NVTA Standard Project Agreement (SPA) Approval Guidelines

A. <u>Background</u>

The NVTA's SPA approval process is evolving – we are enhancing the process as we get more experience. These updated guidelines are one such enhancement intended to streamline the approval of SPA packets. These guidelines provide a summary of key steps, important dates and helpful hints.

B. <u>What is a Complete SPA Packet?</u>

A complete SPA packet comprises original hard copies & electronic copy of:

- Signed SPA document
- Signed Appendix A Narrative Description of Project with attached Approved Project Description Form (The project description form used for project approval)
- Signed Appendix B Project Budget & Cash Flow
- *****Signed Appendix D Tax Covenant
- Appendix E Original Signed or Certified Copy of Board/Council Authorizing Resolution

***Appendix D** Tax Covenant Compliance should be included in the SPA packet for all NVTA financed projects. This is a change from previous instructions.

<u>Please Note:</u>
Appendix C1 Form of Requisition is not part of the SPA Package to be submitted for initial approval. Appendix C1 is used to request cost reimbursements after the SPA is approved. *See Submitting Project Reimbursement Requests Guidelines*

Hint #1: Please submit draft versions of SPA appendices ahead of time so that we can work with you to resolve any errors, omissions, or inconsistencies prior to signature.

Hint #2: When referencing dates, please be clear and consistent as to whether you are referring to a calendar year or fiscal year (CY or FY).

Hint #3: Plan your jurisdiction/agency approval steps carefully to ensure you can meet your governing body agenda process requirements.

C. <u>What information do I need to submit a complete SPA packet?</u>

For approval, NVTA requires two complete hard copies of each SPA packet (including Appendices) with original signatures <u>21 calendar days</u> prior to the Authority meeting, together with an electronic version of the complete SPA packet, and Appendix B in Excel format. The 21 calendar days includes Final review, Council of Counsel (C of C) review/response and preparation time for the Authority meeting packet.

Hint #4: NVTA will return one SPA package to you after execution.

Prior to the 21 day deadline for an Authority meeting, the NVTA staff will work with you using draft electronic versions of these documents. Staff's review process generally focuses on Appendix A and B, in conjunction with the approved Project Description Form. However, getting a board/council resolution (Appendix E) may be a critical path action for you. We are always happy to review your draft resolutions ahead of time.

D. Document-Specific Comments

1. SPA document: please leave the NVTA Project Number field blank and fill-in the Approved Project Name (the project name must match the name approved by the Authority). You cannot change the language in this document. Ultimately it must be signed by the person so-designated in your board/council resolution.
2. Appendix A: in the Project Title, please include the NVTA alpha-numeric project ID used to identify the project during the approval process. It is only necessary to complete Table A1- Project Changes and Table A2-Milestone Changes if there has been a change to the project scope or project schedule since approval by NVTA. Contact NVTA immediately to discuss any major project scope changes.
3. Project Description Form: you cannot change the language in this document. Scope and milestone changes must be included in Appendix A. The Project Description Form approved by the Authority must be attached to Appendix A
4. Appendix B: NVTA may request updates to Appendix B from time to time, but it is the responsibility of the project sponsor to alert NVTA of any cost over runs or significant changes to the monthly/quarterly cash flow schedule provided in Appendix B:
    a. Table B1: 'Total Project Costs' should equal the total estimated cost of completing the project including the NVTA funded portion and 'Other Sources of Funds' included in the approved Project Description form;
        1) Please do not modify the project cost categories; these amounts must match the approved Project Description forms.
        2) **Study** (ST): The cost of a study.
        3) **Preliminary Engineering** (PE): The cost of preliminary engineering, environmental work, design, Public Involvement, contract preparation, permits, staff time and oversight costs.
        4) **Right of Way** (ROW): The cost of Right of Way Acquisition Activities such as appraisals, negotiations, legal, settlements and Utility Relocations (design, acquisition of easements, relocations), staff time.
        5) **Construction** (CN): Construction, Construction Engineering, inspection and staff time.
        6) **Capital Asset Acquisition**: Purchase of capital assets or equipment
        7) **Other**: Miscellaneous charges not easily categorized. **Staff time should be charged to the appropriate project phase**.
    b. Please make sure the approved NVTA funded project amounts are entered under the correct project cost categories and agree with the approved Project Description form;
    c. Please list the source and dollar amount of other funds being used to finance the total project cost to include recipient local funds;
    d. All three tables in Appendix B must be complete and consistent with each other and with the scope/schedule in the Project Description Form or Appendix A;
    e. Tables B2 and B3 refer to the NVTA funded portion only, and must equal the corresponding Approved NVTA Project Funds amounts in Table B1;
    f. The grand total amount of all fiscal years in Table B2 must equal the total by cost category of the Approved NVTA Project Funds amount in Table B1;
    g. In Table B3, please allocate the NVTA funding amounts to the expected fiscal year quarter/month in which you expect to be submitting reimbursement requests; NVTA asks for monthly cash flow amounts for the first year only and quarterly cash flow amounts for the remaining years of the schedule;
    h. NVTA's CFO in conjunction with the Transportation Planners, will confirm the other funding sources reflected in Appendix B;
    i. NVTA's CFO will evaluate the project cash flow in the context of the overall NVTA cash flow.

