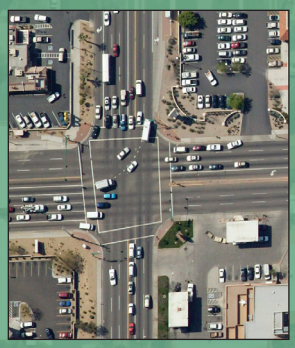

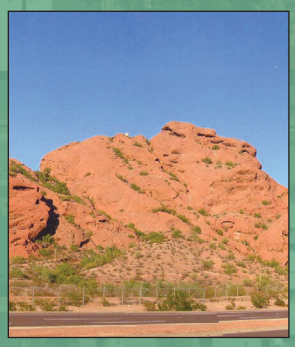

ON THE MOVE

PARTNERS IN PROGRESS

ARTERIAL LIFE CYCLE PROGRAM (ALCP)

POLICIES AND PROCEDURES

April 22, 2009

MARICOPA ASSOCIATION of GOVERNMENTS

For more information about the Arterial Life Cycle Program, please contact us at:

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BACKGROUND

In 2004, the Maricopa Association of Governments (MAG) initiated the development of the Arterial Life Cycle Program (ALCP, or the "Program") to provide management and oversight for the implementation of the arterial component of the Regional Transportation Plan (RTP, or the "Plan"). MAG is the designated Metropolitan Planning Organization (MPO) for the Maricopa region. MAG serves the role designated in ARS: 28-6308 as the "regional planning agency" for this region.

The Policies and Procedures were developed in coordination with the Transportation Review Committee in workshops held in 2004 and early 2005 and are consistent with the requirements in House Bill 2456, passed in 2004 in association with the development of the Regional Transportation Plan (RTP) and Proposition 400. House Bill 2456 allocated 10.5 percent of Regional Area Road Funds collected for arterial streets, including capital expenses and implementation studies.

The original version of the ALCP Policies and Procedures were approved by the Transportation Policy Committee on June 21, 2006 and by the Regional Council on June 28, 2006. The current version of the ALCP Policies and Procedures was approved by the Regional Council on April 22, 2009.

The ALCP relies upon two main elements:

1. Policies, which provide direction to decisions and processes, in conjunction with procedures, which specify the steps needed to implement these specified policies; and,

2. Project Agreements (PA), which define the roles and requirements for agencies participating in the implementation of each Project.

I. ARTERIAL LIFE CYCLE PROGRAM MANAGEMENT AND ADMINISTRATION

SECTION 100: PROGRAM OBJECTIVES

A. The ALCP has five key objectives:

1. Effective and Efficient Implementation of the RTP: Facilitate the effective and efficient implementation of the arterial component of the RTP. In support of this objective, the Program should:

   a. Ensure Projects are implemented in a manner consistent with the RTP, including any updates or amendments;

   b. Include the means to track Project implementation against requirements established in the RTP and the ALCP; and,

   c. Be administratively simple.

2. Fiscal Integrity: Ensure the fiscal integrity of the regionally funded arterial component of the RTP. In support of this objective, the Program should:

   a. Establish comprehensive financial and reporting requirements for each Project; and

   b. Coordinate with the RTP and the other modal programs on key financial, accounting and reporting policies, procedures and practices.

3. Accountability: Provide the means to track and ensure effective and efficient Project implementation. In support of this objective, the Program should:

   a. Employ comprehensive Project Agreements, or other legal instruments, that detail agency roles and responsibilities in the implementation of specific Projects; and

   b. Provide the means within each Project Agreement, Project Overview and Project Reimbursement Request to track Project implementation, performance and successful completion of individual Projects and the Program.

4. Transparency: Provide members of the public, elected officials, stakeholders, participating agencies and others with ready access to information on the Program and on each Project. In support of this objective, the Program should:

   a. Include substantial public and stakeholder consultation as part of the implementation process for each Project; and

   b. Require that material changes to Projects in the Program be subject to public and stakeholder consultation through the MAG Committee Process as well as any other consultation processes, including within the community or communities affected, as specified in the associated Project Agreements.

5. Compliance: Comply with all applicable federal, state and local requirements in the implementation of Projects.

B. Consistency with the RTP generally means that an ALCP Project meets Project the eligibility requirements specified in Section 300, the Project regional reimbursement is fiscally constrained, and the reimbursement is in the original RTP phase.

C. The Program must be flexible and allow adjustments as needed in support of meeting the key objectives.

SECTION 110: APPLICABILITY OF ARTERIAL LIFE CYCLE PROGRAM POLICIES AND PROCEDURES

A. The requirements established in this document are limited to arterial street Projects (including arterial intersections) as specified in the RTP that receive regional funds, including federal, state and regional (including half-cent) funds.

B. Projects receiving any federal funding in the ALCP must satisfy all federal requirements in addition to the requirements established in this document.

   1. Only select Projects will have federal funding allocated to them. Federally funded ALCP Projects will be identified and the Lead Agency designated for that Project will work with MAG and the ADOT Local Government Section to ensure conformity to federal and ALCP requirements.

C. To make changes to the ALCP Policies and Procedures:

   1. MAG staff will suggest new provisions, additions and revisions to the ALCP Policies and Procedures, when necessary.
   2. Member agencies may submit suggested changes to MAG and the chairperson of the Transportation Policy Committee.

SECTION 120: PROGRAM REPORTING

A. Prior to the beginning of each fiscal year, the Arterial Life Cycle Program will be approved through the MAG Committee Process.

   1. It will provide the status of the Projects: Project additions, Project deletions, changes to Project schedules, Program and Project financing and other necessary components.
   2. It will also certify the revenues and regional reimbursement costs in the ALCP.
   3. MAG will use this information for the Annual Report on the Implementation of Prop. 400, the Transportation Improvement Program, RTP updates or revisions, the ALCP Status Report, and other documents.

B. The ALCP Status Report will provide the MAG committee members an update on all Project requirements and ALCP financial information. Information provided in the status report will include the number of Project Overview, Project Agreements, and Project Reimbursement Requests submitted and processed by MAG Staff.

C. Audits – All participating agencies must cooperate and provide requested information, if available, as part of the performance audit to be conducted by the Auditor General beginning in 2010, and every fifth year thereafter. ARS: 28-6313.A.

   1. All participating agencies will provide information to meet the minimum requirements for the audit report by way of the Project Overview and Project Reimbursement Request.

SECTION 130: MAG COMMITTEE PROCESS

A. The MAG Committee Process is defined in Appendix A – Glossary and Acronyms.

B. Final decisions regarding the ALCP rest with the MAG Regional Council with recommendations from the Transportation Review Committee (TRC), MAG Management Committee and the Transportation Policy Committee (TPC). Variations to the MAG Committee Process may be applied. These include, but are not limited to:

1. Other committees, including MAG modal committees, MAG Street Committee, and the MAG ITS Committee, or bodies outside this process may consider and advise on the same item; and
2. Consultation with the Citizens Transportation Oversight Committee (CTOC), which will be conducted as appropriate and consistent with requirements in ARS: 28-6356(F) & (G).

C. The MAG Committee Process will apply for the:

1. Approval of amendments to the ALCP Policies and Procedures;
2. Adoption of the Arterial Life Cycle Program;
3. Approval of amendments to the ALCP, TIP, and RTP; and,
4. Approval of administrative adjustments to the ALCP.

II. PROGRAMMING THE ARTERIAL LIFE CYCLE PROGRAM

SECTION 200: PROGRAMMING THE ALCP

A. The RTP establishes regional funding limits, reimbursement phases, as well as general scopes and priorities for all ALCP Projects.

