Introduction: The Recipient Handbook

This handbook serves as a comprehensive resource for Commuter Choice program participants to understand how the program operates, and the roles and responsibilities of eligible applicants and funding recipients. The handbook is organized according to the lifecycle of a typical project, from program eligibility to managing long-lived capital assets funded through the program and everything in between. The Northern Virginia Transportation Commission (NVTC) will update the handbook on an ongoing basis but does not intend for it to answer every possible question related to the Commuter Choice program. Rather, NVTC offers this handbook as a resource in tandem with NVTC’s program staff and additional materials available on the NVTC Commuter Choice website.

The Commuter Choice program encompasses two corridors, I-66 Inside the Beltway and I-395/95 between Spotsylvania County and the D.C. line, that are governed by separate agreements. Where the corridors differ, they are distinguished by references to “Commuter Choice on the I-66 corridor” and “Commuter Choice on the I-395/95 corridor”. In all other cases, the information provided applies to both corridors.

Highlights

The following are key takeaways about the Commuter Choice program, also discussed in detail in later chapters.

Commuter Choice Introduction – see Chapter 1

- The Commuter Choice program invests toll revenues from two regional expressway corridors, I-66 Inside the Beltway and I-395/95 between Spotsylvania County and the D.C. line, to provide funding for multimodal transportation projects that benefit toll payers in each corridor.

- NVTC staff provides day-to-day management of the program. Recipient staff, as representatives of the organizations that are responsible for carrying out funded projects, have several responsibilities regarding the program.

Eligibility – see Chapter 2 for Commuter Choice on the I-66 corridor and Chapter 3 for Commuter Choice on the I-395/95 corridor

- Projects must benefit toll payers in the respective corridor, I-66 or I-395/95. Each corridor has further improvement goals that projects must meet. Within these requirements, several types of multimodal transportation improvement are eligible.

- For the I-66 corridor, jurisdictions and public transportation providers in Virginia Planning District 8 are eligible applicants. For the I-395/95 corridor, any Northern Virginia Transportation Commission (NVTC) or Potomac and Rappahannock Transportation Commission (PRTC) jurisdiction or public transportation provider is an eligible applicant.

- Commuter Choice funds must be obligated within two years of the beginning of the funds’ fiscal year (FY) and expended within five years of that date. For example, FY 2022 begins on July 1,
2021, so any projects funded in this fiscal year would need to be obligated by July 1, 2023 and expended by July 1, 2026.

- Transit operations projects must be new or enhanced services. The program is limited in the overall amount of funding that may be allocated to transit operations projects, and these projects may be subject to funding step-downs after five years of service.

- For operations projects of any type (e.g., transit, bikeshare, transportation demand management), the program supports a maximum of 24 months of operations at a time. The program funds operating costs net of fares received.

**Application Process** – see Chapter 4

- The I-66 and I-395/95 corridors have calls for projects in alternating years. Each call solicits proposals for the upcoming two fiscal years. The next two calls for projects will be as follows:
  - Fall 2019: I-66 corridor for FY 2021 and 2022 (Round Four)
  - Fall 2020: I-395/95 corridor for FY 2022 and 2023 (Round Two)

- NVTC holds briefings with eligible applicants in advance of each call for projects.

- The application form is online and will prompt applicants for all needed information.

- In general, project expenses must have a direct relationship to the benefits of the Commuter Choice project to be eligible.

- Applications require a formal authorization resolution from the applicant’s Board or Council. Applicants should also begin coordination with any affected entities and potential project partners in advance of applying.

**Project Evaluation** – see Chapter 5

- All applications will be screened for eligibility to verify that each is of an eligible project type, offers benefits to corridor toll payers and meets at least one of the improvement goals for the corridor.

- All eligible projects are scored under a process that emphasizes technical factors and the improvement goals for the corridors. The most significant factor in project scoring is the efficiency by which the project moves additional persons through the corridor.

**Program Selection** – see Chapter 6

- After a one-month public comment period and the completion of project evaluation, the Commission – NVTC for the I-66 corridor and both NVTC and PRTC for the I-395/95 corridor – selects the program of projects and forwards it to the Commonwealth Transportation Board (CTB) for final approval.
Beginning Project Implementation – see Chapter 7

- Recipients may begin to incur costs on projects at the start of the fiscal year for which the CTB has allocated project funding, provided certain conditions are met.

- The two-year obligation requirement is met by executing a Standard Project Agreement (SPA), which serves as the funding agreement for each project and establishes terms and conditions.

- The handbook does not discuss all of the terms and conditions of the SPA. Recipients should carefully review all SPA provisions and raise any questions with NVTC’s Program Manager.

- Recipients must provide NVTC with certificates of insurance pertinent to project implementation. Certain parties, including NVTC (as well as PRTC for Commuter Choice on the I-395/95 corridor), need to be named as additional insureds for the project work.

Project Marketing – see Chapter 8

- Recipients should include the Commuter Choice program in any project marketing.

Project Invoicing – see Chapter 9

- Recipients must pay eligible project expenses as they arise and submit regular reimbursement requests (no more often than monthly, no less often than quarterly) to NVTC for these expenses.

- NVTC requires reimbursement requests to be in a specific format (Appendix C of the SPA) and to include documentation of the expenses incurred and evidence that the expenses were paid.

- NVTC generally issues reimbursements within 20 business days of submittal of a request, provided that the request is acceptable.

Project Reporting – see Chapter 10

- Recipients must provide quarterly project progress reports to NVTC and participate in in-person quarterly meetings.

- Recipients must provide annual performance reports to NVTC on designated performance measures for the project. These reports may extend past the duration that the project is active.

Project Changes and Closeout – see Chapter 11

- Changes to a project’s scope, schedule or budget are subject to NVTC approval on a case-by-case basis.

- NVTC allows up to a three-month grace extension for operating projects if funding remains at the end of the project.
• Once a project is complete, the recipient must submit a final reimbursement request and closeout request within 90 days of the final expenditure or date on which the project ended, whichever is earlier.

Asset Management – see Chapter 12

• Recipients must manage assets funded by the Commuter Choice program over the duration of their useful lives. Annual certification letters are required.
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Chapter 1 Commuter Choice Overview

1.1 The Commuter Choice Program

Commuter Choice invests toll revenues in public transit and other multimodal projects along two expressway corridors in Northern Virginia, I-66 Inside the Beltway and I-395/95. All projects funded through the program must benefit toll road users. Each project is evaluated through a competitive process that analyzes its ability to meet one or more improvement goals for each corridor, such as moving more people and expanding transportation options.

Each corridor is governed by Memoranda of Agreement (MOAs) that establish roles, responsibilities, revenue streams, and project and applicant eligibility. The MOAs are discussed further in Chapter 2 for the I-66 Inside the Beltway corridor and Chapter 3 for the I-395/95 corridor. Although the Commonwealth established Commuter Choice, the responsibility for the program’s management is delegated as follows:
- For the I-66 Inside the Beltway corridor, NVTC solely manages the program.
- For I-395/95, responsibility is delegated to NVTC and the Potomac and Rappahannock Transportation Commission (PRTC), and NVTC administers the program on behalf of both agencies per a separate MOA between the two Commissions.

The Commonwealth Transportation Board (CTB) has the final approval authority over selected projects for both the I-66 and I-395/95 corridors. Figure 1 summarizes program administration roles and responsibilities, which are discussed more in the following sections.

Figure 1: Commuter Choice Program Administration Roles and Responsibilities
1.2 Overview of Commuter Choice on the I-66 Corridor Inside the Beltway
Introduced as a part of the peak-direction rush-hour tolling along the nearly six miles of I-66 between U.S. 29 in Rosslyn and I-495, the Commonwealth created the innovative Commuter Choice program. Since 2017 and for 40 years after, a portion of the toll revenues will be used to fund transportation improvements that benefit the corridor’s toll road users. NVTC administers the Commuter Choice on the I-66 corridor program, a vital piece of the Transform66 Inside the Beltway multimodal improvements. The goals of the Commuter Choice program on the I-66 corridor are to move more people, enhance transportation connectivity, improve transit service, reduce roadway congestion and increase travel options (see Figure 2).

*Figure 2: I-66 Commuter Choice Improvement Goals*

The Virginia Department of Transportation (VDOT) is responsible for all matters related to tolling in the corridor and for widening I-66 between exits 67 and 71 in the City of Falls Church and Arlington County. VDOT receives the toll revenue directly, deducts its tolling-related costs and provides the balance to NVTC for investment in Commuter Choice projects.

See Chapter 2 for more information about Commuter Choice on the I-66 corridor.

1.3 Overview of I-395/95 Commuter Choice Program
With the extension of the 95 Express Lanes to include the eight miles of formerly high occupancy vehicle (HOV) lanes along I-395 between I-495 and the D.C. line, the Commuter Choice program expanded to include the I-395/95 corridor. The Commonwealth and its concessionaire, Transurban, agreed to an annual transit benefit that provides funds for multimodal transportation improvements for 68 years beginning from the late 2019 start of tolling along the 395 Express Lanes. Projects funded under the Commuter Choice on the I-395/95 corridor must be multimodal transportation improvements that reasonably relate to or benefit toll road users of the 395 Express Lanes. They must also have the capacity to attain one or more of the following improvement goals for the corridor: maximizing person throughput, improving mobility, supporting new, diverse travel choices and enhancing transportation safety and reliability (see Figure 3).

*Figure 3: I-395/95 Commuter Choice Improvement Goals*
The December 2017 MOA for the program, between NVTC, PRTC, the Virginia Department of Rail and Public Transportation (DRPT), VDOT and the CTB, establishes that Transurban’s annual payment to the Commonwealth for multimodal improvements in the corridor will be distributed via VDOT and DRPT to NVTC and PRTC to administer. The payment begins at $15 million in 2019 and escalates at 2.5 percent per year over a 68-year period. A second MOA, approved by NVTC and PRTC in January 2019, establishes that NVTC will administer the program on behalf of the two Commissions, since PRTC/OmniRide is an eligible applicant for the funds.

See Chapter 3 for more information about Commuter Choice on the I-395/95 corridor.

1.4 Program Management and Oversight
NVTC staff has day-to-day management responsibilities for the Commuter Choice program. The Commission (and PRTC’s Commission for the I-395/95 corridor via the Joint Commission Working Group described below) provide policy direction and general oversight of the program. As Commuter Choice is a Commonwealth program delegated to NVTC to manage, the CTB and DRPT have important oversight roles. Recipients’ technical staff act as the primary project contacts for NVTC staff and have several responsibilities concerning their projects and the overall program.

