

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 25-26, 2023

From: MITCH WEISS, Executive Director

Reference Number: 4.9, Information

Prepared By: Matthew Yosgott
Deputy Director

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Subject: Presentation of the Draft SB 1 Accountability and Transparency Guidelines

Summary:

The Senate Bill 1 (SB 1) Accountability and Transparency Guidelines (Guidelines) describe the California Transportation Commission's (Commission) accountability structure for SB 1 funding and projects. The Guidelines are intended to communicate the Commission's expectations and specifically emphasize milestones of program and project accountability to allow for transparency and the timely delivery of transportation system improvements and resulting benefits.

The draft guidelines were prepared by Commission staff in consultation with the California Department of Transportation, regional transportation planning agencies, local agencies, and various other public stakeholders. The Commission held three public workshops to solicit stakeholder input. Each workshop was recorded and posted to the Commission's website.

The draft guidelines were prepared to address various topics discussed during workshops, to clarify language on existing policies, and to include new polices for baseline agreements and reporting on projected and achieved project performance outcomes (i.e. benefits).

Key policy changes in the Guidelines include the following:

- Although the Guidelines were intended to address programs which receive SB 1 funding only, staff is proposing to expand the applicability to other programs under the Commission's purview. This will help streamline processes across programs and provide one set of guidelines to address accountability and transparency. Specifically, Commission staff is proposing to add the Local Transportation Climate Adaptation Program into the Guidelines.
- A Baseline Agreement Addendum process will be used to document minor adjustments or corrections to an approved Baseline Agreement. This process is not intended to replace the Baseline Agreement Amendment process, but rather will enhance the transparency for documenting changes without over burdening implementing agencies

with a full Baseline Agreement Amendment. All Baseline Agreement Addendum requests will be reviewed by Commission staff and approved requests will be posted to the Commission's website.

- The reporting requirements have been expanded to require a Project Performance Analysis after a project has been completed and open to the public for five years. The Project Performance Analysis will be a qualitative analysis to evaluate the project performance and the actions an agency is taking to achieve the outcomes and performance metrics of a project.

Background:

The Road Repair and Accountability Act of 2017, or SB 1, provided the first significant, stable, and on-going increase in state transportation funding in more than two decades. The Legislature provided additional funding to and increased the Commission's role in several existing programs and created new programs for the Commission to oversee including: the Active Transportation Program, the Local Partnership Program, the Local Streets and Roads Program, the Solutions for Congested Corridors Program, the State Highway Operation and Protection Program, the State Transportation Improvement Program, and the Trade Corridor Enhancement Program.

SB 1 states that "it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and road, and are accountable to the people through performance goals that are tracked and reported."

The Commission's responsibility for the accountability of SB 1 program funds focuses on the identification and reporting of expected and actual benefits of the projects along with the delivery of projects within their approved scope, cost, and schedule and reporting these findings to the Legislature and the public in a transparent and timely manner.

The Commission adopted the SB 1 Accountability and Transparency Guidelines on March 21, 2018. Subsequently, proposed amendments were adopted by the Commission in May 2018 and August 2018.

Attachments:

- Attachment A: Draft SB 1 Accountability and Transparency Guidelines

California Transportation Commission

The Road Repair and Accountability Act of 2017

SB 1 Accountability and Transparency Guidelines

DRAFT

January 25-26, 2023

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California Transportation Commission

The Road Repair and Accountability Act of 2017

SB 1 Accountability and Transparency Guidelines

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California Transportation Commission

The Road Repair and Accountability Act of 2017

SB 1 Accountability and Transparency Guidelines

BACKGROUND

The Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1, Chapter 5, Statutes of 2017) provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. The Legislature has provided additional funding to the California Transportation Commission (Commission), increased its role in several existing programs, and created new programs for the Commission to oversee. These programs include the Active Transportation Program, the Local Partnership Program, the Local Streets and Roads Program, the Solutions for Congested Corridors Program, the State Highway Operation and Protection Program, the State Transportation Improvement Program, and the Trade Corridor Enhancement Program.

SB 1 states that “it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets and roads, and are accountable to the people through performance goals that are tracked and reported.”

The Commission’s responsibility for the accountability of SB 1 program funds is focused on the identification and reporting of **anticipated** and actual benefits of the projects along with the delivery of projects within their approved scope, cost, and schedule, and reporting these findings to the Legislature and the public in a transparent and timely manner.

