

13.5 FUNDING PROCESS STEP-BY-STEP PROCEDURES

This section presents an **integrated view** of the funding process, combining all four of the perspectives described separately above. Thus, it presents a more comprehensive picture of all activities and responsibilities during each step of the funding process. As before, the steps are discussed chronologically. The chronological steps for **High-Risk** projects are discussed first, followed by the procedures for **Low-Risk** and then **Exempt** ITS projects.

13.5.1 High-Risk (formerly “Major”) ITS Projects

High-Risk federal-aid ITS projects shall follow the regular federal-aid procedures outlined in the LAPM, with the inclusion of two approval actions by FHWA to assure conformity with the federal regulation 23-CFR-940. Application and control of the Systems Engineering process is a key reason for the approval actions as specified below.

Step 1 Roadmap Step 1 - Transportation Planning:

1. The local agency submits project to the regional planning agency for inclusion in the Federal Approved State Transportation Improvement Program (FSTIP). The local agency makes a *preliminary* designation of risk for the project.
2. The MPO or RTPA is encouraged to coordinate with the local agencies (project sponsors) to “flag” ITS projects, or at least note the High-Risk ITS projects, within their FTIP submittal to Caltrans. This may be a symbol designation within the current FTIP format, a separate page listing, or some other reporting means.
3. The regional planning organization reviews the project for consistency with the Caltrans transportation planning process before submitting the FTIP to Caltrans HQ.
4. Caltrans HQ incorporates the FTIP in the FSTIP, and submits the FSTIP to the FHWA Division for review and approval.
5. The FHWA Division reviews and approves the FSTIP.

Step 2 Roadmap Step 2 - Project Development (PE1):

6. The local agency verifies that the project is listed in the FSTIP, and then submits a PE request package to the DLAE.
7. The DLAE enters a conditional approval statement into the E-76 system that states:
“No work for ITS system component detailed design, integration, and testing will be undertaken until FHWA approval of Systems Engineering Management Plan (SEMP) and Notice to Proceed by FHWA is granted. Expenditures for such work prior to NTP are NOT eligible for reimbursement.”
8. When the PE package is satisfactory, the DLAE forwards the package, and submits E-76 for PE to DLA Implementation.

9. When the PE package is satisfactory, DLA Implementation executes the E-76, and submits it to the FHWA for obligation, with a copy to the DLA ITS Coordinator.
10. The DLAE verifies from the E-76 system that FHWA has obligated the funds before issuing authorization to proceed with PE.
11. If not submitted with the PE request package, soon after PE begins the local agency submits the completed Field Review form with SERF (Exhibit 7-I System Engineering Report Form) to the DLAE.

In the SERF, the local agency must provide as much information as possible for each of the following ITS requirements. If any of these items are not known at this time, the Local Agency must include a commitment to address them in detail during system design.

- a) Identification of portions of the RA being implemented
 - b) Identification of stakeholders, communities and participating agencies roles and responsibilities
 - c) Requirements definitions
 - d) Analysis of alternative system configurations and technology options to meet requirements
 - e) Procurement options
 - f) Identification of applicable ITS standards and testing procedures
 - g) Procedures and resources necessary for operations and management of the system
12. The DLAE forwards the field review package including SERF to DLA Implementation with a copy to the DLA ITS Coordinator.
 13. The DLA Implementation forwards the package to FHWA.
 14. FHWA reviews the SERF for FHWA oversight determination, comments on the SERF, and sends the information back to the DLA Implementation.

FHWA oversight will consist of approval of the Systems Engineering Management Plan (SEMP). That oversight can also consist of approval of products from each step of the Systems Engineering process, or portions thereof, or merely participation in scheduled process technical review points. FHWA is also available to provide the local agencies with additional ITS technical assistance and guidance as needed.

15. The DLA Implementation relays the information to the DLAE, who relays it to the local agency.
16. Upon receipt of the Field Review package, the DLA Implementation prepares a Program Supplement, with ITS covenants added. After approval by Caltrans Local Program Accounting, the Program Supplement is transmitted directly to the local agency for signature.
17. The local agency signs the Program Supplement and returns it to DLA Implementation.

Step 3b Roadmap Step 3b –

18. Prior to component detailed design, the local agency submits the completed SEMP as well as the Systems Engineering process product(s) mentioned in Step #14 above, through the DLAE and DLA Implementation (with a copy to DLA ITS Coordinator) for FHWA's review and approval.

19. FHWA notifies the DLA Implementation that they approved the SEMP, and grants the Notice-to-Proceed (NTP) with project implementation.
20. The DLA Implementation relays the approval and NTP to the local agency thru the DLAE with a copy to the DLA ITS Coordinator.
21. The DLAE checks for environmental approval before transmitting the SEMP approval and NTP to the local agency.
22. Upon receiving final SEMP approval and NTP, the local agency may proceed with project implementation. Expenditures for such work prior to NTP are NOT eligible for reimbursement.

Construction:

23. If the ITS project includes activities defined as construction; the local agency must submit a PS&E package requesting construction authorization. The request includes the necessary federal-aid paperwork and approvals.
24. Beyond this point, normal federal-aid procedures apply for completing the project. Use Form 17-C “Final Inspection Form” of the LAPM to finalize the project.

13.5.2 Low-Risk (formerly “Minor”) ITS Projects

Processing Low-Risk ITS projects will follow the traditional federal-aid PE procedures (see Exhibit 13-B for detail). The SERF (Exhibit 7-I, System Engineering Report Form) must be filled out as part of the field review package. However, SERF review and approval by FHWA are **not** required.

13.5.3 Exempt Projects

Processing Exempt ITS projects will follow the traditional federal-aid PE procedures. The **SERF will not be required** as part of the field review package.

13.6 ENVIRONMENT

The environmental process and environmental approval for ITS projects are processed under normal federal-aid regulations and procedures. For environmental guidance, see Chapter 6 “Environmental Procedures” of the LAPM. With few exceptions, most ITS projects can be classified as a Categorical Exclusion (CE). CE determinations are made by Caltrans.

Generally, ITS projects involve little to no disturbance of the ground. The ground disturbance that normally occurs on ITS projects is related to digging foundations for utility, signal, camera, or message sign poles and excavation of trenches for communications cabling. Occasionally ITS