

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE

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ITEM I E

*Serious drought.
Help save water!*

March 18, 2015

To: CITIES AND COUNTIES IN CALIFORNIA
METROPOLITAN PLANNING ORGANIZATIONS
REGIONAL TRANSPORTATION PLANNING AGENCIES

RE: Local Highway Safety Project Delivery

Dear Transportation Partners:

The purpose of this letter is to bring to your attention the project delivery status of Local Highway Safety Improvement Program (HSIP). It also outlines measures that the California Department of Transportation (Caltrans) plans to take to help speed up the delivery of HSIP projects.

HSIP Obligation Authority (OA) Balance and Year to date delivery:

At the beginning of federal fiscal year (FFY) 2014–2015, the Local HSIP Program Obligation Authority (OA) balance was **\$228 million**. This amount is about four times the annual Local HSIP OA share (\$60 million)! As of February 28, 2015, through the first five months of the FFY, only about \$8.5 million HSIP funds have been obligated.

Also, as of February 28, 2015, 117 HSIP projects were considered “delayed” per the Caltrans “Project Delivery Requirements for Local Safety Programs” (52 projects are “delayed PE” and 65 projects are “delayed Construction”). Currently, for delayed HSIP projects, Caltrans’ policy is to exclude the project sponsor from competing for HSIP funding for new HSIP projects.

For those “delayed Construction” projects:

- Cycles 0 & 1 – 9 projects were delayed an average of 60 months, or 5 years
- Cycle 2 – 14 projects were delayed an average of 43 months
- Cycle 3 – 11 projects were delayed an average of 28 months
- Cycle 4 – 31 projects were delayed an average of 16 months

HSIP Project Delivery Encouragement Measures:

To encourage the delivery of HSIP projects, Caltrans Division of Local Assistance will implement the following measures, effective immediately.

1. Penalty for prolonged delivery delays – Project Removal from HSIP Program

The following HSIP project delivery deadlines will be enforced:

- Cycles 0, 1 & 2 projects - September 30, 2015
- Cycle 3 projects - December 31, 2015
- Cycle 4 projects - March 31, 2016
- Other cycles of HSIP projects – 60 months from HSIP cycle release.

Projects that do not meet the above delivery deadlines will be removed from the HSIP Program. A HSIP project that has been removed from the Program may still compete for future HSIP Program cycles.

For a project to be considered delivered, a complete “Request for Authorization to Proceed for Construction” package shall be received and accepted by the District Local Assistance Engineer prior to the above mentioned due date.

Second Chance - To provide the delayed HSIP projects in Cycles 0, 1, 2, & 3 another opportunity for success, Caltrans will work with project sponsors to review and revise the project scope and develop an alternative project that meets the original HSIP project purpose. Such re-scoped HSIP projects will be given a new project delivery deadline which will then be strictly enforced. Such project re-scoping must be completed by **July 31, 2015**.

For those projects that are removed from the HSIP Program, the project sponsors may be responsible for the repayment of HSIP funds expended on the early phases of the project development as required by federal regulations.

2. Incentive for early project delivery – 100% federal funding for a limited time using Toll Credits

Effective immediately and until September 30, 2016, to encourage the early delivery of HSIP projects, Caltrans will increase the federal funding share to 100% of the eligible HSIP project cost through the use of toll credits. However, this project delivery incentive will only be offered to Cycle 6 HSIP projects. The reason for limiting 100% federal share only to Cycle 6 HSIP project is because “undelivered” HSIP projects in all prior cycles are either already-delayed or

Transportation Partners
March 18, 2015
Page 3

soon-to-be-delayed, including Cycle 5 projects. Rewarding those projects with 100% federal share is considered by most to be unfair to those project sponsors that have delivered their HSIP projects.

In the coming days, those HSIP project sponsors with delayed HSIP projects will receive notification of potential project removal from the HSIP Program, along with instructions on updating project status and on project re-scoping.

The on-time delivery of safety projects should be the top priority for any local agencies that have projects in the HSIP program. I am confident that with your and Caltrans' renewed focus on the delivery of HSIP projects, we can make our roads safer for the traveling public.

For your reference the delayed HSIP project list along with a copy of this letter can be found on the Division of Local Assistance web-site <http://www.dot.ca.gov/hq/LocalPrograms/>.

Sincerely,



RIHUI ZHANG
Chief
Division of Local Assistance

- c: John Hoole, Acting Chief, Office of Bridge, Bond and Safety Programs
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