APPLICABILITY

These Accountability and Transparency Guidelines (Guidelines) are applicable to the Active Transportation Program, Local Partnership Program, Solutions for Congested Corridors Program, State Highway Operation and Protection Program, and Trade Corridor Enhancement Program, collectively referred to herein as SB 1 Programs. The Guidelines are intended to supplement the Commission's programmatic guidelines for each SB 1 Program. In the event of a conflict between the provisions outlined in these Guidelines and those provided in specific programmatic guidelines adopted by the Commission, the provisions of these Guidelines will govern. These Guidelines are effective immediately upon approval by the Commission and may be amended at any time subject to a Commission action at a duly noticed Commission meeting. While the Commission is authorized to program and allocate funding for SB 1 Programs, the California Department of Transportation (Department) provides the administrative oversight for SB 1 Programs and ensures that the terms and conditions of the Commission’s guidelines and subsequent programming, allocation, reporting, and other actions are followed.

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The Commission may apply these Guidelines to other programs under the Commission's purview. The application of these Guidelines to other Commission programs will be adopted as part of each programs' respective guidelines or policies after the Commission's public stakeholder process.

PURPOSE

SB 1 Program funded projects include but are not limited to highway, transit, active transportation, local streets and roads, congestion relief, trade corridor and other related projects, some of which are significantly complex, representing significant costs, constrained schedules, and are subject to many project delivery processes each with considerable impacts to timely project delivery. These Guidelines are intended to communicate the Commission's expectations and emphasize program and project accountability. Specifically, as described in these Guidelines, the Commission intends to exercise programmatic oversight for the delivery of SB 1 projects with regard to benefits, scope, cost, and schedule consistent with the program objectives, project applications, and executed agreements.

SB 1 PROGRAM ACCOUNTABILITY

Modelled after certain aspects of the Proposition 1B Accountability Implementation Plan, these Guidelines describe the Commission's accountability structure which is intended to allow for transparent and effective decisions and the timely delivery of transportation system improvements and resulting benefits. The following describes the components of this accountability structure. Please note, while not all SB 1 funded projects are subject to the Baseline Agreement and Project Progress Reporting requirements, all SB 1 projects adopted into the programs specified in the Applicability section are subject to the In-Progress Accountability and Follow-up Accountability requirements.

At a minimum, the Department is responsible for establishing and implementing operating procedures and controls that are consistent with Commission policies, guidelines as well as state and federal regulations. The Department will ensure policy and procedural documentation is maintained and updated in an accurate and timely manner. The Department will also ensure that the established policies and procedures are followed. Furthermore, the Commission expects agreements and contracts between the Department and recipient agencies to reflect the project scope, project cost, and project schedules on all projects which are programmed and allocated by the Commission.

Agreements should reflect project scope, project cost, project schedule, and anticipated benefits as set forth in the project application and programmed by the Commission. Reimbursements are to be made for costs arising to deliver the project scope consistent with the approved project costs and project schedule as set forth in the project application and programmed by the Commission.

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A. Front-End Accountability

The Commission expects the Department to coordinate all Baseline Agreements (Attachment A) for the following programs and projects:

- Baseline Agreements are required for all projects meeting the thresholds described regardless of funding source.
- Active Transportation Program – only projects with a total project cost of \$25 million or greater or Active Transportation Program funding in an amount of \$10 million or greater **including large infrastructure projects that are programmed with Active Transportation Program funds in pre-construction phases only.**
- Competitive Local Partnership Program – only projects with a total project cost of \$25 million or greater or Competitive Local Partnership Program funds in an amount of \$10 million or greater.
- Solutions for Congested Corridors Program – all projects
- State Highway Operation and Protection Program – only projects with a total project cost of \$50 million or greater.
- Trade Corridor Enhancement Program – all projects

If a project initially fell below the aforementioned thresholds later increases to equal or exceed the threshold requirements, a Baseline Agreement **is** required within **six months** of when the change is identified.

Each Baseline Agreement shall be signed by a duly authorized officer (e.g.: Board Chair, Executive Director) of the Applicant and the Implementing Agency, the Department's Director, and the Commission's Executive Director.

