

**2015-2018 TRANSPORTATION IMPROVEMENT PROGRAM  
FOR SOUTHWESTERN PENNSYLVANIA**

**APPENDIX 3**

**TIP MODIFICATION PROCEDURES**

**MEMORANDUM OF UNDERSTANDING AND TIP  
MODIFICATIONS GUIDANCE**



# MEMORANDUM OF UNDERSTANDING

## Southwestern Pennsylvania Commission

### Procedures for 2015-2018 STIP and TIP Modifications

#### Purpose

This Memorandum of Understanding (MOU) establishes a set of procedures to be used by the Southwestern Pennsylvania Commission (SPC) and its member agencies (PennDOT, the counties/city, and transit operators) for processing modifications to the 2015-2018 regional Transportation Improvement Program (TIP).

#### Definitions

- The *Southwestern Pennsylvania Commission (Commission)* is the regional policy-making body for Southwestern Pennsylvania that takes action on all major TIP amendment requests.
- *Cooperating Parties* are PennDOT, Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs) (Planning Partners), Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and transit agencies.
- The *Interstate Management (IM) Program* is PennDOT's four-year listing of Statewide interstate maintenance (non-capacity adding) projects.
- A *Modification* is either an amendment or an administrative action to the STIP/TIP.
- A *New Project* is a project that is not programmed in the current STIP/TIP, does not have previous obligations from a prior STIP/TIP, and has a Linking Planning and NEPA Level 2 Screening form initiated.
- *Preservation* is defined as: a) Long-term strategy that enhances pavement performance by using an integrated, cost-effective set of practices that extend pavement life, improve safety and meet motorist expectations; b) Strategies that prevent, delay or reduce deterioration of bridges or bridge elements, restore the function of existing bridges, keep bridges in good condition and extend their life; c) The activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner.
- *Planning Partners* are both Metropolitan and Rural Planning Organizations (MPO/RPO), who develop and modify regional TIPs.
- A *Public Participation Plan* is a documented broad-based public involvement process that describes how the Planning Partner will involve and engage the public in the transportation planning process to ensure that the concerns of stakeholders are identified and addressed in the development of transportation plans and programs.
- A *Reserve Line Item* holds funds that are not dedicated to a specific project(s) and may be used to cover cost increases or add a new project or project phase(s).
- A *Statewide Managed Program* are those transportation improvements that are managed on the STIP including project selection, at the PennDOT Central office level, with possible regional Planning Partner input and solicitation. Examples include but not limited to HSIP, RRR, TAP and Rapid Bridge Replacement (RBR) Initiative. The Interstate Management Program will remain its own individual program.
- The SPC *Transportation Technical Committee (TTC)*, on behalf of the Commission, processes Highway TIP modification requests, and takes action on amendments, and administrative actions.
- The SPC *Transit Operators Committee (TOC)*, on behalf of the Commission, processes Public Transportation TIP modification requests, and takes action on amendments, and administrative actions.
- *Urgent Remedial Measures* are actions in response to a natural or man-made event that is a disruption to the transportation system.

## **What is a Statewide Transportation Improvement Program (STIP) and a Transportation Improvement Program (TIP)?**

The STIP constitutes a list of projects to be implemented over a four-year period. It is comprised of the IM Program; regional TIPs, which include all projects that will seek federal funds, and all other regionally significant projects developed by the Planning Partners; and, a Statewide Programs developed by PennDOT. The STIP is the official transportation improvement program document mandated by federal statute and recognized by FHWA and FTA.

An MOU between FHWA and PennDOT will serve as the basis for PennDOT's addressing of the IM Program TIP modifications. PennDOT will coordinate with SPC on TIP modifications affecting IM projects in the SPC region, but their official action is separate from the SPC TIP modification process.

## **How and When is a STIP/TIP Developed?**

See General and Procedural Guidance.

## **STIP/TIP Administration**

FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved STIP. If a Planning Partner, Transit Agency, or PennDOT wishes to proceed with a project not programmed on the TIP, a modification must be made.