1.4.1 Commonwealth Transportation Board
The CTB has the final approval authority over project selection for Commuter Choice funding. The CTB’s approval actions formally adopt funded projects into the Six-Year Improvement Program (SYIP), the document by which the Commonwealth allocates funding to transportation projects and programs for the immediate fiscal year and outlines planned spending over the remainder of the six-year period. The CTB also receives an annual report from NVTC that summarizes projects selected for funding and their anticipated benefits. The annual report, beginning in 2022, will include data on the performance of projects funded to date under the Commuter Choice program.

1.4.2 Virginia Department of Rail and Public Transportation
DRPT aids in overseeing the Commuter Choice program by verifying that proposed projects meet eligibility requirements of the I-66 or I-395/95 MOA, including that they demonstrate a benefit to toll payers and sufficiently meet the improvement goals for the corridor. DRPT engages with the Commonwealth’s Attorney General’s Office to conduct this review.
1.4.3 Northern Virginia Transportation Commission
The MOAs for the two Commuter Choice corridors task NVTC with the administration of the program. General roles within NVTC are as follows:

- NVTC staff coordinates the project selection process, administers funding and reimbursements, oversees the implementation of funded projects, develops annual reports on funded projects, and helps to amplify awareness of transportation options in the corridor.
- NVTC’s Program Advisory Committee (PAC) provides policy direction for the I-66 corridor. For the I-395/95 corridor, the equivalent group is the Joint Commission Working Group. Both are described below.
- The Commission considers program approval actions. These actions include opening calls for projects, adopting policy changes, and approving programs of projects for referral to the CTB.

1.4.4 Potomac and Rappahannock Transportation Commission (applies to Commuter Choice on the I-395/95 corridor only)
PRTC maintains an approval role alongside NVTC for actions regarding the I-395/95 corridor but is not involved in the day-to-day management of the program. The approval role results from the MOA with the Commonwealth, which delegated program management responsibilities to both Commissions. However, the two Commissions agreed through a subsequent MOA that NVTC would manage the program on both agencies’ behalf since PRTC/OmniRide is an eligible applicant.

1.4.5 Program Advisory Committee (PAC; applies to Commuter Choice on the I-66 corridor only)
The PAC, which consists of a subset of NVTC’s Commissioners, provides leadership and guidance in the development and implementation of NVTC-administered programs. As such, the PAC provides policy direction to NVTC staff on the administration of Commuter Choice on the I-66 corridor. The PAC also receives regular program updates, considers NVTC staff’s determinations regarding the eligibility and scoring of applications, and endorses a draft program of projects for referral to the full Commission.

1.4.6 Joint Commission Working Group (JCWG; applies to I-395/95 Commuter Choice only)
The JCWG consists of three Commissioners apiece from NVTC and PRTC and serves as an intermediary between jurisdictions and the two full Commissions for Commuter Choice on the I-395/95 corridor. The JCWG receives regular program updates and considers NVTC staff’s determinations regarding the eligibility and scoring of applications. The JCWG also endorses a draft program of projects for referral to the full Commissions.

1.4.7 Applicant/Recipient Staff
Staff from eligible applicants have the following roles and responsibilities in the administration of the Commuter Choice program, many of which are discussed in more detail in the following chapters:

- Attending periodic meetings and webinars to provide input to NVTC staff on proposed changes to the Commuter Choice program
- Serving as a liaison between the jurisdiction or agency and the Working Group and NVTC Program Manager
- Submitting applications for funding on the jurisdiction or agency’s behalf and addressing follow-up questions from NVTC on the applications as needed
• Reviewing the draft scores for proposals that the jurisdiction or agency submitted to verify that they accurately capture the proposed project and its anticipated benefits
• Serving as a representative of the jurisdiction or agency for purposes of public outreach, including staffing of meetings or events
• Providing required progress and performance reports to NVTC
• Submitting regular reimbursement requests for project expenses

1.5 Additional Resources
NVTC’s Commuter Choice website, http://www.novatransit.org/programs/commuterchoice/, includes other documents of use to program participants, including information on funded projects, call for project materials, and reports on the program.

Please direct any questions not answered within this handbook to the following NVTC staff:

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Chapter 2 Commuter Choice on the I-66 Corridor Framework and Eligibility

2.1 Partnership Memorandum of Agreement and Funding Model
In January 2017, NVTC and the Commonwealth of Virginia signed a 40-year MOA authorizing NVTC to use toll revenues from I-66 Inside the Beltway to fund multimodal transportation projects designed to improve travel in the corridor. The multimodal transportation improvements that the program funds benefit toll road users of the portion of I-66 between the I-495 Beltway and U.S. Route 29 in Rosslyn. The corridor is defined to include parallel arterial routes, including Routes 7, 29, 50 and 309, and Washington Boulevard, Wilson Boulevard, and Westmoreland Street.

Commuter Choice on the I-66 corridor is part of a set of multimodal improvements:
1) converting the existing I-66 Inside the Beltway facility to a tolled facility with dynamic tolling during the peak periods;
2) allowing mass transit and commuter buses to ride free at all times;
3) permitting two-person high-occupancy vehicles (HOVs) to ride free at all times until the later of 2020 or any increase to three-person HOV occupancy requirements for HOV lanes of I-66 Outside the Beltway, thereafter permitting three-person HOVs to ride free at all times;
4) improving transit services; and
5) improving I-66, including the widening of I-66 eastbound from two lanes to three lanes between Exit 67 at the Dulles Connector Road and Exit 71, the Fairfax Drive/Glebe Road exit.

These improvements support the five following overall Improvement Goals for the corridor:
1) move more people;
2) enhance transportation connectivity;
3) improve transit service;
4) reduce roadway congestion; and
5) increase travel options.

The MOA assigns VDOT the responsibility to control and manage tolling on I-66. Toll revenues will be used and distributed to support the tolling operations and tolling maintenance of the facility, and to fund projects selected by NVTC and approved by the CTB that benefit toll payers and meet at least one of the Improvement Goals. CTB delegates to NVTC the authority to select and administer the implementation of projects to be financed from the portion of the toll revenues of the facility as provided in the MOA.

The MOA is available on the Commuter Choice website.

2.2 Eligibility
2.2.1 Eligible Recipients
All jurisdictions and other public transportation providers within Virginia Planning District 8 are eligible to submit applications (see Figure 4). Eligible applicants therefore include:
- The counties of Arlington, Fairfax, Loudoun and Prince William;
- The cities of Alexandria, Falls Church, Fairfax, Manassas and Manassas Park;
- The towns of Dumfries, Herndon, Leesburg, Purcellville and Vienna; and
2.2.2 Eligible Projects

To be eligible, projects must meet each of the following five criteria:

1. Benefit the toll-paying users of I-66 Inside the Beltway;
2. Have the capacity to attain one or more of the five improvement goals identified above;
3. Be one of a specific type of multimodal transportation improvements serving the corridor (see below);
4. Demonstrate the ability to obligate toll revenues to the cost of the project within two fiscal years and to expend the toll revenues within five fiscal years of the fiscal year in which the funds are allocated, unless an extension is granted by the Commonwealth Transportation Board. To encourage projects to begin quickly, NVTC measures from the beginning of the fiscal year for which the funds are allocated (e.g., from July 1, 2022 for fiscal year 2023 funds); and
5. Comply with all applicable laws, rules and regulations and have received or will receive all required regulatory approvals.

The following types of projects are eligible:

- New or enhanced local and commuter bus service, including capital and operating expenses (e.g., fuel, tires, maintenance, labor and insurance), subject to funding limitations discussed in Section 2.2.3 below, and transit priority improvements
- Vanpool, and formal and informal carpooling programs and assistance
• Capital improvements for Washington Metropolitan Area Transit Authority rail and bus service, including capital and operating expenses, subject to funding limitations discussed in Section 2.2.3 below, and improved access to Metrorail stations and Metrobus stops
• Park and ride lot(s) and access or improved access thereto
• Roadway improvements to address impacts from the dynamic tolling of the I-66 Inside the Beltway facility on roadways in the corridor (including but not limited to Routes 7, 29, 50, and 309, and Washington Boulevard, Wilson Boulevard, and Westmoreland Street)
• Roadway operational improvements in the corridor
• Transportation Systems Management and Operations as defined in 23 U.S.C. § 10l(a)(30) on December 1, 2015
• Projects identified in the Commonwealth Reports or projects in the region’s constrained long-range plan, as such plan may be updated from time to time

NVTC defines a new or enhanced transit service to be one that meets any of the following criteria:
  a) a completely new project applying for funding,
  b) a substantial enhancement of an existing service, such as a substantial extension to an existing route and/or improvement in service frequency, or
  c) an existing service that was established with Commuter Choice funding for which the applicant is seeking another installment of operating funding (see limitations below).

Fare buy-down programs (e.g., using funding to lower the out-of-pocket cost of paid parking at a transit station, reduce fares by a specific amount on set routes or reduce transfer fees by a specified amount) are eligible as part of transportation demand management (TDM) campaigns to the extent that they meet other program eligibility requirements.

2.2.3 Limitations for Operating Projects
For operating projects of any nature (for instance, transit services, bikeshare operations subsidies, software or application licensing and transportation demand management, traffic monitoring or other specialized staff positions), a maximum of 24 months of operations will be funded at a time. In addition, the Commuter Choice program will only support operating costs net of any fare revenues received.

The MOA establishes the following limitations specific to transit operating projects:
• Overall, no more than 50 percent of available Commuter Choice on the I-66 corridor funds over a five-year average may be allocated to transit operations. NVTC defines transit operating expenses to consist of fuel, oil, drivers’ salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses, as per Federal Transit Administration definitions.¹
• The maximum proportion of (net) operating costs that Commuter Choice on the I-66 corridor funding will support decreases over time, subject to recompeting successfully for funds:
  ○ For the first five years of service, up to 100 percent of costs
  ○ For the sixth year of service, up to 75 percent of costs
  ○ For the seventh year of service, up to 50 percent of costs
  ○ For the eighth year of service, up to 25 percent of costs
  ○ After the eighth year of service, no operating support

¹ See FTA Circular 9030 – Urbanized Area Formula Grant Program and FTA Circular 9040 – Rural Area Formula Grant Program.
Chapter 3  Commuter Choice on the I-395/95 Corridor Framework and Eligibility

3.1 Annual Transit Investment Memorandum of Agreement and Funding Model

In December 2017, the CTB, VDOT, NVTC, PRTC and DRPT signed a 68-year MOA regarding the allocation of an annual transit investment payment from Transurban, the concessionaire operating the 37-mile Express Lanes high-occupancy toll (HOT) facility along I-95 and I-395 in Northern Virginia. The MOA established that the annual transit investment payment that the Commonwealth secured as part of the extension of the Express Lanes along I-395 would be transferred to NVTC and PRTC to administer. The MOA provides for a payment of $15 million per year, escalating by 2.5 percent per year, beginning on the commencement of tolling through the life of the 70-year agreement. A subsequent MOA between NVTC and PRTC, executed in January 2019, established that NVTC would administer these funds on behalf of the two commissions.

