



# 2022 Comprehensive Investment Plan Update

## Appendix E

### CIP Policies and Procedures



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**Alameda County Transportation Commission  
COMPREHENSIVE INVESTMENT PLAN  
POLICIES AND PROCEDURES**

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**POLICY 1: PROCEDURES FOR PROGRAMMING AND ALLOCATIONS**

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**POLICY:** The Alameda County Transportation Commission (Alameda CTC) has programming and allocation authority for a variety of transportation fund sources. Programming and allocations shall be approved by Alameda CTC in accordance with the requirements of the individual fund source and with the standard procedures set forth herein.

Programmed funds in the Comprehensive Investment Plan (CIP) represent a commitment of funds to a Project Sponsor. Programmed funds are not available for expenditure unless and until Alameda CTC approves an allocation of the programmed amount. Only after allocation can funds be encumbered through funding agreements between Alameda CTC and the Project Sponsor, or for Alameda CTC-sponsored projects through contracts for costs to be incurred directly by Alameda CTC.

**PURPOSE:** Alameda CTC makes programming recommendations for the Alameda County shares of certain local, regional, state and federal funds. The purpose of this policy is to establish standard definitions and procedures by which Alameda CTC exercises its programming and allocation authority. The programming and allocation procedures for each of the fund sources within the purview of Alameda CTC are consolidated through the CIP to standardize the programming and allocation process to the extent practical for such fund sources, while maintaining compliance with the requirements for individual fund sources.

**GUIDELINES:** Programmed funds are adopted into the applicable programming document by the governing board of the agency or Commission with statutory authority for the administration of the fund program.

Alameda CTC administers the following local, voter-approved funding programs:

- The 1986 Measure B Program;
- The 2000 Measure B Program;
- The 2010 Vehicle Registration Fee Program; and
- The 2014 Measure BB Program.

The commitments from the local, voter-approved funding programs are established in the expenditure plans included in the ballot measure language for each program. The 1986 Measure B, 2000 Measure B, 2010 Vehicle Registration Fee and the 2014 Measure BB expenditure plans each include a set of commitments to fund the programs and projects listed in the plan. The Strategic Plan prepared for each of the individual funding programs confirms the funding commitments, allocated amounts, and the plan for future allocations. The Strategic Plan also functions to guide programming and

allocation for the individual fund sources to priority transportation investments based on a set of guiding principles.

Alameda CTC also administers the programming and allocation process for the Transportation Fund for Clean Air (TFCA) County Program Manager Fund in compliance with the requirements of the Bay Area Air Quality Management District (BAAQMD), which delegates the programming and allocation administration to Alameda CTC.

Alameda CTC also makes programming and allocation recommendations for other fund sources such as the State Transportation Improvement Program (STIP), Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) Program (through One Bay Area Grant program), and other funds as they become available to Alameda County, that are contingent upon final approval by the respective governing boards of the agencies with programming authority e.g., Metropolitan Transportation Commission (MTC) and/or California Transportation Commission (CTC).

By definition, programmed amounts for a given project represents the amount committed to the project, subject to allocation. An allocated amount represents the amount available for encumbrance through project funding agreements and/or contracts directly with Alameda CTC. Funds encumbered through project funding agreements and/or contracts are available for reimbursement of eligible project costs. These definitions are expanded with specific procedural considerations below:

- *Commitment Amount:* The Expenditure Plan contains the commitment amount of funds for the local, voter-approved funding programs administered by Alameda CTC. Commitment Amounts for the local, voter-approved funding programs are confirmed in the Strategic Plan appendices to the CIP.
- *Programmed Amount:* The CIP serves as the programming document for the fund sources administered by Alameda CTC.
  - Programmed Amounts approved in the CIP for the local, voter-approved funding programs are based on the Commitment Amounts and the requirements included in the Expenditure Plan for the specific funding program.
  - Programmed Amounts approved in the CIP for the TFCA County Program Manger Fund are based on the programming and allocation process administered by Alameda CTC in accordance with BAAQMD requirements.

- Programmed Amounts shown in the CIP for fund sources not directly administered by the Alameda CTC may be included for informational purposes to reflect the current programming information available from the agency with the statutory programming authority for the fund source.
  - Programmed Amounts are typically approved for a specific project phase in a specific fiscal year. Funds programmed in specific fiscal years are required to be allocated by the end of the fiscal year in which the funds are programmed. Changes to Programmed Amounts require amendments to the CIP.
- *Allocated Amount:* The CIP five-year programming window includes a two-year allocation plan (i.e., the first two years of the five-year window). The CIP Allocation Plan shows the Allocation Amounts approved by Alameda CTC for the funds administered by Alameda CTC and anticipated allocations to be approved by other agencies.
  - Allocated Amounts shown in the CIP for the local, voter-approved funding programs are considered approved by Alameda CTC upon approval of the CIP (if the allocations have not been previously approved by Alameda CTC under separate action).
  - Allocated Amounts shown in the CIP for the TFCA County Program Manager Fund are considered approved by Alameda CTC upon approval of the CIP (if the allocations have not been previously approved by Alameda CTC under separate action, or if the Allocated Amount shown is dependent on a future programming approval).

#### Request for Allocation Process

Requests for allocation package may consists of a funding application in the form of a CIP funding application or a specific request for allocation for a named project in the Transportation Expenditure Plans. The amount of funding available for allocation to a given project, or project phase, is limited by the Programmed Amount for the project, or project phase, at the time of the allocation request.

