

**2019-2022 TRANSPORTATION IMPROVEMENT PROGRAM  
FOR SOUTHWESTERN PENNSYLVANIA**

**APPENDIX 2**

**TIP MODIFICATION PROCEDURES**



# MEMORANDUM OF UNDERSTANDING

## Southwestern Pennsylvania Commission

### Procedures for 2019-2022 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 2019-2022 regional Transportation Improvement Program (TIP).

#### Definitions

- The (SPC) **Commission** is a regional policy-making body for southwestern Pennsylvania which takes action on all major TIP amendment requests. SPC is the federally designated metropolitan planning organization for the ten-county southwestern PA region.
- **Betterment** consists of surface treatments/corrections to existing roadway [preferably within the Pennsylvania Department of Transportation's (PennDOT's) right-of-way] to maintain and bring the infrastructure to current design standards for that classification of highway. This may involve full depth base repair, shoulder widening, increased lane widths, correction of super-elevation, as well as, drainage improvements and guide rail updates.
- **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.
- Fiscal Constraint Chart is an Excel spreadsheet that depicts the transfer of funds from one source of funding to a donee project or projects and that nets to zero. The **Interstate Management (IM) Program** is PennDOT's four year listing of statewide interstate maintenance (non-capacity adding) projects.
- **Long Range Transportation Plan (LRTP) Lapse** is where a Planning Partner's LRTP has not been updated in accordance with the cycles defined in the federal planning regulations [23 CFR § 450.322 (c)].
- A **Modification** is either an amendment or an administrative action to the STIP/TIP. The detailed criteria for all types of modifications is further defined in the following MOU.
- 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 Level 2 Linking Planning and NEPA (LPN) 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 TIP's.
- 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.
- **Rapid Bridge Replacement (RBR) Initiative** (developed via a Public Private Partnership – P3) will follow the Statewide Managed Program guidance in the administration of the program. For

example, the RBR Initiative project rollouts, independent of time intervals, will be considered an amendment on the STIP. Placement of RBR projects and/or line items on regional TIPs will be considered as an administrative action for each MPO/RPO.

- 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 of Statewide Programs include but are not limited to the Secretary of Transportation's SPIKE, the Rapid Bridge Replacement (RBR) Project developed via a Public Private Partnership (P3), Highway Safety Improvement Program (HSIP) set-a-side, Highway-Rail Grade Crossing Safety (RRX), Surface Transportation Block Grant Program set-a-side (TAP) funds, Green-Light-Go (GLG), Automated Red Light Enforcement (ARLE), Multi-modal (MTF), Recreational (Rec) Trails, and Keystone Corridor projects. The Interstate Management Program will remain its own individual program and prioritized statewide.
- The SPC **Transportation Technical Committee** on behalf of the Commission, processes 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 which will seek federal funds, and all other regionally significant projects developed by the Planning Partners; and 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?**

The TIP in the SPC region, in compliance with the STIP update schedule, is updated every two years and spans four years of revenue as determined by the statewide financial guidance work group. The effort to update the TIP is a multi-layered, inter-related intergovernmental planning process, which includes public involvement, agency coordination, candidate project development, candidate project screening, numerous multi-agency work group meetings, fiscal constraint, environmental justice analysis, and air quality conformity. The 2019 TIP will take effect on October 1, 2018.

For more details see the TIP 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 or change the programming of a project 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 TIP).

TIP revisions must be consistent with PennDOT's Transportation Investment Plan priorities, Pennsylvania's Long Range Transportation Plan (LRTP), and the Planning Partner's LRTP. In addition, STIP/TIP revisions must support Pennsylvania's Transportation Performance Measures and Targets as well as the PennDOT's Connects policy. Pennsylvania's Transportation Investment Plan is PennDOT's ongoing assessments, target settings, and re-evaluations of data associated with the STIP/TIP investment decisions, ensuring that each dollar invested is being directed to meet strategic decisions, and that enhances the overall performance of the Commonwealth's transportation system. The Investment Plan establishes regional targets which were set with a continued focus on maintaining assets with the following priorities: Bridges on the National Highway System (NHS), Roadway conditions on the NHS, Bridges on the balance of the system, and Roadway conditions on the balance of the system.

TIP revisions must correspond to the adopted provisions of the SPC Public Participation Plan (PPP). A PPP 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 comments, concerns, or issues of the public and interested parties are identified and addressed in the development of transportation plans and programs. A reasonable opportunity for public review and comment shall be provided for significant revisions to the TIP.

If a revision 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 PennDOT Air Quality Interagency Consultation Group (ICG). If a new conformity determination is deemed necessary, an amendment to the region's LRTP shall also be developed and approved by the SPC. The modified conformity determination would then be based on the amended LRTP conformity analysis and public involvement procedures consistent with the region's PPP shall be required.

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

There are four ways a TIP modification request can be processed in the SPC Region: A graphic follows this MOU providing guidance on processing TIP modifications.

