



Chicago Metropolitan
Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606
312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: CMAQ Project Selection Committee

From: CMAP Staff

Date: March 29, 2012

Re: Proposed procedure for FHWA administered projects that are not closed out

The recent review of unobligated CMAQ projects resulted in discussion of the funds tied up during the period between federal authorization of the final phase of a project and close out. Staff met with regional stakeholders to develop a proposed procedure for freeing up CMAQ funds from projects for which the final phase has been authorized/obligated by FHWA but which are not closed out.

The current practice is for CMAP staff to remove funds from a project when a final voucher is received for a project’s final phase. For example, a project programmed for \$3,000,000 for construction is federally authorized for \$2,000,000 based on the Phase II engineering engineer’s estimate. The \$1,000,000 unauthorized/unobligated but programmed is not removed until a final voucher is received.

The proposal is that a set portion of the unauthorized yet programmed \$1,000,000 (in the example above) be removed from the project and placed back in the circulation for use on cost increases, contingency projects or future funding cycles. The remaining portion not removed and placed back in circulation would stay with the project to ensure that if change orders occur the funds will be available. The portion to remain with the project is:

Total Project Federal Amount Programmed	Percentage to Remain
\$0-\$999,999	10%
\$1,000,000-\$4,999,999	5%
\$5,000,000-\$9,999,999	3%
\$10,000,000+	1%

Once authorization/obligation of the final phase occurs the percentages above will be applied to determine the amount to remain with the project. The balance of all phases will be removed from the project in the TIP and be unavailable to the project sponsor. In the example above, the total federal programmed amount is \$3,000,000 which means 5% is defined for remaining with the project. The authorization/obligation is \$2,000,000; therefore the \$2,000,000 plus an additional 5% (\$100,000) will remain programmed to the project. The unobligated/unauthorized yet programmed balance of \$900,000 will be removed from the project and be placed back in circulation. If a larger change order occurs than what remains programmed for the project, the Project Selection Committee will be asked to approve a cost increase for the project.

This procedure will not affect transit projects or implementation projects with funding in multiple years. Transit projects in general obligate the entire programmed amount when the FTA grant is executed. Implementation projects with funding in multiple years are on-going and therefore there is no set end phase.

###