Requests for any allocations for Alameda CTC-administered funds should be submitted to Alameda CTC at least 60 days prior to the Alameda CTC meeting at which the Project Sponsor requests the allocation to be approved, or the meeting at which the CIP will be approved. The request for allocation package shall be in a format provided by Alameda CTC or a format that at minimum

includes details about the program or project scope, cost, funding and schedule detailed by phase. The request package shall reflect total cost and funding amounts based on progress to date at the time of the request.

Requests for allocations received by Alameda CTC will be considered in the context of the CIP in effect at the time of the request. Alameda CTC reviews allocation requests to confirm items such as financial viability, project delivery readiness, funding availability to reimburse eligible project costs. If conditions warrant a review of the assumptions used for the most recent overall financial analysis, an updated overall financial analysis may be required to determine whether or not the requested allocation would have an adverse impact on commitments of funds to other projects.

Allocations, or modifications to allocations, are approved by Alameda CTC based on staff recommendations and allocation requests submitted by Project Sponsors typically through the annual/biennial CIP programming and allocation processes.

Allocated Amounts approved by Alameda CTC must be encumbered in funding agreements with Project Sponsors or in contracts for project costs incurred directly by Alameda CTC, in accordance with the CIP's policy for Timely Use of Funds Allocated by the Commission.

#### Allocation Considerations for Partially Fund Projects and Right-of-Way Phases

Funding allocations for phases beyond the environmental phase are considered at increased risk if a Project Sponsor has not identified or secured funding for all phases to complete the project funding plan.

Prior to making an allocation to a project with a known funding shortfall, Alameda CTC will perform risk analytics on the request funding and the project prior to making such allocation recommendation to the Commission. In this risk assessment, Alameda CTC will consider the project's and Project Sponsor's potential to use Alameda CTC funds to leverage and secure prospective funding from federal, State, regional, and local sources outside of Alameda CTC's purview, and the project's viability to be completed in a timely manner.

Right-of -Way Allocations shall be limited to projects that have a complete and viable project funding and delivery plan as assessed for firm funding commitments/partners and tangible plan to address identified project deliverability issues.

Right-of-Away Allocations to projects that contain funding shortfalls, uncertain project funding plans, and/or potential issues in project delivery are considered high risk, and will only be considered under very rare circumstances. Such right-of-way allocations must have an agreed understanding on how the Project Sponsor shall return the right-way-allocation to Alameda CTC for a project that has not entered into the construction phase, and/or for a project that is not completed in an established timeframe.

The agreed upon terms, including methods of repayment in arrears, shall be included with the Request for Allocation package submitted to Alameda CTC for consideration, will be subsequently be the basis for a fund agreement between Alameda CTC and the Project Sponsor.

#### Changes to Approved Allocations

A request to increase or decrease an Allocation Amount requires a written request by the Project Sponsor.

- *Increasing Allocations:* Request for an increase to an allocation is on a case-by-case basis for extraordinary circumstances, and subject to Commission approval. To increase the total amount of an allocation there must be sufficient capacity in the committed amounts for voter-approved expenditure named projects, programming/funding capacity, and reasonable justification for increasing the allocation amount.
- *Decreasing Allocations:* For projects named in the voter-approved Expenditure Plans, a reduction to an Allocated Amount will be credited back to the project for future reallocation to the project. Periodically through the CIP, Alameda CTC will deallocate unused funds related to project cost savings, fund rescissions, or inactive/infeasible project delivery.
- *Shifting Allocations Between Phases:* Funds allocated to a project by Alameda CTC may be shifted between the approved allocations are considered on a case-by-case basis. Requests for shifting allocated funds shall include updated project information that reflects the requested shift and allows for a before-and-after comparison of the project implementation plan. Funding shortfalls in the current or subsequent phases, which result from a requested shift of allocated funds shall be considered an adverse impact to implementation.

Requests for shifting funds between allocations which do not change the total amount allocated to the project from an individual funding



program, e.g. Measure B, Measure BB or VRF, may be approved by the Executive Director, or a designee of the Executive Director, if the shift will not adversely impact the implementation of the project. Any requests for shifting funds between project phases that results in the amount changed the allocation amount from an individual funding program, e.g. Measure B, Measure BB or VRF, shall require consideration and approval by the Commission.

#### Effective Date of Reimbursable Costs

The effective date of reimbursable costs is generally based on the start of the fiscal year in which the allocated funds are identified in the CIP. The amounts shown in the first two fiscal years of the CIP for fund sources allocated by Alameda CTC shall be considered allocated in the fiscal year shown for the phase(s) of the project indicated upon approval of the CIP (if not already approved by Alameda CTC through a separate action).

For allocations made through a separate Commission Action, the effective date of reimbursable cost shall be the date of the Commission's approval, unless otherwise stated in the approved allocation request.

Funds administered by agencies other than Alameda CTC, such as the CTC, MTC, or the Federal Highway Administration (FHWA), must be approved by the agency that administers the particular fund source prior to being available for reimbursable costs.

#### Retroactive Allocations

Generally, funds are allocated for cost to be incurred after the allocation is approved by the Commission. On a case-by-case basis, Alameda CTC may consider identify a retroactive allocation to allow the eligible date of reimbursable cost incurred to be prior to the allocation date.

