

**CALIFORNIA DEPARTMENT OF TRANSPORTATION
STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)
TRANSPORTATION FACILITIES ACCOUNT (TFA)
ACCOUNTABILITY IMPLEMENTATION PLAN**

BACKGROUND

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (SB 1266), was approved by the voters as Proposition 1B on November 7, 2006 provided for \$2 billion to available for projects in the State Transportation Improvement Program (STIP), to augment funds otherwise available for this purpose from other sources. The funds provided by this subdivision shall be deposited in the Transportation Facilities Account (TFA). The funds are available to the California Transportation Commission (Commission) for allocation in the same manner as other funds allocated for those projects under existing law.

The TFA is defined in Government Code Section 8879.23(e), as added by Proposition 1B, and to Section 8879.50, as enacted through implementing legislation in 2007 (SB 88). The Proposition 1B implementing legislation designated the Commission as the administrative agency for the TFA. The Commission's authority and process to manage the STIP is defined in various Government Code sections, including 14520 through 14534.

FRONT-END ACCOUNTABILITY:

A. Project Initiation

The transportation project development process begins with feasibility studies and ends with a constructed project. It melds engineering requirements, public involvement and federal and state approval steps, and is governed by a host of laws and regulations pertaining to programming, environmental effects, right of way acquisition and contracting for construction.

Transportation improvement needs and opportunities are identified by system planning activities and are embodied in regional transportation plans (RTPs) developed and adopted through a collaborative public process by metropolitan planning organizations (MPOs) or regional transportation planning agencies (RTPAs). A need is identified, either as a structural or operating deficiency of the existing road, or as a response to planned land use changes such as a new subdivision, a shopping or a manufacturing center. Identification of such a need may result in a project as minor as a traffic signal or as major as a freeway.

Regional transportation planning is long-range (20+ years), area-wide, developed through the involvement of federal, state, regional, and local agencies, public entities, private and community based organizations, and individuals working together to identify future regional transportation needs and how these needs can be met.

The purpose of the RTP is to prepare and provide for the region's mobility in a fiscally and environmentally responsible manner, consistent with the needs, preferences and sensibilities of the community. RTPs must be consistent with other plans and programs of regional significance.

For example, there should be discussion on how projects proposed in RTPs support local land use and population projections, how they are sensitive to identified environmental concerns, and how they address economic development, freight transportation, and social equity, among others.

B. STIP Guidelines and the 2006 STIP Augmentation

The Commission conducted a special STIP programming event to commit the TFA funds commonly called the 2006 STIP Augmentation. The Commission adopted the [2006 STIP Augmentation Guidelines](#) on December 13, 2006. The Commission adopted the 2006 STIP Augmentation on June 7, 2007. The STIP provides funding for capacity increasing projects, transportation management systems, non-capacity increasing operational improvement projects, and transportation enhancement projects.

Proposition 1B TFA funds are eligible to use for most projects in the adopted 2006 STIP Augmentation including state highway projects, local road projects, and transit projects. In addition to the TFA, the 2006 STIP Augmentation is funded from Proposition 42 Transportation Investment Fund (TIF), Public Transportation Account (PTA), federal Transportation Enhancement (TE), and State Highway Account (SHA) resources.

C. Allocations of Funds

For the STIP, **In-Progress Accountability** begins after the selection of a project to be funded from TFA bond proceeds. In general, TFA will be allocated to the construction phase of large state highway or local road projects. Smaller projects and activities ineligible to use TFA bond funds will be allocated from the TIF. Transit projects are generally allocated from the PTA.

Many projects are eligible to be funded from several of the accounts that contribute resources to the STIP. The decision to allocate TFA, TIF, TE or PTA funds to an individual project is made at the time the project sponsor requests an allocation of funds from the CTC to initiate construction activities. The decision regarding the use of TFA versus other STIP funding sources is made by the California Department of Transportation (Caltrans) considering the type of project, the availability of funds eligible to use for the project, and other considerations.

IN-PROGRESS ACCOUNTABILITY:

In-Progress Accountability involves managing construction progress against the established baseline. Changes are documented and approvals are obtained to continue with the execution of the work. The [bond accountability website](#) for the STIP includes a list of projects included in the program, [cost and schedule baseline](#) information for each project, and a the status of each project reported on a quarterly basis.

In some cases, TFA funds will be used for pre-construction phases of work (environmental clearance, design, or right-of-way acquisition) if the construction phase will be funded from the TFA or other Proposition 1B sources including the Corridor Mobility Improvement Account (CMIA), the State Route 99 program, or the Trade Corridor Improvement Fund (TCIF). Similarly, construction allocations from the TFA may be combined with construction allocations from the CMIA, State Route 99 or TCIF programs. In these cases, the project is categorized under the other Proposition 1B program (CMIA for example) and the project is shown under that program on the bond accountability website.

FOLLOW-UP ACCOUNTABILITY:

The project is not complete until the final construction contract payment is made and contractor's claims are resolved, project history file and as-built plans are completed, and final right of way activities and environmental mitigation are accomplished (Close-out Phase). A close-out report is produced to document the financial, scope, and the performance state of the completed project, as well as document lessons learned and best practices for use in the development of future projects. This process is referred to as the close-out process, and constitutes the typical follow-up accountability steps for State highway transportation projects.

A. Final Delivery Report

Within six months of the project becoming operable, the implementing agency will provide a final delivery report to the Commission on the scope of the completed project, its final costs and duration as compared to those described in the project baseline agreement, and performance outcomes derived from the project as compared to those described in the project baseline agreement. The final delivery report shall be supplemented at the completion of the project to reflect final project expenditures at the conclusion of all project activities. The Commission will forward this report to the DOF as required by Government Code Section 8879.50.

B. Supplemental Final Delivery Report

The implementing agency will also provide a supplement to the final delivery report at the completion of the project to reflect final project expenditures at the conclusion of all project activities. Project completion occurs at the conclusion of all remaining project activities, after acceptance of the construction contract.

C. Audits

Caltrans will ensure that project expenditures and outcomes are audited. At the minimum, for each TCIF project the Department will provide a semi-final audit report to the Commission within 6 months after the final delivery report; and a final audit report within 6 months after the final delivery report supplement. The Commission may require interim audits at any time during the performance of the project.

Audits will be performed in accordance with Generally Accepted Government Auditing Standards promulgated by the United States Government Accountability Office. Audits will provide a finding on the following:

- Whether project costs, incurred and reimbursed, were in compliance with the executed project baseline agreements or approved amendments; state and federal laws and regulations; contract provisions; and Commission guidelines.
- Whether project deliverables and outcomes were consistent with the project scope, schedule and benefits described in the executed project baseline agreement or approved amendments.