



Chicago Metropolitan Agency for Planning

433 West Van Buren Street
Suite 450
Chicago, IL 60607

312-454-0400
cmap.illinois.gov

MEMORANDUM

To: CMAQ Project Selection Committee
From: CMAP Staff
Date: March 25, 2021
Re: CMAQ/TAP-L project change request procedures for administrative modifications and formal amendments

Summary

The charge of the CMAQ Project Selection Committee (PSC) is to provide overall guidance for the development of the CMAQ program and locally programmed Transportation Alternatives Program. To assist with fulfilling this charge, staff monitors project changes and obligations and presents that information to the committee. In the interest of making the best use of committee members' time and staff resources, staff has researched and analyzed recent project change request patterns and explored if and how existing thresholds governing the administrative modifications and formal approval of TIP changes could be applied to the CMAQ/TAP-L program.

Staff reviewed the standard TIP changes made per [eTIP programmer guidance](#) and the changes that are of an administrative nature versus a scope or monetary changes and the potential impact to CMAQ/TAP program. Results of this activity are discussed in this memo. Staff also reviewed the changes that have been brought before the committee to see if using a revised methodology is a prudent step in the process. Staff is requesting that any project change consistent with TIP change rules that does not exceed \$1 million be considered an administrative change. As with TIP changes before the Transportation Committee, the PSC will be apprised of those administrative changes and will be asked to take action on formal changes at the PSC meetings.

Introduction

In an effort to formalize procedures for administrative acceptance of project change requests, CMAP staff engaged in a review of past CMAQ and TAP-L project change requests dating back to 2018. Each request was noted by type (reinstatement of deferred funds, cost changes, transfers between phases, schedule changes, and scope changes), gross amount of CMAQ/TAP-L funds involved, and the net funding change in then-current TIP years resulting from request approval.

Once categorized, projects requesting cost increases were then compared to the federal project cost, interpreted as both the total CMAQ or TAP-L funding programmed at the time of request and as the total CMAQ or TAP programmed to that point (current and historical). Deferred funds were omitted from these totals. Requests were then flagged if they exceeded the thresholds in Table 1 (below) for their given federal project cost ranges.

Table 1 - TIP administrative modification thresholds

Percent Change (+/-)	Federal Project Cost Before Change
100%	\$0 – \$999,999
50%	\$1,000,000 – \$4,999,999
25%	\$5,000,000 – \$9,999,999
20%, up to \$10M	≥ \$10,000,000

Depending on the definition of “federal project cost,” an estimated 33-38% of project change requests since 2018 – including cost increases exceeding these thresholds, any reinstatement of deferred funds, and any scope change – would have required a formal amendment. Applying a maximum cost increase amount would increase these further; however nearly half (46%) of all requests did not change the programmed federal cost and thus could have been eligible for administrative modification under the existing TIP amendment definitions.