Approval of retroactive allocations shall be based in large part on which fund sources were used to reimburse the costs originally, and to what purpose, if any, the freed up funding will be committed. There are also certain requirements related to the procurement process and methodology for contracts funded wholly, or in part, by voter-approved funds. Any costs intended for the retroactive allocation for contracts that do not comply with the goal setting requirements set forth in Alameda CTC's Local Business Contract Equity Program (LCBE) must be identified in the Request for Allocation package and determined eligible for Measure BB funding. If a retroactive allocation of Measure BB funds is approved to cover contract costs in arrears, the reporting requirements set forth in the LBCE Program shall apply to the entire contract from inception to date.

**POLICY 2: ENVIRONMENTAL APPROVAL AND FULL FUNDING FOR MEASURE B/MEASURE BB FUNDED CAPITAL PROJECTS DEADLINE**

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**POLICY:** Capital projects funded wholly, or in part, by Measure B and/or Measure BB shall receive all necessary environmental clearance approvals and have a full funding plan for the proposed improvements as required by the Expenditure Plan for each measure.

- For the 2000 Measure B, there are no projects remaining that are subject to this policy as deadlines occurred in previous years.
- For the 2014 Measure BB, named projects must receive all necessary environmental clearance approvals and have a full funding plan for the proposed improvements by December 31, 2022. Project Sponsors may appeal to Alameda CTC for one-year time extensions.

**PURPOSE:** To ensure that the projects included in the 2000 Measure B and 2014 Measure BB Transportation Expenditure Plans can be completed in a timely manner, and to provide a process by which Project Sponsors may appeal to Alameda CTC for one-year time extensions. The intent is to require continued due diligence by the Project Sponsor to secure environmental clearance approvals and a full funding plan.

**GUIDELINES:** The 2000 Measure B Transportation Expenditure Plan (2000 TEP) and the 2014 Measure BB Transportation Expenditure Plan (2014 TEP) both contain provisions for projects which cannot clear the Environmental Approval process, or cannot do so in a timely manner. There are no remaining 2000 Measure B capital projects subject to the environmental clearance approval or full funding policy.

The 2014 TEP establishes a deadline for environmental clearance approval and a full funding plan for each capital project that receives Measure BB capital funding. Environmental clearance 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 National Environmental Policy Act documents and the Notice of Determination or Notice of Exemption for California Environmental Quality Act documents. A full funding plan is defined as a plan containing a reliable cost estimate and sufficient funding identified to cover the estimated costs. The 2014 Measure BB deadline is December 31, 2022; however, the 2014 TEP includes provisions for one-year extensions to the deadline, if approved by Alameda CTC.

**POLICY 3: TIMELY USE OF FUNDS POLICIES – ALLOCATIONS AND FUNDING AGREEMENTS**

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**POLICY:** Allocations shall be encumbered in a funding agreement between Alameda CTC and the recipient agency incurring the reimbursable costs, or in a contract for costs

incurred directly by Alameda CTC, within twelve (12) months from the date the allocation is approved by the Commission.

Allocated funds not encumbered by the deadlines established in this policy are subject to rescission and reprogramming at the discretion of Alameda CTC.

**PURPOSE:** To ensure that funding allocated and distributed by Alameda CTC is expended expeditiously to implement the improvements and services for which the allocations and distributions were approved.

**GUIDELINES:** Alameda CTC's allocation recommendations and approvals are based on a Project Sponsor's Request for Allocation package/funding application that contain a specific scope, cost, and schedule. This policy requires Project Sponsors to encumber allocated funds through an executed project funding agreement or contract within twelve (12) months of an approved allocation to ensure accountability and consistency with the Project Sponsor's allocation request.

The project fund agreement(s) between Alameda CTC and the recipient agency outlines the agreed upon reimbursable costs, budget, scope, and schedule. Once an agreement is executed, Project Sponsors are expected to begin work on an allocation phase based on the delivery guidelines below, or per the schedule contained in the executed project funding agreement.

| Project Phase                           | Maximum Expenditure Timeline  |
|---|---|
| Planning/Scoping                        | <ul style="list-style-type: none"> <li>Activity must be complete within twenty-four (24) months from the date of allocation.</li> </ul> |
| Preliminary Engineering / Environmental | <ul style="list-style-type: none"> <li>Activity must be complete within twenty-four (24) months from the date of allocation.</li> </ul> |
| PS&E (Final Design)                     | <ul style="list-style-type: none"> <li>Activity must be complete within twenty-four (24) months from the date of allocation.</li> </ul> |
| Construction                            | <ul style="list-style-type: none"> <li>Activity must be complete within twenty-four (36) months from the date of allocation.</li> </ul> |

#### Requests for Time-Extension

Project Sponsors may request time extension(s) to funding related deadlines established by policy, deadlines required at the time of allocation, or expiration dates established in funding agreements. Project Sponsors are limited to only a single time-extension of up to twenty-four (24) months that is required to be approved by the Commission.

Such requests for extensions shall be submitted in writing to Alameda CTC at least ninety (90) days prior to the deadline for which an extension is being requested and at

least forty-five (45) days prior to the regularly scheduled Alameda CTC Commission meeting at which the request will be considered for approval.