1. The regional funding is guided by the funding recommendations set forth in the MAG Regional Transportation Plan (RTP).

   a. The RTP allocates 10.2 percent of Regional Area Road Funds (RARF) to capital expenses for streets.

   b. The RTP allocates 0.3 percent of RARF to implementations studies.

2. The regional funding for the ALCP is comprised of three revenue sources: the regional area road fund (RARF), otherwise known as the 1/2 cent sales tax, federal surface transportation program (STP) funds targeted for the MAG region, and federal congestion mitigation and air quality (CMAQ) targeted for the MAG region.

3. The RARF funding distribution to the ALCP is bound by the requirements set forth in House Bill 2456 (2004).

4. The RTP and ALCP include four reimbursement phases as outlined below.

   a. Phase I – Fiscal Years 2006 – 2010

   b. Phase II – Fiscal Years 2011 – 2015

   c. Phase III – Fiscal Years 2016 – 2020

   d. Phase IV – Fiscal Years 2021 -2026

B. All ALCP Projects must be programmed in the local government agencies Capital Improvement Program (CIP) and the approved MAG Transportation Improvement Program (TIP) before they may be implemented or reimbursed.

1. During the annual update of the ALCP, MAG Staff will review and analyze the Lead Agency's, and partnering agency's approved and/or draft Capital Improvement Program when programming ALCP Projects for reimbursement in the current and following fiscal year for fiscal commitments.

C. Programming of Projects funded by the ALCP must be consistent with the ALCP Program and the ALCP Policies and Procedures. The Maricopa Association of Governments (MAG) is the agency designated by law to implement the Arterial Life Cycle Program ensuring the estimated cost of the program improvements does not exceed the total amount of available revenues.

1. Initially, Projects will be programmed based on the regional funding specified in the RTP plus local match contributions, as well as scopes and termini as described in the RTP.

   a. In order to support the development of Project Agreements that include a scope and schedule for each Project, programming of each ALCP Project shall include a separate scoping or design phase that precedes right-of-way acquisition and construction, unless otherwise agreed to by MAG. Environmental clearances may be funded as part of the scoping or design phase.

2. All ALCP Projects will be updated annually and the ALCP will be programmed and produced at the beginning of each fiscal year.

   a. The Lead Agency for each ALCP Project will be responsible for Project updates.

   b. MAG Staff will produce an ALCP update schedule at the beginning of each fiscal year.

3. All ALCP Project Reimbursements are dependent upon the availability of regional funds.
    a. During the annual update, all project change requests will be reviewed by MAG Staff for compatibility with Section 110.A and the current, and projected regional funds: RARF, STP, and CMAQ.
    b. MAG Staff will coordinate with Lead Agency Staff to resolve project change requests that are not compatible with the availability of regional funds or Section 110.A. Methods to resolve these issues may include the:
        i. Advancement/deferral of project reimbursements, projects, project segments, or work phases per Section 270;
        ii. Change in fund type allocated to a project or work phase based on available funding;
        iii. Change in the reimbursement amount allocated to a project, project segment, and/or work phase over multiple fiscal years.
4. Federal funds will be allocated to Projects, considering:
    a. A request from the Lead Agency.
    b. It is on a new alignment, has a potential impact on sensitive areas and/or populations or that it may readily accommodate the federal process given the length, amount of Project Regional budget or schedule.
    c. The availability of federal funds.
5. If a Project programmed to receive federal funds is deferred (Project A) and another Project programmed to receive federal funds is able to use the federal funds that year (Project B), then Project B may be accelerated to expend the maximum amount of committed federal funds in the ALCP that year. It is the ALCP's goal to expend the maximum amount of committed STP-MAG and CMAQ funds for a given year in the ALCP.
    a. Projects programmed to receive federal funds can be accelerated from one phase to another to use federal funds. This does not pertain to Projects programmed to receive RARF funds.
    b. If a Project is programmed to receive both, federal and RARF, funds, the portion of the Project that is programmed to receive federal funds may be accelerated. The portion of the Project programmed to receive RARF funds cannot be accelerated from one phase to another.
    c. MAG staff will work with the Lead Agency on the Project's new schedule and reimbursement matters.

SECTION 210: UPDATING ALCP PROJECTS IN THE ALCP

A. All ALCP Projects will be updated annually (refer to Section 200C. 2).

B. Any necessary changes to an ALCP Project must be submitted by a written request stating the new updated schedule and budget and any other necessary justifications.
    1. Requests will be approved through the MAG Committee Process by the approval of the ALCP.
    2. Update forms will be provided by MAG.

C. All ALCP Projects that are moved, changed or updated from their original schedule in the RTP must consider the impact of the proposed changes on other RTP Projects and on neighboring communities.

D. MAG, the Lead Agency, and other agency (ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes or updates.

SECTION 220: TYPES OF ALCP PROJECT UPDATES

A. Projects may be advanced by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement, who must pay the costs of advancing the Project and wait for reimbursement from the Program in the fiscal year the Project or Projects are scheduled in the ALCP to receive regional funds. To do so, it is required that:

   1. In advancing a Project, the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must bear all costs and risks associated with advance design, right-of-way acquisition, construction and any related activities for ALCP Projects.

   2. Financing costs and any other incremental costs associated with the advancement are not eligible for reimbursement.

   3. The reimbursement for the advanced Project must be in the currently approved programmed ALCP.

      a. Reimbursement for a Project will be the amount listed, plus inflation to the year the Project is programmed for reimbursement in the ALCP.

         i. MAG Staff will use inflation factors as noted in Section 240.

   4. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement may request to revert to the original Project schedule as long as all non-recoverable costs incurred or committed are paid for by the Lead Agency and/or other agency(ies)/jurisdiction(s) listed in the Project Agreement, and there are no other unacceptable adverse impacts associated with the reversion.

   5. For Projects advanced as segments of a larger RTP Project, the amount of regional reimbursement will be determined following the completion of the process for segmenting Projects and must be specified in the Project Overview and Project Agreement.

   6. Upon completion of an advanced Project, all Project Reimbursement Requests must be submitted to MAG. Reimbursement payments will follow the schedule established in the Project Agreement and Project Overview.

      a. Reimbursement payments may be accelerated for projects approved for RARF Closeout Funds through the MAG Committee Process, per Section 260.

B. An ALCP Project has the option of segmenting an original RTP Project as long as the resulting Project would provide for the completion of the original Project as specified in the RTP.

   1. A Design Concept Report or equivalent may be used to determine major Project elements within each jurisdiction and to develop recommendations for budget allocations.

C. Projects may be deferred at the request of the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and/or MAG.

   1. If a Project is deferred, other Projects will be moved in priority order at that time, taking into account: Project readiness, local match available and funding source preferences.

D. A Lead Agency may exchange two Projects in the ALCP if:

   1. Project 1 is deferred from Phase I, II or III to Phase II, III, or IV, AND Project 2 is advanced from Phase II, III or IV to Phase I, II, or III.

   2. When Projects are exchanged, the advanced Project 2 may receive regional reimbursement up to the maximum of the budgeted reimbursement amount of Project 1 or the maximum budget of Project 2, whichever is less.

3. Funding for all Projects involved in a Project exchange must be documented for the ALCP Program both before and after the proposed exchange in order to demonstrate that there will be no negative fiscal impact on the ALCP.