The Federal Statewide and Metropolitan Planning regulations contained in 23 CFR § 450 govern the provisions of the STIP and of individual MPO TIPs, related to STIP and TIP modifications, and other actions taken to modify the TIP. The intent of this Federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. Federal Transportation Planning Regulations 23 CFR § 450.324 permits the use of alternative procedures by the cooperating parties to effectively manage actions encountered during a given TIP cycle. The Federal Transportation Planning Regulations require that any alternative procedures be agreed upon, and such alternative procedures be documented and included in the TIP document (this MOU between SPC and PennDOT are the alternate procedures to be applied to modifications to the 2015-2018 TIP).

All modifications must maintain year-to-year fiscal constraint [23 CFR § 450.324 (i)] for each of the four years of the STIP/TIP. Modifications shall account for year of expenditure, and maintain the estimated total cost of the project or project phase within the time period [i.e., fiscal year(s)] contemplated for completion of the project, which may extend beyond the four years of the STIP/TIP. The arbitrary reduction of the overall cost of a project, or project phase(s), shall not be utilized for the advancement of another project.

In addition, TIP modifications must be consistent with the Planning Partner's Long Range Transportation Plan (SPC 2040 Transportation and Development Plan, 2011), and must correspond to the adopted provisions of the Planning Partner's Public Participation Plan (SPC Public Participation Plan, 2012). A reasonable opportunity for public review and comment shall be provided for significant revisions to the STIP/TIP.

If a modification adds a project, deletes a project, or impacts the schedule or scope of work of an air quality significant project in a nonattainment or maintenance area, a new air quality conformity determination will be required if deemed appropriate by the Interagency Air Quality Consultation Group. If a new conformity determination is deemed necessary, an amendment to the region's Long Range Transportation Plan shall also be developed and endorsed. The modified conformity determination would then be based on the amended Long Range Transportation Plan conformity analysis and public involvement procedures consistent with the region's Public Participation Plan shall be required.

### **SPC TIP Modifications – Amendments and Administrative Actions**

An *amendment* is a TIP modification that:

- Affects air quality conformity regardless of the cost of the project or the funding source.
- Adds a new project or removes an existing project utilizing federal funds. Exceptions being:
  - a project that utilizes federal funds from an approved reserve line item where the total project cost does not exceed \$5 million
  - a project being added from a statewide managed program
  - a project being added in response to an emergency
- Adds a new project phase(s) or increases a current project phase or deletes a project phase(s) or decreases a current project phase that utilizes federal funds where the modification exceeds \$5 million.
- Adds federal funds to a 100% non-federal funded project, exception being projects from the Statewide Managed Programs.
- Results in a major change in the scope of work or schedule to a project.
- Creates a new federal funded line item.

A *major amendment* requires approval by the Commission. It is an *amendment* that:

- Affects air quality conformity.
- Involves a Turnpike project advancing under the 1987 Turnpike Expansion Act.
- Involves flexing Highway funds to Transit projects.
- Includes a candidate project deemed to be high profile by the TTC or TOC.
- Adds a new project(s) from a federal discretionary funding initiative.
- Adds a new project/project phase(s) or increases a current project phase or deletes a project/projects phase(s) or decreases a current project phase where the total project cost or modification exceeds \$10 million. Exception being **Bridge/Pavement Preservation** projects or events requiring **Urgent Remedial Measures**; they will be processed as amendments.

An opportunity for public review and comment will be **provided for all major amendment requests**. Amendment requests with an impact that has been deemed major are **subject to a 30-day public comment period and a public meeting before they can be presented to the Commission for consideration**. At the discretion of the decision-making body or as directed by the SPC Executive Director, an additional public meeting may be required to respond to issues raised by the public comment. The Commission, when making the amendment decision, must address any significant issues or negative comments that were raised in the public comments.

The TTC or TOC may request that **major amendment requirements be applied** to a modification regardless of whether the change would otherwise qualify.