The request for time-extension package submitted to Alameda CTC shall include a detailed explanation of the conditions or circumstances that have changed since the deadline was established, and the corresponding impact to the remainder of the project implementation schedule if the extension is approved. Extensions to delivery deadlines established in funding agreements shall be submitted, reviewed, and approved in accordance with the provisions set forth in the funding agreement. Additional requests for time-extensions will only be considered for rare and extraordinary circumstances.

#### Fund Rescission/Reprogramming

Allocated funds not encumbered into a funding agreement by the deadlines established in this policy or used in the manner inconsistent with these guidelines are subject to rescission and reprogramming at the discretion of Alameda CTC. Failing to meet timely use of funds requirements, fund agreement requirements, funding commitments, project schedules, or applicable regulations could result in loss or withholding of funds.

If funding awards are withdrawn, the corresponding projects and allocations may be reprogrammed to a future year of the CIP, or deprogrammed from the CIP. Project sponsors who failed meet the timely use of funds deadlines may be penalized in their consideration for the next programming and allocation cycle.

#### **POLICY 4: ELIGIBLE COSTS FOR REIMBURSEMENT**

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**POLICY:** Program and project costs to be reimbursed by Alameda CTC shall be segregated into project phases to correlate with the encumbrance(s) from which reimbursement is requested. Funds shall be encumbered in a funding agreement between Alameda CTC and either the Project Sponsor or, if different from the sponsor, the implementing agency which incurs the reimbursable costs, or in a contract with Alameda CTC for project costs incurred directly by Alameda CTC.

For Alameda CTC implemented projects, eligible staff and other direct costs incurred directly by Alameda CTC shall be considered encumbered when they are included in the annual budget adopted by the Commission. Costs submitted for reimbursement shall be limited to activities, materials and services directly related to the implementation of the scope of the project for which the funds were allocated and subsequently encumbered in a funding agreement. Eligible costs shall be incurred in accordance with the provisions set forth herein or be at risk of being determined ineligible for reimbursement by Alameda CTC.

**PURPOSE:** To limit the expenditures of funding administered by Alameda CTC to the reimbursement of eligible project costs and to provide general guidance to implementing agencies which incur the reimbursable costs.

**GUIDELINES:** Alameda CTC approves reimbursements of eligible project costs based on requests for reimbursements submitted by the Project Sponsors or implementing agencies which incur the reimbursable costs. The requirements for the requests for reimbursement are included in the project funding agreements between Alameda CTC and the recipient agency. In general, the request for reimbursements must identify the total costs by phase, be consistent with the agreed upon eligible costs, and segregate costs between Alameda CTC's and the Project Sponsor's cost sharing arrangement as described in the project funding agreement.

The following describes the eligible costs for specific phases:

| Project Phase   | Eligible Costs Requirements  |
|---|--|
| Planning/Scoping                                      | <ul style="list-style-type: none"> <li>• Project Sponsor staff, consultant costs and other direct costs necessary to prepare a well-developed project delivery plan or scoping document.</li> <li>• For projects that require a formal scoping document such as projects on the State highway system, or with State or federal funding, the preparation of the scoping document is eligible for scoping phase funding.</li> </ul>  |
| Preliminary Engineering / Environmental               | <ul style="list-style-type: none"> <li>• Project Sponsor staff, consultant costs and other direct costs necessary to perform preliminary engineering, and to secure approval for the appropriate environmental document for the project.</li> </ul>  |
| Plan, Specification and Estimate (Final Design /PS&E) | <ul style="list-style-type: none"> <li>• Project Sponsor staff, consultant costs and other direct costs necessary to prepare final PS&amp;E and to provide support during the bidding process until the time of contract award.</li> <li>• Services beyond the contract award are considered design services during construction, which are typically included in the Construction Support Phase. The milestone (i.e., advertisement, award, etc.) at which the costs change from being budgeted and tracked in the PS&amp;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.</li> </ul> |
| Right-of-Way Acquisition and Support Phases           | <ul style="list-style-type: none"> <li>• Project Sponsor staff, consultant costs and other direct costs necessary for the acquisition of right-of-way, right-of-way preservation and hardship acquisitions.</li> </ul>   |

**Project Phase****Eligible Costs Requirements**

- 
- Right-of-way acquisitions initiated prior to environmental clearance approval for the project for which the right-of-way is required, shall not be eligible for reimbursement by Alameda CTC unless specifically authorized in the funding agreement. The cost of eligible right-of-way acquisitions shall be supported by an appraisal prepared by a professional appraiser. The appraisal report shall be provided to Alameda CTC with the request for allocation package.
  - Right-of-way activities related to property not required for the program or project as programmed shall be at the expense of Project Sponsor to the extent such costs can be determined.
  - If excess right of way is sold, used for purposes other than the program or project as programmed, or otherwise disposed of, a share of any proceeds from the sale of such excess property shall be returned to Alameda CTC based on the prorated percentage of Alameda CTC funding contributed to the purchase of the property.
  - If condemnation procedures are required to obtain access to right of way, Alameda CTC will consider the required deposit as an eligible cost and reimburse the Project Sponsor upon request in accordance with the funding agreement. If the amount of reimbursement to Project Sponsor is higher than the Alameda CTC funding share of the amount of settlement in the final order of condemnation, Project Sponsor shall pay Alameda CTC the difference between the amount reimbursed and the Alameda CTC funding share of the amount settled plus the Alameda CTC funding share of the interest accrued to the deposit account.
  - Property acquired for a project using Alameda CTC funding shall be available for project construction within 10 years of Alameda CTC reimbursement to the Project Sponsor. If, after 10 years, the property has not been utilized for the project as programmed, the Project Sponsor shall reimburse 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 Alameda CTC, within one year after the expiration of this 10-year period.
  - If right of way is acquired for a project as programmed and is not utilized for the project as programmed, because the project has been modified or de-programmed, 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 Alameda CTC, within one year from the time the project is modified or de-programmed.