E. If an original ALCP Project is deemed not feasible, a substitute Project may be proposed for substitution in the same jurisdiction as the original Project.

1. The Lead Agency may propose a substitute Project that would use the regional funds allocated to the original Project. The substitute Project shall relieve congestion and improve mobility in the same general area addressed by the original Project, if possible.

2. Substitute projects may not be completed prior to inclusion in the Arterial Life Cycle Program.

3. The Lead Agency must submit a written request to MAG. The written request must include:

   a. Justification, such as a feasibility study, level of service justification, or other documents explaining why the Project is deemed not feasible, and the description of steps to overcome any issues related to deleting the original Project from the ALCP and RTP.

   b. How the proposed project would relieve congestion and improve mobility; and,

   c. The proposed substitute project budget and schedule.

   d. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.

F. An original ALCP Project can change its original Project scope due to environmental issues, public concerns, costs and other factors.

1. The Lead Agency must submit a written request to MAG. The written request must include justification, such as a feasibility study, level of service justification, revised budget and/or other documents explaining why the change to the original Project is required, and the description of steps to overcome any issues related to changing the original scope of the ALCP Project.

   a. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.

2. The scope change should relieve congestion and improvement mobility in the same area addressed by the original planned Project, if possible.

3. Project scope changes may not include completed portions of a project or project segment, which are not included in an Arterial Life Cycle Program approved through the MAG Committee process.

G. All requests to change original ALCP project scope or a substitute a project in the ALCP must meet all requirements established in Sections 200, Section 210, and Section 220.

1. Before being approved through the standard MAG Committee Process, the requests will be presented by an employee of the Lead Agency to the MAG Street Committee for a technical review and recommendation. The presentation will address:

   a. The reason(s) the original project was deemed not feasible;

   b. Explain how the change the original ALCP project scope or substitute project would relieve congestion and improve mobility;

   c. The new/revised project cost estimate;

   d. And other information as requested by the MAG Street Committee.

2. After the Streets Committee technical review and recommendation on the proposed changes, the project(s) will be approved through the MAG Committee Process.

3. Requests to change original ALCP project scope or substitute a project must be made by the deadline established in the ALCP Schedule published annually in the MAG Transportation Programming Guidebook.
4. Reimbursements for substitute projects will :
    a. Be programmed in the same fiscal year(s) as the original project
    b. Be programmed with the same funding amount and type as the original project

H. To use Project Savings on another ALCP Project, a Project must follow the policies and procedures outlined in Section 350. If those are followed, a Lead Agency is allowed to request that Project Savings be reallocated to another ALCP Project.

1. The written request must include name of the Project with the Project Savings, the amount of Project Savings, the Project that will use the Project Savings and Project Budget showing that the Project Savings applied to the new Project will not exceed 70% of the total Project costs.

SECTION 230: PROGRAM OR PROJECT AMENDMENTS

A. If a necessary Program or Project update (Section 220) falls outside of the ALCP, TIP or RTP update schedule, then an amendment to the ALCP, RTP and the TIP, will be required, as appropriate.

1. Proposed amendments that in whole or in part negatively impact Projects in the TIP, RTP and/or ALCP, may not be approved.
2. Amendments are subject to approval through the MAG Committee Process on a case-by-case basis.
    a. The TIP Amendment process is conducted on a quarterly basis.
3. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes.

B. The Lead Agency listed in the Project Agreement, typically initiates the amendment process by making a written request to MAG.

1. If an amendment is approved by MAG, corresponding amendments are required for the appropriate programs.
2. The request must explain the need for the Program or Project change outside of the annual ALCP update schedule.
    a. The request must specifically address and justify the proposed changes in scope, budget or schedule relating to:
        i. Project length;
        ii. Through lane capacity;
        iii. Facility location or alignment;
        iv. All other key Project features;
        v. Potential negative impacts to other RTP Projects, including freeway/highway, arterial, public transportation or other mode Projects;

B. MAG Staff will review each request for:

1. Funding changes identified from the original Project allocation, the contingency allowance, the overall revised budget and other key aspects of the funding, reimbursement or reallocation.

Potential negative impacts to other RTP Projects, including freeway/highway, arterial, public transportation or other mode Projects;

2. Potential negative impacts to meeting all applicable federal, state, regional and local requirements, including but not limited to, any applicable requirements for air quality conformity and any that may be imposed directly or indirectly following a performance audit.

SECTION 240: INFLATION IN THE ALCP

A. The original Project budgets listed in the 2003 approved RTP were expressed in 2002 dollars. The annual update of the ALCP requires that the remaining budget of ALCP Projects be carried forward to the next year and adjusted to account for the past year's inflation.

B. The regional funding specified in the original RTP for a Project will be adjusted annually for inflation based on the All Items United States Consumer Price Index (CPI), All Urban Consumers

1. Information on the inflation factors is located on the US Department of Labor, Bureau of Labor Statistics website at http://www.bls.gov/cpi, under 'Get Detailed CPI Statistics.' The specific series used for calculating inflation is All Urban Consumers (Current Series), West Region All Items, 1982-84=100 - CUUR0400SA0.

   a. The inflation rate is calculated using the month of March of the previous year and March of the current year.

SECTION 250: ALCP ADMINISTRATIVE ADJUSTMENT

A. An administrative adjustment will adjust the ALCP regional reimbursement Project budgets in the current and later fiscal years of the ALCP due to actual Project expenditures and regional reimbursements.

1. Administrative adjustments do not require a Program or Project amendment because the adjustment does not qualify as a Project Update (Section 220) and does not cause a negative fiscal impact to the current fiscal year.

2. Regional reimbursement budgets cannot be moved from a later fiscal year to an earlier fiscal year in an administrative adjustment. This would require an amendment.

B. An administrative adjustment is needed when:

1. Project expenditures for a Project work phase or a Project segment are lower than the estimate, causing the 70% regional reimbursement to be less than the amount programmed in the current ALCP.

2. The remaining regional reimbursement funds may be moved within the original Project, to another work phase or a Project Segment that is programmed in that fiscal year or a later fiscal year.

C. At that time, the ALCP and Project budgets will be adjusted to reflect the remaining Project funds.

D. Administrative Adjustments may occur each fiscal quarter. Changes will be reported in the ALCP Status Report, and the ALCP will be reprinted.

SECTION 260: ALCP RARF CLOSEOUT

A. Annually, MAG Staff will determine the availability of RARF funds to be used for the ALCP RARF Closeout.

1. MAG Staff will demonstrate the fiscal constraint of the ALCP with proposed ALCP RARF Closeout options.

2. A Project or Project segment in the ALCP may not be adversely impacted, delayed, reduced or removed as a result of the reimbursement of RARF funds in the Closeout process to another Project, portion or segment.

3. Lead Agencies and other agency(ies)/jurisdiction(s) listed in a Project Agreement that receive RARF Closeout funds will not be liable to reimburse the RARF funds to the Program if a Program deficit occurs in the future.

B. Lead Agencies should submit a RARF Closeout Notification to MAG per eligible project.

1. MAG Staff will provide a RARF Closeout Notification Form on the MAG ALCP website.

C. The ALCP RARF Closeout Process will begin at the April TRC and continue through the MAG Committee process in May, one month before the annual update of the ALCP.

1. The ALCP Schedule published annually in the MAG Transportation Programming Guidebook will specify all deadlines pertaining to the ALCP RARF Closeout Process, including due dates to submit RARF Closeout Notification forms and ALCP Project Requirements.