Results

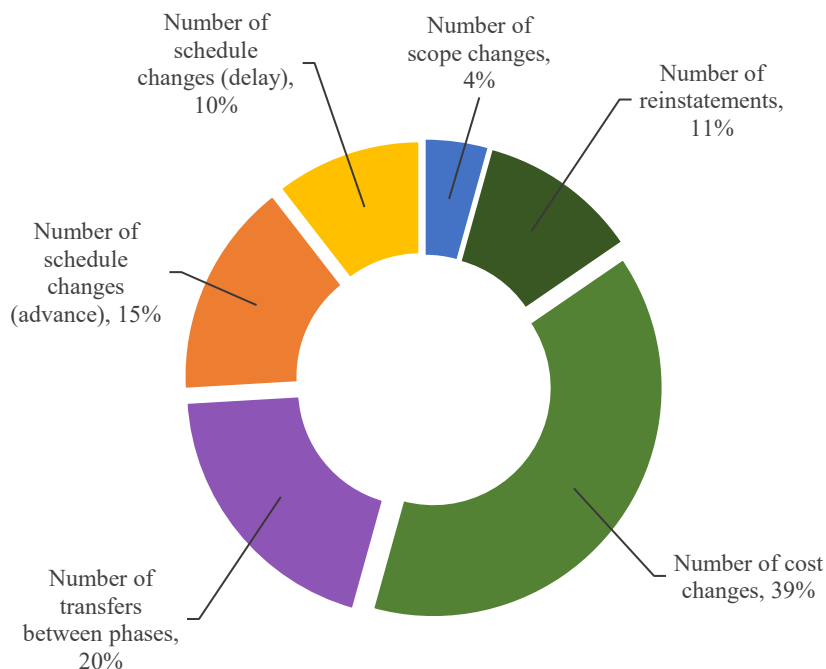
Between 2018 and 2020, 126 project request submittals were presented to the PSC for CMAQ and TAP-L (Note: of these, 24 projects had one prior request and five had submitted two prior requests). For this analysis, each submittal was broken down into *individual requests*. For example, if a sponsor had proposed a cost increase and a transfer of funds between phases, this would represent two individual requests. Thus, 162 total requests were included in the 126 submittals.

The distribution of requests by category are summarized in Table 2 and Figure 1.

Table 2 - Detail of individual change requests by category

<i>Number of individual requests</i>	162	100%	(Includes multiple requests per project)
Number of scope changes	7	4%	} Subject to PSC approval
Number of reinstatements	18	11%	
Number of cost changes	63	39%	} May be subject to PSC approval
Number of schedule changes (advance)	25	15%	
Number of schedule changes (delay)	17	10%	} No net cost change, not necessarily subject to PSC approval
Number of transfers between phases	32	20%	

Figure 1 - Distribution of project change requests by category



About 15% of requests entailed reinstating deferred funds or some change of project scope, which is subject to formal amendments under current TIP definitions. Just under half (45%) of all requests did not alter the federal contribution already programmed and included schedule changes (advances and delays) or transfers between project phases. Under current TIP amendment definitions, these revenue neutral changes would qualify for administrative modifications.

The remaining requests, which comprised a plurality of the total, were for cost changes. All but one were for cost increases. These ranged from several thousand dollars to \$16 million. These were matched to the federal project cost ranges (Table 1) as programmed at the time of request and shown in Table 3.

Table 3 - Distribution of project change requests by federal project cost ranges

Federal Project Cost	Requests by Currently Programmed	Requests by Current and Historically Programmed
\$0 – \$999,999	97	81
\$1,000,000 – \$4,999,999	50	62
\$5,000,000 – \$9,999,999	10	8
≥ \$10,000,000	5	11

The percent increase from the additional funds was then calculated. Tables 4 through 7 summarize the results for cost increases for CMAQ and TAP-L projects based on then-current and total programmed federal project costs.

Table 4 - CMAQ project change requests based on CMAQ funding programmed in the active TIP years

Range - Current CMAQ Programmed	Total Requests	% Total Requests	Requests for \$ Increase (not including reinstatements)	Average \$ Increase	Average % Increase	Increase Requests Exceeding Thresholds	% Exceeding Thresholds
\$0 - \$999,999	82	63%	29	\$945,527	62%	11	38%
\$1,000,000 - \$4,999,999	36	27%	17	\$1,079,592	40%	4	24%
\$5,000,000 - \$9,999,999	8	6%	1	\$2,404,903	43%	1	100%
≥ \$10,000,000	5	4%	2	\$4,422,500	17%	1	50%
<i>Total</i>	<i>131</i>		<i>49</i>	<i>\$1,163,740</i>	<i>51%</i>	<i>17</i>	<i>35%</i>

Table 5 - CMAQ project change requests based on historic and currently programmed CMAQ funding