The Baseline Agreements set forth the agreed upon anticipated benefits, project scope, schedule, and cost, and provide a benchmark for comparison to the current status of the project and the forecast of conditions under a no-build scenario. These Baseline Agreements will also identify the agency responsible for meeting the reporting requirements; a cost sharing agreement that details how cost overruns will financially be covered by project sponsor or implementer; and, for locally implemented projects, identify the Department's role in project delivery. The Baseline Agreement is considered the front-end document that forms the foundation for the Commission's in-progress and follow-up accountability.

The Commission shall approve all Baseline Agreements at a regular Commission meeting within six months after a project has been adopted into a SB 1 Program. The following exceptions apply:

- For projects that have not received environmental clearance, Baseline Agreements are due six months after the Lead Agency **completes a project level environmental document in accordance with the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA), if applicable.**
- For projects requesting an allocation of funding for a component other than environmental, **within the four months following program adoption, Baseline Agreements shall be approved by the Commission.**
- No Baseline Agreement will be required for State Highway Operation and Protection Program Emergency Response projects that are necessary to respond promptly to

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damages to the state highway system caused by floods, slides, earthquakes, fires, and other significant events.

The Commission may delete a project for which no Baseline Agreement is executed. The Commission will not consider approval of a project allocation, except for the environmental project component **or the Non-Infrastructure portion of an Active Transportation Program infrastructure/non-infrastructure project**, without an approved Baseline Agreement.

For all SB 1 Program projects, the Commission requires that the Department enter into agreements (cooperative or funding) with implementing agencies that in pertinent part will include the accountability and transparency principles and best management practices outlined in these Guidelines, any specific requirements in the individual programmatic guidelines, and be consistent with executed Baseline Agreement. The Commission is not a signatory to cooperative or funding agreements described in this section.

B. In-Progress Accountability

The following outlines the in-progress accountability steps the Commission intends to employ to assure that SB 1 Program funded projects are successfully delivered consistent with the respective program guidelines, Commission programming and allocation actions, baseline agreements, and cooperative or funding agreements by and between SB 1 Program funding recipients and the Department.

The Commission expects all SB 1 funded projects to be monitored for consistency with the adopted program and executed agreements, regardless of whether or not the project has a Baseline Agreement in place.

1. Ongoing Program Monitoring and Review

Implementing agencies are responsible for managing the scope, cost, schedule, **and achievement of the anticipated benefits** of the project consistent with the adopted programs and executed agreements. Commission staff shall receive routine program and project progress reports from the Department. Commission staff may also schedule routine status meetings with implementing agencies and will perform routine assessments of project progress as compared to the executed agreements. The purpose of this assessment is to identify possible issues of concern, establish an understanding of related impacts, and prepare agenda items for the Commission. Commission staff anticipates placing projects that are unable to maintain delivery and cost commitments on a "watch list" and expects these projects to be identified in the progress reports. Projects will remain on the watch list until a corrective action is taken by the agency and deemed satisfactory by the Commission.

Implementing Agencies are responsible for oversight and accountability that fosters transparency and efficient use of resources to assist in maintaining public confidence. During the course of the project, the following accountability requirements will be monitored:

- Satisfactory progress toward project completion, including:
 - Maintaining the approved schedule
 - Performing work as described in the approved Scope of Work
 - Maintaining the approved project budget
 - Achieving anticipated benefits

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- Retention of financial records that document and support all expenditures.
- **Retention of documentation of methodologies and assumptions used to determine the project benefits and performance metrics.**
- Accurate and timely progress reports, completion reports, final delivery reports, performance analyses, and reimbursement requests.
- Timely and complete responses to any communication and requests for information by the Commission and/or Department.

2. Program or Project Amendments

The Commission will consider program or project amendments at its regular meetings. Program or project amendments requested by implementing agencies shall receive the approval of the same entities that signed the agreements (cooperative, funding, or baseline) before presentation to the Commission and will be processed in accordance with the respective programmatic guidelines. **A Baseline Agreement Amendment or Addendum may also be required upon approval of a program or project amendment.**

3. Baseline Agreement Amendments and Addendums

A Baseline Agreement can either be adjusted through the Baseline Agreement Amendment process or through the Baseline Agreement Addendum process.

