



# Surface Transportation Program (STP) Policies and Procedures

## Approved 12/14/2017 Resolution 621

### Recommended Amendments

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#### Introduction: STP Program

The Surface Transportation Program (STP) is one of the main sources of flexible transportation funding. STP funds may be used as planning and capital funding. The federal guidance lists a variety of projects eligible for STP funds.<sup>1</sup>

The Grays Harbor Council of Governments (GHCOG) is the funding authority for the Grays Harbor County Region STP funds. The GHCOG full council serves as the Policy Board for the STP program and retains final decision making authority on the distribution of Regional STP funds. GHCOG was established as the STP Lead Agency for the Grays Harbor County Region in 1992.

Lead Agencies are responsible for developing a county-wide approach to select priority transportation projects in their respective regions<sup>2</sup>. Responsibilities of county-lead agencies include:

- Develop criteria that relates to county-wide priorities, establish application procedures, project selection, inform local agencies of selection and monitor to ensure delivery of STP funds. Federal funds cannot be sub-allocated to individual jurisdictions or modes based on a predetermined percentage or formula<sup>3</sup>.
- Include non-metropolitan local officials with responsibility for transportation, including Indian Tribal Governments and provide for consideration of all modes of transportation.
- Public involvement through the respective agency's six-year program hearings and selection processes.

All projects must meet federal eligibility requirements as outlined in the Federal Transportation Act<sup>4</sup>, and any extensions or subsequent federal transportation authorizations. In general, eligible projects must be part of the Federal Functional Classification system.

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<sup>1</sup> 23 U.S.C. 133(b) & (c)

<sup>2</sup> <http://www.wsdot.wa.gov/LocalPrograms/ProgramMgmt/STP.htm>

<sup>3</sup> LAG Manual Chap12.33 <http://www.wsdot.wa.gov/publications/manuals/fulltext/M36-63/LAGManual.pdf>

<sup>4</sup> 23 U.S.C. 133(b)

Lead Agencies must administer guidelines and procedures that meet the local, state, and federal requirements and are up to date for distributing STP funds. The criteria established for awarding and distributing STP funds will be made in a way that fully reflect the overall goals identified in the Southwest Washington Regional Transportation Planning Organization (SWRTPO) Regional Transportation Plan and the Washington Transportation Plan<sup>5</sup> and meet Obligation Authority requirements for our region.

Lead Agencies are tasked to monitor STP funds under WSDOT's fiscal constraint provisions. WSDOT defines fiscal constraint as STP funds programmed equally amongst the different years within the STIP<sup>6</sup>. The fiscal constraint figures change periodically throughout the year. GHCOG will monitor STP target and obligation reports, Federal Fiscal Year (FFY) updates, and any related project information to comply with WSDOT fiscal constraint requirements.

### **Obligation Authority**

In January 2013, Washington State's newly formed Local Agency Task Force developed the Obligation Authority (OA) Policy that imposed annual obligation targets across the state<sup>7</sup>. The policy outlines a more stringent project delivery policy than in the past, including sanctioning of funds if target amounts and target dates are not met (otherwise known as the "use it or lose it" policy). Because of the state's new "use it or lose it" policy, it is very important for agencies to carefully consider how likely the project application they submit will meet the stringent state policy as well as the GHCOG obligation rules.

When STP funds are sanctioned by WSDOT, they are permanently removed from the project. The amount of those funds is also removed from all future Grays Harbor County Region allotments.

### **Guidelines for the STP Processes in Grays Harbor**

The Technical Advisory Committee (TAC) will award Grays Harbor Regional STP funds that are consistent with established funding policies for distributing STP funds.

All activities that affect STP funding will be addressed to the TAC, who in turn will make recommendations to the Policy Board. In order to abide by the OA Policy and WSDOT's fiscal constraint procedures, GHCOG staff will work with WSDOT to program the correct dollar amounts.

The TAC will make any project recommendations to the Policy Board. All final decisions governing policies and procedures for awarding STP funds to projects, changes made to STP-funded projects, and/or withdrawing STP funds from projects will be made by the Policy Board.

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<sup>5</sup> 23 U.S.C. 135(m)

<sup>6</sup> <http://www.wsdot.wa.gov/NR/rdonlyres/EAB2B9F5-F969-4799-A9AF-3D939D96565D/0/FFY2014OAPolicy.pdf>

<sup>7</sup> <http://www.wsdot.wa.gov/NR/rdonlyres/EAB2B9F5-F969-4799-A9AF-3D939D96565D/0/FFY2014OAPolicy.pdf>

