

**2011-2014 TRANSPORTATION IMPROVEMENT PROGRAM  
FOR SOUTHWESTERN PENNSYLVANIA**

**APPENDIX 7**

**TIP REVISION PROCEDURES**

## **Appendix 7. TIP Revision Procedures Memorandum of Understanding**

The transportation programming process is a dynamic one that reflects a natural tension between the time-sensitive delivery of project contracts and the time-consuming need for governmental financial accountability and public review. A transportation program, once it has been developed and adopted, also requires routine maintenance as the identified projects experience normal changes in schedule and cost. A larger number of TIP projects increases the frequency of required TIP changes. Effective management of the TIP amendment process helps to balance competing needs for contract delivery, financial accountability and public review. The purpose of this Memorandum of Understanding (MOU) is to establish procedures to be used by SPC and its member agencies (PennDOT, member counties, the City of Pittsburgh, and transit operators) to revise the SPC Transportation Improvement Program (TIP).

The procedures described in this MOU are agreed upon by SPC and PennDOT and are consistent with federal transportation planning regulations and a March 22, 2010 Federal- State DOT MOU on TIP Modification Procedures. The procedures require higher levels of attention for changes that have greater significance or complexity while permitting simplified procedures for lesser or administrative changes. Revisions to highway projects are channeled through the Transportation Technical Committee (TTC). Transit revisions are channeled through the Transit Operators Committee (TOC).

### **Background**

Federal law (Titles 23 and 49, United States Code) requires that every metropolitan planning organization (MPO), in this case, SPC, produce a multi-year TIP that includes all projects which will seek federal funds and all other regionally significant transportation projects. The SPC TIP covers a four year budget period and is updated every two years. The SPC TIP is incorporated into a State TIP (STIP) along with the individual TIPs from each planning organization across the Commonwealth. The SPC TIP and the (identical) STIP constitute the list of agreed-upon projects for subsequent implementation.

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) will only authorize projects and approve grants for projects that are programmed in the current approved TIP. SPC must modify the TIP if a planning partner or the Commonwealth would like to proceed with a project not programmed in the current fiscal year.

All revisions must maintain year-to-year fiscal constraint (23 CFR 450.324 (E)) for the entire four years of the TIP. They shall also account for and maintain the estimated total cost of the project or project phase. The arbitrary reduction of the overall cost of

a project, or phase of a project, shall not be utilized for the advancement of another project.

In addition, TIP revisions must be consistent with the planning partners' Long Range Transportation Plan (LRTP) and must correspond to the adopted provisions of the planning partners' Public Involvement Plan (PIP). A reasonable opportunity for public review and comment shall be provided for all major revisions to the TIP.

If a TIP revision adds or deletes an air quality significant project in a nonattainment or maintenance area or impacts the schedule or scope of work to an air quality significant project a new air quality conformity determination will be required prior to formal approval of the modification as deemed appropriate through the Interagency Air Quality Consultation Group. Public involvement procedures consistent with the region's Public Involvement Plan shall be utilized in revising the TIP. If the revision requires that a new conformity determination is necessary, an amendment to the region's LRTP shall also be developed and endorsed. The modified conformity determination would then be based on the amended LRTP conformity analysis.

If a TIP revision adds a project for emergency relief purposes, the project will be added as an *Administrative Action* to the STIP/TIP. Under 23 CFR § 450.216 [g (5)], emergency relief projects may (but are not required to) be included on the STIP, except those involving substantial, functional, locational, or capacity changes.

Federal Transportation Planning Regulations (23 CFR 450.332) permit the use of alternative procedures to more effectively manage the many TIP actions encountered during a given programming cycle. The regulations require that any alternative procedures be agreed upon and such alternative procedures be documented and included in the TIP document. This MOU identifies the procedures for the SPC region governing TIP amendments and administrative actions that will be used to revise the SPC TIP in conformance with the federal regulations.

## **Review Issues**

The following criteria are used for reviewing proposed revisions to the TIP and determining whether the changes are processed as TIP amendments or administrative actions. Administrative actions have fewer procedural requirements than amendments.

## **Air Quality Impact**

Project changes that require testing for air quality conformity must always be handled as formal TIP amendments. Determination of the requirement for testing is made on a case-by-case basis. Projects that are exempt from regional air quality testing will be considered as an amendment or administrative action based on factors other than air quality.