Commuter Choice on the I-395/95 corridor funds multimodal projects between Spotsylvania County and the D.C. line that benefit toll road users. The corridor is defined to include Route 1, the Virginia Railway Express Fredericksburg line, and other parallel and adjacent routes.

Projects must also support the following Improvement Goals for the corridor:

1) maximize person throughput in the corridor; and
2) implement multimodal improvements to:
   i. Improve mobility along the corridor;
   ii. Support new, diverse travel choices; and
   iii. Enhance transportation safety and travel reliability.

The MOA assigns NVTC and PRTC the responsibility of administering the annual transit investment payments from Transurban, once the funds are received from Transurban by VDOT and distributed to the Commissions by DRPT. The administration responsibilities include the selection of proposed projects for final approval by the CTB. A subsequent MOA between NVTC and PRTC, executed in January 2019, established that NVTC receives and manages the funds on behalf of the two Commissions. However, all approval actions regarding the funds, including opening a call for projects, seeking authorization to open public comment and advancing a proposed program of projects to the CTB, are taken by both Commissions in tandem. This approach allows for PRTC to be an eligible applicant for the funds for its OmniRide transit service while meeting the requirement in the MOA with the Commonwealth that the funds be administered jointly.

The MOAs are available on the Commuter Choice website.
3.2 Eligibility

3.2.1 Eligible Recipients
Eligible applicants for the I-395/95 Commuter Choice program include all NVTC and PRTC jurisdictions and any public transit providers that serve those jurisdictions. Eligible applicants therefore include (see Figure 5):

- The counties of Arlington, Fairfax, Loudoun, Prince William, Stafford and Spotsylvania;
- The cities of Alexandria, Falls Church, Fairfax, Fredericksburg and Manassas; and
- The public transit systems that serve these areas including OmniRide, VRE, and WMATA.

Figure 5: Commuter Choice on the I-395/95 Corridor Eligible Jurisdictions

3.2.2 Eligible Projects
To be eligible, projects must meet each of the following four criteria:
1. Reasonably relate to or benefit the toll-paying users of the I-395/95 Express Lanes;
2. Have the capacity to attain one or more of the Improvement Goals;
3. Be one of a specific type of multimodal transportation improvements serving the corridor, defined as I-395/95 and adjacent and nearby routes; and
4. Comply with all applicable laws, rules, and regulations and have received or will receive all required regulatory approvals.

For consistency with the I-66 corridor, NVTC also requires that projects demonstrate the ability to obligate toll revenues to the cost of the project within two fiscal years and to expend the toll revenues within five fiscal years of the fiscal year in which the funds are allocated. To encourage projects to begin
quickly, NVTC measures from the beginning of the fiscal year for which the funds are allocated (e.g., from July 1, 2022 for FY 2023 funds).

The following types of projects are eligible:

- New or enhanced local and commuter bus service, including capital and operating expenses (e.g., fuel, tires, maintenance, labor, and insurance), and transit priority improvements
- Expansion or enhancement of transportation demand management strategies, including without limitation, vanpool, and formal and informal carpooling programs and assistance
- Capital improvements for expansion or enhancement of Washington Metropolitan Area Transit Authority rail and bus service, including capital and operating expenses, and improved access to Metrorail stations and Metrobus stops
- New or enhanced park and ride lot(s) and access or improved access thereto
- New or enhanced VRE improvements or services, including capital and operating expenses
- Roadway improvements in the corridor
- Projects identified in Commonwealth studies and plans or projects in the region's constrained long-range plan (including without limitation the I-395/95 Transit and TDM Study) or regional transportation plans approved by the Northern Virginia Transportation Authority, as any such plan may be updated from time to time

NVTC defines a new or enhanced transit service to be one that meets any of the following criteria:

a) a completely new project applying for funding,

b) a substantial enhancement of an existing service, such as a substantial extension to an existing route and/or improvement in service frequency, or

c) an existing service that was established with Commuter Choice funding for which the applicant is seeking another installment of operating funding (see limitations below).

Fare buy-down programs (e.g., using funding to lower the out-of-pocket cost of paid parking at a transit station, reduce fares by a specific amount on set routes or reduce transfer fees by a specified amount) are eligible as part of transportation demand management campaigns to the extent that they meet other program eligibility requirements.

3.2.3 Limitations for Operating Projects

For operating projects of any nature (for instance, transit services, bikeshare operations subsidies, software or application licensing and transportation demand management, traffic monitoring or other specialized staff positions), a maximum of 24 months of operations will be funded at a time. In addition, the Commuter Choice program will only support operating costs net of any fare revenues received.

The MOA establishes the following limitations specific to transit operating projects:

- Overall, no more than 50 percent of available Commuter Choice on the I-395/95 corridor funds over a five-year average may be allocated to transit operations. NVTC defines transit operating
expenses to consist of fuel, oil, drivers’ salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses, as per Federal Transit Administration definitions.\(^2\)

- For transit operations projects that are regional in nature – because they cross jurisdictional boundaries and/or provide a direct connection to Metrorail or VRE commuter rail stations – Commuter Choice on the I-395/95 corridor funding will continue to support up to 100 percent of (net) operating costs regardless of how long the service has been in operation, subject to recompeting successfully for funds. (Note: Commuter Choice on the I-66 corridor does not have a comparable provision.)

- For any other transit operations projects, the maximum proportion of operating costs that Commuter Choice on the I-395/95 corridor funding will support decreases over time, subject to recompeting successfully for funds:
  - For the first five years of service, up to 100 percent of costs
  - For the sixth year of service, up to 75 percent of costs
  - For the seventh year of service, up to 50 percent of costs
  - For the eighth year of service, up to 25 percent of costs
  - After the eighth year of service, no operating support

\(^2\) See [FTA Circular 9030 – Urbanized Area Formula Grant Program](https://www.fta.dot.gov/grants/urbanized-area-formula-grant-program.html) and [FTA Circular 9040 – Rural Area Formula Grant Program](https://www.fta.dot.gov/grants/rural-area-formula-grant-program.html).
Chapter 4  Applying for Funding

To apply for Commuter Choice funding, applicants must submit applications in response to a call for projects. All applications must be submitted during a designated application period for the corresponding corridor (I-66 or I-395/95). Each applicant and project must meet the requirements outlined in Chapter 2 (I-66 corridor) or Chapter 3 (I-395/95 corridor) to be eligible.

NVTC will issue calls for projects in alternating years for the two corridors (I-66 and I-395/95). Each call will cover two years of funding. The anticipated call for projects schedule, by calendar year and Fiscal Year, is shown in Figure 6. Opening a call for projects requires Commission approval – by NVTC for Commuter Choice on the I-66 corridor and by both NVTC and PRTC for Commuter Choice on the I-395/95 corridor.

Figure 6: Call for Projects Cycle by Corridor

NVTC anticipates that each call for project application period will be open for approximately two months, between November and January. At the start of the Call for Projects cycle, NVTC will announce each year’s application period opening and deadline. Applications received after the designated deadline will not be considered.

The Call for Projects initiates the overall program development process, as shown in Figure 7. Chapters 5 through 7 describe project evaluation, program selection and project agreements, respectively.

Figure 7: Annual Program Selection Process
4.1 Key Steps in the Application Process

Figure 8 identifies the key steps in the application process on the part of the Commission(s) (NVTC for the I-66 corridor and both NVTC and PRTC for the I-395/95 corridor), NVTC staff and applicants. The steps are described further below.

Figure 8: Steps in the Application Process

Before the Application Period Opens
1. Call for Projects Development. NVTC staff will develop the Call for Projects schedule, scoring guidance and application form. NVTC staff will review and seek input on any proposed changes to program policy with applicant staff ahead of time, as well as briefing the PAC for Commuter Choice on the I-66 corridor, the JCWG for Commuter Choice on the I-395/95 corridor, and the full Commission(s).

2. Project Ideas. Applicants should identify proposed projects for which they would like to pursue Commuter Choice funding. Applicants should carry out any needed upfront coordination with other entities that may be affected by the project proposal. See Section 4.2 below.

3. Pre-Application Meetings. NVTC will invite eligible applicants to participate in pre-application meetings to review the program requirements and selection process, and to learn about and discuss applicants’ project ideas.

Initiating the Call for Projects
4. Call for Projects Authorization. Following Commission approval – by NVTC for Commuter Choice on the I-66 corridor or both NVTC and PRTC for Commuter Choice on the I-395/95 corridor – online applications will be accepted via the NVTC website for a predetermined period.
5. **Application Portal Access.** NVTC will provide access instructions to eligible applicants. The application portal will be accessible via NVTC's Commuter Choice webpage.

**During the Application Period**

6. **Board or Council Certification and Ranking.** Applicants must receive the endorsement of their jurisdiction or agency’s governing body to apply for Commuter Choice funding for each potential project. In the case that there are multiple project applications from one applicant, the body must also rank all potential projects in priority or preference.

7. **Application Support.** NVTC staff will hold a session to review how to complete the online application soon after the Call for Projects opens. Staff will be available for technical support throughout the Call for Projects period.

8. **Application Submission.** Submit complete applications by the specified deadline. Incomplete applications will not be considered for funding.

### 4.2 Project Information

The online application form will prompt applicants for all information that NVTC will need to consider each proposal for funding. Sections of the application form will include:

- Applicant information including a point of contact
- General information including interagency collaboration (see Section 4.2.1)
- Project justification and documentation
- Schedule (see Section 4.2.2)
- Cost estimate (see Section 4.2.3)
- Data supporting eligibility screening and evaluation
- Identified matching funding sources (see Section 4.2.4)

The application form will also identify the needed supporting documentation.

There is no limit to the number of project applications that can be submitted by a jurisdiction or agency. A separate application must be prepared for each project to be considered for funding. All phases of a project may be considered eligible for funding so long as the project meets the eligibility requirements and any other limitations as set forth in either the I-66 MOA or I-395/95 MOA (and outlined in Chapter 2 or Chapter 3), respectively. Partially completed applications will not be considered for funding.

Please note that projects must comply with all applicable laws, rules and regulations and must have received or will receive all regulatory approvals as required by other funding sources or elements of the project per the eligibility criteria set forth by the I-66 MOA or I-395/95 MOA, respectively.

Commuter Choice funds are considered to be Commonwealth of Virginia funds. As such, they would not be considered as a local match for state funding programs but would likely be considered as a local match for a federal funding program subject to the specific rules of the funding program. Should Commuter Choice funds be used as a match to federal funds, federal requirements would apply, including the need for a National Environmental Policy Act review, and the project schedule should take these requirements into account.
4.2.1 Interagency Collaboration

The Commuter Choice program encourages interagency collaboration implicitly and considers this a component of project evaluation. In cases where a proposal involves multiple eligible applicants, the application must identify a lead applicant. NVTC will execute a project agreement with and provide reimbursement to only the lead applicant. The project partners would be responsible for determining a mutually-acceptable procedure for project billing and reimbursement.