2. MAG Staff will notify the ALCP Working Group, in advance, if a change in the ALCP Project Schedule is required.

D. To be considered as an eligible project for reimbursement with RARF Closeout funds:

1. The Project or Project segment must be completed/closed out.

2. The Lead Agency must completed the following Project Requirements:

a. Project Overview

b. Project Agreement, and

c. Project Reimbursement Request.

3. All three requirements must be accepted by MAG Staff as complete.

E. The determination and allocation of ALCP RARF Closeout funds for eligible completed projects will be made according to the following priorities (in sequential order):

1. Projects scheduled for reimbursement in the next fiscal year;

2. All other Projects according to the chronological order of the programmed reimbursements.

F. If two or more eligible projects are programmed for reimbursement in the same fiscal year, the reimbursement of the eligible projects will be made according to the following additional priorities (in sequential order):

1. The date of the Project's final invoice.

2. The date the Project Reimbursement Request was accepted by MAG Staff.

SECTION 270: USE OF SURPLUS OR DEFICIT PROGRAM FUNDS

A. If a surplus Program funds occurs, existing Projects may be accelerated. Any acceleration will occur according to priority order of the ALCP.

1. For Projects to be accelerated, matching local funds must be committed.

2. If there are no current Projects ready for acceleration, the next Project scheduled for reimbursement may be accelerated.

3. If there are surplus funds available upon the full completion of the ALCP, the MAG Transportation Policy Committee will discuss options regarding additional Projects.

B. ALCP Projects may be delayed if there is a deficit of Program funds. ALCP Projects will be delayed in priority order of the ALCP.

III. PROJECT DETAILS

SECTION 300: LEAD AGENCIES

A. A Lead Agency must be identified for each ALCP Project in the RTP.

1. The Lead Agency is expected to be a MAG member agency.
2. One Lead Agency per Project will be accepted. For segmented Projects, please refer to Section 300(D)(b).
3. The designation of a Lead Agency for each Project will be accomplished through the signed Project Agreement with MAG.

B. The Lead Agency is responsible for all aspects of Project implementation, including, but not limited to, Project management, risk management, design, right-of-way acquisition and construction.

1. The Lead Agency and MAG will be signatories to the Project Agreement.
2. The Lead Agency and the agency(ies)/jurisdiction(s) listed in the Project Agreement are expected generally to use accepted financial and project management policies, practices and procedures in the use of funds received from the ALCP and in the implementation of the ALCP Project.

C. Projects in One Jurisdiction

1. If a Project falls entirely within one jurisdiction, then that jurisdiction is expected to be the Lead Agency.
   a. If there is change in jurisdictions due to annexation that affects a Project, the Lead Agency designated at the time of Project implementation will continue to serve as the Lead Agency.
2. An alternative agency may be specified as the Lead Agency if the local jurisdiction in which the Project is located agrees.
   a. An agreement between the local jurisdiction and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees.
   b. A copy of that written agreement must be provided to MAG.

D. Projects in Multiple Jurisdictions

1. In cases where the RTP Project is located in more than one jurisdiction, the Project may be implemented as either:
   a. One Project with a single Lead Agency as agreed to by the agency(ies)/jurisdiction(s) listed in the Project Agreement.
      i. The agreement to this effect between the local jurisdictions and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees in a Memorandum of Understanding (MOU) and/or an Intergovernmental Agreement (IGA).
         A The agreement will be used to explain multi-jurisdictional roles, responsibilities and terms of the Project, which will be referenced in the Project Agreement signed by the Lead Agency.
         B A copy of this agreement must be provided to MAG, who must agree to the proposed Lead Agency designation.

b. The Project may be segmented and implemented as separate Projects by local jurisdictions, if agreed to by all agencies/jurisdictions listed in the Project Agreement, and following the Project Update process specified in Section 220.

SECTION 310: ALCP PROJECT BUDGETS

A. The regional funding for each ALCP Project as specified in the RTP establishes the maximum amount payable from regional funds for that Project.

1. Every payment obligation of MAG under the RTP, ALCP and any Project Agreement or related legal agreement is conditional upon the availability of funds appropriated or allocated for the payment of such obligation.

2. The ALCP budget and timeline may change to account for surplus or deficit Program funds.

B. The budget for each ALCP Project:

1. Is limited to the regional contribution amount specified in the ALCP for the Project, or 70% of the total Project expenditures, whichever is less; and,

2. Will be established in the Project Agreement and Project Overview.

3. The Lead Agency is responsible for all of the Project costs over the regional contribution and, if applicable, will need to work with the other agency(ies)/jurisdiction(s) listed in the Project Agreement to cover those costs.

4. Will be published in the approved Arterial Life Cycle Program.

C. Credits for local match requirements are not transferable between Projects.

D. The ALCP Project Budget for a Project(s) or Project segment(s) in the ALCP that is approved as a High Priority Project (HPP) and receives an 'earmark' of federal funds in a federal authorization or federal appropriations bill will be reprogrammed, as needed.

SECTION 320: PROJECT ELIGIBILITY

A. To be funded or constructed under the ALCP Program, Projects must:

1. Have a scope, budget (including amounts of regional funding and local match contributions) and a schedule consistent with the Project as included in the RTP, ALCP, and as appropriate, the TIP. In addition, Projects must be consistent with federal requirements, where applicable.

2. Be considered new in keeping with voter expectations, and as such:

a. Cannot include costs for any pre-existing, programmed or planned element or improvement that is not part of the specific improvement Project described or included in the RTP as of November 25, 2003 or later.

b. Cannot have started design, acquired right-of-way or started construction before the date specified in Section 340 or the date of the Project addition to the RTP.

B. Facilities eligible for improvements under the ALCP include:

1. Major arterials as defined in Appendix A. Major arterials include:

a. Roadway facilities on the regional arterial or mile arterial grid system;

b. Roadway facilities that connect freeways, highways or other controlled access facilities; and,

c. Other key arterial corridors.

2. Intersections of eligible major arterials.

C. All Projects must be designed to the standards agreed to by the designated local jurisdictions and the Lead Agency established in the Project Agreement.

1. The agreed standards, which may be higher than the standards used in the local jurisdiction(s), must be specified or referenced in the Project Agreement.

2. Standards for multi-jurisdictional Projects should be consistent to the extent feasible.

D. Reimbursable items for regionally funded Projects are limited to:

1. Design, right-of-way and construction, as required in ARS: 28-6304(C)(5) and ARS: 28-6305(A). Design Concept Reports, planning studies and related studies, such as environmental and other studies, are also eligible.

2. Capacity Improvement Projects.

3. Safety Improvement Projects.

4. Projects or components directly related to capacity and safety improvements, including:

a. Intelligent Transportation Systems (ITS);

b. Signals;

c. Lighting;

d. Transit stops and pullouts, as well as queue jumper lanes, for example, for bus rapid transit;

e. Bicycle/pedestrian facilities integral to the roadway, including wide sidewalks separated from curbs;

f. Utility relocations, including under grounding of utility lines where required for safety or other reasons relating to function, and not purely for aesthetic reasons, and not otherwise considered an enhancement;

g. Drainage improvements for the Project (with limitations), such as retention basins required for the Project that would not normally be handled through County or other drainage funds, within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);

h. Landscaped medians, shoulders, and other improvements within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);

i. Reconstruction Projects, as identified in or supported by the RTP and as specified in Project Agreements, for eligible Project elements;

j. Access management;

k. Rubberized asphalt and concrete paving;

l. Staff time directly attributable to Project; and,

m. Noise, privacy and screen wall, and other buffers, if found to be necessary to meet applicable local, state or federal standards.