A Baseline Agreement will be amended, if a project receives additional SB 1 Program funds in a subsequent programming cycle, if there is a change in the responsible parties, or at the discretion of the Commission. **Additionally, a Baseline Agreement will be amended for a project being segmented after being adopted into an applicable program, or if a project's scope is being reduced along with a reduction in SB1 Program funds. All amendments must be consistent with an approved project amendment and the respective program's guidelines.**

A Baseline Agreement Addendum may be used to make minor adjustments or corrections to an approved Baseline Agreement at the discretion of the Commission. Addenda shall be signed by an authorized officer of the Applicant and Implementing Agency (if they are not one and the same), the Department's SB 1 Program Manager, and the Commission's Deputy Director for SB 1 Programming. Adjustments reserved for the Addendum are not considered significant enough to initiate a Baseline Agreement Amendment and would be accompanied by a previously approved Commission action (e.g., allocation amendments, project amendments, etc.).

All approved Baseline Agreements, Amendments, and Addendums will be posted to the Commission's website.

4. Allocation of Funds

The Commission will allocate funds only when the implementing agency requests an allocation that has been prepared in accordance with the respective programmatic guidelines. The Commission will consider allocation requests on its regular agenda.

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C. Program Reporting

The Commission will use various reporting mechanisms to provide regular updates to the public and the Legislature as described below and in the Follow-up Accountability Section.

The Department will send, at a minimum, reminders to Implementing Agencies 30 days before reports are due and again **five days before the reports are due**. Additionally, the Department will, in coordination with Implementing Agencies, create and distribute a list of Implementing Agencies with late reports to current distribution lists and will post the list to the Department website. Implementing Agencies **that fail to report within the reporting period** will be considered noncompliant with the accountability requirements.

1. Progress Report

Once a project has been adopted into one of the SB 1 Programs, the Implementing Agency, unless otherwise specified, will submit regular and timely project updates to the Department. The Department will prepare a program progress report for each SB 1 Program and submit to the Commission. Commission Staff will use the reports to identify issues and concerns that may be presented to the Commission for further action. **Not all projects in the SB 1 Programs are required to submit progress reports - refer to the attached Reporting Matrix for applicability. Projects which are not required to submit a progress report must still communicate possible issues of concerns or changes to the Department in a timely manner.**

Additionally, projects adopted into the Local Transportation Climate Adaptation Program must adhere to the Progress Report section in its entirety. The Department shall prepare a program progress report for the Local Transportation Climate Adaptation Program in the same manner and timeframes as the SB 1 Program progress reports.

Semi-annual program progress reports will be presented to the Commission in March (July thru December period) and October (January through June period) of each year.

The progress report shall be written in plain language and include information appropriate to assess the current state of the overall program and each project as compared to the previous report.

The first section of the progress report will be the overall program summary taking into account all projects in the SB 1 Programs and will identify, at a minimum, the total programmed and un-programmed funds, total dollars allocated, number of projects allocated, number of completed projects, and a summary of the benefits (outputs and outcomes) achieved by the completed projects.

The second section of the progress report will be for all Active Transportation Program projects, **all Local Transportation Climate Adaptation Program projects**, and all projects subject to the Baseline Agreement requirements, refer to the attached Reporting Matrix for applicability, and will include the following:

- The current cost, schedule, scope, and anticipated benefits as compared to the cost, schedule, scope, **and updated projection of anticipated benefits** approved under the Baseline Agreement, or for projects that have not yet cleared environmental, as compared to the cost, schedule, scope, and anticipated benefits approved at the time the

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project was adopted into the respective program, and a status of the construction contract award, if applicable.

- A summary describing any changes to the scope, cost, schedule, and anticipated benefits of the project and a corrective action plan, if necessary, since the last report.
- Incurred expenditures to date for all project component costs, with the SB 1 Program funds identified separately.
- Identification and discussion of any significant issues that may affect implementation of the project including, but not limited to, financial constraints and commitments, and risks and impacts.
- Status of the Completion and Final Delivery Reports submittals for completed projects or completed project segments. This requirement will apply to all projects in the SB 1 Programs. See the Follow-up Accountability section for more details.
- **Status of the Department’s review and /approval of submitted Completion and Final Delivery Reports.**
- **A list of agencies and projects that have not submitted a progress report, a Completion Report, a Final Delivery Report, or a Project Performance Analysis.**

2. Annual Reports

The Commission will provide in its annual report to the Legislature a summary of its activities relative to the administration of the SB 1 Programs. This report may also discuss significant issues with these programs and may recommend legislative proposals that could facilitate their implementation.