All modifications (including modifications defined as administrative actions) associated with the amendment shall be identified and grouped as one action on a Fiscal Constraint Chart (FCC) demonstrating both project and program fiscal constraint. The identified grouping of projects (the entire amendment action) will require approval by the TTC/TOC/Commission. In the case that a project phase is pushed out of the TIP period, the PennDOT District will demonstrate, through a Fiscal Constraint Chart, fiscal balance of the subject project phase on the 2<sup>nd</sup> period of the SPC long range transportation plan.

Approval by the TTC or TOC is required for amendments; **major amendments require Commission approval.** SPC must then request PennDOT Central Office approval using the e-STIP process. An FCC must be provided which summarizes the before, requested adjustments, and after changes. PennDOT's Central Office will review, approve, and forward to the appropriate federal agency for review and approval, with a courtesy copy to the other federal agency.

An **administrative action** is a TIP modification that:

- Adds a project/project phase from a funding initiative or approved reserve line item that utilizes 100% non-federal funding.
- Adds or removes a project/project phase from a Statewide Managed Program.
- Adds a project/project phase from an approved reserved line item.
- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location, or capacity changes.
- Adds federal or state capital funds from low bid savings, deobligations, release of encumbrances, or savings on programmed phases to another programmed project phase or approved reserved line item.
- Does not affect air quality conformity nor involve a significant change in the scope of work to a project(s) that would trigger an air quality conformity re-evaluation; does not exceed the \$5 million threshold established for amendments; does not result in a major change in scope or schedule on any project.

TTC or TOC **administrative action approval is required** on:

- Addition/removal of 100% non-federal funded project/project phase.
- Addition/removal of a federal funded project phase less than \$5 million.
- Addition/removal of a Statewide Managed Program project/project phase.
- Cost change on a project that exceeds \$1 million.

The TTC or TOC may request that **amendment requirements be applied** to a modification regardless of whether the change would otherwise qualify.

**Administrative actions do not require federal approval.** PennDOT and SPC will work cooperatively to address and respond to any FHWA and/or FTA comment(s). FHWA and FTA reserve the right to question any administrative action that is not consistent with federal regulations or with this MOU where federal funds are being utilized.

## **Submission Guidelines for TIP Revisions**

SPC requests that sponsors of highway projects submit their requested TIP modifications through the PennDOT District offices for TTC consideration. SPC recommends sponsors provide appropriate information 14 calendar days in advance of the TTC meeting to PennDOT; 30 calendar days for a major amendment request. PennDOT will submit a Project Narrative and Fiscal Constraint Chart of all requested TIP modifications to SPC for TTC consideration. Deadlines for submissions to SPC are as follows:

- Major amendment requests – 15 calendar days prior to TTC meeting
- Amendment and administrative requests – 8 calendar days prior to TTC meeting

Revisions of amendment and administrative modifications after submittal deadline are discouraged and may delay consideration of the request.

Transit project sponsors will route their submissions to the SPC staff assigned to the TOC. PennDOT and SPC technical advisers will assist sponsors in identifying project information that is needed to explain and justify the proposed changes. The assistance will also help to ensure consistency in the presentation format. Sufficient information must be provided to accurately describe the request; determine if air quality conformity testing is required; determine if it is an amendment or administrative action; facilitate an informed review by funding agencies; and, provide an understandable public record of the change.

SPC staff will provide advance materials of the proposed TIP actions the week before the meeting to ensure that committee members have sufficient opportunity to review the requested actions.

## **Special Expedited Approval Option**

A proposed change requiring TTC, TOC, or Commission action, may be expedited via e-mail, fax, and/or telephone ballot if it meets any of the following criteria:

- The safety of the public would be jeopardized by waiting until the TTC/TOC/Commission meets formally.
- A project or projects would be significantly delayed by waiting until the TTC/TOC/Commission meets formally.
- A delay would significantly and adversely affect, the scheduling, cost and/or funding of the project or projects.
- When special funding uniquely made available through federal or state channels may be jeopardized by delays in project delivery or funding obligation.