| Project Phase   | Eligible Costs Requirements  |
|---|--|
| Construction<br>Capital and<br>Support Phases           | <ul style="list-style-type: none"> <li data-bbox="621 254 1446 428">• Project Sponsor staff, consultant costs, contractor costs and other direct costs necessary for all construction expenditures on the project that are part of the scope of work agreed to by Alameda CTC, including Project Sponsor’s management oversight expenses associated with the construction of the project.</li> <li data-bbox="621 478 1446 730">• If Project Sponsor includes additional work beyond the scope of the project as programmed by Alameda CTC, such work and all related costs shall be segregated from the project costs funded by Alameda CTC. Costs not associated with the scope of the project as programmed by Alameda CTC shall be at the expense of the Project Sponsor and shall not count as a match for Alameda CTC funding for the project as programmed by Alameda CTC.</li> <li data-bbox="621 772 1446 1024">• Items of work within the scope of the project as programmed, 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 Alameda CTC funding is required.</li> </ul>  |
| Rolling Stock and<br>Equipment<br>Acquisition<br>Phases | <ul style="list-style-type: none"> <li data-bbox="621 1037 1446 1289">• Rolling stock purchased by Project Sponsor and reimbursed by Alameda CTC shall remain in the Project Sponsor fleet for a minimum of five years. If the rolling stock is removed from the fleet prior to the required five years, Project Sponsor shall notify Alameda CTC. 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 Alameda CTC.</li> <li data-bbox="621 1331 1446 1806">• Project Sponsor shall prepare and submit to 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 Project Sponsor for the program or project as programmed. The rolling stock used in this service will be the same type as purchased with Alameda CTC funding, 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 years. In the event that the minimum service level is not maintained, Project Sponsor shall reimburse 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 Project Sponsor and reimbursed by Alameda CTC.</li> </ul> |

| Project Phase | Eligible Costs Requirements   |
|---------------|---|
|               | <ul style="list-style-type: none"> <li>Specialized equipment required for the project must be identified in the project funding agreement to be eligible for reimbursement with Alameda CTC funding.</li> </ul> |

In addition to the individual phase requirements described above, the following general provisions apply to cost eligibility and exclusions for any phase:

| Cost Type  | Eligible Costs Requirements  |
|--|--|
| Contract Costs   | <ul style="list-style-type: none"> <li>Costs incurred via contracts between the implementing agency and consultants, contractors, suppliers or other vendors are eligible for reimbursement from the local, voter-approved funding programs administered by Alameda CTC only if the contract is established in accordance with Alameda CTC's Local Business Contract Equity (LBCE) Program. The LBCE Program applies to contracts funded wholly, or in part, with local, voter-approved funding programs administered by Alameda CTC. While not every contract funded in part by local, voter-approved funding programs administered by Alameda CTC will require a contract goal set during the procurement process, every contract is required to comply with the reporting requirements set LBCE program.</li> </ul>   |
| Project Sponsor Staff Costs                              | <ul style="list-style-type: none"> <li>Costs for Project Sponsor staff working on the project (direct implementation costs) will be eligible for reimbursement by Alameda CTC funding. Staff hours must be segregated on timesheets, or otherwise documented through an alternative method, approved by Alameda CTC.</li> <li>Project sponsor overhead and general administrative costs that are not directly related to the implementation of a project are ineligible for reimbursement by Alameda CTC, unless otherwise approved by Alameda CTC.</li> <li>Hourly wages and fringe benefits for Project Sponsor staff will be reimbursed based on the actual wage rate plus the audited fringe benefit rate supplied by the Project Sponsor. Alameda CTC will review and approve a fringe benefit rate based on documentation provided by the Project Sponsor. Approved fringe benefit rates will be set forth in the project funding agreement, but in no case will fringe benefits of more than 70 percent of the hourly wage be approved.</li> <li>For Measure B/BB/Vehicle Registration Fee Direct Local Distribution Recipients, costs for Project Sponsor staff costs related to project administration, contract management of professional and construction services, are not eligible for reimbursement with allocated funds per the Local Cooperation Policy, unless specifically allowed in a project funding agreement.</li> </ul> |
| Alameda CTC Project Support Requested by Project Sponsor | <ul style="list-style-type: none"> <li>If requested by Project Sponsor, Alameda CTC will consider providing support staff and/or consultant support for a project. Costs for these services will be considered eligible costs and be reimbursed to Alameda</li> </ul>  |