More generally, applicants should identify and begin to coordinate with other public agencies that would be affected by the project to gauge the proposal’s feasibility, identify implementation steps, and determine an implementation schedule. In particular:

- **VDOT** owns highway rights-of-way and several park-and-ride facilities in Northern Virginia. Applicants proposing any construction activities that would affect VDOT-owned facilities should review their proposals with VDOT in advance of applying to ensure the feasibility of the proposal.

- Jurisdictional proposals to expand service on specific **WMATA Metrobus** routes should first be coordinated with WMATA’s Office of Government Relations, with follow-on coordination with the Offices of Bus Planning and Management and Budget in advance of applying. Metrobus service changes that WMATA staff elect to support may require public hearings and/or Title VI reviews that could impact whether the service can ultimately be added, and will likely require an amendment to WMATA’s budget. Implementation of the service change will generally need to coincide with WMATA’s semiannual systemwide bus service changes in June or December. For the sake of eventual reimbursements, NVTC encourages applicants to work with WMATA budget staff upfront to ensure that the costs of the improvement are included in the jurisdiction’s quarterly subsidy billing. (Each quarterly billing invoice must identify the amount charged for the service improvement, and which subsidy line the service improvement charge is included in.) Service improvements that would affect more than one jurisdiction should also be coordinated with the other affected jurisdictions.

4.2.2 Project Schedules

Commuter Choice funds must be obligated in two years and spent in five years of the fiscal year in which the funds are allocated by the CTB. NVTC measures this date from the beginning of the fiscal year. For example, the obligation and expenditure deadlines for fiscal year 2023 funds would be measured from July 1, 2022, the first day of that fiscal year. The obligation requirement is met by executing the Standard Project Agreement for the project (described further in Chapter 7). Project applications should incorporate a schedule that reasonably accommodates these requirements.

The schedules provided in the application and supporting documentation should be sufficiently detailed and feasible. NVTC staff may request additional information about the schedule, depending on the type and scale of the project.

The application form will prompt applicants to identify the fiscal year of funding from each two-year Call for Projects for which they are seeking funding. Applicants may specify the first year or the second year.

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3 Commuter Choice-funded Metrobus projects are exempt from the three-percent cap on WMATA subsidy increases, consistent with the [CTB’s September 18, 2018 guidance](https://www.nvtc.org/documents/CTB%27s%20September%2018%2C%202018%20guidance.pdf) (see item 2.d, page 5).
4.2.2.1 Duration of Operating Support
For project types that require ongoing operating expenses, both transit and non-transit operating projects, a maximum of 24 months of operations will be considered via any application. Examples of non-transit operating expenses include bikeshare operations subsidies, software or application licensing, and transportation demand management, traffic monitoring or other specialized staff positions. A previously funded project may apply for additional years of operating assistance under the regular application process subject to this 24-month limit and any other limitations of the I-66 MOA or I-395/95 MOA, respectively. Applicants will have the opportunity to update project information and expected benefits and the application will receive a new project score. These projects will be evaluated and prioritized with all other projects submitted during the Call for Projects.

4.2.3 Allowable Costs and Cost Estimates
Applicants will be reimbursed for eligible project expenses only. In general, eligible project expenses have a direct relationship to the benefits of the Commuter Choice project. NVTC will generally follow FTA guidance for funding expense eligibility, though the NVTC Commuter Choice Program Manager will make the final determination on the eligibility of submitted expenses. Recipients may contact the Program Manager to verify the eligibility of a potential expense during the project application period and prior to incurring expenditures for funded projects. NVTC may request additional information on any proposed costs as part of its application review process.

Travel Expenses and Meals: NVTC will only reimburse travel expenses up to Commonwealth of Virginia approved rates for lodging, mileage and per diem amounts. The state travel regulations are promulgated by the Virginia Department of Accounts. Meals will only be reimbursed if related to overnight travel.

Staffing Expenses: NVTC recognizes that agency resources are necessary to implement funded projects. Gross payroll costs for staff time and related overhead, at a reasonable level according to the type and scale of the project, that are in direct support of project benefits constitute an eligible expense. It is anticipated that project cost estimates describe staff time at a specific level such as full time equivalent for a specified period.

In addition to gross payroll costs for staff time and related overhead, certain fringe benefits are allowable as explicitly stated elsewhere in this handbook (namely benefits for vehicle operators or dispatchers of a Commuter Choice-funded transit service) or to the extent that they relate allowable staff time. Recipients that wish to include fringe benefit expenses should discuss the eligibility of fringe benefits for reimbursement with NVTC staff.

Project Development Activities: Project development costs, including for studies and engineering, are eligible in conjunction with the costs to implement the proposed project. (In other words, a standalone planning study or design effort, for instance, is not an eligible use of Commuter Choice funds.) All phases of an eligible project may be considered eligible for funding so long as the project meets the eligibility requirements of the I-66 MOA or I-395/95 MOA, and any other limitations as set forth in either MOA. It is anticipated that project development activities represent a reasonable proportion of the overall project budget according to the type and scale of the project.

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4 The most recent travel regulations (as of November 2019) are dated July 2019.
Escalation: Applicants may include escalation in cost estimates. It is anticipated that the rate of escalation will be derived from recent rates of inflation per the U.S. Department of Labor Consumer Price Index for All Urban Consumers (CPI-U). In cases where the applicant feels a different rate of escalation is appropriate, they should provide an explanation and documentation as an attachment to the application. Escalation should be applied based on the anticipated cash flow of the project. The detailed cost estimate that the applicant must develop and attach to the application should indicate the inflation rate that was used and all out-year costs.

Contingency: Applicants may include contingency in cost estimates, provided that the contingency represents a reasonable proportion of the overall project budget according to the type and scale of the project.

Operating Funding Limitations: For operating projects of any nature (for instance, transit services, bikeshare operations subsidies, software or application licensing and transportation demand management, traffic monitoring or other specialized staff positions), each project application may request a maximum of 24 months of operations. In addition, the Commuter Choice program will only support operating costs net of any fare revenues received. Applications should estimate fare recovery for any project for which fares will be charged and reduce the Commuter Choice funding request by this amount.

For transit operating projects specifically, further limitations apply. For one, the following transit operating projects are subject to eventual reductions in the maximum funding share (net of fares) that the Commuter Choice program will provide for operations:

- Any transit operating project in the I-66 Inside the Beltway corridor
- Any non-regional transit operating project in the I-395/95 corridor – that is, a project that does not cross jurisdictional boundaries or connect to a Metrorail or VRE station

The step-down of the share of net operating costs that the Commuter Choice program will support is as follows:

- Up to 100 percent for the first five years
- Up to 75 percent for year six
- Up to 50 percent for year seven
- Up to 25 percent for year eight

Regional transit operating projects in the I-395/95 corridor – namely any operating project that crosses jurisdictional boundaries and/or connects to a Metrorail or VRE station – are exempt from the step-down per the corridor’s MOA.

The MOAs for both corridors stipulate that no more than 50 percent of the average amount of toll revenue for the preceding five fiscal years in either corridor may be used for transit (bus and rail) operating assistance.

Separating Transit Operating Costs from Capital Costs: Given the above limitations on transit operating costs, applicants should distinguish transit operating from recurring transit capital (maintenance) expenses. NVTC defines transit operating expenses to consist of fuel, oil, drivers’ salaries and fringe...
benefits, dispatcher salaries and fringe benefits, and licenses, as per Federal Transit Administration
definitions.5

Exhibit IV-1 in FTA Circular 9030 provides guidance as to what percent of a service contract can be
considered ‘capital’. For instance, Service Contract (whereby a contractor provides maintenance and
transit service, but the recipient provides the vehicles) costs would be considered 40 percent ‘capital’.
The operations portion would be considered a qualified operating expense and the maintenance portion
would be considered a capital expense/non-qualified operations expense. These costs should be clearly
identified on the application and in the detailed cost estimate that is submitted as an attachment to the
applications.

4.2.4 Matching Funds
The Commuter Choice program does not require matching funds from other sources (outside of the
requirement for fare revenues to be deducted for operating projects). However, the application and
attachments should indicate all potential and committed funding sources related to the development
and implementation of the project.

Toll revenues are considered state funds. As such, they would not be considered as a local match for
other Commonwealth funding programs, but would likely be considered as a local match for a federal
funding program subject to the specific rules of the funding program.

Committed Funds Definition: Committed funds are defined as any funds that have been designated for
use toward the cost of the project within an adopted document or plan such as a Capital Improvement
Plan (CIP). Funding identified in the out-years of a CIP would qualify as committed funds. Committed
funds may also include proffers or in-kind contributions.

Uncommitted Funds Definition: Uncommitted funds include active applications or requests for funding
from VDOT or DRPT, regional funding, other funding programs, or local funds that have been requested
but not approved. These may be documented as ‘other requested funding sources’ in the project
application.

NVTC reminds applicants that Commuter Choice funds must be obligated within two years and
expended within five years of the start of the fiscal year for which the CTB allocates funding to the
project. Any applicant proposing a project for which matching funds are not committed at the time of
the application should verify that the project will be able to meet these requirements in light of the
expected timing of the funding commitments and consider alternate approaches in the event that the
anticipated funds do not become available. All matching funds must be committed to execute a
Standard Project Agreement with NVTC, which fulfills the obligation requirement.

Estimating Fare Revenues: For operating projects whose total costs will be offset in part by fares, NVTC
requires applicants to provide an estimate of fare revenue in the application. NVTC recognizes that the
specific value of the fare revenues may vary year to year. NVTC recommends that applicants use fare
recovery performance for comparable services to estimate the fare revenue that will be collected. In any

5 See FTA Circular 9030 – Urbanized Area Formula Grant Program and FTA Circular 9040 – Rural Area Formula Grant Program.
case, the application must explain how the anticipated fare revenue was computed. As noted above, Commuter Choice recipients cannot claim reimbursement for the portion of a project’s operating costs that is covered by fares.

4.3 Online Application Process
The application portal is electronic and will be available via NVTC’s Commuter Choice webpage. Instructions on accessing the portal will be provided to each eligible applicant by NVTC staff. The application should be completed by a representative that is knowledgeable about the project in coordination with a representative that is knowledgeable about the Commuter Choice program.

Any staff who may be filling out project applications are welcome to participate in a pre-application meeting with NVTC staff, who will also be available to provide technical support during the application period. The application portal’s functionality will allow for draft applications to be saved. Applicants will receive electronic notifications of all submitted applications.