E. Notwithstanding findings or recommendations from the Design Concept Report or a similar study, Projects, Project components or other costs that are not reimbursable from the ALCP include:

1. Enhancement Projects or enhancement components of Projects.

a. If a Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement request an enhancement to a Project funded in the ALCP, the local jurisdiction and/or Lead Agency shall pay all costs associated with the enhancement.

2. Right-of-way not used by the ALCP Project, with potential exceptions on a case-by-case basis for land that is identified by the Lead Agency and/or the local jurisdiction or jurisdictions as not marketable for sale.

3. Any Project or Project element that exceeds the reasonable limits or typical practice for the local jurisdiction in which the Project or Projects are located.

4. Administrative overhead costs by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement that are not attributed to the Project.

5. Other expenses, such as bad debts and lump-sum incentives, as determined by MAG.

6. Expenditures that occur after a project or project segment is completed. This includes salaries, applied overhead, record keeping and facility maintenance.

7. Salaries and other administrative expenditures pertaining to the completion of ALCP Project Requirements.

F. The use of federal funds or other funding sources may involve further restrictions on the use of funds or eligible matching contributions.

G. Since the primary sources of regional transportation funding have been included in the MAG RTP, funds that are the result of specific earmarks of either federal or state funds that have already been accounted for in the RTP ("below the line funding") are not eligible for reimbursement or the local match under the Arterial Life Cycle Program. Any previous commitments to provide local funding for arterial projects included in the TIP, RTP, or ALCP should be maintained.

1. If a Project or Project segment in the ALCP is approved as a High Priority Project that receives an 'earmark' of federal funds in a federal authorization act, which reduces the distribution of federal funds to the region, the Project will be restricted as follows:

a. The earmarked federal funds will be ineligible for reimbursement through the ALCP.

b. The earmark federal funds will not be applicable towards the ALCP Project local match requirement.

2. If a Project or Project segment in the ALCP is approved as a High Priority Project that receives an 'earmark' of federal funds in a federal appropriations act, which does not reduce the distribution of federal funds to the region, the Project will be restricted as follows:

a. The earmarked federal funds will be ineligible for reimbursement through the ALCP.

b. The earmark federal funds may be applied to towards the ALCP local match requirement.

H. Eligible local match contributions include:

1. Locally funded expenditures on eligible Projects or elements as listed above in this section; or

2. Third party contributions, which must have supporting documentation. Third party contributions will be taken at market value at the time of the donation and mutually agreed upon between the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and MAG.

I. Determining the value of third party contributions:

1. The jurisdiction's real estate department will value and appraise any right-of-way given to a Project by a developer.

2. Costs related to the construction of a road must be documented and certified for the value of the road by the authorized representative of the jurisdiction. To do so, a jurisdiction shall do the following in priority order:

   a. First, work with the developer(s) to turn in cost documentation related to the road improvement as soon as a jurisdiction is aware the improvement is being made to an ALCP Project, even if the ALCP Project is not scheduled for construction or reimbursement until a later date. If this cannot be done, then;

   b. Second, generate cost figures from known developer fees, final construction documents, as-built documents, et cetera. If this cannot be done, then;

   c. Third, use cost figures from the actual ALCP Project construction bid for a cost per unit figure, which then could be applied the developer contribution to generate a total cost. If this cannot be done, then;

   d. Fourth, use cost figures from a similar Project in location, size, and scope, which then could be applied to the developer contribution to generate a total cost.

3. MAG Staff will review the valuation method and documentation for quality assurance purposes.

4. All documents used to determine the value of third party contributions shall be kept in accordance with Section 320H**.**

J. The Project Overview for each Project must identify all Project components for which reimbursement of the regional share is sought from the ALCP, including the components of the Project that will be funded locally or by third parties.

K. The MAG Committee Process has the final determination on the eligibility of any Project or Project component for reimbursement from the ALCP Program.

SECTION 330: ELIGIBLE COSTS FOR REIMBURSEMENT

A. Reimbursable expenditures are limited to ALCP Projects meeting the requirements set forth in Section 320 (Project Eligibility).

B. No reimbursements will be made:

   1. Prior to the execution of a Project Agreement.

   2. For projects or project work phases not listed in an approved Transportation Improvement Program

   3. Prior to the year in which the funds for that ALCP Project are programmed or would normally be received following the schedule in the TIP and RTP, unless it is part of the annual closeout of RARF funds per Section 260, or there are surplus program funds, Section 270.

C. Each ALCP Project shall have a reimbursement timeline specified in the Project Agreement and Project Overview.

D. The Lead Agency shall send the Project Reimbursement Requests to MAG for payment from the Arizona Department of Transportation (ADOT). The Lead Agency is responsible for:

   1. All Project expenditures.

   2. Providing all Project Reimbursement Requests to MAG for reimbursement.

E. Reimbursements will be made for expenditures paid with tax or public revenue only, including development and impact fees collected by a jurisdiction.

1. Reimbursements will not be made for Project elements donated or funded via cash or cash equivalent donations, right-of-way donations, exactions and/or other third party or non-tax funding sources.
2. Reimbursements from the ALCP will not be made for expenditures that have already been reimbursed from other sources, either in cash or cash equivalents or through third party contributions including, but not limited to, the provision of a transportation improvement Project such as a design or related study, right-of-way acquisition or donation or construction.

F. Project elements not eligible for reimbursement under subsection 330 (A) and (B) may be eligible as credit toward matching costs if the requirements specified in Section 340 (Eligible Prior Right-of-Way Acquisition and/or Work for Reimbursement) and Section 320 (Project Eligibility) are satisfied.

G. Reimbursements, including local match contributions, will generally be commensurate with progress unless otherwise agreed to in the Project Agreement, such as for specific lump sum for right-of-way acquisitions and/or work.

H. Right-of-way or other capital assets acquired included as an eligible Project cost, but not used in the ALCP Project, must be disposed of at market rates and the funds returned to the ALCP for reallocation following the requirements contained in Section 350.

SECTION 340: ELIGIBLE PRIOR ROW ACQUISITION AND/OR WORK FOR REIMBURSEMENT

A. Prior right-of-way acquisitions and/or work that is part of a designated ALCP Project are eligible for reimbursement if:

1. Specified in a Project Agreement and/or Project Overview.
2. Purchased/completed after November 1, 2002, for design, environmental and related planning studies and right-of-way acquisition.
3. Completed construction and related activities after November 25, 2003.

B. Eligible prior right-of-way acquisition and/or work is limited to ALCP Projects scheduled or programmed for completion in Phase I of the RTP (which ends June 30, 2010), including ALCP Projects accelerated or advanced from later phases.

C. Reimbursements for prior right-of-way acquisition and/or work will be payable only to the agency that paid for the right-of-way acquired and/or work, unless that agency assigns the payment to another party or other terms are developed in the Project Agreement for the ALCP Project.

D. The Project Overview will identify, as appropriate, the priorities for reimbursement for prior right-of-way acquisition and/or work if more than one agency is requesting such reimbursement for that Project.

E. If prior right-of-way acquisition and/or work is not eligible for reimbursement, it may be credited toward the local match requirement if:

1. The Project or work was included in the local jurisdiction or Lead Agency CIP or in the MAG TIP approved after the start of MAG Fiscal Year 2001 (July 1, 2000).
2. The Project or work is not otherwise excluded in whole or in part elsewhere in these requirements.