| Cost Type                              | Eligible Costs Requirements   |
|--|---|
|  | CTC from funds for the project, or be deducted directly by Alameda CTC from Alameda CTC funding allocated for the project.  |
| Bonding Costs                          | <ul style="list-style-type: none"> <li>If Alameda CTC determines that it is in the best interest of a funding program to sell bonds, or otherwise incur financing costs to deliver the projects included in the funding program, the cost of bonding and financing, including interest payments, shall be considered a program-wide cost and shall be identified in the CIP as the first priority repayment.</li> <li>If a Project Sponsor wishes to independently bond or use other approved borrowing programs, Alameda CTC funding is eligible to reimburse expenses incurred by Project Sponsor for staff time, consultant costs, principal payments and the associated cost of financing required to provide the financing for the project.</li> </ul>                 |
| Fund Exchanges                         | <ul style="list-style-type: none"> <li>Alameda CTC may consider and approve fund exchanges on a case-by-case basis. Any exchange payments of Alameda CTC funding must be identified in the project funding agreement to be eligible for reimbursement</li> </ul>  |
| Miscellaneous Costs                    | <ul style="list-style-type: none"> <li>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 with the exception of the cost of permits, fees or oversight from the Project Sponsor. Reimbursable eligible costs must be consistent with the Local Cooperation Policy.</li> <li>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 the implementation of the program or project for which the funds were allocated. Air travel and overnight stays are not eligible unless prior approval is obtained from Alameda CTC.</li> </ul> |
| General Exclusions                     | <ul style="list-style-type: none"> <li>Cost not directly related to the implementation of the project as programmed, and consistent with an approved environmental document as applicable, will not be eligible for reimbursement with Alameda CTC funding.</li> </ul>  |
| Ongoing Costs (Maintenance/Operations) | <ul style="list-style-type: none"> <li>Ongoing annual expenses incurred for maintenance of a project shall be borne by the Project Sponsor unless specifically identified in the funding agreement.</li> </ul>  |

**POLICY 5: FUNDING FOR PROJECT-RELATED COSTS INCURRED DIRECTLY BY THE ALAMEDA COUNTY TRANSPORTATION COMMISSION**

**POLICY:** Costs incurred directly by Alameda CTC related to the management and implementation of programs and projects shall be eligible for the funding made available for those programs and projects. The eligibility of costs incurred directly by Alameda CTC shall be limited to any restrictions related to such costs for any individual fund source. General fund administration costs related to congestion management

activities are allocated to congestion management projects in compliance with *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**PURPOSE:** The purpose of this policy is to establish guidelines by which costs incurred directly by Alameda CTC related to the management and implementation of programs and projects are segregated to identify fund sources for such costs.

**GUIDELINES:** The following provisions are intended to support the purpose of this policy:

- A. Direct costs relate to activities directly related to Capital Projects, Programs, Planning and grants. These direct costs shall be posted to appropriate funds or activities. Salaries and benefits shall be supported by timecards, and direct consulting and other costs shall be supported by approved invoices. Where specific agreements are in place, direct costs along with indirect cost (see below) allocations 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 or Program Funds.
- B. Indirect costs relate to congestion management activities that don't directly relate to a specific Capital or Planning Project, or Program. 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 General Fund congestion management related allowable costs. The cost allocation methodology will comply with *Uniform Guidance*.
- C. Alameda CTC shall maintain a cost allocation plan as required by *Uniform Guidance*, certified by the Director of Finance, accepted and/or approved by Caltrans as the cognizant agency and available to grant funding agencies.
- D. Alameda CTC shall implement a billing system, supported by acceptable detail for direct and indirect costs. However, no allowance shall be made for profit margin.
- E. All direct costs and billable indirect costs shall be excluded from the salary and administration limitations set forth in the 2000 Measure B Transportation Expenditure Plan and in the 2014 Measure BB Transportation Expenditure Plan. Alameda CTC shall use general fund administrative costs to compute the administrative cost ratios.

**POLICY 6: LOCAL CONTRACT BUSINESS EQUITY PROGRAM**

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**POLICY:** Alameda CTC has established this Local Business Contract Equity (LBCE) Program to create economic growth and jobs within Alameda County by requiring local contracting that supports residents and businesses in Alameda County. The LBCE Program helps to identify and engage the participation of Local Business Enterprise (LBE), Small Local Business Enterprise (SLBE) and Very Small Local Business Enterprise (VSLBE) firms located in Alameda County on applicable contracts.

**PURPOSE:** The purpose of this policy is to continue support for the hiring of local contractors, vendors, suppliers and service providers on contracts funded wholly, or in part, by funding approved by Alameda County voters. The LBCE Program contributes to the overall economic vitality of the County by:

1. Encouraging businesses to locate and remain in Alameda County;
2. Providing employment opportunities for residents of Alameda County; and
3. Generating economic activity and stimulating the local economy.

**GUIDELINES:** This program applies to contracts funded solely by any combination of Measure B, Measure BB, Vehicle Registration Fee, and/or local funds. Contracts that include state and federal funds must adhere to state and federal requirements. Full policy and program requirements are detailed here:

[https://www.alamedactc.org/app\\_pages/view/4543](https://www.alamedactc.org/app_pages/view/4543)

Funds may be subject in rescission or ineligible for reimbursement if the Project Sponsor is determined to be out-of-compliance.

**POLICY 7: ALAMEDA CTC PROJECT AND PROGRAMS MANAGEMENT POLICIES**

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**POLICY:** Alameda CTC shall administer and manage project delivery efforts and program implementation through these policies and procedures.

**Direct Local Distribution Programs Management Policy:** As the administering agency for the Measure BB DLD program, Alameda CTC is responsible for monitoring and compliance administration of the DLD recipients. Alameda CTC reserves up to one percent (1%) of Measure BB DLD funds to provide oversight to the DLD program.

