

ACTION TRANSMITTAL No. 2017-35

DATE: October 2, 2017
TO: TAC Funding and Programming Committee
PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)
SUBJECT: 2018 Regional Solicitation: Project Inflation Rate and Year of Cost Estimate
REQUESTED ACTION: Approval of a project inflation adjustment rate
RECOMMENDED MOTION: That the TAC Funding & Programming Committee recommend to TAC to forego an inflation adjustment for the 2018 Regional Solicitation.

BACKGROUND AND PURPOSE OF ACTION: Through 2014, the Regional Solicitation included inflation adjustments, usually at roughly two percent per year, for most projects awarded. In an effort to fund more projects given the high demand for the limited federal funds, TAB decided to forego an inflation adjustment awarded funds through the 2016 Regional Solicitation. This decision was made after the project scores had been released. Feedback from TAB indicated that it would be preferential for the decision on whether to provide and inflation adjustment to be made prior to the release of the application. This early decision will help set applicant expectations.

Staff recommends that no inflation adjustment be added to projects. By forgoing an adjustment in the 2016 Regional Solicitation, another 4 to 6 projects were able to be selected with the extra funds that would have gone towards inflation. To date, no projects from the 2016 Regional Solicitation have been withdrawn due to this decision.

In the 2016 Regional Solicitation, applicants were instructed to estimate costs based on the current-year costs (2016). By using current-year costs (2018) moving forward for the 2018 Regional Solicitation, the most accurate cost estimates can be submitted and then compared for scoring purposes in the cost effectiveness measure.

RELATIONSHIP TO REGIONAL POLICY: TAB develops and issues a Regional Solicitation for federal funding.

ROUTING

| TO | ACTION REQUESTED | COMPLETION DATE |
|-------------------------------------|-------------------------|------------------------|
| TAC Funding & Programming Committee | Review & Recommend | - |
| Technical Advisory Committee | Review & Recommend | - |
| Transportation Advisory Board | Review & Adopt | - |
| Transportation Committee | Review & Recommend | - |
| Metropolitan Council | Concurrence | - |