



MEMORANDUM

To: Council Planning Liaisons and Chicago Department of Transportation
Coordinating Planner

From: CMAP Staff

Date: February 22, 2021

Re: Active Program Management clarification and guidance for considering cost increases on STP – Local projects let or authorized between October 1, 2017 and September 30, 2020

It was the intent of the 2017 agreement between the Councils of Mayors and City of Chicago and the region's Active Program Management (APM) policies to provide a "clean break" in programming procedures, with a transition period from FFY 2018 through 2020. As such, projects programmed by councils prior to the FFY 2021 – 2025 local calls for projects may have proceeded to letting/authorization with less than the "normal" pre-2021 federal/local funding split or may have proceeded knowing that cost increases after obligation were unlikely to be accommodated. Sponsors of these projects were made aware of the transition in programming and chose to proceed with their projects. Unless a project was grandfathered into the council's new FFY 2021 – 2025 program, all phases of the project are technically ineligible per the APM policies to be actively reprogrammed within that new program. However, a number of these projects have experienced unforeseen cost increases since their initial letting/authorization and councils have expressed an interest in accommodating these cost increases in their current programs, if unprogrammed funds are available.

Understanding that it is a goal of the region to obligate 100% of available funding every FFY and that legitimate unforeseen cost increases do occur, CMAP is issuing this clarifying guidance to enable individual councils to consider accommodating these unforeseen increases. When applying this guidance, councils must give priority to projects selected based on new programming methodologies that considered transportation impact and regional planning factors before considering increases to projects selected under prior methodologies. Councils must also make all reprogramming decisions in an open, transparent manner and shall provide ample opportunity for public input at all decision points. Lastly, this guidance applies only to

unforeseen cost increases and may not be used to make projects “whole” or otherwise fill funding gaps that existed at the time the project(s) or project phase(s) were first let/authorized.

Definitions

Eligible past projects	Projects or project phases that were initially authorized between October 1, 2017 and September 30, 2020 that experience an eligible unforeseen cost increase, as defined below.
Ineligible projects	<p>Projects or project phases initially authorized prior to October 1, 2017 are not eligible for any cost increases under these policies. These projects may seek increases by applying for funds during a council’s regularly scheduled call for projects.</p> <p>Any projects or project phases initially authorized after September 30, 2020. These projects may be eligible for increases subject to council cost change policies and any applicable provisions of the region’s APM policies or may seek increases by applying for funds during a council’s regularly scheduled call for projects.</p>
Eligible cost increases	Changes to the estimated total cost of the project or project phase that were unforeseen and were not known to the project sponsor at the time that federal funds were authorized for the project phase. The amount of the eligible increase will be calculated by applying the percentage of the increase to the total cost to the authorized STP funds, within the limits described as ineligible cost increases.
Ineligible cost increases	<p>Changes to the estimated total cost of the project or project phase that were known to the project sponsor at the time that federal funds were authorized.</p> <p>Changes to the STP federal share (%) of the total project or project phase cost, regardless of whether or not the total cost has increased. Also referred to as making the project or project phase “whole”.</p> <p>Increases, whether unforeseen or not, to costs of non-participating scope items, including items specifically funded with another federal fund source.</p> <p>Eligible increases in excess of any council increase limits and/or funding caps in effect at the time of initial federal STP</p>

5. If the requested increase cannot be accommodated within the current FFY, or if the sponsor is seeking an increased federal share to make a project or project phase whole, the sponsor of the eligible past project may apply for additional funding for eligible past projects during the council's next regularly scheduled call for projects.
 - a. This application must be scored according to the council's current (at the time of the call) methodology and will be subject to all council and regional APM policies.
 - b. Sponsors of project types or phases that are not eligible for funding through the council at the time of the call for projects may not apply for the project to be made whole, however they may apply for a cost increase at the federal share originally awarded.
6. Any increases approved and programmed under this guidance must be included in the current year of the council's active program and the CMAP TIP and are subject to all regular procedures and processes, including the region's APM policies.
7. This guidance is effective immediately and expires on September 30, 2022. Any eligible past projects that have not sought or received a cost increase by this time will no longer be eligible for increase consideration outside of an active call for STP-L projects.