F. For prior work attributable to an ALCP Project that meets eligibility guidelines set in the ACLP Policies and Procedures, the jurisdiction is responsible for inflating the cost amounts to the current year when completing a Project Overview.

1. Each year, MAG will update and release the inflation rate information to the jurisdictions.
2. The inflation rate and method will be the same as mentioned in Section 240.

SECTION 350: REALLOCATION OF PROJECT SAVINGS

A. Project Savings from the ALCP will not be determined by MAG to be eligible for reallocation, unless and until:

   1. Construction has been completed and the work satisfies the original intent and scope of the Project, as included in the Project Agreement and Project Overview, and there are remaining regional funds allocated to the Project; OR,

      a. A high degree of certainty is obtained that construction for the original ALCP Project will be completed consistent with the Project Agreement and Project Overview specified scope and schedule.

   2. If applicable, right-of-way, or other capital assets acquired with ALCP funds not used in the ALCP Project is disposed of at market rates and the funds returned to the ALCP.

B. ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established below are met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds. Project Savings may be reallocated:

   1. To another ALCP Project or Projects, in the jurisdiction to address a budget shortfall, not to exceed 70% of the actual total Project costs.

   2. To advance a portion or entire existing ALCP Project or Projects in the jurisdiction up to the amount of available Project Savings.

   3. If there are ALCP Project Savings that are not reallocated and the ALCP is completed, then new Project(s) for that jurisdiction may be funded.

IV. ALCP PROJECT REQUIREMENTS

SECTION 400: PROJECT OVERVIEW

A. For each ALCP Project, the Lead Agency must submit a Project Overview to MAG before a Project Agreement will be initiated or signed.

B. For advanced Projects, a Project Overview must be submitted prior to the purchase of right-of-way.

C. The Project Overview may be updated throughout the Project as long as it is not a material change.

   1. MAG Staff may require a new or revised Project Overview in the event of a substantial project change or the termination of a project agreement per Section 410.D.

D. Adequate and secure funding from the local, regional, and if applicable, the federal level, must be identified in the Project Overview.

E. The Project Overview will provide at a minimum:

   1. Lead Agency contacts and other agency(ies)/jurisdiction(s) involved in the Project;
   2. Project scope, Project alignment, Project history, Project considerations, ITS components, multi-modal issues, Project development process including any environmental, utility and right-of-way clearances, as needed;
   3. A copy of the Lead Agency's current Capital Improvement Program demonstrating funding has been allocated to the project;
   4. Funding sources;
   5. Map/photographs;
   6. Timeline;
   7. Management plan;
   8. Project data;
   9. Cost estimates;
   10. Contingencies;
   11. Cost savings;
   12. Summary of work, including: year of work, total cost, local share, federal share, regional share, year for reimbursement; and,
   13. Project documents, if needed: IGA, MOU, DCR, Corridor Study, Project Assessment, supporting document for developer contributions, Project amendments, environmental overview.

F. A Project Overview template will be provided by MAG.

SECTION 410: PROJECT AGREEMENT

A. A Project Agreement between MAG and the designated Lead Agency is required for each Project before the reimbursement of expenditures will be initiated.

   1. If a Project is completed and eligible for reimbursement following the stipulations in Section 330 and 340, a Project Agreement must be in place before Project Reimbursement Requests are submitted for reimbursement.

a. If a Project is advanced, a Project Agreement must be in place before the completion of the Project.

2. The scope, regional funding and schedule specified in the Project Agreement must correspond with the schedule specified in the RTP for the Project.

   a. Project segmentation must be approved through the MAG Committee Process as described in Section 130 and the RTP and, as appropriate, the TIP amended showing those segmented Projects before Project Agreements can be executed for any of the segmented Projects.

      i. The Project Agreement may be in a developmental stage while the amendment is being approved through the MAG Committee Process.

   b. A Project Agreement will not be executed for segmented Projects or Projects with scopes less than that specified in the RTP, even if proposed subdivisions are already listed for preliminary programming and financial planning purposes in the TIP, unless the RTP and ALCP is amended.

3. A Memorandum of Understanding (MOU) may be used as a bridge to a full Project Agreement.

   a. Design studies may be initiated under a MOU to determine Project scope, costs and schedule by a jurisdiction, as needed, for multi-jurisdiction Projects.

   b. The MOU may address other considerations, such as the roles and responsibilities for local jurisdictions in a multi-jurisdiction Project, or early right-of-way acquisition, as needed, in a preliminary manner prior to a full Project Agreement.

B. Signed and effective Project Agreements may need to be amended or terminated due to substantial project changes or failing to submit a Material or Substantial Project Reimbursement Request, as outlined below.

1. Changes to project expenditures and regional reimbursements that do not require the amendment or termination of a project agreement include:

   a. The advancement or deferral of project, project segment or work phase within the 5-year period of the TIP listed in the effective project agreement.

   b. The reallocation of programmed funds between work phases for that project or project segment.

   c. Changes to project work phases, such as the addition or deletion of a work phase.

   d. The annual inflation of programmed reimbursements per Section 240.

2. A signed and effective Project Agreement may require an amendment due to project amendments or administrative modifications in the TIP or ALCP, which.

   a. Change the project limits.

   b. Require a revised Project Overview due to a significant change in the project scope.

   c. Defer the Project schedule outside the years of the approved TIP listed in the effective Project Agreement

3. An effective Project Agreement may be terminated if:

   a. The Project undergoes a substantial project change. Examples of substantial project changes include:

      i. The Project improvement type (arterial or intersection) listed in the agreement changes;

      ii. The Project change affects more than one project or project segment in the ALCP

      iii. The Project change affects more than one effective Project Agreement; or

iv. The Lead Agency of a Project changes.

b. A Material Project Reimbursement Request has not been accepted by MAG within 18 months.

c. A Substantial Project Reimbursement Request has not been accepted by MAG within 30 months.

C. Each Project Agreement will be based on a standard agreement provided by MAG and customized for each Project.

1. Any material changes to the standard Project Agreement or template for a specific Project must be identified in a clear and concise manner in the summary section of the Project Overview for that Project.

D. The Project Agreement will address at a minimum:

1. Project scope, type of work, schedule of work and reimbursement, the regional share and federal funding if applicable;
2. Lead Agency and other agency(ies)/jurisdiction(s) involved in the Project;
3. Applicable Design Standards;
4. Responsibilities of the Parties;
5. Risk and indemnification;
6. Records and audit rights;
7. Term and termination;
8. Availability of Funds; and,
9. Conflicts of Interest.

E. Upon approval of the Arterial Life Cycle Program, an update will be provided to the MAG Committees regarding the status of Projects, including active Project Agreements and new Project Agreements that will be executed during that fiscal year.

F. RTP and/or TIP amendments will still be required to go through the MAG Committee Process for any changes involving material cost, scope or schedule changes to the Project.

G. The Lead Agency and MAG must be signatories to the Project Agreement:

1. To indicate their agreement to the Lead Agency designation and the terms of the agreement, the authorized representative must be the signing authority for that jurisdiction.
2. To indicate roles and responsibilities in Project implementation.

SECTION 420: PROJECT REIMBURSEMENT REQUESTS

A. A Project Reimbursement Request must contain a request for payment, an invoice, and a progress report.

1. The request for payment, invoice, and progress report forms will be provided by MAG.

B. For a current ALCP Project, the Project Reimbursement Request:

1. may be submitted by the Lead Agency to MAG as needed, or
2. must be submitted by milestone completion (Section 420(D)(4)a-k) unless otherwise agreed to in the Project Overview.