### **Add/Delete Project, Selection Status**

Specific changes in project status that trigger TIP amendment requirements include the addition or deletion of a project, or moving a project from the future years of the TIP into the current, active year (or vice versa).

### **Change in Project Cost**

The dollar level of a proposed change has been chosen as a reasonable measure of a project's potential impact. Larger value changes get more attention; smaller changes receive less. Several project cost thresholds have been established by SPC to determine an appropriate level of review and approval.

### **Fiscal Constraint**

The source of funds that are being added to a project must be clearly identified. If the funding is not "new" to the SPC TIP, offsetting reductions or deferrals must be made from projects already on the TIP. When funds are removed from a project for use on a higher priority project, if possible, they should first be taken from a project that is already being delayed for other reasons. The funding change should not make a significant change in the scope or schedule of the lower priority project. If a proposed change, however, directly causes a schedule change (delay) affecting the lower priority project, this must be clearly identified in the request and treated as a TIP amendment. Fiscal constraint must be maintained within each year of the program. All programmed projects must continue to be fully funded on the TIP and/or Long Range Plan or they must be removed from the program.

### **Project Scope**

A scope change that is minor or insignificant may sometimes be handled as an administrative action. Significant changes in scope or design concept are always handled as TIP amendments.

### **Public Comment**

All changes that require air quality conformity testing must be advertised for a 30-day public comment period, including a public meeting. Changes that are deemed Major Amendments (even if they do not involve air quality conformity testing) must be advertised for a 30-day public comment period. At the discretion of the decision-making body or as directed by the 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.

## **Questions or Problems**

Authorization to handle TIP modifications as administrative actions rather than amendments is an option intended to streamline the procedures without diminishing the effectiveness of the review process. If a proposed administrative action raises doubts or questions, technical committee members may request that amendment requirements be applied regardless of whether the change would otherwise qualify as an administrative action.

## **TIP Revisions: Administrative Actions**

Certain types of standard TIP revisions (called administrative actions by SPC) are permitted to use an expedited approval process. All other changes require the use of TIP Amendment procedures.

To be considered as an administrative action a proposed change must meet the following criteria:

- Exempt from air quality testing
- Does not add a new project or delete an existing project (except for emergency situations and 100% state or local funded projects as stated below)
- No significant change in project scope or design concept
- Maintains overall and year-to-year fiscal balance

Administrative actions may include any of the following types of changes:

- Adds a project for emergency relief purposes except those involving substantial, functional, location, or capacity changes
- Adds a project from a funding initiative or line item that utilizes 100% state or local funding
- Correction of a misprint or data entry error
- Addition of local match funds
- Schedule change, for projects or phases in any of the first four years of the TIP
- Change in the funding source
- Exempt projects

## **New or Deleted Phase**

The Transportation Technical Committee or Transit Operators Committee can approve an administrative action if the cost is \$5 million or less for a highway and/or transit project.

## **Line Items**

The programming on the TIP of specific projects within an approved line item (i.e., betterments, rail-highway crossings, Transit Section 5310 Program, transportation enhancements, bridge preservation and local bridges, etc.) is an administrative action as long as the line item is reduced by the same amount as the eligible project. Line item-based actions require Transportation Technical Committee or Transit Operators Committee approval.

## **Cost Changes**

Changes in the cost of a project or project phase can be handled as an administrative action if the cost change is \$5 million or less. A project sponsor is permitted to make an administrative cost change of \$1 million or less by reporting the change to the committee for informational purposes only. The Transportation Technical Committee or Transit Operators Committee must approve a cost change greater than \$1 million but \$5 million or less for a highway and/or transit project. The action becomes effective when it is forwarded by the committee to PennDOT and FHWA or FTA.

Administrative actions do not require Federal approval but FHWA and FTA reserve the right to reject an administrative action if it is not consistent with federal regulations and the current STIP/TIP Modifications Memorandum of Understanding between PennDOT, FHWA, and FTA. SPC and PennDOT will work cooperatively to address and respond to any such administrative actions rejected and returned by FHWA and/or FTA.