The Department will provide the Commission with a draft copy of its October Progress Report no later than August 15 of each year.

D. Follow-up Accountability

The Follow-up Accountability section is applicable to all Active Transportation Projects, all Local Transportation Climate Adaptation Program projects, all Local Partnership Program (formulaic and competitive) and all other projects subject to the Baseline Agreement requirement, refer to the attached Reporting Matrix for applicability.

The Implementing Agency, unless otherwise specified, will submit timely Completion and Final Delivery Reports to the Department for all projects receiving funds in the aforementioned programs. The Department will review and approve the reports prior to submitting to the Commission. Commission staff will use the reports to identify issues and concerns that may be presented to the Commission for further action.

1. Completion Reports

Within six months of construction contract acceptance or the project becoming operable (open to the public), whichever comes sooner, the Implementing Agency shall provide a Completion Report to the Department on the scope of the completed project, its estimated final cost, estimated schedule, project benefits, and performance metric outcomes as compared to those

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included in the executed project agreements. Additionally, the Completion Report shall describe the methodologies and assumptions used to evaluate how the project benefits and performance metrics were calculated as compared to the methodologies and assumptions submitted in the executed project agreements. In the event the project benefits or performance metric outcomes identified in the Completion Report differ from those identified in the executed project agreements (cooperative, funding, or baseline), the difference must be noted, quantified, and explained. Documentation used for the benefit evaluation shall be preserved and made available for review by the Department, the Commission, the Inspector General, Department of Finance, and/or the California State Auditor, if requested. The Completion Report should not be delayed due to claims, plant establishment periods, ongoing environmental mitigation monitoring, or other reasons.

For projects receiving SB 1 Program funds for pre-construction components only, the Department shall provide the Completion Report to the Commission within six months of the conclusion of the pre-construction component. The Completion Report will include the scope of the project component, its estimated final cost, and duration as compared to those included in the executed project agreements. Additionally, the Completion Report shall provide an updated schedule, a description of how the project will progress to construction, and a discussion on how the project will continue to provide the benefits described in the executed project agreements (cooperative, funding, or baseline).

For projects delivered in segments, a Completion Report is required for each segment and a summary Completion Report is required when the final project segment is complete. An audit may be done on one or all segments of a segmented project.

The Department will notify Implementing Agencies within 30 days after a project is completed of the requirement to submit a Completion Report and again during the 30 days after the report is due. Implementing Agencies which fail to submit a timely Completion Report may be considered noncompliant. Uncorrected compliance issues may result in reduced reimbursements on all invoices or other actions as indicated in the Consequences for Noncompliance section of these Guidelines.

2. Final Delivery Reports

A Final Delivery Report must be submitted within 180 days of the conclusion of all remaining project activities beyond the acceptance of the construction contract to reflect final project expenditures, any changes that occurred after submittal of the Completion Report and an updated evaluation of the benefits. The Commission may include this information in its annual reports to the Legislature.

The Department will notify Implementing Agencies within 30 days after the conclusion of all remaining activities of the requirement to submit a Final Delivery Report and again during the 30 days after the report is due. Implementing Agencies that fail to submit a timely Final Delivery Report shall be considered noncompliant. Uncorrected compliance issues may result in reduced reimbursements on all invoices or other actions as indicated in the Consequences for Noncompliance section of these Guidelines.

3. Project Performance Analysis

The purpose of the Project Performance Analysis is to inform the Commission whether the project is on track to achieve the intended long-term benefits (outcomes/performance

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metrics) as approved in the executed project agreement. The Project Performance Analysis may also be used to inform future iterations of program guidelines.

The Project Performance Analysis will be required for all projects, except for only safety and operational improvement projects in the State Highway Operations and Protection Program. Applicability of this section to projects in the Local Transportation Climate Adaption Program will be determined during that program's guideline development process.

The Applicant shall submit a Project Performance Analysis within six months of the date that construction is complete and operable for five years.