C. If an ALCP Project is advanced, progress reports must be submitted and based on the milestones of the Project even though a full Project Reimbursement Request is not required at that time.

   1. A full Project Reimbursement Request, including request for reimbursement and invoice is due at the time of Project completion.

D. Project Reimbursement Requests may not be submitted more than once per month.

E. All Project Reimbursement Requests shall be submitted to MAG for authorization for payment.

   1. Participating agencies/jurisdictions may invoice the Lead Agency for any item including, but not limited to, work conducted or capital assets acquired for the Project or as part of the Project, subject to other terms in this agreement.

F. The work conducted and/or received must meet all the requirements of the MAG ALCP Policies and Procedures as well as any and all other applicable federal, state, regional and local requirements.

G. The Lead Agency may inflate project expenditures to current year dollars, per Section 240. It is the responsibility of the Lead Agency to calculate the inflation for project expenditures in the ALCP project requirements submitted to MAG, including Project Reimbursement Requests.

H. The Lead Agency must retain, certify, and make available all vendor receipts, invoices and as needed, any related Project records.

   1. Vendor receipts or invoices must be available for five (5) years after final payment is made; auditors, MAG or its designees may make possible requests.

   2. Receipts and invoices for Projects advanced by a jurisdiction may have a longer retention period.

I. An authorized representative of the Lead Agency must sign all Project Reimbursement Request forms: the request for payment, invoice and a progress report, certifying that the request is true and correct per the terms of the Project Agreement and Project Overview.

   1. The duly authorized representative for the Lead Agency may be the respective Town/City Managers, County/Community Administrator, designee or a higher level representative of the organization that is designated to sign MAG funding request documents on behalf of that jurisdiction has signing authority. In addition, the authorized representative must be listed as a designated signatory on the Lead Agency's signature card for that fiscal year.

   2. Electronic or scanned signatures will not be accepted.

J. Matching contributions, as required in the ALCP Policies and Procedures must be fully documented, invoiced and/or received, and cannot be in arrears.

K. The request for payment shall be approved and signed by the duly authorized representative from the Lead Agency. Then, the request will be processed and approved at MAG and forwarded to ADOT for payment to the Lead Agency. The request for payment form must include the:

   1. Project name, description and RTP ID;

   2. Estimated total Project costs;

   3. Expenditures to date;

   4. Regional fund budget;

   5. Previous Regional fund payments;

   6. Amount of Regional fund requests;

   7. Remaining Regional funds;

   8. Status of Project development/completion;

9. Type of work being requested for reimbursement;
10. Mailing address for payment; and,
11. Signatures of authorized representatives from Lead Agency, MAG and ADOT.

L. The invoice form must include:

1. Invoice number;
2. Project name, description and RTP ID;
3. Amount of Regional fund requests;
4. Remaining Regional funds;
5. Type of work being requested for reimbursement;
6. Signatures of authorized representatives from the Lead Agency.
7. Proper documentation/description of the reimbursable items and/or work performed. Proper documentation may include:
    a. A copy of the invoice from the contractor is sufficient documentation for contracted work;
    b. An administrative breakdown chart including staff name, hours on Project, hourly rate, and total costs is sufficient documentation for administrative work;
    c. A copy of the Court Order;
    d. A copy of the Settlement Statement;
    e. A copy of the City's payment documentation; or,
    f. A completed Cost Attachment Form. If the Cost Attachment form is explaining dedicated right-of-way, easements, or Public Utility and Facilities Easements (PUFE), a signed letter from the appropriate department (Real Estate, Transportation, etc) must be included verifying the items in the cost attachment form. Please use costs that are relevant to the time of dedication and if necessary, use the inflation chart to inflate the costs to the current value.

M. If an item for reimbursement (design, ROW, construction, etc.) has more than one backup invoice, a chart must be provided with each reimbursement request that:

1. Lists each invoice/backup documentation number and/or a describes the item(s) being considered for reimbursement;
2. Documents the dollar amount of item; and
3. Includes the total dollar amount of all invoices, per each item for reimbursement. This total dollar amount should match the invoice.
4. MAG will provide an example chart/form.

N. The progress report of the Project Reimbursement Request shall explain the status of the Project, milestones and other necessary information.

1. It is the responsibility of the jurisdiction to document the work accomplished for each invoice and/or milestone during the reporting period.
2. Advanced Projects prior to the approved ALCP Policies and Procedures, will have special progress report requirements.
3. For each progress report, the Lead Agency must provide the:
    a. Percent of work complete;

b. Work accomplished;

c. Estimate v. real cost analysis;

d. Work schedule analysis;

e. Grievance/complaints reports;

f. Procurement process update (when necessary); and,

g. Documents produced.

4. Milestones may be used to trigger a Project Reimbursement Request for a current Project. Milestones must be used to trigger a progress report for an advanced Project. The milestones are:

a. Studies;

b. Preliminary Design - 60%;

c. Final Design - 100%;

d. Construction – 25%;

e. Construction – 60%;

f. Final Acceptance; and,

g. Project Closeout.

O. Upon MAG approval, the Project Reimbursement Request will be forwarded to ADOT for payment.

1. ADOT maintains the arterial street fund and will be responsible for issuing bonds, through the State Transportation Board, on behalf of the street program, as designated in ARS: 28-6303.D.2.

a. MAG will work with ADOT regarding budget, invoicing process and other fiscal matters.

2. MAG will work with ADOT to expedite payment dependent on availability of funds.

3. Checks will be distributed from ADOT and sent to Lead Agency.

APPENDIX A. GLOSSARY AND ACRONYMS

Acceleration — Acceleration means that all of the remaining Projects, including the reimbursements for advanced Projects, in the Arterial Life Cycle Program are moved forward in priority order.

ADOT — Arizona Department of Transportation

Administrative Adjustment — The ALCP and Project budgets will be adjusted annually to reflect the final Project reimbursement in the fiscal year. This falls after the adoption of the ALCP and will not require a program amendment.

Advancement — Advancement of a Project means that its implementation is moved earlier in time than previously scheduled in the MAG RTP and/or TIP, with the interest and any other incremental costs associated with the earlier implementation borne by the Lead and/or local agencies requesting the advancement. Reimbursement for the Project will remain in the year(s) in which the Project was scheduled before the proposed advancement.

ALCP — Arterial Life Cycle Program, or the "Program"

ALCP Regional Funds — ALCP Regional Funds are generated from the Maricopa County one-half cent sales tax extension and Federal Transportation Funds, including STP and CMAQ funds.

ARS — Arizona Revised Statutes

Certification Report — Periodic report produced, at least annually, for the ALCP to provide an update on the status of the Program, current revenue and cost projections. The report will provide supporting information for the RTP Annual Report

CIP — Capital Improvement Program

CMAQ — Congestion Mitigation and Air Quality. A categorical Federal-aid funding program that directs funding to projects that contribute to meeting National air quality standards. CMAQ funds generally may not be used for projects that result in the construction of new capacity available to SOVs (single-occupant vehicles).

CTOC — Citizens Transportation Oversight Committee as referenced in ARS 28-6356

DCR — Design Concept Report, meeting the standards established for federal aid arterial projects. Key elements of the DCR for the ALCP include, but are not limited to:

- the development and provision of labor and material quantity based cost estimates for the entire ALCP Project, as specified in the RTP; categorized by Project phase, segment and jurisdiction, as appropriate;
- projected monthly cash flow requirements for financial planning purposes; and,
- appropriate contingency amounts for the completion of the Project.