As a reminder, each project requires a separate application. Applications must be accompanied by evidence that the applicant’s Board/Council authorized the submittal of the application, along with a ranking of the funding priority of all applications that the applicant is submitting.
Chapter 5  Project Evaluation

NVTC staff will evaluate applications in accordance with the Commission-approved review process (NVTC approval for I-66, both NVTC and PRTC for I-395/95). The evaluation process will derive from the requirements and improvement goals in the MOA, as well as Commission policy. The review process entails eligibility review and, for all eligible applications, development of project scores. Figure 9 shows the key steps in the evaluation process.

Figure 9: Key Steps in the Evaluation Process

5.1  Eligibility Screening
Each application will be screened to determine if it meets the eligibility criteria established in the corridor’s MOA. For an overview of the eligibility criteria, see Chapter 2 for I-66 Commuter Choice and Chapter 3 for I-395/95 Commuter Choice. Considerations include that the proposed project bears a reasonable relationship to the toll facility and offers sufficient benefits to toll payers. NVTC may request additional information from applicants to help determine projects’ eligibility. Eligible applications will be presented to the Commission(s) and advanced to the evaluation phase; NVTC will notify applicants with ineligible projects.

5.2  Application Evaluation
All eligible applications will be scored according to the Commission-approved technical evaluation process. The full set of eligible applications received in response to each two-year call for projects will be
scored as a single set. The current approved process is shown in Figure 10 and consists of the following four criteria, the scores for which are added to form a single score out of a maximum of 100 points:

- Technical Merit (i.e., the expected ability of the project to address some or all of the Commuter Choice Improvement Goals) – maximum 70 points
- Annualized Cost Effectiveness (i.e., the impact created per million dollars of toll revenue investment accounting for the useful life of capital elements of the project) – maximum 15 points
- Applicant Preference (i.e., how the project ranks in priority or preference among the other projects submitted by each specific applicant) – maximum 10 points
- Interagency Collaboration (i.e., how the project reflects partnership and coordination between two or more agencies/jurisdictions) – maximum 5 points

Each element of the project score is calculated relative to the other projects in the application year. The intent is to provide an assessment of which potential projects will have greater impacts compared to the other submitted projects, and to align with processes used by other discretionary programs. The project score, together with public input and the constraints of the available funding, inform the list of projects that is recommended by the Commission(s) for final approval by the CTB.

The following subsections more fully describe the criteria and their measures.

**Figure 10: Technical Evaluation Criteria**

5.2.1 Technical Merit
The factors used to evaluate the technical merit of a project are weighted as a part of the total technical merit score and are shown in Figure 3. Each technical merit factor aligns with one or more of the Commuter Choice Improvement Goals. Projects are evaluated based on the degree to which they satisfy each technical merit factor. The technical merit measures of the project score are calculated relative to the other projects in the application year. The intent is to provide an assessment of which potential
projects will have greater impacts compared to the other submitted projects and to align with processes used by other discretionary programs.

5.2.1.1 Congestion Mitigation – Person Throughput (45%)
The objective of the person throughput factor is to assess the number of people and vehicles moved through the corridor by, or resulting from, a submitted project.

For projects primarily affecting non-motorized travel modes (e.g., bike, walk, and some TDM strategies), the project will be given a ‘Lower’ score if the project can be reasonably assumed to increase person throughput. If there are no expected changes to throughput, the project will be given ‘No Score.’

This scoring recognizes the throughput benefits of projects geared towards non-motorized modes, but also realizes those benefits may not be within the same scale as the throughput benefits potentially realized by projects geared towards motorized travel. However, if the project can be demonstrated to result in a strong increase in the corridor’s person throughput, the scoring methodology described for motorized travel modes may be applied.

For projects primarily affecting motorized travel modes (e.g., vehicular, transit, and some TDM strategies), the project will be assessed based on the calculated increase in person throughput divided by the number of vehicles involved in that increase. ‘Higher’ and ‘Medium,’ and ‘Lower’ scores will be distributed among projects based on this calculated result. The top third-highest persons per vehicle will be scored ‘Higher’, the second-highest third will be scored ‘Medium’, and the remaining third will be scored ‘Lower.’

5.2.1.2 Congestion Mitigation – Travel Time Savings (15%)
The objective of the travel time savings factor is to assess how well a project is suited to provide or support consistent travel time during congested periods for users of the corridor as well as to improve the operational efficiency of the transportation network.

Each project will be assigned a score of ‘Higher,’ ‘Medium,’ ‘Lower,’ or ‘No Score’ based on the likelihood of significant, moderate, minimal, or no reductions in per person congested travel time compared to a similar commute without the project.

Higher – the project is likely to result in reductions (30 percent or greater) in peak-direction, peak-hour total travel time per person
Medium – the project is likely to result in reductions (15 to 30 percent) in peak-direction, peak-hour total travel time per person
Lower – the project is likely to result in reductions (5 to 15 percent) in peak-direction, peak-hour total travel time per person
No Score – the project is likely to result in no change (less than 5 percent) in peak-direction, peak-hour travel time

Each project will be categorized by project type, travel time of a comparable trip (including a non-tolled vehicular trip), and serviced population. Projects that move more people through the corridor, faster
and more efficiently, in the peak directions during the peak period will be identified as having a higher likelihood of moderate or significant travel time reductions.

5.2.1.3 Congestion Mitigation – Transportation Connections (15%)
The objective of the connectivity factor is to assess how well a project is suited to create, complete, or link transportation network elements and/or modes. The measurement of this factor is based on the number of created or enhanced connections between modes and the promotion of transportation choice in daily travel.

Each project will be assessed for potential impacts on modal interaction and transportation choice in the corridor and assigned a score of ‘Higher,’ ‘Medium,’ ‘Lower,’ or ‘No Score.’

**Higher** – the project provides or enhances connections between two or more travel modes

**Medium** – the project meets at least one of the following conditions:
- It provides new modal connections
- It further promotes transportation choice
- It completes a significant existing gap in the transportation network

**Lower** – the project has minimal or no impact on connectivity

**No Score** – the project creates a barrier between modes or results in a loss of travel options

5.2.1.4 Congestion Mitigation – Accessibility (15%)
The objective of the accessibility factor is to evaluate the project’s ability to provide people with opportunities along the corridor. This measure is based on the connections created or enhanced between people and activity centers.

Each project is assigned a score of ‘Higher,’ ‘Medium,’ ‘Lower,’ or ‘No Score’ based on an assessment of the project’s improvement to transportation options and connect people with their destinations.

**Higher** – the project connects travelers to two or more activity centers

**Medium** – the project connects travelers to at least one activity center

**Lower** – the project addresses, improves or enhances ‘first/last mile’ travel between home/employment locations and transit or carpool/vanpool facilities

**No Score** – the project does not connect travelers to activity centers nor improve ‘first/last mile’ travel

Projects that support travel to one or more of the activity centers will be considered for the ‘Higher’ or ‘Medium’ evaluation scores. Activity centers are based on the following locations:

- Metropolitan Washington Council of Governments Regional Activity Centers (projected for 2045) – for both I-66 and I-395/95 corridors
- Fredericksburg Area Metropolitan Planning Organization (FAMPO) Long Range Transportation Plan Activity Centers – for I-395/95 corridor only

5.2.1.5 Diversion Mitigation (10%)
The objective of the diversion mitigation factor is to assess how well a project is suited to mitigate the impacts of trips that are diverted from the tolled expressway onto parallel routes because of tolling or
HOV restrictions. This measure reflects jurisdictions’ concerns that tolling policies may negatively impact parallel roadways and neighborhoods in the corridor.

Each project is assigned a score of ‘Higher,’ ‘Medium,’ ‘Lower,’ or ‘No Score’ based on the project type and an assessment of the potential for trip diversion mitigation.

**Higher** – the project provides, supports, or enhances transit service that attracts trips that are diverted from I-66 or I-395/95 due to tolling or HOV restrictions

**Medium** – the project provides, supports, or enhances carpool or vanpool services that attract trips that are diverted from I-66 or I-395/95 due to tolling or HOV restrictions

**Lower** – the project provides, supports, or enhances operational or geometric improvements along a roadway in the corridor that may be used by trips that are diverted from I-66 or I-395/95 due to tolling or HOV restrictions OR otherwise is another project type not specified in the ‘Higher’ or ‘Medium’ categories that can be demonstrated to mitigate diversion from I-66 or I-395/95 due to tolling or HOV restrictions

**No Score** – the project does not mitigate the impacts of diversion

Consideration will be given to locations where trip diversion is expected based on most-recently available traffic analyses at the time of the technical evaluation.

### 5.2.2 Annualized Cost Effectiveness

The objective of the annualized cost effectiveness criterion is to identify solutions to multimodal issues that can be achieved with a responsible application of available tolling revenue. This measure is based on a comparison of the technical merit criteria scores with the annualized Commuter Choice funding request. Annualized funding requests are calculated based on the useful life of capital assets and on the number of years of transit operating or other annual payments that are being requested.

For each project, the cost effectiveness score will be calculated as the sum of the technical merit criteria scores divided by annualized funding request and will be expressed as the technical merit score per million dollars of funding. Projects will be ranked according to their annualized cost effectiveness. The top third will be given a ‘Higher’ score, the middle third will be given a ‘Medium’ score, and the bottom third will be given a ‘Lower’ score.

The useful lifespans for common capital assets among Commuter Choice projects are shown in Table 1. The useful lifespans of Common Commuter Choice assets were determined using FTA and DRPT guidance, with simplified categories. The useful lives for determining projects’ Annualized Cost Effectiveness scores are consistent with those that NVTC will apply for asset management purposes (see Section 12.3).
### Table 1: Useful Life of Commuter Choice Assets

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bikes</td>
<td>5 years</td>
</tr>
<tr>
<td>Bus shelters / Capital Bike Share Stations</td>
<td>15 years</td>
</tr>
<tr>
<td>Pavement (parking lot, roadway asphalt, sidewalk, trail)</td>
<td>20 years</td>
</tr>
<tr>
<td>Rail Vehicles</td>
<td>25 years</td>
</tr>
<tr>
<td>Real Estate</td>
<td>100 years</td>
</tr>
<tr>
<td>Structures / Buildings</td>
<td>40 years</td>
</tr>
<tr>
<td>Technology</td>
<td>10 years</td>
</tr>
<tr>
<td>Transit Buses</td>
<td>12 years</td>
</tr>
<tr>
<td>Vans</td>
<td>4 years</td>
</tr>
<tr>
<td>Other Capital Costs (does not include soft costs such as PE, promotion, design)</td>
<td>2 years</td>
</tr>
</tbody>
</table>

**Note:** Constructions, buildings, and improvements occupying land have useful specific lives. While for FTA purposes, the land itself does not depreciate and does not have a useful life, for the purposes of the Commuter Choice program a useful life of 100 years should be used for all land.

