

Montana Transportation Alternatives (TA) Program

2021 Program Updates

1. \$6.5 million is available in TA funding.
2. There are two (2) categories for TA applications:
 - Capital Improvement Projects – \$5.5 million available
 - Pavement Preservation Projects – \$1.0 million available
3. Funding request cap for a Capital Improvement Project is \$1.0 million in total TA funds.
4. Funding request cap for a Pavement Preservation Project is \$200,000 in total TA funds.
5. The Pavement Preservation Project category is for both asphalt and concrete preservation of paths and sidewalks. The general treatments for asphalt pavement preservation can include, but are not limited to: crack sealing, patching, fog sealing and overlays. Upgrading ADA as necessary is allowable on asphalt pavement preservation projects.

Concrete can be considered in this pavement preservation category, but the pavement preservation needs to be minor and not total replacement. Intermittent replacement and/or major repair is allowed, as needed and described below. Stand-alone curb ramp ADA upgrade projects will not be considered in this Pavement Preservation category. Stand-alone ADA upgrade projects are considered new infrastructure and are eligible under the Capital Improvement project category. Concrete pavement preservation can be, but not limited to: slab jacking, diamond grinding, joint resealing, crack sealing, overlays, and partial-depth repair. Work can include replacing intermittent cracked, heaved, or deteriorated concrete, and may include ADA improvements as required.

*****Important*****: There are additional eligibility requirements for the Pavement Preservation Project category. These requirements are the original construction of the facility must have used a federal funding source, or the facility is State maintained. The original project name, federal funding source, and year of construction needs to be clearly identified in the project application. Or, documentation needs to be given that the facility is State maintained, such as written confirmation from the MDT District Maintenance Chief or referencing the path segment in the following document that discusses maintenance responsibility: <https://www.mdt.mt.gov/other/webdata/external/maint/SUP-Maintenance-Plan.pdf>

For Pavement Preservation projects that do not meet either of these requirements, these pavement preservation type projects can still be applied for under the Capital Improvement Project category. For example, this could include a pavement preservation project on a facility that was originally constructed using local funds and is maintained by a local entity.

6. The Capital Improvement Project category is available for all eligible project types. In addition, Pavement Preservation projects that do not meet the federally funded original construction or state maintenance requirement should apply under the Capital Improvement Project category. Link to the list of eligible project types: https://www.mdt.mt.gov/other/webdata/external/cdb/transportation_alternatives/TA_DESCRIPTION.pdf

7. The Construction (CN) category will be capped to the amount the project sponsor applies for with an allowable overrun percentage based on the Construction (CN) application estimate amount. The table below shows the allowable overrun amounts. If the total costs for the construction exceed the amounts in the table, the local project sponsor will be responsible for all costs exceeding the cap (plus the allowable overrun amount). This requirement is being implemented as a way control cost overruns and to encourage accurate cost estimates and contingencies are used in the application.

Total Construction (CN) Application Estimate	Allowable Overrun Percentage
Under \$50,000	30%
\$50,000 - \$199,999	25%
\$200,000 - \$499,999	20%
\$500,000 - \$2,000,000	15%
Over \$2,000,000	10%

The following is an example to demonstrate how overruns will be handled on a project:

A project Construction (CN) is applied for at \$600,000 total CN costs (including both TA Federal Share and Match). When the project is bid the lowest responsive bid received is \$720,000. Both MDT and the project sponsor decide to award the project. The percentage that the award amount is over the application amount is 20%. This is over the allowable 15% allowable overrun amount shown in the table above (since the CN amount applied for is in the \$500,000-\$2,000,000 category). A 15% overrun of the application amount allows \$690,000. Assuming this project requires local match, the matching ratios of Federal TA 86.58%/Local Match 13.42% would be \$597,402 Federal TA and \$92,598 Local Match. The difference of \$30,000 between the \$720,000 lowest bid award amount and \$690,000 allowable overrun amount will be billed to the project sponsor in addition to the local match requirement.

All other phases (PE, RW, IC, and CE) will not be subject to capped cost share splits. Meaning if any of these phases overrun the application amount, the same matching ratio (for example Federal TA Share 86.58%/Local Match 13.42%) will apply to the full amount.

Some ways to improve the probability of a project not overrunning is having an accurate construction cost estimate prepared by an Engineer who is experienced in estimating the type of project being applied for. The Engineer should have access to recent bid history in order to arrive at an accurate cost estimate. Ensure that a proper contingency amount is used to come with the final Construction (CN) estimate to be used in the application. It is not uncommon to use a 20-30% contingency as a starting point at the nomination phase of a project to account for unknowns. Inflation can also be included in the calculation; 3% per year for inflation can be used. We encourage the Project Sponsor to estimate as accurately as possible and to arrive at a reasonable cost estimate. Cost estimates will be scored accordingly in the Risk Analysis section of the Application.