**Capital Projects and Programs Management Policy:** As implementing agency for several countywide significant Measure BB related projects identified in the Capital Project Delivery Plan (CPDP), Alameda CTC has assumed the lead in project management and project delivery using its own staff and consultant resources. Alameda CTC reserves up to five (5) percent of Measure BB discretionary funds in order to effectively deliver Measure BB transportation projects, and to oversee projects being implemented by

other agencies. These funds support costs associated with establishing policies, procedures, ongoing project management oversight, preliminary scoping and planning, and other core functions related to Measure BB capital program delivery that are not directly related to Measure BB capital commitments for individual projects.

**Project and Program-wide Contingency Reserve:** Furthermore, the CPDP recommends programming Measure BB funds for specific project phases, including set-asides for program-wide management, oversight, and monitoring, as well as a program-wide risk contingency. Each project will include budget allowances that account for risk and unknowns. Where risk issues are common to many projects, Alameda CTC may elect to place those budget amounts into a program-wide contingency reserve. This is referred to herein as the Project and Program-wide Contingency Reserve.

**PURPOSE:** Alameda CTC is responsible for administering the voter-approved transportation programs, CMA functions, and emerging countywide transportation needs and initiatives. Alameda CTC requires these projects and program management policies in order to provide continuing support and resources for these functions; to strengthen and enhance the agency's position within the changing framework of regional, state, and federal transportation agencies; and to increase responsiveness to new regional and state climate change mandates.

**GUIDELINES:** Alameda CTC's annual requirements related to project and program implementation, oversight, and delivery management costs will be assessed through Alameda CTC's budgetary process.

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**POLICY 8: PROGRAMMING POLICIES FOR OUTREACH AND TRANSPARENCY**

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**POLICY:** The project selection and prioritization process employed for the development of the CIP, which begins with the Countywide Transportation Plan (CTP) update process, shall satisfy the requirements for all the fund sources included in the CIP, including federal, state, regional and local sources. The CTP update process shall include significant efforts to satisfy requirements related to notification, outreach and transparency typically satisfied at the time of individual, fund-specific calls for projects.

**PURPOSE:** To ensure that the notification, outreach and transparency measures employed by Alameda CTC to identify potential uses for transportation funding from the full range of sources available in Alameda County satisfy all programming policies from other agencies pertaining to the specific fund sources being programmed by Alameda CTC. By satisfying the most stringent of requirements, Alameda CTC will be afforded flexibility at the time of programming to match the most appropriate, available fund source to the priorities at the time of programming.

**GUIDELINES:** Project Sponsors are required to support this policy through outreach programs and notifications which reach all geographic areas, communities and portions of the population during solicitations for proposed uses of Alameda-CTC administered funding available for transportation programs and projects within Alameda County. The outreach must include disadvantaged communities, including Metropolitan Transportation Commission-defined Communities of Concern and other underserved populations.

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**POLICY 9: LOCAL COOPERATION POLICY**

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**POLICY:** Project Sponsors receiving DLD funds are not eligible to receive a reimbursement of staff time costs through allocations of Alameda CTC Administered Funds for oversight activities that are not directly related to project implementation.

Local jurisdiction(s) shall work in full cooperation with the implementing agency to assist in project implementation and delivery, where appropriate and as needed. This includes providing support, coordination, monitoring, technical assistance, etc. A local jurisdiction's costs associated with these activities to further a project implemented by Alameda CTC, a local jurisdiction (as the Project Sponsor), or another implementing agency within a jurisdiction's locality shall be funded through the local jurisdiction's eligible local fund sources such as Measure B/BB/Vehicle Registration Fee Direct Local Distribution (DLD) funds in lieu of a local jurisdiction billing these costs directly to the project or against its funding allocation.

**PURPOSE:** To ensure jurisdictions directly benefiting from the expected outcomes of a project in their locality implemented by Alameda CTC or other implementing agencies, are active funding partners to further the delivery of such improvement project, and to also ensure DLD recipients are using DLD funds predominately on contracts, services, materials, rather than contract administration.

**GUIDELINES:** Local agency-incurred costs such as staff costs associated with providing technical assistance, support, or coordination to further the delivery of a project by another implementing agency can be included in the total cost and funding amounts for the purposes of cost and risk sharing at the total project level. Fees associated with permitting, plan review, and other general costs associated with the project shall be supported by the local jurisdiction in which the project is implemented, where feasible and appropriate. These costs shall not be included in the costs eligible for reimbursement by the funds allocated by Alameda CTC, unless they are specifically identified as eligible in the funding agreement.

**POLICY 10: SMALL CITIES PROGRAM POLICY**

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**POLICY:** Cities within Alameda County with a population of less than 25,000 shall be considered for certain exceptions from Alameda CTC’s local match requirements and/or Local Cooperation Policy requirements, and local projects that have a demonstrated multi-jurisdictional transportation significance shall receive consideration for delivery support from Alameda CTC, where practical and feasible.

**PURPOSE:** The purpose of this policy is to assist smaller cities in Alameda County in their project delivery efforts through relieving matching requirements, exploring financial strategies, and providing project delivery/implementation support, where feasible.

Small cities in Alameda County may not be financially equipped or resourced to meet certain project delivery needs and funding matching requirements.

Small cities receive limited Measure B/BB/Vehicle Registration Fee Direct Local Distributions in comparison to larger cities and often have difficulties finding the financial resources needed to satisfy minimum matching requirements, especially for larger transportation projects.