Where Table 1 does not provide guidance on a particular asset class, recipients should contact NVTC’s Program Manager for assistance with identifying an appropriate useful life. NVTC may consider FTA guidance, Commonwealth guidance and/or industry standards in determining an appropriate useful life.

To help illustrate the annualizing of costs, consider a hypothetical project proposal for $3.9 million in Commuter Choice funding that includes:

- A $2.4 million bus purchase (useful life 12 years)
- $200,000 for infrastructure upgrades at a park-and-ride lot (useful life 40 years)
- $1.3 million for two years of transit operations

The annualized Commuter Choice funding request for this proposal is $855,000, computed as follows:

\[
\frac{2,400,000}{12} + \frac{200,000}{40} + \frac{1,300,000}{2} = 855,000
\]

The project’s total Technical Merit score would be compared against the $855,000 figure.

5.2.3 Applicant Preference

As part of the application, each applicant will be required to rank their application submissions in priority order. Application materials must include board or council certification of project ranking. The top-ranked project for each applicant will be given 10 points. Should a project that is ranked highest be determined ineligible or otherwise withdrawn by the applicant during the application period, the 10 points will be assigned to the next highest-ranking project for that applicant.

5.2.4 Interagency Collaboration

The objective of the interagency collaboration criterion is to reward projects that demonstrate collaboration across jurisdictions and agencies. An applicant would need to demonstrate that a...
The proposed project has been coordinated with other eligible applicants and/or affected agencies to earn the five points under this criterion, which may include a project that:

- Spans jurisdictional boundaries, with more than one jurisdiction contributing to the implementation;
- Is supported by neighboring jurisdictions, whether they are affected by the project or not; or
- Is supported by any other jurisdiction or agency that would be directly affected by the project.

As part of the application, each applicant will be required to identify via documentation the interagency collaboration that has occurred. Documentation may include letters of support, emails, memoranda of agreement and/or any other items that sufficiently demonstrate interagency collaboration at high levels within the organizations. Correspondence submitted as documentation must be from a director or higher-level official, such as a transportation or planning director, city or county manager, or other similar individual.
Chapter 6  Program Selection

Each fiscal year’s program is selected from the pool of eligible project applications submitted to the Call for Projects. The project score, together with public input and the constraints of the available funding, inform the list of projects that is recommended by the Commission (NVTC for I-66 and both NVTC and PRTC for I-395/95) for approval by the CTB. Figure 11 shows the key steps in the project selection process.

Figure 11: Key Steps in the Project Selection Process

6.1  Public Comment Period

The Commission(s) seeks public input on projects submitted for funding consideration as part of the Commuter Choice program. Since proposed projects are assumed to have resulted from local planning processes, with local Board or Council resolutions required to apply for Commuter Choice funding, the public input process is not intended to revisit the projects themselves. Instead, the Commuter Choice public comment period’s goal is to help identify which projects merit funding from this competitive regional program.

Staff will ask the Commission(s) for authorization to open the public comment period once draft scores have been developed for all eligible project proposals and these scores have been shared with the Commission(s). During the public comment period, comments may be submitted through the program website, by telephone, or by mail. NVTC also will conduct a public meeting that will be scheduled to coincide with a Commission meeting at which interested parties may offer in-person testimony. Applicants are expected to staff in-person meetings to respond to questions from the public on project applications and about their entity’s participation in the Commuter Choice program.

The project score, public input process and funding constraints are utilized by NVTC, together with the PAC/JCWG, to develop the program of projects to be approved by the Commission(s) for recommendation and approval by the CTB for inclusion in the SYIP.
6.2 Draft Staff-Recommended Program

NVTC staff will consider project scores, public input and funding availability to develop a draft program of projects. As each Call for Projects will cover two years of funding, the draft staff-recommended program will identify a proposed set of projects to receive each year’s funding. NVTC staff anticipates that the draft program will be formed by ordering the proposals seeking funding in each year by score, with the highest first, and working downward in each fiscal year’s list as far as the anticipated amount of funding in that fiscal year will permit. NVTC does not consider partial funding awards for projects that cannot be accommodated within available funding, as partial awards may adversely affect the projected benefits of the project.

NVTC staff will seek the endorsement of the draft program by the PAC for Commuter Choice on the I-66 corridor and the JCWG for Commuter Choice on the I-395/95 corridor before advancing any program to the full Commission(s) for consideration.

6.3 Program Approval by Commission(s) and CTB

The Commission(s) – NVTC for Commuter Choice on the I-66 corridor, and NVTC and PRTC jointly for Commuter Choice on the I-395/95 corridor – will consider the draft program as a starting point. The Commission(s) may prescribe changes to the program according to their desired approach for prioritizing projects.

The approved program will then be referred to the CTB for consideration and final approval, with the engagement of DRPT. As noted in Chapter 4, the Call for Projects schedule is based around the CTB’s June action to adopt the SYIP for the following year. Since each Call for Projects will cover two fiscal years of funding, the CTB will act as follows:

• In the June immediately preceding the start of the first fiscal year covered by the call, the CTB will adopt the two years of projects into the SYIP. This action will allocate funds to projects receiving funding in the first fiscal year and program the projects that are to receive funding in the second year.
• In the June immediately preceding the start of the second fiscal year covered by the call, the CTB will take an administrative action to allocate funds to the projects already programmed for funding in the second fiscal year.
Chapter 7  Beginning Project Implementation

Once a project has been approved by the CTB and funding is allocated, NVTC will create a Standard Project Agreement (SPA), which is the means by which NVTC obligates Commuter Choice funding for a project. Separate SPAs are executed for each project undertaken by a Commuter Choice recipient. The information contained herein clarifies Commuter Choice program procedures and processes and does not replace or supersede the terms of the SPA. In case of any conflict, the language in the SPA takes precedent.

7.1  Pre-Award Authority

Recipients may begin to incur expenditures for projects at the beginning of the Fiscal Year for which the CTB has allocated funding to the project (for instance, July 1, 2022 for FY 2023), even if the SPA has not yet been executed. However, the following provisions apply:

- The recipient must have local or other permissions in place prior to starting work (i.e., authorization from Board or Council)
- The recipient must have a compliant Certificate of Insurance on file with NVTC (see Section 7.5)
- The recipient’s expenditures must relate to the approved project and be deemed eligible expenses (see Chapter 4 for guidelines on eligible project expenses)
- The recipient assumes all risk and is responsible for ensuring that all applicable Commuter Choice program requirements are met to retain eligibility
- The recipient may not request reimbursements for project expenses until the SPA is executed

NVTC strongly encourages all recipients to review the SPA and Recipient Handbook and consult with the Program Manager regarding conditions and requirements before incurring expenses prior to the execution of the SPA.

7.2  Standard Project Agreement

The SPA establishes terms by which recipients must abide over the course of project implementation, including monitoring and reporting requirements. Recipients are expected to complete each project as defined in the project’s SPA and its appendices, unless NVTC approves a change to the project budget, schedule and/or scope (see Chapter 11). Each SPA is between NVTC and a single recipient entity. In cases where a project reflects a partnership between multiple entities or a third party (such as WMATA) is operating a transit service on the recipient’s behalf, the recipient named on the SPA will be responsible for upholding the applicable terms of the agreement on behalf of itself and any other parties.

NVTC staff will post an SPA template for each corridor on the Commuter Choice website. Recipients should carefully review all terms and conditions of the SPA, not all of which are specifically discussed in this handbook, and raise any questions with NVTC’s Program Manager. Elements of the SPA are as follows:

- **Standard Project Agreement language.** This section describes the recipient’s obligations, NVTC’s obligations, the term of the agreement, what to do in the event of a dispute, NVTC’s entitlement to refund of value of project assets (see Section 11.3.1), and other legal instructions related to the agreement. The SPA also assigns a number to each project.
- **Signature block.** To be signed by NVTC and Recipient Entity.
• **Appendix A – Project Description and Performance Measures.** Project description sourced from project application. Performance measures dictates type, collection, and reporting on project performance. Performance measures to be set by NVTC based on project type and scope and reviewed by recipient.

• **Appendix B – Project Budget and Cash Flow.** Project budget and cash flow sourced from project application and reviewed by recipient.

• **Appendix C – Reimbursement Request.** Reimbursement request template.

• **Appendix D – Reservation for Tax Covenants.** To be used for projects funded with bond proceeds, should NVTC issue bonds.

• **Appendix E – Authorization of designee(s).** Recipient governing body’s authorization for their respective designee(s) to execute this agreement on their behalf(s) as evidenced by entity’s clerk’s minutes or resolution.

7.3 **Standard Project Agreement Preparation and Approval**

SPAs are prepared by the Commuter Choice Program Manager or designee. Draft Appendices A and B will be shared with the jurisdictional or agency representative to confirm that they accurately reflect project information submitted in the application. Agreements are reviewed by NVTC’s Grants Administrator and Finance Department. The agreement is then released to the recipient for execution.

The agreement must be signed by the individual authorized to enter their agency into a binding agreement. A copy of this written authorization by the recipient’s governing body is to be attached to the SPA as Appendix E. Once the agreement is signed by the recipient, NVTC’s Executive Director will countersign to execute the agreement. The executed agreement will be shared with the recipient.

7.4 **Deadline for Executing a Standard Project Agreement**

To meet the conditions of the Commuter Choice MOAs and encourage quick progress on projects, a funded project’s SPA must be executed within two years of the start of the fiscal year for which the CTB allocated funding to the project. (For instance, FY 2023 begins on July 1, 2022, so a Commuter Choice project funded in that year would need to have an executed SPA by July 1, 2024.) Projects that do not meet this deadline are subject to revocation of funding.

7.5 **Approval of Insurance**

Recipients must provide Certificates of Insurance (COI) to NVTC for any Commuter Choice projects, as described in the SPA. Local procurement processes will normally require that contractors, transit operators and consultants provide insurance and list the jurisdiction as additional insured. As described in the SPA, the recipient entity or all its contractors must also name NVTC and its bond Trustee, the Commonwealth of Virginia, the CTB, VDOT, DRPT and their officers, employees, and agents as additional insureds for the project work.

A COI is not required in cases where a jurisdiction does not require that insurance be purchased for a project, such as in-house preliminary design work. However, recipients must provide documentation to NVTC for each such project that describes the work that does not require a COI and the reason why it does not.
Recipients or their agents should provide COIs electronically to reimbursements@novatransit.org with the project number and “COI” in the subject line. NVTC will then acknowledge receipt and acceptance of the COI. A recipient may not advance reimbursable project activities until the COI is on file.
Chapter 8  Project Marketing

To the greatest extent possible, recipients shall include the Commuter Choice logo and recognition of project funding source as being from the Commuter Choice program, in a form/design approved by NVTC, in all publicly-available materials including documents, social media, websites, and print collateral.