The Project Performance Analysis will be a qualitative analysis that evaluates the project performance and the actions the applicant or implementing agency is taking to achieve the anticipated performance metric outcomes as approved in the executed project agreements and will include, at a minimum, the following:

- Discussion of whether the project is on track to deliver the forecasted performance metric outcomes. Each performance metric outcomes shall be addressed.
- Discussion and identification of future plans or actions that need to be addressed or implemented to meet and to sustain the benefits through the forecasted year.
- Discussion of the progress toward or achievement of the goals of the applicable program.

Once a project has been completed for a duration of five years, the Department will notify Implementing Agencies within 30 days to submit a Project Performance Analysis and again 30 days after the report is due (six months later). Agencies that fail to submit a timely Project Performance Analysis shall be considered noncompliant. Consequences for noncompliance are outlined in Section E of these guidelines.

A project performance analysis will not be required on projects that have no outcomes forecasted after construction contract acceptance or the project becoming operable. The Completion Report and Final Delivery Report will address the achievement of the outcomes.

4. Audits of Project Costs, Deliverables, and Outcomes

SB 1 created the position of Inspector General as Director of the Independent Office of Audits and Investigations to ensure the Department, and external entities that receive state and federal transportation funds from the Department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements.

The Inspector General is required to review policies, practices, and procedures and conduct audits and investigations of activities involving all state and federal transportation funds.

The Inspector General is required to report at least annually to the Governor, Legislature, and Commission with a summary of investigation and audit findings and to report to the Secretary of Transportation and the Department's Director and Chief Deputy Director on an ongoing basis.

The Commission encourages the Inspector General to consider each of the respective SB 1 Programs when selecting projects to audit and, for those projects selected, determine the following:

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- Whether project costs incurred and reimbursed comply with the executed project agreements or approved amendments thereof; state and federal laws and regulations; contract provisions, and Commission guidelines.
- Whether project deliverables (outputs) are **consistent** with the project, scope and schedule described in executed project agreements or approved amendments thereof.
- **Whether project benefits (outcomes and performance metrics) are reasonable in comparison to the estimated performance metrics described in the executed project agreements or approved amendments thereof.**
- **Documentation of the methodologies and assumptions used for the project benefit evaluation and performance metrics shall be preserved by the applicant and made available for review during an audit. Required back-up information for each performance metric cited in the project application can be found in the Technical Performance Measurement Methodology Guidebook on the Commission's website. The Commission recognizes, there may be variance over time in terms of the benefits that are achieved as compared to those anticipated due to factors beyond the control of the applicant. Causes for these variances should be documented.**

Additional audits, if deemed necessary, may be requested by the Commission during the implementation phases of the project. In addition to any final audit performed, it may be beneficial to provide semi-final audits when a project is substantially completed. It is expected that the findings from these audits will be included in the Inspector General's reports to the Commission.

E. Consequences for Noncompliance

To the extent that the Department or other Implementing Agencies do not meet the aforementioned accountability requirements they will be considered noncompliant agencies. **The Consequences for Noncompliance section is applicable to all projects in all programs cited in these Guidelines.**

The Commission expects that the Department will recommend, and the Commission will determine appropriate actions for noncompliant agencies. In addition to the actions described throughout this document, actions may include, but are not limited to, the following:

1. Local Governments

- The Department will provide a written warning to the Implementing Agency identifying deficiencies, necessary remedies, and timeline for corrections.
- The Implementing Agency may be requested to appear before the Commission to explain how and when the noncompliant issues will be resolved.
- The Commission expects the Department to recommend whether a noncompliant agency should be placed on a watch list.
- For the most egregious situations, the agency may be subject to further actions, including the following:

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- Deemed ineligible for future allocations or programming actions, at the discretion of the Commission.
- A penalty, as recommended by the Department and approved by the Commission, in the form of reduced reimbursements on all invoices until the noncompliance issues are corrected. This penalty shall remain in effect until the reporting cycle after the noncompliance has been resolved.

2. Department

The Department acts as both the Program Administrator and Implementing Agency. To the extent that the Department does not meet the aforementioned accountability requirements, either as the Program Administrator or an Implementing Agency, the Commission will determine appropriate actions for noncompliance. In addition to the actions described throughout this document, actions may include, but are not limited to, the following:

- The Department may be requested to appear before the Commission to explain how and when the noncompliance issues will be resolved.
- The Commission may place the Department on a watch list. The Department will remain on the watch list until a corrective action, satisfactory to the Commission, is taken by the Department and communicated to the Commission.
- The Commission may elect, if the department remains on the watch list beyond the next reporting cycle, to take further actions, including the following:
 - Deem the Department ineligible for future allocations or programming actions, at the discretion of the Commission.