## **TIP Revisions: Amendments**

Any project change that cannot be processed within the rules governing administrative actions must be handled as a TIP amendment request. A proposed change must be considered as a TIP amendment if it meets any of the following criteria:

- Affects air quality conformity (regardless of funding source)
- Adds or deletes a project (regardless of project cost, except for existing approved line item changes and any emergency projects that are considered administrative actions)
- Adds a new project phase or deletes a phase that exceeds \$5 million for a highway and/or transit project

- Creates a new line item
- Adds or deletes a project or a project phase that transfers Federal funds between a TIP and a Statewide line item
- Involves a major change in the project scope of work or design concept

### **New or Deleted Project**

The Transportation Technical Committee or Transit Operators Committee can approve an amendment to add a new project or delete an existing project if the total cost change is \$10 million or less. Total cost changes that exceed \$10 million for a highway and/or transit project require approval by the Commission.

### **Cost Changes**

For changes in the cost of an already approved project or project phase, the dollar level of the change will determine the procedures that are required for approval. Changes of \$5 million or less are administrative actions. Changes that exceed \$5 million are amendments. Cost changes of \$10 million or less can be approved by the Transportation Technical Committee or Transit Operators Committee. Changes that exceed \$10 million require approval by the Commission.

### **Major TIP Amendments**

A proposed change must be considered as a Major TIP amendment if it meets any of the following criteria:

- Turnpike projects advancing under the 1987 Turnpike Expansion Act
- Amendment requests with an air quality impact that requires air quality testing and conformity determination and a 30-day public comment period including a public meeting before they can be presented to the Commission.
- Highway funds flexed to Transit projects
- A major significant change in the scope and/or schedule of an existing project
- A major deferral/delay to a lower priority project
- High visibility projects deemed potentially controversial. The Transportation Technical Committee or Transit Operators Committee will interpret if any such proposed TIP change should follow the Major TIP Amendment procedures.
- A Major fiscal impact to the region

An opportunity for public review and comment will be provided for all major TIP 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.

Transportation Technical Committee or Transit Operators Committee Authorization to handle TIP modifications as Administrative Actions and/or Amendments is an option intended to streamline the procedures and the effectiveness of the review process. Transportation Technical Committee or Transit Operators Committee members may request that Major TIP Amendment requirements be applied regardless of whether the change would otherwise qualify.

### **Special Expedited Approval Option**

A proposed change requiring Transportation Technical Committee, Transit Operators Committee, 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
- The project is not considered a Major TIP Amendment
- When special funding uniquely made available through federal or state channels may be jeopardized by delays in project delivery or funding obligation

### **Expedited Procedures**

A project narrative will be prepared by the project sponsor requesting expedited action including the project name and contact person, project description (including map), requested action, the justification for the ballot, the project funding, impacts to other projects, and any other discussion needed to supply the best information to the voting members.

The project request and narrative, will be e-mailed, faxed, and/or mailed to all voting members of the appropriate Committee and/or Commission within an appropriate time for a decision to be made. (A minimum of one week will be allowed for review and questions prior to the request for a vote. If less than one week is needed for the vote, justification shall be given.)

A deadline will be established for the tallying of votes. If a vote is not received by the deadline, SPC staff will attempt to contact the voting members to receive their votes. If approved, the action will then be forwarded by SPC staff to PennDOT and FHWA or FTA in accordance with established procedures. TIP amendments only become effective when federal approvals are received by SPC. As with administrative actions, SPC and PennDOT will work cooperatively to address and respond to any FHWA and/or FTA comments on TIP amendment actions. Results of the vote will be presented at the next regularly scheduled meeting of the Committee/Commission. Any remaining discussion of the issue will be allowed.

### **Approval Process for TIP Revisions**

SPC will forward information on all TIP Revisions (amendments and administrative actions) to PennDOT, which will forward a copy to the appropriate federal agency for review and comment. SPC and PennDOT will work cooperatively to address and respond to any FHWA and/or FTA comments.

### **Submission Guidelines for TIP Revisions**

SPC requests that sponsors of highway projects submit their requested TIP Revisions through the PennDOT District offices for TTC consideration. Transit project sponsors will route their submissions to the SPC staff assigned to the Transit Operators Committee. 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.