## **Financial Constraint**

Demonstration of STIP/TIP financial constraint to FHWA and FTA takes place through the summary of recent modifications. Real time versions of the STIP/TIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS).

## **STIP/TIP Financial Reporting**

At the end of each quarter, PennDOT will provide SPC with a STIP/TIP Financial report of actual federal obligations and state encumbrances for highway/bridge programs in its region.

At the end of the Federal Fiscal Year, the PennDOT report card can be used by SPC as the basis for compiling information in order to meet the Federal Annual Listing of Obligated Project requirement. The STIP/TIP Financial Report provided to FHWA and FTA will also include the FHWA Planning Performance Measure – “percent of STIP/TIP projects advanced per year” on a Statewide and Planning Partner basis. A summary report detailing this information for the region will be provided to SPC at the end of the year.

**TIP Implementation Meetings**

To provide for coordinated oversight of the TIP, an SPC work group of the TTC will periodically meet to review the status of the TIP and its implementation.

1. At the beginning of the second fiscal year of the TIP, the work group may meet to review all obligation activity during the previous year and the current project costs and schedules.
2. A mid-year (April) work group meeting may be held to review the status of all projects on the TIP. Program costs for projects obligated to date will be compared with the region’s target obligation authority.
3. Other meetings of the work group may be called from time to time by SPC as necessary to ensure the proper development and management of the TIP and to expedite the implementation of the region’s projects.

This Memorandum of Understanding will begin October 1, 2014 and remain in effect until September 30, 2016 unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

We, the undersigned hereby agree to the above procedures and principles.

\_\_\_\_\_  
James R. Hassinger, Executive Director  
Southwestern Pennsylvania Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
Larry S. Shifflet, Director  
Center for Program Development  
And Management  
Pennsylvania Department of Transportation

\_\_\_\_\_  
Date





# GUIDANCE FOR PROCESSING TIP MODIFICATIONS AT SPC TOC/TTC

There are four ways a TIP modification request can be processed in the SPC region:

1. Major TIP Amendment; 2. TIP Amendment; 3. TIP Administrative Action (TOC/TTC approval); and 4. Information Only Administrative Action.  
Ask the following procedural questions, in order, as guidance to determine how the modification request will be processed.

