure B capital funds pertain solely to the projects included in the 2000 Measure B Transportation Expenditure Plan.

The overall process for the 2000 Measure B capital projects involves a "Programmed Balance" of 2000 Measure B funds for each Measure B project included in the 2000 Measure B Expenditure Plan. As funds are allocated for a project or project phase, the amount allocated is deducted from the Programmed Balance. At the beginning of each fiscal year, the ending Programmed Balance from the previous year is subject to adjustment in order to establish the beginning Programmed Balance for the upcoming fiscal year. The "Program Escalation Factor" used for such adjustment is approved by the Alameda CTC and is based primarily on future revenue projections along with consideration of economic indicators regularly used for transportation planning and programming.

In general, the current programmed balance for a given capital project at a given time represents the amount available for allocation. An allocated amount represents the amount available for encumbrance in project funding agreements, which, in turn, represents the amount available for reimbursement of eligible project costs.

The process, from the time of original programming through reimbursement of eligible project costs, involves the following elements:

- **Initial Programming of 2000 Measure B Funds** – The Expenditure Plan contains the initial programmed amount of 2000 Measure B funds for each capital project in 1998 dollars.
- **Initial 2000 Measure B Programmed Balance** - The Initial Programmed Balance for each capital project was established at the beginning of the Program in 2002 by multiplying the initial programmed amount (from the 2000 EP) by the change in the California Highway Construction Cost Index (CHCCI) from 1998 to 2002 (1.2348).
- **2000 Measure B Programmed Balance** - The amount of 2000 Measure B funds available for a given capital project is based on the 2000 Measure B Programmed Balance for the project, or the amount of 2000 Measure B funding available for allocation to a given capital project. Each fiscal year, the Programmed Balance for each capital project is reduced by the total amount of 2000 Measure B allocations approved by the Alameda CTC during the fiscal year.

The ending Programmed Balance for a given fiscal year is subject to adjustment in order to establish the beginning Programmed Balance for the upcoming fiscal year. The Program Escalation Factor (PEF) used to adjust the ending Programmed Balance is approved by the Alameda CTC. The PEF is based on consideration of a number of economic indicators used for transportation planning and programming such as the Consumer Price Index (CPI), California Highway Construction Cost Index (CHCCI), and the Engineering News Record (ENR) factor. Revenue assumptions also play a significant role in determining the PEF. The commitments of future 2000 Measure B funds are constrained by expected revenues and consideration of anticipated financing costs.

- **2000 Measure B Allocations** - Allocations of 2000 Measure B funds are approved by the Alameda CTC based on staff recommendations and allocation requests submitted by project sponsors. The amount of 2000 Measure B funding available for allocation to a given project phase is limited by the Programmed Balance for the project, at the time of the allocation request.

Requests for Allocation packages should be submitted to the Alameda CTC at least sixty (60) days prior to the Alameda CTC meeting at which the sponsor requests the allocation be approved. The request for allocation package includes details about the breakdown by phase of the 2000 Measure B funds being requested, along with an update of current project information related to the project scope, schedule and cost/funding plan.

Amounts allocated for capital projects are deducted from the Programmed Balance, and therefore are not subject to adjustment by the PEF (the PEF is applied only to the Programmed Balance). Adjustments, other than PEF adjustments, to allocated amounts are permitted. A request to increase or decrease an allocation requires a written request by the Project Sponsor. To increase the total amount of an allocation requires sufficient capacity in the Programmed Balance for the project and is considered a new allocation. A reduction to an allocated amount will be "credited" back to the Programmed Balance for the project at the time that the written request to reduce the allocation is received by the Alameda CTC. Requests to adjust allocations that do not change the total amount of the allocation, e.g. moving allocated amounts between phases, can be approved by the Alameda CTC Executive Director, or designee of the Executive Director. However, if the request reflects a significant change in the overall project delivery plan, the request may be forwarded to the Alameda CTC committees and full Commission for review similar to the process for a new allocation.

Requests for allocations received by the Alameda CTC will be considered in the context of the 2000 Measure B Strategic Plan Allocation Plan in effect at the time of the request. Requests that are consistent with the Allocation Plan have typically been included in the overall 2000 Measure B Program financial analysis

performed to assess the availability of 2000 Measure B funds when needed to reimburse eligible project costs. If a request is not consistent with the Allocation Plan, or if conditions warrant a review of the assumptions used for the most recent overall Program financial analysis, an updated overall Program financial analysis may be prepared. The update would be used to determine whether or not the requested allocation of 2000 Measure B funds would have an adverse impact on commitments of Measure B funds to other projects.

- **Project Funding Agreements** – Allocated Measure B capital funds are available for encumbrance in project funding agreements. The funding agreement, in addition to applicable policies and procedures, establishes the terms by which the Measure B funds will be made available for reimbursement of eligible project costs incurred by the project sponsor or implementing agency. Initiation of a request for a project funding agreement should occur at the same time as an allocation request for a capital project. If the initiation of a project funding agreement is delayed, it should occur within six months of the date of allocation or the allocation may be rescinded.

The funding agreement typically includes provisions related to the timing of the availability of the Measure B funds for reimbursement of eligible project costs along with any specific eligibility requirements. The project funding agreement language will also stipulate the provisions for timely use of encumbered funds and the provisions for requesting an extension to the timely use of funds provisions.

Upon completion of the scope of work authorized for reimbursement by a project funding agreement, the project sponsor should notify the Alameda CTC to initiate closeout of the project funding agreement.

- **Sponsor Reimbursement** – Sponsors may incur eligible costs on projects either by separate Alameda CTC authority authorizing the Sponsor to incur eligible costs prior to executing a project funding agreement or by executing a project funding agreement. Eligible costs will not be reimbursed until a funding agreement is fully executed by all parties to the agreement.

Costs submitted to the Alameda CTC for reimbursement must be consistent with the applicable funding agreement. The Sponsor is required to submit a request for reimbursement package with the costs for each phase of the project segregated into the phases described in the project funding agreement using the reimbursement forms provided by the Alameda CTC.

- **Agreement Amount Balance** - Reimbursed eligible costs are subtracted from the agreement amounts leaving the agreement amount balance.