The Commuter Choice Marketing and Outreach Manager will provide an electronic communications packet and brand kit when the SPA is signed and as updates are available. The guidelines document will provide logos, graphics, terminology, and related guidance for referencing the Commuter Choice program.

- New recipients should arrange for introductions between their agency’s Public Information Officer (PIO) or other communications staff and the Commuter Choice Marketing and Outreach Manager.
- Recipient should provide draft materials to the Commuter Choice Marketing and Outreach Manager for review well in advance of production.
- Recipients should provide NVTC with advance notice of press releases, media advisories, and public activities such as ribbon-cutting ceremonies.
- Recipients should mention and tag NVTC’s social media accounts (@NoVaTransit) when using social media to promote the project.

The Commuter Choice Marketing and Outreach Manager is available for consultation and assistance with Commuter Choice-funded projects.

Please direct marketing and communications questions to:

Jae Watkins
Commuter Choice Marketing and Outreach Manager
571-483-3234
jaewatkins@novatransit.org
Chapter 9  Project Invoicing
NVTC provides funding for approved projects on a reimbursement basis after expenses have been incurred. Recipients can submit reimbursement requests for eligible project expenses after the SPA has been fully executed.

9.1  Reimbursement Request Contents
Recipients must submit reimbursement requests that are consistent with the approved distribution of Commuter Choice funds in Tables B-1 and B-2 of SPA Appendix B and the most recently approved NVTC cash flow estimates in Table B-3 of Appendix B. Each request shall be in the format of SPA Appendix C, which is provided to the recipient in an editable format once a project’s SPA is executed. The request must contain detailed summaries of actual project costs incurred along with supporting documentation, and a certification that all such costs were incurred in the performance of work for the Project.

Recipients must follow the following guidance in submitting reimbursement requests:

- Submit reimbursement requests by email to reimbursements@novatransit.org
- A separate email is required for each reimbursement request.
- Each request must include a scanned cover letter with a manual signature by the individual authorized to submit the request.
- Enter the jurisdiction/agency, project number and reimbursement number in the email subject line. For example: PRTC 013-02-120-17 #4
- Include documentation of the expenses incurred (such as receipts or invoices) in the order listed on Table C-2, and evidence that the expenses were paid (such as screenshots of the payment screen from an accounting system, wire transfer confirmations or canceled checks). Complete invoices, including subcontractor invoices, supporting schedules and expense receipts, must be included with the request.
  - In cases where the project expenses are not separately identified on the invoices from a transit operations contractor, the recipient should determine the operating cost per revenue hour, the number of revenue hours per day that the project operated, and the number of service days in the invoicing period to determine the cost of service to be reimbursed. This amount should be reduced by the fare revenue received (actual from farebox data or calculated from average fares and ridership) for the service. Schedules supporting these calculations should be included with the request.
  - For WMATA Metrobus service improvements funded by a jurisdiction, WMATA’s quarterly subsidy billing provides sufficient documentation of expenses so long as the invoice identifies the amount charged for the service improvement, and which subsidy line the service improvement charge is included in.
- The reimbursement request should be in one PDF, with the PDF in order. NVTC’s email system allows for attachments totaling up to 25MB per email. Contact the Program Manager if the PDF is too large to email.

NVTC will only reimburse recipients for eligible expenses. Please see Section 4.2.3 for general guidance for eligible expenses. In general, eligible project expenses have a direct relationship to benefits of the Commuter Choice project. Please contact the Commuter Choice Program Manager with any questions about the eligibility of an expense.
9.2 Reimbursement Frequency and Timing
The frequency of reimbursement requests should reflect the rate of expenditure on each project but should not exceed one request a month per project. Reimbursement requests must be submitted at least quarterly, unless there have not been expenditures during the quarter.

The final reimbursement request must be submitted within 90 days of the final expenditure or the date on which the project ended, whichever occurs first. A request to close out the project must accompany the final reimbursement request (see Section 11.3).

9.3 Reimbursement Request Review and Payment
Reimbursement requests are reviewed by the Program Manager, Grants Manager, and Finance Department. Recipients can generally expect to receive payment within 20 business days of submitting a request that is determined by NVTC to be acceptable. Failure to submit an acceptable reimbursement request can greatly delay reimbursement.

9.3.1 Unacceptable Reimbursement Requests
NVTC may determine a reimbursement request to be unacceptable for reasons that include, but are not limited to, the following:

- The request includes ineligible expenses
- The request lacks sufficient or complete documentation of the expenses incurred or payment of the expenses
- The expenses do not align with the distribution of Commuter Choice funds between cost categories in Tables B-1 and B-2 of the project’s approved SPA Appendix B
- The amount of reimbursement sought is computed incorrectly (as an example, this may occur when breaking out a particular transit route from the contractor’s overall bill for provision of service)
- Any fare revenues received were not deducted from the cost of operating the project

In the event of an unacceptable request, NVTC staff will contact the recipient to explain why the reimbursement request has not been approved and discuss the actions the recipient must take to produce an acceptable request:

- If additional supporting documentation is needed, NVTC will identify the needed documentation, which the recipient must provide to NVTC.
- If the request is rejected, NVTC will identify the reason, and the recipient must submit a corrected request accordingly.

9.3.2 Payment
Recipients can generally expect to receive payment within 20 business days of submitting a reimbursement request, assuming NVTC finds the request acceptable. All payments will be made by electronic transfer to the bank account on file with NVTC.
9.4 Repayment for Misuse of Funds
The SPA outlines the procedure that NVTC (and PRTC for Commuter Choice on the I-395/95 corridor) will follow should NVTC staff determine that a recipient has misused or misapplied Commuter Choice funds in derogation of the SPA or in contravention of the corridor’s MOA or applicable law. Recipients must reimburse NVTC for any Commuter Choice funds (with interest earned at the rate earned by NVTC) that the recipient misapplied or used in contravention of the MOA or any term or condition of the SPA.
Chapter 10 Project Reporting

NVTC monitors Commuter Choice projects’ implementation and performance as part of its program administration responsibilities. NVTC must also report annually to the CTB on the projects selected for funding and the benefits that were the basis for the projects’ evaluation and selection. Beginning in 2022, these annual reports will also include data on the performance of each funded project relative to the benefits identified in the project’s funding application.

NVTC has established a quarterly and annual reporting process to which all recipients are expected to adhere. NVTC also holds quarterly progress meetings with all recipients with active projects.

10.1 Quarterly Progress Reporting and Project Reviews

Recipients must provide quarterly written status updates to NVTC on all approved, active projects. NVTC will provide a Quarterly Report Template for each reporting cycle that will seek information on spending, progress toward milestones, performance statistics (e.g., ridership for transit services), and project marketing. Quarterly reports shall be due to NVTC on the 30th of the month following the end of the quarter – October 30, January 30, April 30 and July 30.

Recipients must also participate in quarterly project review meetings with NVTC. NVTC staff will schedule these meetings, which will generally take place in-person at NVTC’s office. The meeting will address the following topics for each active project:

- Invoicing and expenditures
- The recipient’s progress toward completing the project
- Problems encountered and proposed resolutions
- Anticipated progress over the next quarter
- Project performance
- Project marketing opportunities

10.2 Annual Performance Monitoring

Recipients must submit performance data to NVTC annually on the performance measures identified in SPA Appendix A. The performance data will inform NVTC in preparing its annual report to the CTB that measures the degree to which expected program benefits are being realized. Annual performance reporting will be required for the period described in SPA Appendix A and may apply to the duration of service provision for operating projects or a period of up to five years after the project is implemented for capital projects.

Annual performance data must be provided by July 30 as an attachment to the fourth quarter report. Recipients should also include their annual asset management certification with this submittal (see Section 12.2).

10.2.1 Underperforming Projects

Recipients and NVTC will discuss potential solutions for any projects that are not meeting implementation milestones or performance standards. Projects that are performing significantly below
anticipated levels are subject to refinements, revisions, and/or termination. Procedures for requesting changes to an approved project are discussed in Chapter 11.
Chapter 11 Project Changes and Closeout

NVTC recognizes that recipients may need to make changes to funded projects to help ensure successful implementation. This chapter discusses NVTC’s procedures for requesting project changes, as well as closing out projects once they are complete.

11.1 Project Changes

Recipients may request project changes in order to complete or improve a project, such as:

- Changes to the budget, either the total budget or distribution between cost categories,
- Changes to the project scope, and
- Changes to the project schedule that would result in a substantive delay, as determined by NVTC staff in consultation with the recipient, in completing the project.

NVTC considers requests for project changes on a case-by-case basis. All prospective project changes are subject to the terms of the MOA, including the provision that program funds must be expended within a period of five years of the start of the fiscal year for which the CTB allocated funding to the project (absent an extension approved by the Commission(s) and CTB).

Key steps of the project change process are as follows:

1. The recipient submits a request for a project change to NVTC’s Program Manager via email. The request must be provided on a scanned letter, with the manual signature of the official that signed the SPA, that identifies:
   - The desired cost, scope and/or significant schedule changes (cost/budget changes may be in the form of a draft revised SPA Appendix B)
   - The reason(s) for the changes
   - Any impacts to the anticipated benefits of the project compared to those submitted in the project application

2. NVTC’s Program Manager will review the request and ask for additional information as needed.

3. NVTC’s Program Manager will determine the type of change: Minor Change or Major Change. The Program Manager will inform the recipient of the corresponding next steps.

11.1.1 Minor Project Changes

Minor project changes may be approved by NVTC staff. Approval of minor project changes is not guaranteed.

Project changes will be considered ‘minor’ if all of the following conditions are met:

- The Commuter Choice funding amount is not proposed to increase;
- Any proposed schedule changes would still result in the project’s completion within five years of the start of the fiscal year for which the CTB allocated funding to the project; and
- Proposed changes would result in the same or enhanced project benefits compared to those documented in the application for funding.

NVTC’s Program Manager will review the description of the change and rationale for it, and request any additional needed information. The Program Manager will indicate whether the change is allowable or
not as promptly as possible following receipt of a complete request. Steps thereafter to formalize an approved minor project change are as follows:

1. The recipient provides a draft revised Appendix B reflecting the proposed changes.
2. The Program Manager reviews and requests revisions as necessary, to ensure that the draft Appendix B aligns with the requested project change.
3. The recipient obtains an official signature on Appendix B and sends a scanned copy to NVTC.
4. NVTC countersigns to execute the project change, at which point the change is formally approved. NVTC staff sends a scanned copy of the executed revised Appendix B to the recipient.