### **Format for a Requested Change**

The level of detail required by staff in written form before any request for a change in the TIP will be considered by the appropriate technical committee includes the following:

- project sponsor
- project identification - MPMS number and project name
- description and justification of the change
- existing values and funding sources for items to be changed
- proposed new values and funding sources for items after change

- demonstration that fiscal constraint is maintained for each year of the TIP and that all projects will continue to be funded in the TIP and/or Long Range Plan
- statement of the impact that funding reductions will have on the project(s) being reduced
- assurance that affected parties are being informed of the requested changes (project sponsors, municipalities, legislators, etc.)

If a project sponsor, implementing agency, and/or other cooperating agency is unable to participate in the meeting where an amendment action is being considered, written assurances may be required that these parties concur with the proposed TIP amendment.

Full documentation must be received for each requested action. Missing or incomplete information may delay consideration of the request.

All TIP change requests must be received at SPC at least a week before the technical committee meeting (TTC and/or TOC) at which it will be considered. SPC staff will provide advance materials of the proposed TIP actions the week before the meeting to ensure that committee members have sufficient opportunity review the requested actions.

### **Planning Ahead**

The process to review and approve proposed TIP amendments can take substantial time depending on the necessary approvals. Preparing the request, resolving information gaps, technical committee review, air quality testing, public comment, Commission review and, finally, approvals through PennDOT, FHWA or FTA, and EPA require advance planning. Requested actions may also require direct expenses for newspaper advertisements, a public meeting, and/or substantial staff support to coordinate the required activities.

Project sponsors can increase the effectiveness of the amendment process by clearly communicating their needs well in advance with the staff at SPC and PennDOT. Timely provision of required documentation is critical. Much still depends, however, on the review issues that are raised by the proposed change and the timing / sequence of regular meetings of both the technical committees and Commission. If there are no serious issues and the meeting schedule is favorable, the shortest possible time needed for Commission approval of a TIP amendment is about four weeks. The process can take as long as six months if an amendment requires air quality conformity testing and the next scheduled run of the air quality model is a half-year away.

## **Financial Constraint**

This MOU represents a commitment by SPC and PennDOT to continuously demonstrate fiscal constraint of the TIP throughout the programming cycle. Real-time versions of the TIP and STIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS) and are the basis for determining TIP financial constraint through summaries of recent revisions.

## **Funds Management Reports**

TIP/STIP Funds Management reports will be provided by PennDOT on a quarterly basis to SPC, FHWA, and FTA. The report will provide decision makers with timely and accurate information about programmed projects to help in managing the TIP and STIP. The initial report will be provided within 45 days after the enactment of the annual federal appropriations. The reports will identify the planning partners' target amount of statewide obligation authority for that year.

At the end of each quarter (or more often as necessary), PennDOT will provide to all planning partners, FHWA, and FTA, a STIP/TIP Status Report on actual federal obligations and state encumbrances for that year. At the end of the federal fiscal year, PennDOT will provide to the same parties a Summary Report of all obligations and encumbrances.

## **PennDOT Interstate Program**

An MOU similar to this agreement between FHWA and PennDOT will serve as the basis for PennDOT's addressing of Interstate Maintenance (IM) Program TIP revisions. The amendment threshold for projects or project phases is \$2 million and is also \$2 million for administrative actions affecting reserve line items. PennDOT will coordinate with SPC on TIP revisions affecting IM projects in the SPC region but their official action is separate from the SPC TIP revision process.

## **TIP Revision Procedures**

This Memorandum of Understanding is an agreement between PennDOT and SPC documenting how these planning partners will address TIP revisions and will be an attachment to the TIP. The procedures parallel and fully conform to the MOU between PennDOT, FHWA and FTA governing statewide TIP Modification Procedures. This MOU will begin October 1, 2008 and remain in effect until September 30, 2010, unless it is modified 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.

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PennDOT

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SPC

<sup>1</sup> Federal planning regulations identify certain “project selection actions.” They include moving a project from year two or three of the TIP to the first year (or any combination thereof), changes to the funding source, or project cost changes if they do not represent a significant change in project scope.

<sup>2</sup> Projects and project types which are not required to be included in regional air quality conformity assessments for transportation plans and programs are listed in Sections 126 and 127 of EPA’s Transportation Conformity Rule (40 CFR Part 93).

<sup>3</sup> If an approved TIP project is listed without a right-of-way phase (ROW), and an incidental ROW need is discovered during the design phase, then a ROW purchase can be authorized under either the design or construction phase without amending the TIP. “Incidental” ROW is the purchase of a minor parcel(s) (including utility relocation) that does not involve the taking of any environmentally sensitive property or residential/commercial structure.

