

American Recovery and Reinvestment Act (ARRA) Update and Guidance

Management Committee
May 12, 2010





Schedule

Date	Description
March 2, 2010	All MAG region projects obligated
May 30, 2010	All MAG projects bids opened
June 15, 2010	All excess funds deobligated
July 15, 2010	MAG deadline for obligating projects
August 15, 2010	ADOT deadline for obligating projects (Projects must have all required ADOT / FHWA clearances in order to obligate)
September 15, 2010	FHWA deadline for obligating projects



Existing Projects Update

- n **59 local government projects**
 - l 46 projects totaling \$86 million have either been awarded or bids have been received.
 - l Approx. \$5M originally obligated for preliminary engineering.
 - l Approx. \$10M yet to be advertised or are out for Bid
 - l Bids for last projects to be opened by end of May 2010



Bid and Deobligation Process

- n **If bids are high:**
 - l Jurisdictions will need to identify the funding required to complete the project, or
 - l Reduce the scope of the project.
 - l Cannot wait for potential of additional funds.



Bid & Deobligation Process

n **If bids are below estimate:**

- l Request a change order to utilize the funds toward the project, however, the requested change:
 - n must consistent with the approved environmental clearance,
 - n must not require any new right of way or utility clearances,
 - n must be consistent with the current scope of the project, i.e. no new work elements.
- l Apply savings to an existing ARRA project.



Bid and Deobligation Process (cont.)

- n **Apply savings to an existing ARRA project given that it meets MAG policy adopted in January 2010:**
 - l Meets eligibility requirements
 - l Jurisdiction has over \$200k in savings
 - l Can obligate in time
- n **Through or in final stages of federal clearances through ADOT**



Issues

- n **Tight deadlines.**
- n **Significant regional savings not expected.**
- n **ADOT Local Governments can obligate ~3-5 new projects.**
- n **Some project bids are coming in higher than expected.**
- n **Not cost effective to process small ARRA projects.**



Existing Policy on Allocation of Bid Savings

- The local agency with the ARRA project savings will have local discretion to move the project savings to another existing ARRA project in that jurisdiction; and/or swap the ARRA funds with ADOT-STP funds and move the project savings to an eligible project that is above \$200,000 and can obligate before September 30, 2010, including new projects. Any jurisdiction that cannot meet the \$200,000 threshold and obligation deadline of September 30, 2010 will return the project savings to the regional pool for reallocation. (MAG Regional Council - January 27, 2010)



Options

- n **Maintain existing policy.**
- n **Modify existing policy to lower \$200,000 threshold and allow jurisdictions to try to obligate by the ADOT deadline.**
- n **Other options?**
- n **Call for special Management Committee meeting for further discussion.**

**For information, discussion,
and possible action.**

Questions?

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