11.1.2 Major Project Changes

Major project changes may be escalated to the Commission(s) and/or CTB for review and approval, at the discretion of NVTC’s Executive Director. Project changes will be considered ‘major’ if any of the following conditions are met:

- The recipient is requesting additional Commuter Choice funding beyond that approved for the project by the CTB;
- The requested schedule extension would certainly or likely result in the project being completed more than five years from the start of the fiscal year for which the CTB allocated funding to the project; or
- The changes would result in diminished project benefits compared to those documented in the project application.

NVTC will determine appropriate steps for consideration of major project change requests on a case-by-case basis. NVTC staff will keep the recipient apprised of the steps and likely timeframe. If approved, the steps to formalize the changes would be similar to those for a minor project change.

NVTC anticipates entertaining requests for supplemental Commuter Choice funding or to extend project schedules beyond the five-year limit only in rare, exceptional circumstances. Either would require the concurrence of the CTB. The Commuter Choice program does not permit funds to be reprogrammed between different projects (e.g., reallocating a completed project’s unexpended funds to another project).

11.2 Grace Period for Operations Transitions

As noted in earlier sections, Commuter Choice recipients may request no more than 24 months of operating support in any application. However, if actual operating expenditures are less than budgeted such that unexpended operating budget remains at the conclusion of the project, NVTC will allow a maximum three-month grace extension of Commuter Choice-funded operations beyond the period that NVTC agreed to fund. For instance, a 24-month transit operations project with leftover operating funding at the end of the 24 months could be extended to a total of no more than 27 months as funding permits, so long as the end of operations occurs no more than five years from the start of the fiscal year for which the CTB allocated funding to the project.

The three-month period allows flexibility for service to be transitioned to other funding, which may be a new installment of Commuter Choice funding, and for any transit service changes or discontinuations to coincide with regular systemwide schedule changes. However, NVTC expect budgets in applications to be based on no more than 24 months of operations.
Use of the grace period does not require a formal request of NVTC, but does require a written notification (such as in a written quarterly project report). Recipients and NVTC will review expenditure progress and potential opportunities to use the grace period as part of regular project progress discussions.

11.3 Project Completion and Closeout
Once a project is successfully completed, the recipient must request that NVTC close it out. Commuter Choice funds must be expended within five years of the start of the fiscal year for which the CTB allocated funding to the project.

Key steps of the closeout process are as follows.

1. The recipient must submit a final reimbursement request within 90 days of the final expenditure or the date on which the project ended, whichever occurs first.
2. The recipient must attach a completed Request for Project Closeout to the final reimbursement request. NVTC staff will provide recipients with the Request for Project Closeout template. The closeout request will include certifications of compliance with the terms of the SPA and therefore must be signed by the individual authorized to sign the SPA.
3. NVTC will confirm that the project has been closed out. Once the final reimbursement request is processed and paid, any unexpended Commuter Choice funds will be released and no further reimbursements will be processed for the project.

For WMATA-operated bus service enhancements that are being funded through a jurisdiction, recipients should keep WMATA apprised of their intentions for the service beyond the end of any installment of Commuter Choice operating support. WMATA will need to account for plans for maintaining, changing or discontinuing the service in its budget and will generally seek to align the effective date of any service changes with its June or December systemwide bus service changes. Recipients will be responsible for any operating costs beyond the amount that NVTC agreed to fund and/or beyond the duration that NVTC agreed to fund plus the maximum three-month grace period (see Section 11.2).

11.3.1 NVTC’s Entitlement to Refund of Value of Project Assets
In the event that the recipient does not use some or all of the project assets funded under an SPA in provision of benefits to toll payers as authorized by the agreement, the recipient shall refund to NVTC, with interest at the rate earned by NVTC, the amount of the cost of the project asset funded by NVTC. See Chapter 12 for more information on NVTC’s asset management requirements.

11.4 Project Cancellation
If a project is cancelled at any time, for any reason, before or after work has commenced, the recipient shall immediately notify NVTC (and PRTC for Commuter Choice on the I-395/95 corridor) in writing of the cancellation and shall immediately cease to incur project costs. Concurrently, and in no event later than 90 days after the date of cancellation, the recipient shall refund to NVTC 100 percent of all Commuter Choice funds provided by the Commission(s) for the project unless otherwise approved by the Commission(s), and the CTB as necessary, and set forth in an amendment to the project’s SPA.
Chapter 12  Asset Management

NVTC expects capital assets funded through the Commuter Choice program to remain in use in a manner that benefits the corridor’s toll payers for the duration of the assets’ useful lives. This chapter discusses NVTC’s policies and requirements regarding asset management.

12.1 Use of Capital Assets

Recipients must use project assets for appropriate project purposes for the duration of the useful life of the asset, which may extend beyond the duration of the SPA. If the recipient does not use an asset for transportation purposes and to benefit toll payers for the asset’s entire useful life, then the recipient will have to refund to NVTC the amount funded for that asset, with interest at NVTC’s investment rate over the period.

12.1.1 Transit Vehicles and Other Substitutions

NVTC recognizes that transit vehicles purchased through the Commuter Choice program may be rotated between different services and does not expect that the use of these vehicles will be restricted to services that benefit toll payers. However, NVTC expects that a like number of vehicles comparable to or more substantial than those funded through the program remain regularly deployed on services that benefit the corridor’s toll payers, be they Commuter Choice-funded routes/services or not. Recipients should describe their compliance with this expectation in their annual certification letters (see Section 12.2).

Other like-for-like substitutions of assets are also permitted, so long as the substitute is of similar quality and serves the function intended for the original asset.

12.2 Certification of Use and Record Keeping

On an annual basis, recipients are required to submit certification that all project assets (and any like-for-like substitutions) are being used for transportation purposes and to benefit toll payers. This should be done by submitting a certification letter approved and signed by an accountable executive (i.e., a transit general manager, City or County Manager, or transportation director). A certification letter will be required for the entire duration of every asset’s useful life or until the end of the Commuter Choice program, whichever is earlier.

For the period during which annual reports are required – during the life of the project and, for capital projects, up to five years after the project is implemented – the certification letter should be included with the annual report (see Section 10.2). After that period, when an annual report is no longer required, the certification letter should be submitted by July 30 until the earlier of the end of the useful life of all project assets or the Commuter Choice program’s conclusion. One certification letter may be submitted for all assets related to a single project. A separate certification letter should be submitted for each Commuter Choice project.

The recipient is also required to keep sufficient records to support the certification letter. These records should provide legal assurance that project assets were used to benefit toll payers throughout their useful lives. These records shall be made available to NVTC upon request. All documentation should be

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6 Per the executed MOAs, the I-66 Commuter Choice program is anticipated to end in 2057 and the I-395/95 Commuter Choice program is anticipated to end in 2087.
maintained for the entire useful life of all project assets or the conclusion of the Commuter Choice program plus an additional seven (7) years.

12.3 Useful Life Determination
The useful life of an asset is dependent upon the type of asset. For the purposes of the Commuter Choice program, the useful lives of the most common Commuter Choice assets are shown in Table 1.

Table 2: Useful Life of Commuter Choice Assets

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bikes</td>
<td>5 years</td>
</tr>
<tr>
<td>Bus shelters / Capital Bike Share Stations</td>
<td>15 years</td>
</tr>
<tr>
<td>Pavement (parking lot, roadway asphalt, sidewalk, trail)</td>
<td>20 years</td>
</tr>
<tr>
<td>Rail Vehicles</td>
<td>25 years</td>
</tr>
<tr>
<td>Real Estate</td>
<td>100 years</td>
</tr>
<tr>
<td>Structures / Buildings</td>
<td>40 years</td>
</tr>
<tr>
<td>Technology</td>
<td>10 years</td>
</tr>
<tr>
<td>Transit Buses</td>
<td>12 years</td>
</tr>
<tr>
<td>Vans</td>
<td>4 years</td>
</tr>
<tr>
<td>Other Capital Costs (does not include soft costs such as PE, promotion, design)</td>
<td>2 years</td>
</tr>
</tbody>
</table>

**Note:** Constructions, buildings, and improvements occupying land have useful specific lives. While for FTA purposes, the land itself does not depreciate and does not have a useful life, for the purposes of the Commuter Choice Program a useful life of 100 years should be used for all land.

The useful lifespans of Common Commuter Choice assets were determined using FTA and DRPT guidance, with simplified categories. The useful lives for asset management purposes are consistent with those used to determine projects’ Annualized Cost Effectiveness scores (see Section 5.3.2).

Where Table 1 does not provide guidance on a particular asset class, recipients should contact NVTC’s Program Manager for assistance with identifying an appropriate useful life. NVTC may consider FTA guidance, Commonwealth guidance and/or industry standards in determining an appropriate useful life.

12.4 Disposal of Assets
The recipient must notify NVTC immediately if any of its project assets are prematurely withdrawn from appropriate use benefiting toll payers, whether by planned withdrawal, misuse, or casualty loss.

12.4.1 Before the End of Useful Life
Disposition of assets before the end of useful life requires NVTC approval prior to the disposition.

- If a recipient no longer needs an asset for the purpose for which it was acquired, NVTC may seek to have the asset transferred to another eligible recipient.
- If NVTC cannot find an eligible recipient for the asset and approves the sale of the asset, interest of the proceeds of the sale must be returned to NVTC.
12.4.2 After Conclusion of Useful Life

After the equipment’s useful life is expended, with prior NVTC approval, the recipient may sell its project funded property for which there is no longer any public transportation purpose.

- If the asset is sold for $5,000 or more, the recipient must notify NVTC through the Commuter Choice Program Manager. NVTC will advise the recipient if the proceeds are to be used to reduce the gross project cost of other future eligible awards or returned to NVTC. The recipient is expected to record the receipt of the proceeds in the recipient’s accounting system, showing that the funds are restricted for use in a future capital award, and reduce the liability as the proceeds are applied to one or more capital approved awards.

- If the equipment is sold for less than $5,000, the recipient still must inform NVTC. The proceeds are to be recorded in the recipient’s accounting system and noted as such. These proceeds are to be used by the jurisdiction or transit agency for transportation related purposes. If another Commuter Choice Program proposal is anticipated, the proceeds should be used to reduce the gross project cost and the application should indicate the reduction.
Appendix: Acronyms and Abbreviations
CTB – Commonwealth Transportation Board
DRPT – Virginia Department of Rail and Public Transportation
FHWA – Federal Highway Administration
FTA – Federal Transit Administration
JCGW – Joint Commission Working Group
MOA – Memorandum of Agreement
NVTC – Northern Virginia Transportation Commission
PAC – Program Advisory Committee
PRTC – Potomac and Rappahannock Transportation Commission
SPA – Standard Project Agreement
TDM – Transportation Demand Management
VDOT – Virginia Department of Transportation
VRE – Virginia Railway Express
WMATA – Washington Metropolitan Area Transit Authority