<sup>4</sup> It is appropriate to shift project funding only among limited categories. For highway projects: National Highway System (NHS), Interstate Maintenance (IM), Bridge (BR), Minimum Guarantee and Statewide Surface Transportation Program (STP). For transit projects: Section 5309 (formerly Section 3) and Section 5307 (formerly Section 9).

<sup>5</sup> Projects such as safety projects funded under 23 USC Section 402 and the addition of federal Emergency Relief projects do not require formal action by the MPO.

# MEMORANDUM OF UNDERSTANDING

## Pennsylvania Department of Transportation's Statewide Procedures for 2011-2014 STIP and TIP Modifications

### Purpose

This Memorandum of Understanding (MOU) establishes a set of procedures to be used in the Commonwealth of Pennsylvania for processing modifications to the 2011-2014 Statewide Transportation Improvement Program (STIP). The STIP is the aggregation of the Planning Partners' Transportation Improvement Programs (TIPs), including the Statewide Interstate Management (IM) Program and other Statewide line items.

### Definitions

- A **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.
- A **Change in Scope** is a substantial alteration to the original intent or function of a programmed project.
- **Cooperating Parties** are PennDOT, Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs), 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, and does not have previous obligations from a prior STIP/TIP.
- A **Planning Partner** is an MPO or an RPO.
- A **Public Participation Plan (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 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).

### 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 regional TIPs developed by the 23 Planning Partners, and a Statewide IM Program developed by PennDOT. The STIP is the official transportation improvement program document mandated by Federal statute and recognized by FHWA and FTA. The Commonwealth's Twelve Year Program which incorporates the TIPs and STIP is updated every two years as required by state law.

23 USC 134(a) (Metropolitan Planning) states: "It is in the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and between states and urbanized areas, while minimizing transportation-related fuel consumption and air pollution through metropolitan and Statewide planning processes. To accomplish the objectives stated above, metropolitan

planning organizations, in cooperation with the State and public transit operators, shall develop long range transportation plans and transportation improvement programs for metropolitan areas of the State." In addition, 23 USC 135 (Statewide Transportation Planning) under "Development of Plans and Programs," states: "To accomplish the objectives stated in section 134(a), each State shall develop a Statewide transportation plan and a Statewide transportation program for all areas of the State subject to section 134(a)."

Note that RPOs under contract to PennDOT are not recognized through Federal law or regulations relating to transportation planning. However, the Commonwealth of Pennsylvania, through PennDOT, coordinates and participates with RPOs in transportation planning by using the same principles and practices as are required for MPOs.

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

Attachment A provides general and procedural guidance for STIP/TIP development.

### **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.

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. 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 (LRTP), and must correspond to the adopted provisions of the Planning Partner's Public Participation Plan (PPP). 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 LRTP shall also be developed and endorsed. 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.

If August Redistribution adds, advances, or adjusts costs for a project, the Planning Partner will be notified of the modification.

An IM STIP/TIP modification shall be coordinated by PennDOT with notification provided to the appropriate Planning Partner(s).

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

An *amendment* is a STIP/TIP modification that:

- Affects air quality conformity regardless of the cost of the project or the funding source;
- Adds a new project or deletes a project that utilizes Federal funds;
- Adds a new project phase(s) or deletes a project phase (s) that utilizes Federal funds where the modification exceeds the following thresholds:
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs
- Increases or decreases a project phase(s) that utilize Federal funds where the modification exceeds the following thresholds;
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs
- Creates a new line item that utilizes Federal funds;
- Adds or deletes a project or a project phase that transfers Federal funds between a TIP and a Statewide line item;
- Adds a project (does not pertain to betterments) that exceeds that following thresholds, where the funds originated from a line item:
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs; or
- Involves a change in the scope of work to a project(s) that would:
  - Result in an air quality conformity reevaluation,
  - Result in a revised total project estimate that exceeds the thresholds established between PennDOT and the Planning Partner (not to exceed the threshold contained in this MOU)
  - Result in a scope change on any project that is significant enough to essentially constitute a new project.