Efforts will be made to accommodate jurisdiction/agency cash flow requests in a fiscally prudent manner and consistent with NVTA's debt policy, budget process, cash flows and revenue estimates;

j. Any conflicting cash flow requests will be brought to the attention of the Executive Director and discussed with the submitting jurisdiction/agency. If conflicts are not resolvable at the Executive Director level, the issue will be presented to the Finance Committee.

k. Submitting your SPA for approval as soon as possible is the best way to ensure the project cash flow requested.

Hint #5: The first version of Appendix B we review typically contains errors, omissions and/or inconsistencies. Prior to the 21 day deadline, please let us review a draft unsigned version of the Appendix B.

Hint #6: Appendix B may be signed by a Director level person associated with the project.

5. Appendix D: Tax Covenants is required only for Bond Funded Projects. The Tax Covenants must be approved by the local governing body and certified by the designated person authorized in the Board/Council Resolution. Therefore it must be part of the package of documents submitted to your governing body for approval.
6. Appendix E: Signed Board/Council Resolution Authorizing the respective designee. It must designate who can sign the SPA document for the jurisdiction/agency. The original signed or certified copy of the resolution must be included in the SPA package.

E. <u>When does NVTA need these documents?</u>

For approval, NVTA requires hard copies of the SPA packet (including Appendices) with original signatures 21 calendar days prior to the Authority meeting. The NVTA staff is available to review draft SPA documents prior to the 21 day deadline. NVTA staff will not forward draft or incomplete SPA packets to the C of C (SPA packets must be signed and include all required Appendices). Also, NVTA staff will not forward SPA packets to the C of C if there is insufficient review time prior to the next Authority meeting.

Hint #7: SPA Packets that have not been reviewed by the Council of Counsels will not be submitted to the Authority.

F. <u>NVTA Transportation Planner Information</u>

A Transportation Planner will be assigned to the project by the Executive Director. In addition to being the first reviewers of draft SPA packets, they are also the first reviewers of reimbursement requests for projects with executed SPAs.

G. <u>What is NVTA's SPA Approval Process?</u>

For a SPA to be approved, it needs to be complete, correct and signed. It is an optional step but NVTA recommends an informal review of Appendix A & B (by jurisdiction/agency and NVTA staff). This informal review may allow you to avoid having to resubmit documents for signature.

1. Examine for complete SPA package.
   a. Signed SPA document
   b. Signed Appendix A and a copy of the approved Project Description Form.
   c. Correctly filled out and signed Appendix B

   d. Signed Appendix D if notified NVTA bonds are being used for project funding.
   e. Signed Resolution or certified copy
2. Transportation Planner review of complete package and project description form.
3. CFO review of Appendix B cash flow
4. Forward copy of complete packet to Council of Counsels for review.
5. Schedule for Authority meeting

Hint #8: For projects specifically approved for the FY2017 Program, if the project sponsor is unable to meet the commitment to submit the initial reimbursement request to NVTA by June 30, 2019, regardless of when the SPA is executed, the project shall be considered for NVTA action to de-obligate funds for the project. In all cases, agreement will be sought with the implementing jurisdiction or agency. If agreement is not forthcoming the Executive Director may take a de-obligation request to the NVTA Finance Committee with a request for a recommendation to the Authority.