| Procedural Questions<br>Follow order:  | PROCESS AS:<br>3. TIP Administrative Action*<br>(Requiring TOC/TTC Approval)   | PROCESS AS:<br>2. TIP Amendment<br>(Requiring TOC/TTC Approval)   | PROCESS AS:<br>1. Major TIP Amendment<br>(Requiring SPC Commission Approval)   |
|--|--|---|--|
| <p><b>(A)</b> Does the Action affect air quality conformity status of a project?</p> <p><small>For questions on exempt/nonexempt air quality status or related to project conformity ramifications of scope, schedule, and/or design changes, contact SPC's Air Quality Conformity department.</small></p> <p style="text-align: center;">↓ No</p>   | Yes →  |   | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required<br>After AQ testing, analysis, and conformity determination |
| <p><b>(B)</b> Can the project be defined as a "Major TIP Amendment" ? ◆</p> <p><small>In the past the following actions have been deemed "Major":</small></p> <ul style="list-style-type: none"> <li>- Flex of highway funds to Turnpike</li> <li>- Flex of highway funds to Transit</li> <li>- Highly visible projects deemed potentially controversial</li> <li>- Project(s) utilizing a discretionary federal funding initiative/program such as: ARRA/TIGER</li> </ul> <p style="text-align: center;">↓ No</p>   | Yes →  |   | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required<br>Due to high visibility and potential for controversy     |
| <p><b>(C)</b> Does the action involve adding a project to the TIP that has had no previous obligations/encumbrances?</p> <p><small>Exception 1: Project(s) added solely from approved reserve line item.</small></p> <p><small>Exception 2: Project(s) added is fully funded with 100% non-Federal sources or project is part of a statewide managed program. ★</small></p> <p><small>Exception 3: Project(s) can be classified as an emergency. +</small></p> <p style="text-align: center;">↓ No or Exception Case</p>   | Yes → <small>Amount added to the TIP is &gt;\$10 Million. Preservation activities▲ or urgent remedial measures●, regardless of cost, are processed as TIP Amendments</small><br>Yes → <small>Amount added to the TIP is ≤ \$10 Million</small>   | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required   |
| <p><b>(D)</b> Does the action involve creating a new line item utilizing Federal funds?</p> <p style="text-align: center;">↓ No</p>  | Yes →  | <input checked="" type="checkbox"/>   |  |
| <p><b>(E)</b> Does the action involve removing a project using Federal funds from the TIP?</p> <p><small>Exception 1: The project is part of a "statewide managed program" ★</small></p> <p style="text-align: center;">↓ No or exception</p> <p>Does the action involve removing a 100% non-federal funded project from the TIP?</p> <p style="text-align: center;">↓ No</p>  | Yes → <small>Amount removed is &gt;\$10 Million</small><br>Yes → <small>Amount removed is ≤ \$10 Million</small><br>Yes → <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/><br><br><input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required   |
| <p><b>(F)</b> Does the action involve adding or removing a project phase to/from a project on a statewide managed program? ★</p> <p style="text-align: center;">↓ No</p> <p>Does the action involve adding or removing a project phase to/from a Federally funded project?</p> <p><small>Exception 2: The project phase is considered incidental ROW or UTL</small></p> <p style="text-align: center;">↓ No or exception</p> <p>Does the action involve adding or removing a project phase to/from a 100% non-federal funded project from the TIP?</p> <p style="text-align: center;">↓ No or Exception Case</p> | Yes → <input checked="" type="checkbox"/><br>Yes → <small>Amount is &gt;\$10 Million</small><br>Yes → <small>Amount ≤ 10 \$ Million and &gt; \$5 Million</small><br>Yes → <small>Amount ≤ \$5 Million</small> <input checked="" type="checkbox"/><br>Yes → <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/><br><br><input checked="" type="checkbox"/><br><br><input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required   |
| <p><b>(G)</b> Does the action involve a cost change on a project &gt; \$1 Million?</p> <p style="text-align: center;">↓ No</p> <p>Does the action involve a cost change on a project &gt; \$1 Million on a 100% non-federal funded project?</p> <p style="text-align: center;">↓ No</p>  | Yes → <small>Amount is ≤ 10 \$ Million and &gt; \$5 Million</small><br>Yes → <small>Amount is &gt;\$1 Million ≤ \$5 Million</small> <input checked="" type="checkbox"/><br>Yes → <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/><br><br><input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> 30-day Public Comment Period and Public Meeting Required   |
| <p><b>(H)</b> Does the action involve a major change in scope or schedule?</p> <p><small>Determination of a "Major Change in Scope or Schedule" is made at the discretion of the TOC/TTC.</small></p> <p style="text-align: center;">↓ No</p>  | Yes →  | <input checked="" type="checkbox"/>   |  |

**PROCESS AS:**  
**4. Information Only Administrative Action**  
**Not Requiring TOC/TTC Approval**  
**presented for information only**

- The term "action" refers to all the project modifications included in the request.
- ★ Administrative Action requests that require TOC/TTC approval are to be indicated on the monthly modification narratives contained in the TOC/TTC meeting agenda.
  - ◆ Determination of a "Major TIP Amendment" action is made at the reasonable discretion of the TOC/TTC.
  - Definition of "urgent remedial measures" are defined in the definitions portion of the SPC TIP Procedures MOU.
  - ▲ Definition of "preservation activities" is included in the definitions portion of the SPC TIP Procedures MOU.
  - + Expedited procedures may be utilized in emergency situations and may differ from normal procedures.
  - ★ Definition of "statewide managed program" is included in the definitions portion of the SPC TIP Procedures MOU.