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 cooperating parties. In the case that a project phase is pushed out of the TIP period, the Planning Partner will demonstrate, through a Fiscal Constraint Chart, fiscal balance of the subject project phase on the 2<sup>nd</sup> period of the respective Planning Partners' long range transportation plan.

Approval by the MPO/RPO is required for amendments. The MPO/RPO 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 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

In the case of the IM Program, approval by PennDOT's Program Management Committee (PMC) and FHWA is required.

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

- Adds a project from a funding initiative or line item that utilizes 100 percent Statewide or local funding;
- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location, or capacity changes\*;
- Adds or deletes a right-of-way phase for incidental right-of-way or utility work that does not exceed the threshold established in the MOU between PennDOT and the Planning Partner nor exceed the threshold established by this MOU;
- Draws down from an existing STIP/TIP reserve line item and does not exceed the threshold established in the MOU between PennDOT and the Planning Partner;
- Increases or decreases the cost of a project phase(s) or deletes a project phase(s) that does not exceed the threshold established in the MOU between PennDOT and the Planning Partner nor exceed the threshold established by this MOU;
- Adds or deletes a project (does not pertain to betterments) that does not exceed the thresholds established in the MOU between PennDOT and the Planning Partner, or established by this MOU, where the funds originated from a line item from the same TIP;
- 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 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 threshold established in the MOU between PennDOT and the Planning Partner, or the threshold established by this MOU; and does not result in a scope change on any project that is significant enough to essentially constitute a new project.

**Administrative actions do not require Federal approval.** However, PennDOT will forward a copy of any modification(s) to the appropriate Federal agency for review and comment, with a courtesy copy to the other Federal agency, as requested by the Federal Agency. PennDOT and the Planning Partner will work cooperatively to address and respond to any FHWA and/or FTA comment(s). FHWA and FTA reserve the right to disallow an administrative action that is not consistent with Federal regulations or with this MOU.

\*If a modification adds a project for emergency relief purposes, the project will be added as an **Administrative Action** to the STIP/TIP. 23 CFR § 450.216 (g (5)), emergency relief projects may (but are not required to) be included on the STIP, except those involving substantial functional, location, or capacity changes.

### **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**

PennDOT will provide a STIP/TIP Financial Report to each Planning Partner and to FHWA and FTA on a quarterly basis, and establish targets for Federal obligation and state encumbrances of funds within 90 days after the enactment of annual Federal appropriations legislation.

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

At the end of the Federal fiscal year, PennDOT will provide each Planning Partner, FHWA and FTA, a summary STIP/TIP Financial Report of all highway/bridge obligations and state encumbrances within their region. A year-end STIP/TIP Financial Report will be provided to FHWA and FTA that includes the FHWA Performance Measure – “percent of STIP/TIP projects advance per year, on a Statewide and Planning Partner basis for highway/bridge programs.

### TIP Modification Procedures

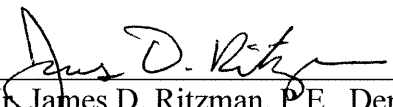
As each Planning Partner’s TIP is adopted, their respective MOU will be included with the TIP documentation. The MOU will clarify how the planning partner will address all TIP modifications. **In all cases, the procedures can be more restrictive, but must be consistent with the standards adopted in this MOU.** If a Planning Partner elects to set more stringent procedures, then FHWA and FTA will adhere to those more restrictive procedures.

This document will serve as the basis for PennDOT when addressing IM TIP modifications.


This Memorandum of Understanding will begin October 1, 2010, and remain in effect until September 30, 2012, unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

This Memorandum of Understanding will begin October 1, 2010, and remain in effect unless it is agreed to be modified by all parties or terminated.

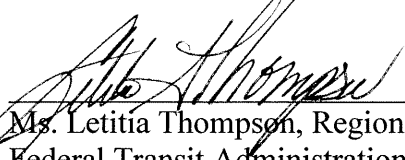
We, the undersigned hereby agree to the above procedures and principles.

  
 Mr. James D. Ritzman, P.E., Deputy Secretary  
 For Planning  
 Pennsylvania Department of Transportation

3/5/10  
 Date

  
 Ms. Renee Sigel, Division Administrator  
 Federal Highway Administration

3/22/10  
 Date

  
 Ms. Letitia Thompson, Regional Administrator  
 Federal Transit Administration

2/26/10  
 Date