An **Amendment** is a revision that adds a new project, deletes an existing project, or involves a major change to an existing project included in a STIP/TIP that:

- Affects air quality conformity regardless of the cost of the project or the funding source;
- Adds a new project, deletes a project that utilizes federal funds, or federalizes a project that previously was 100% state and/or locally funded. A new project is a project that is not programmed in the current STIP/TIP, and does not have previous obligations from a prior TIP. Federally-funded Statewide Program projects are excluded from this provision
- Adds a new phase(s) (exceeding \$5 million in federal funds) to an existing project, deletes a project phase(s) (exceeding \$5 million in federal funds), increases or decreases a project phase(s) that utilizes federal funds where the revision exceeds \$5 million.
- Exception: modification is a response to an urgent remedial measure.

**major amendment** requires approval by the Commission. It is an **amendment** that meets any of the following criteria:

- Affects air quality conformity;
- If a project modification exceeds \$5 million, the TTC/TOC will take an action determining if the modification warrants being processed as a Major Amendment
- The TTC, or TOC in the case of transit amendments, may request that **major amendment requirements be applied** to a modification.

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, a public meeting may be required to respond to issues raised by the public comment. The Commission, when making the amendment decision, must address in the decision any significant issues or negative comments that were raised in the public comments.

SPC staff will request PennDOT Central Office approval using the e-STIP process. A Fiscal Constraint Chart (FCC) will be provided that depicts the transfer of funds from one source to another, demonstrating fiscal constraint. The FCC summarizes the before, requested adjustments, after changes, and detailed comments explaining the reason for the adjustment(s), along with an updated TIP. 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.

Approval by the TTC or TOC is required for amendments; **major amendments require Commission approval**.

An **Administrative Modification** is a minor revision to a TIP that:

- Shifts federally-funded projects, a federally-funded project phase(s), or federal funds to existing federally-funded projects or a federally-funded project phase(s) in the approved STIP/TIP and must maintain year-to-year TIP fiscal constraint requirements.
- Adds a project from a funding initiative or line item that utilizes 100 percent state or non-federal funding; or regional TIP placement of the federally-funded Statewide Program;

- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location, or capacity changes;
- Draws down or returns funding from an existing STIP/TIP reserve line item and does not exceed the threshold established in this MOU. 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 an additional project phase(s) to an existing project;
- Adds federal or state capital funds from low-bid savings, de-obligations, release of encumbrances, or savings on programmed phases to another programmed project phase or line item but does not exceed the above thresholds.

*Administrative Modifications* do 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 add a new federally-funded project or delete a federally-funded project; does not exceed the threshold established in this MOU, or the threshold established by this MOU (as detailed in the Amendment Section); and does not result in a change in scope, on any federally-funded project that is significant enough to essentially constitute a new project. A change in scope is a substantial alteration to the original intent or function of a programmed project.

TTC or TOC **approval is required** on administrative actions that meet any of the following criteria:

- Addition/removal of 100% non-federal funded project/project phase;
- Addition/removal of a federal funded project phase less than \$5 million;
- Addition or removal of a Statewide Managed Program project/project phase;
- Cost change on a project that exceeds \$1 million.
- If a TIP revision occurs based on FHWA August Redistribution that adds, advances, or adjusts federal funding for a project, or the revision involves a repurposed Federal earmark.

**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.

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 beyond 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.

### **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 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 ensure consistency in the presentation format. Sufficient information must be provided to accurately describe the request, to determine if air quality conformity testing is required, to determine if it is an amendment or administrative action, to facilitate an informed review by funding agencies and to 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 reviews 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.

### **Inter-Regional Rail Projects Funding**

The entire amount of federal funds applied to Inter-Regional Projects such as Keystone Corridor Projects shall be programmed on the TIP of the UZA from which the funds originate. For example, the Keystone Corridor is the in-State and commuter rail service funded by PennDOT and FTA on the Amtrak rail line that runs between Philadelphia and Pittsburgh.

Keystone Corridor projects that have been implemented between Philadelphia and Harrisburg have been funded within the three-contiguous large urbanized areas (UZA) – Harrisburg, Lancaster, and Philadelphia. If the Project is in a UZA that is not the UZA from which the funds originate, then the Project shall be listed in the TIP (of the UZA where the Project is located) as a “Insert Name of Inter-Regional Project”, the use of the funding and amount shall be noted in the project description, and the funding amount shall be entered as \$0. The funds should only be noted for information and air quality conformity determination purposes, but not programmed, in the TIP where the Project is to avoid the double counting of programmed funds within the two TIPs. For instance, if federal funding from the Lancaster UZA is applied to the restoration of a Keystone Corridor station located in the Philadelphia UZA, then the full amount of the federal funding for the Project shall be programmed on the Lancaster TIP, and for information and air quality conformity purposes, the Project shall also be listed on the Delaware Valley Regional

Planning Commission (DVRPC) TIP as “Keystone Corridor Station Restoration” along with notations per-above and the federal funding amount will be listed as \$0.

SPC will follow this same process for any inter-regional transportation projects (for example, High Speed Rail, Keystone West projects, etc.) programmed for implementation in Southwestern Pennsylvania.