**GUIDELINES:** To qualify as a small city under this policy, a city must have a population of less than 25,000 as reflected in the most currently available California Department of Finance’s population estimate.

As such, Alameda CTC may elect to waive matching requirements and/or Local Cooperation policy requirements based on a small city’s request during the programming and allocation processes, or project coordination processes. Additionally, Alameda CTC will support facilitating Federal-local funding exchanges, whenever possible, to alleviate certain funding requirements required by external sources.

**POLICY 11: MATCHING AND LEVERAGING POLICY**

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**POLICY:** For projects that have successfully secured other non-Alameda CTC discretionary funding, Alameda CTC shall consider fulfilling a portion of the minimum match required by external funding for projects and programs.

**PURPOSE:** The purpose of this policy is to maximize the leveraging capacity of Alameda CTC Administered Funds such as Measure B, Measure BB, Vehicle Registration Fee Program, Transportation Fund for Clean Air Program funds.

**GUIDELINES:** Through Alameda CTC’s programming and allocation processes, Project Sponsors must document the following:

1. Project Sponsor must identify a project delivery and funding plan that describes the project scope, costs, schedule;
2. Document the approved programming of other, non-Alameda CTC discretionary funds to a project;
3. Cite the minimum matching amount required by the secured non-Alameda CTC funding source;
4. Identify the amount of matching funds requested from Alameda CTC. Matching funds will not address any project cost increases; and
5. Provide a cost sharing proposal between all prospective funding partners.

Alameda CTC may consider recommending programming and allocation to fulfill either a portion or the entire amount requested, based on available fund capacity, project delivery strategy, funding timelines, and the leveraging significance.

#### **POLICY 12: DEBT ISSUANCE POLICY**

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**POLICY:** Alameda CTC's adopted Debt Policy governs the issuance and management of all debt funded through capital markets, direct bank loans, and federal lending programs, including the selection and management of related financial and advisory services and products.

The debt policy adopted by the Commission September 2021 can be reviewed here: [https://www.alamedactc.org/wp-content/uploads/2021/11/AlamedaCTC\\_Debt\\_Policy\\_2021.pdf](https://www.alamedactc.org/wp-content/uploads/2021/11/AlamedaCTC_Debt_Policy_2021.pdf)

**PURPOSE:** The purpose of the Debt Policy is to establish guidelines for the issuance and management of Alameda CTC debt. The policy also confirms the commitment of the Commission, management, staff, and other decision makers to adhere to sound financial management practices.

The purpose of debt financing falls into three categories:

- (1) to finance new capital infrastructure,
- (2) to refinance existing bonds to reduce financing costs and/or risk, or
- (3) to reimburse an agency for eligible capital expenditures made within the last 18 months.

**GUIDELINES:** Priorities of the Debt Policy are as follows:

- Effectively manage and mitigate financial risk,
- Maintain strong credit ratings and good investor relations,
- Achieve the lowest cost of capital,
- Preserve future program flexibility, and
- Maintain ready and cost-effective access to the capital markets.

Responsibility for implementation of the Debt Policy and day-to-day responsibility and authority for structuring, implementing, and managing Alameda CTC debt and finance program, resides with the Executive Director and Deputy Executive Director of Finance and Administration and requires that the Commission specifically authorize each debt financing.

Alameda CTC's CIP is used in combination with Alameda CTC's Debt Policy to ensure proper allocation and financing of Alameda CTC sponsored projects. This CIP sets priorities and strategies for allocating Alameda CTC administered funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financings. Debt issuances for capital projects are considered and included in the CIP and presented to the Commission for review and approval as part of the CIP planning process.

The philosophy of Alameda CTC is to fund all projects in the TEPs on a pay-as-you-go basis for as long as possible. This strategy minimizes borrowing costs and maximizes tax dollars for projects. The agency considers the issuance of debt when capital program cash flow demand exceeds projected annual revenue capacity over a specified period of time. It is the agency's policy to issue bonds for broad-based program needs and on projects for which Alameda CTC is the project sponsor. This is consistent with both the economic and program management objectives of the agency.

As borrowing needs are identified, Alameda CTC evaluates the nature of the capital investment to determine if either long or short-term debt is the appropriate financing mechanism to meet the funding need. Standards for the appropriate use of debt financing include:

- A. Long-Term Capital Projects: Debt should be used to finance capital projects on a programmatic basis where it is cost effective and fiscally prudent. The debt repayment period should not exceed 120% of the useful life of the project being financed or the term of the pledged sales tax Measure. The ability or need to expedite or maintain the programmed schedule of approved capital projects is a factor in the decision to issue debt.
- B. Debt Financing Mechanism: Alameda CTC evaluates the use of financial alternatives available including, but not limited to, long-term debt, short-term debt, commercial paper, direct bank loans, federal lending programs, lines of credit and inter-fund borrowing. Alameda CTC utilizes the most cost-effective financing alternative consistent with limiting Alameda CTC's risk exposure.
- C. Credit Quality: All Alameda CTC debt management activities for new debt issuances are conducted in a manner conducive to receiving the highest credit ratings possible.

The market for municipal finance is well developed and provides numerous products or types of debt including long-term, short-term and variable rate debt with various terms and structures and compliance requirements that Alameda CTC evaluates on a case-by-case basis.