Range – Current and Prior CMAQ Programmed	Total Requests	% Total Requests	Requests for \$ Increase (not including reinstatements)	Average \$ Increase	Average % Increase	Increase Requests Exceeding Thresholds	% Exceeding Thresholds
\$0 - \$999,999	68	52%	21	\$272,900	64%	4	19%
\$1,000,000 - \$4,999,999	46	35%	21	\$917,693	32%	4	19%
\$5,000,000 - \$9,999,999	6	5%	1	\$2,404,903	43%	1	100%
≥ \$10,000,000	11	8%	6	\$4,935,983	19%	2	33%
<i>Total</i>	<i>131</i>		<i>49</i>	<i>\$1,385,828</i>	<i>45%</i>	<i>11</i>	<i>22%</i>

Table 6 – TAP-L project change requests based on TAP-L funding programmed in active TIP years

Range - Current TAP-L Programmed	Total Requests	% Total Requests	Requests for \$ Increase (not including reinstatements)	Average \$ Increase	Average % Increase	Increase Requests Exceeding Thresholds	% Exceeding Thresholds
\$0 - \$999,999	15	48%	8	\$98,293	59%	2	25%
\$1,000,000 - \$4,999,999	14	45%	5	\$513,207	28%	1	20%
\$5,000,000 - \$9,999,999	2	6%	0	-	-	0	-
≥ \$10,000,000	0	0%	0	-	-	0	-
<i>Total</i>	<i>31</i>		<i>13</i>	<i>\$257,875</i>	<i>46%</i>	<i>3</i>	<i>23%</i>

Table 7 - TAP-L project change requests based on historic and currently programmed TAP-L funding

Range - Current and Prior TAP-L Programmed	Total Requests	% Total Requests	Requests for \$ Increase (not including reinstatements)	Average \$ Increase	Average % Increase	Increase Requests Exceeding Thresholds	% Exceeding Thresholds
\$0 - \$999,999	13	42%	6	\$96,440	35%	0	0%
\$1,000,000 - \$4,999,999	16	52%	7	\$396,248	57%	1	14%
\$5,000,000 - \$9,999,999	2	6%	0	-	-	0	-
≥ \$10,000,000	0	0%	0	-	-	0	-
<i>Total</i>	<i>31</i>		<i>13</i>	<i>\$311,425</i>	<i>46%</i>	<i>1</i>	<i>8%</i>

Staff Proposal

Staff recommends defining a category of "administrative changes" for CMAQ and TAP-L funded projects that aligns with the region's TIP change rules, capped at a maximum change of \$1 million. Staff further recommends that these administrative changes be processed by staff and reported to the committee at the committee's next meeting.

Discussion

Before considering cost increase requests, at least 25 of the 162 total requests (15%) would have required PSC approval of scope changes or reinstatement of funds. A reinstatement of funds from deferred status would require the project be moved from illustrative back into the current TIP years. Major scope changes require a formal TIP amendment and would need review and approval by the PSC.

Conversely, 74 requests had no net funding change nor substantial scope change and could have been administratively modified. Of these, 25 were for schedule advances that, while not affecting the project cost, is subject to programmatic constraints in the destination year and would be presented to the PSC for approval. So even before analyzing cost increase requests, at least 30% of requests would not need PSC approval if the existing TIP guidance were applied.

The interpretation of "federal project cost" – whether only those CMAQ or TAP-L funds programmed at the time of request or the total amount of CMAQ or TAP-L funds programmed in TIP years and prior years – has a marked effect the number of threshold exceedances. If the former definition is used, 20 requests would require PSC approval. The latter definition would result in fewer requests (12), but it may be more indicative of past and current commitment of CMAQ funding to the project. Thus, applying the thresholds in Table 1, between 37 and 45 requests would have required PSC review and approval before inclusion in a formal amendment. This would be about a quarter of all requests submitted to the PSC in the last three years.

Alternatively, a maximum cost increase allowable (in addition to the thresholds) may be used before requiring PSC review and approval. Staff recommends a maximum of \$1,000,000 be set so that requests that can be handled administratively under the thresholds would be capped at that amount.

ACTION REQUESTED: Discussion