### **Financial Constraint**

Demonstration that TIP fiscal constraint is maintained takes place through a FCC. Real time versions of the TIP are available to FHWA and FTA through PennDOT’s Multimodal Project Management System (MPMS).

All revisions must maintain year-to-year fiscal constraint [23 CFR § 450.326 (g), (j) & (k)] for each of the four years of the STIP/TIP. All revisions 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.

### **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 their 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 Transportation Performance Management**

In accordance with 23 CFR § 450.326 (c), PennDOT and SPC will ensure TIP revisions promote progress toward achievement of performance targets.

### **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 insure 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, 2018, and remain in effect until September 30, 2020, 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

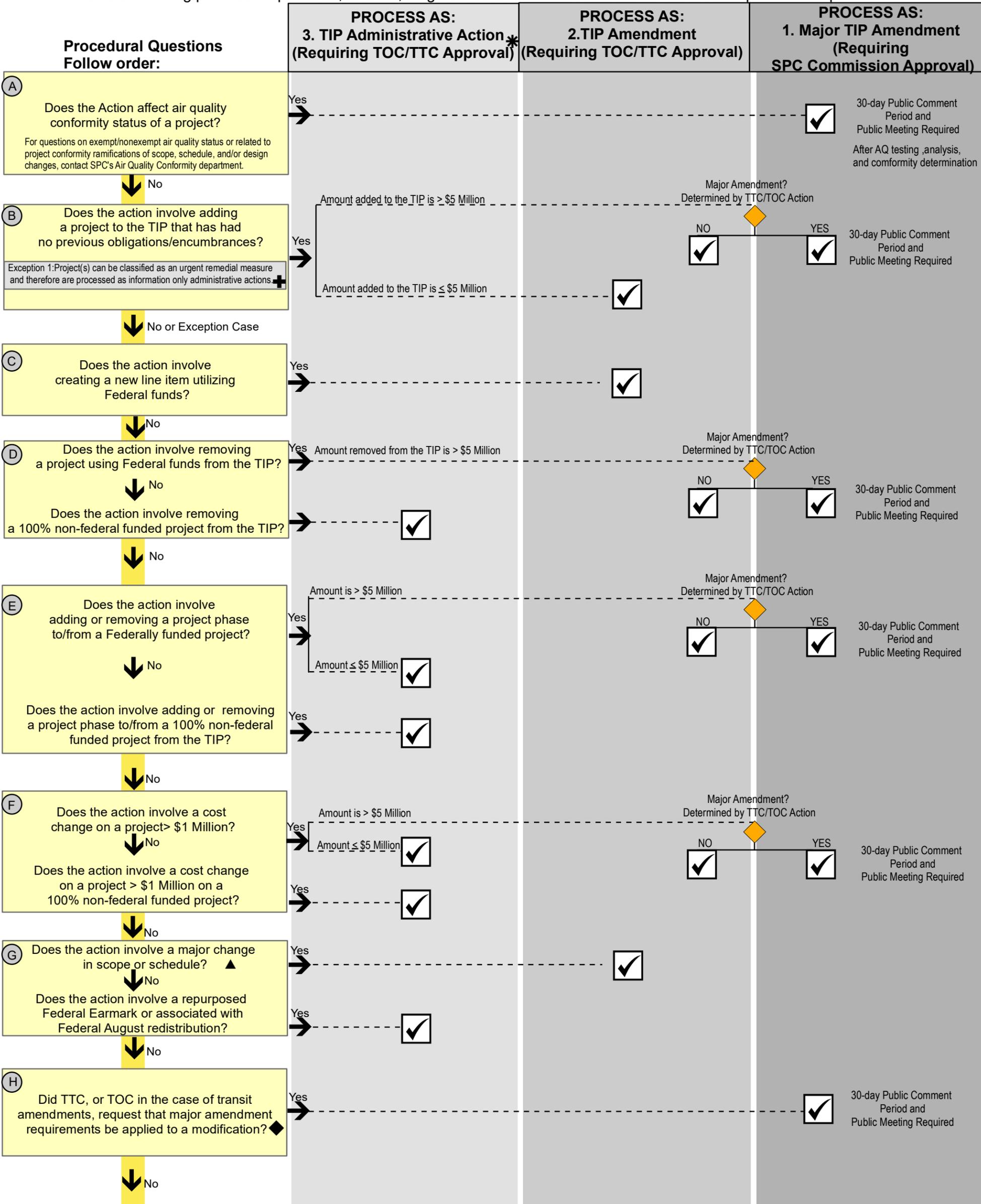
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# GUIDANCE FOR PROCESSING TIP MODIFICATIONS AT SPC TOC/TTC

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.



**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.
- ✚ Expedited procedures may be utilized in emergency situations and may differ from normal procedures.
- ▲ Determination of a "Major Change in Scope or Schedule" is made at the discretion of the TOC/TTC.

TOC= SPC's Transit Operators Committee  
TTC= SPC's Transportation Technical Committee