## Basic Information

1. All agencies within the county of Grays Harbor with obligation authority are eligible to participate in the STP competitive process.
2. All applicants will use the GHCOG STP standard application form.
3. Recipients of STP funds will receive written notification of the funding approval within 30 days of the award provided that all required paperwork has been returned with signatures.
4. A list of contingency projects will be developed in addition to the selected project list. A project from the contingency will be chosen to move forward if one of the selected projects fails to meet obligation deadlines. Partial or underfunded projects from the most recent call for projects will be the first considered. Neither WSDOT Local Programs nor GHCOG is required to provide funding for any project listed on the contingency list<sup>8</sup>.
5. All projects or activities to be funded with regional STP funds must appear in the jurisdictional six-year Transportation Improvement Program (TIP) before submitting an application for STP funding. Once funding has been allocated, jurisdictions may need to amend their TIP (date and/or funding adjustments before forwarding projects into the Statewide Transportation Improvement Program (STIP) to secure federal funding.
6. WSDOT Local Programs will provide annual distribution and corresponding obligation targets based upon estimated OA available for the FFY. The OA targets are developed based upon a formula utilizing localities carry-forward balance and annual allocation.
7. Tracking of project obligations and/or de-obligations are based on a quarterly obligation report sent to the region from WSDOT Local Programs. GHCOG cannot acknowledge an obligation or de-obligation of funds prior to the funds appearing on the obligation report. GHCOG cannot program de-obligated funds in the TIP that have not appeared on the obligation report and confirmed to have been returned to the region.
8. WSDOT Local Programs will periodically update the FFY for projects in order to abide by the STIP fiscal constraint requirements. GHCOG will abide by WSDOT requests to change the FFY for STP funds in projects.
9. GHCOG will require agencies with STP funded projects to provide a quarterly status report of the project. This is meant to assist agencies to keep their projects on track. Agencies are encouraged to communicate with GHCOG staff if there are problems when proceeding with a project.
10. Agencies who receive STP funding are responsible for providing the required matching funds.
11. Agencies who receive STP funding are responsible for all project cost overruns.
12. FHWA funding rescissions or reductions in estimated annual allocations by WSDOT will affect future funding availability. GHCOG will not be held responsible for any reduction in project funding availability due to rescission or reductions in estimated annual allocations.

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<sup>8</sup> 23 U.S.C. 135(f)

## STP Award Processes

GHCOG staff is responsible for the following:

1. Issuing and guiding the call for projects
2. Processing the intake of agency applications
3. Verifying that the projects requesting STP funds are eligible (functional classified, required match is reasonably expected to be secured, etc.)
4. Operating the project selection process with TAC members to arrive at an initial list of prioritized projects for funding recommendation
5. Drafting initial list of projects and contingency projects for TAC and Policy Board approval
6. Assign dollar figures by program year to awarded projects to meet WSDOT's FFY fiscal constraint requirements

The TAC is responsible for the following:

1. Bringing forward projects that are fundable under the Obligation Authority requirements in effect at the time
2. Forwarding a list of projects recommended for funding to the Policy Board, including a contingency list of projects that are to be funded only if a project on the priority list is unable to utilize the awarded STP funds

The Policy Board is responsible for the following:

1. Consider the TAC recommendations as received for awarding STP funds to specific projects
2. Approve the final list of projects for STP funding and contingency projects
3. Approve STP funding for GHCOG operations

### Monitoring STP Funds

GHCOG staff is responsible for the following:

1. Monitor obligation reports and process obligation information
2. Advise agencies with unobligated STP funds about the timeframes for obligation and options for the STP funds
3. Report to the TAC quarterly about status of STP-funded projects
4. Report to TAC and Policy Board requests from agencies for significantly changing a STP funded project (project scope, phase changes for example)
5. Ensure that the OA procedures are enacted according to WSDOT in order to keep 100% of STP funds within the Grays Harbor County Region.

The TAC is responsible for the following:

1. Recommend to Policy Board any approval of significant changes to a project with STP funding as requested by the agency
2. Forward recommendations to Policy Board regarding sanctioning and reallocation of STP funds

The Policy Board shall consider the TAC recommendations and make the final decision governing requested changes for projects or funding.

## Obligation Commitments

If agencies fail to comply with the procedures to obligate STP funding, GHCOG has the authority to reallocate STP funds from selected projects to contingency projects. This process is designed to keep STP funds within the region. GHCOG staff will inform the TAC about the unobligated funds and move forward with reallocation proceedings.

1. Receiving STP
  - a. Agencies will sign an agreement on STP funding applications to obligate by the date provided by GHCOG
  - b. Projects that do not meet the obligation deadline will be reviewed by TAC for reallocation
  
2. Initial Deadlines
  - a. WSDOT will set deadline for target dates to obligate (For example In 2014 it was August 1<sup>st</sup>)
  - b. GHCOG will set deadlines based on WSDOT target dates (For example, five months prior is March 1<sup>st</sup>)
  - c. GHCOG will plan-out STP funding competition based on the timing of target dates
  
3. Reallocation Deadlines - If an agency does not obligate in the stated deadline from the project application:
  - a. Agency staff can advocate to keep funds provided that special exemptions that are approved by TAC are met and agency can meet WDOT deadline
    - i. Agencies are responsible for responding to GHCOG inquiries regarding the status of the STP funded projects in order to inform GHCOG that circumstances are such that the agency cannot meet the initial deadline
    - ii. TAC will be informed by agency and GHCOG staff of the circumstances surrounding the project
    - iii. TAC will vote on reallocation of funds and make a recommendation to Policy Board
  - b. If Policy Board approves reallocation, the initial project loses funding which in turn is reallocated to a project listed on contingency list
    - i. Projects on the contingency list will first be considered for reallocated funds based on how it meets the settled obligation deadlines