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F. Attachments

Attachment A: Baseline Agreement Template

STATE OF CALIFORNIA - CALIFORNIA TRANSPORTATION COMMISSION
CTC-0001 (01/2023)

ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017
PROJECT BASELINE AGREEMENT

Project Name [REDACTED]
Resolution [REDACTED]

1. FUNDING PROGRAM

- Active Transportation Program
- Local Partnership Program (Competitive)
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- Trade Corridor Enhancement Program

2. PARTIES AND DATE

2.1 This Project Baseline Agreement (Agreement) effective on [REDACTED] (will be completed by CTC), is made by and between the California Transportation Commission (Commission), the California Department of Transportation (Caltrans), the Project Applicant, [REDACTED], and the Implementing Agency, [REDACTED], sometimes collectively referred to as the "Parties".

3. RECITAL

3.1 Whereas at its [REDACTED] meeting the Commission approved the and included in this program of projects the, the parties are entering into this Project Baseline Agreement to document the project cost, schedule, scope and benefits, as detailed on the Project Programming Request Form attached hereto as Exhibit A, the Project Report attached hereto as Exhibit B, the Performance Metrics Form attached hereto as Exhibit C, as the baseline for project monitoring by the Commission.

3.2 The undersigned Project Applicant certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible.

4. GENERAL PROVISIONS

The Project Applicant, Implementing Agency, and Caltrans agree to abide by the following provisions:

4.1 To meet the requirements of the Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1, Chapter 5, Statutes of 2017) which provides the first significant, stable, and on-going increase in state transportation funding in more than two decades.

4.2 To adhere, as applicable, to the provisions of the Commission:

- Resolution [REDACTED], "Adoption of Program of Projects for the Active Transportation Program", dated [REDACTED]
- Resolution [REDACTED], "Adoption of Program of Projects for the Local Partnership Program", dated [REDACTED]
- Resolution [REDACTED], "Adoption of Program of Projects for the Solutions for Congested Corridors Program", dated [REDACTED]
- Resolution [REDACTED], "Adoption of Program of Projects for the State Highway Operation and Protection Program", dated [REDACTED]
- Resolution [REDACTED], "Adoption of Program of Projects for the Trade Corridor Enhancement Program", dated [REDACTED]

Project Baseline Agreement Page 1 of 3

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- 4.3 All signatories agree to adhere to the Commission's Guidelines. Any conflict between the programs will be resolved at the discretion of the Commission.
 - 4.4 All signatories agree to adhere to the Commission's SB 1 Accountability and Transparency Guidelines and policies, and program and project amendment processes.
 - 4.5 The [REDACTED] agrees to secure funds for any additional costs of the project.
 - 4.6 The [REDACTED] agrees to report to Caltrans on a quarterly basis; on the progress made toward the implementation of the project, including scope, cost, schedule, and anticipated benefits and performance metric outcomes.
 - 4.7 Caltrans agrees to prepare program progress reports on a on a semi-annual basis and include information appropriate to assess the current state of the overall program and the current status of each project identified in the program report.
 - 4.8 The [REDACTED] agrees to submit a timely Completion Report, Final Delivery Report and Project Performance Analysis as specified in the Commission's SB 1 Accountability and Transparency Guidelines.
 - 4.9 All signatories agree to maintain and make available to the Commission and/or its designated representative, all work related documents, including without limitation engineering, financial and other data, and methodologies and assumptions used in the determination of project benefits and performance metric outcomes during the course of the project, and retain those records for six years from the date of the final closeout of the project. Financial records will be maintained in accordance with Generally Accepted Accounting Principles.
 - 4.10 The Inspector General of the Independent Office of Audits and Investigations has the right to audit the project records, including technical and financial data, of the Department of Transportation, the Project Applicant, the Implementing Agency, and any consultant or sub-consultants at any time during the course of the project and for six years from the date of the final closeout of the project, therefore all project records shall be maintained and made available at the time of request. Audits will be conducted in accordance with Generally Accepted Government Auditing Standards.
- 5. SPECIFIC PROVISIONS AND CONDITIONS**
- 5.1 **Project Schedule and Cost**
See Project Programming Request Form, attached as **Exhibit A**.
 - 5.2 **Project Scope**
See Project Report or equivalent, attached as **Exhibit B**. At a minimum, the attachment shall include the cover page, evidence of approval, executive summary, and a link to or electronic copy of the full document.
 - 5.3 **Performance Metrics**
See Performance Metrics Form, if applicable, attached as **Exhibit C**.
 - 5.4 **Other Project Specific Provisions and Conditions**