Enhancement "an addition that exceeds generally accepted engineering or design standards for the specific type of facility." (HB 2456, 28-6351(2)) For the purposes of the ALCP, the term "enhancement" is defined more specifically as:

1. Projects, Project elements or Project additions that are not design, right-of-way or construction related, including any Project, Project element or addition that is not a needed study, right-of-way acquisition or capacity or safety-related infrastructure improvement. Examples include drainage in excess of typical needs for the roadway or intersection, "improvements" that tend to reduce through capacity, such as deletion of lanes and other traffic calming measures.
2. Project additions after the completion of a Design Concept Report, unless otherwise agreed to in the approved Project Agreement.
3. Additional limitations or requirements may apply, depending on the funding source.

EA Environmental Assessment

EIS Environmental Impact Statement

Federal Aid Project Any Project in which any federal aid funding is received. These Projects must follow the implementation processes established or required by the FHWA and administered through the ADOT Local Government Section.

Federal Fiscal Year October 1 – September 31, example: October 1, 2005 – September 31, 2006

FHWA Federal Highway Administration

Fiscal Year July 1 – June 30 (i.e. July 1, 2005 – June 30, 2006)

Incentives Any expenditure, which involves a monetary reward for the inducement of behavior, as related to a project in the ALCP (i.e. Giving a contractor/consultant a bonus for completing a project ahead of schedule).

ITS Intelligent Transportation System

MAG Maricopa Association of Governments

MAG Committee Process Items are placed for action on the agendas of the MAG Transportation Review Committee (TRC), Management Committee, Transportation Policy Committee (TPC), as appropriate, and Regional Council

Major Arterial "an interconnected thoroughfare whose primary function is to link areas in the region and to distribute traffic to and from controlled access highways, generally of region wide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses." (ARS 28-6304(c)(5))

Material Change In general, a material change is any change that could reasonably cause a change in

decision regarding a Project or an amendment to a Project.

It is further defined as any proposed change to a Project that:

1. changes a Project scope by:
   a) modifying Project termini by a quarter-mile or more;
   b) changing a freeway- or highway–arterial interchange location by a quarter mile or more, or changing the location so as to cause increased costs for the freeway or highway program, or any change in the design and/or location of the arterial Project affecting the freeway or highway not agreed by ADOT;
   c) changing the vertical alignment at a freeway or highway interchange between at-grade, depressed and elevated, or changing the alignment in such a way so as to cause increased costs for the freeway or highway program, or any change in vertical alignment affecting an interchange or grade separation not agreed by ADOT or as appropriate, any light rail crossing not agreed by Valley Metro;
   d) changing major design elements including, but not limited to, the number of lanes;
   e) otherwise significantly modifying the scope of the Project itself or negatively impacting a freeway, highway or light rail facility as determined in consultation with MAG staff.

2. changes costs:
   a) in excess of 5% of the Project budget as specified in the Project Overview or other agreement established for the Project, or in excess of $1 million, but not less than $200,000; and/or
   b) to increase the regional share of the budget to an amount over the dollar amount specified in the RTP, or to an amount that represents over 70% of the Project costs.

3. changes the Project completion by:
   a) one or more fiscal years from the year shown in the TIP or RTP;
   b) changes Project completion from one phase to another in the RTP; and/or,
   c) results from a finding of a performance and/or financial audit.

Material Project Reimbursement Request	A Project Reimbursement Request that has been accepted by MAG Staff as complete and includes all required information, signatures, and backup documentation.
Memorandum of Understanding (MOU)	A type of agreement used as a bridge to a Project Agreement. For example, in the development of Project cost estimates and allocations across multiple jurisdictions, which then may be agreed to and incorporated into a more formal Project Agreement to be executed before further Project implementation.
MPO	Metropolitan Planning Organization
Participating Agency	Any agency involved in the implementation of an ALCP Project. All partner agencies are participating agencies.
Program	ALCP or TIP, depending on context.

Project	ALCP arterial, arterial intersection and/or ITS Project, as described in the RTP and Project-related documents. The Project description includes funding, schedule, Project termini and number of lanes added and other Project features. See also "Sub-divided Projects.
Project Component	ALCP Projects may include several Project components or major elements, such as road widenings, grade separations, ITS applications, bike and pedestrian facilities, etc. The components together comprise the overall ALCP Project.
Project Agreement (PA)	A legally binding contract or agreement between MAG and the Lead Agency established for the ALCP Project.
Project Completion	For the purposes of the material change policy, Project completion means all lanes of the roadway segment or intersection are open to traffic. For purposes of Project Agreements or other Project-related legal agreements, Project completion means when all requirements of the Agreements have been completed to the satisfaction of MAG (i.e. it is contract or agreement completion). A Project Agreement may establish dates for Project completion considering administrative requirements or other requirements or needs, as determined by MAG to be necessary.
Project Overview (PO)	A managerial document Lead Agencies must complete for each ALCP Project prior to signing a Project Agreement. The Project Overview includes the Lead Agency information, Project data, summary of the Project, history and background, maps/photographs, ITS components, timeline, Project data, cost estimates, summary of work and local, regional, federal and total costs.
Project Reimbursement Request (PRR)	The guidelines and forms (request for payment, invoice and progress reports) a Lead Agency must complete when requesting reimbursement for an ALCP Project.
Project Savings	ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established in the ALCP Policies and Procedures is met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds.
RARF	Regional Area Road Fund(s). Revenues collected from the half-cent sales tax extension approved through Proposition 400 went into effect on January 1, 2006. (May refer to the account or the revenues.) As specified in ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent of all collections will be distributed to transit.
Reallocation	Re-assignment or re-programming of funds unexpended or not expected to be needed from one ALCP Project to another ALCP Project.
Reimbursement	Payment or compensation for costs incurred.

ROW	Right-of-Way
RTP	Regional Transportation Plan. Must be in conformance for air quality purposes and approved by the MAG Regional Council. The RTP may be updated or amended from time to time. Any references to the RTP means the currently approved version unless indicated otherwise. It is also referred to as the "Plan."
STIP	State Transportation Improvement Program
STP or STP-MAG	Surface Transportation Program. A federal-aid highway funding program that funds a broad range of surface transportation capital needs, including many roads, transit, sea and airport access, vanpool, bike, and pedestrian facilities. Funds may be used by States and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and intra-city and intercity bus terminals and facilities
Segmented Projects	Segments of RTP Projects where the original Project as specified in the RTP is Projects segmented or proposed for subdivision into smaller, shorter segments or components that together comprise the original RTP Project in its entirety.
Substantial Project Change	Changes to a project, such as a change in Lead Agency, change in improvement type, or any change that affects more than one project, project segment or executed Project Agreement.
Substantial Project Reimbursement Request	A Project Reimbursement Request (PRR) that invoices for at least $100,000 or 10 percent of the programmed reimbursement for the fiscal year of the invoice, whichever is less.
Third Party Contribution	Contribution made to an ALCP Project other than cash or cash equivalent funding, typically involving the donation of right-of-way, but may also include other aspects of Project implementation, such as design and construction.
TIP	MAG's Transportation Improvement Program. The TIP must be in conformance for air quality purposes, approved by the MAG Regional Council, and approved by the Governor for inclusion in the STIP. The TIP may be amended from time to time. Any references to the TIP mean the currently approved version unless indicated otherwise.
TPC	MAG Transportation Policy Committee
TRC	MAG Transportation Review Committee