Attachments:

Exhibit A: Project Programming Request Form

Exhibit B: Project Report

Exhibit C: **Performance Metrics Form**

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SIGNATURE PAGE
TO
PROJECT BASELINE AGREEMENT

Resolution

Name Date

Title
Project Applicant

Name Date

Title
Implementing Agency

Name Date

District Director
California Department of Transportation

Tony Tavares Date

Director
California Department of Transportation

Mitch Weiss Date

Executive Director
California Transportation Commission

Project Baseline Agreement Page 3 of 3

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Attachment B: Baseline Agreement Addendum Request

California Transportation Commission

ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017
PROJECT BASELINE AGREEMENT ADDENDUM

1. FUNDING PROGRAM

- Active Transportation Program
- Local Partnership Program (Competitive)
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- Trade Corridor Enhancement Program

2. PARTIES AND DATE

2.1 This Project Baseline Agreement Addendum (Addendum) for the , _____
<Insert Project Name> effective on _____ is made by and
between the California Transportation Commission (Commission), the California
Department of Transportation (Caltrans), the <Project Applicant>, and <Implementing
Agency>, sometimes collectively referred to as the "Parties".

3. GENERAL PROVISIONS

3.1 The parties are entering into this Project Baseline Agreement Addendum to document minor adjustments as approved by the Commission. This Form and attached documents hereto will formally document any authorized modifications. This may include a revised Project Report, revised Project Funding Plan, minor change of Project Scope, and/or Project Programming Requests. Adjustments reserved for the Addendum are not considered significant enough to initiate a Baseline Agreement Amendment.

3.2 The undersigned Project Applicant certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible and no further adjustments are known or foreseen.

3.3 The undersigned Project Applicant acknowledges the Baseline Agreement is still in full effect and this Addendum does not replace the original approved Baseline Agreement.

Modification:

Justification for Modification:

Project Baseline Agreement Addendum Page 1 of 2

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<p>California Transportation Commission</p> <p>ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 PROJECT BASELINE AGREEMENT ADDENDUM</p>	
<p>_____</p> <p>Project Title</p>	
<p>_____</p> <p>Applicant Agency</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>Implementing Agency</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>California Department of Transportation</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>California Transportation Commission</p>	<p>_____</p> <p>Date</p>
<p>Project Baseline Agreement Addendum</p>	<p>Page 2 of 2</p>

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Attachment C: Baseline Agreement and Reporting Matrix

Accountability and Transparency Guidelines Baseline Agreement and Reporting Matrix						
	Baseline Agreement	Progress Report 1 st Section	Progress Report 2 nd Section	Completion Report	Final Delivery Report	Project Performance Analysis
Active Transportation Program	Only for projects with: Total Project Cost \$25 million or greater or Total programmed \$10 million or greater	All projects	All projects	All projects	All projects	All projects
Local Partnership Program Formulaic	None	All projects	None	All projects	All projects	All projects
Local Partnership Program Competitive	Only for projects with: Total Project Cost \$25 million or greater or Total programmed \$10 million or greater	All projects	Baseline Agreement Projects	All projects	All projects	All projects
Solutions for Congested Corridors Program	All projects	All projects	All projects	All projects	All projects	All projects
Trade Corridor Enhancement Program	All projects	All projects	All projects	All projects	All projects	All projects
State Highway Operations and Protection Program	Only for projects with Total project cost \$50 million or greater	All projects	Baseline Agreement Projects	Baseline Agreement Projects	Baseline Agreement Projects	Safety and Operational Projects
Local Transportation Climate Adaption Program	None	All projects	All projects	All projects	All projects	TBD