

## Revised Call for Project Lapsing Policy

### TIMELY USE OF FUNDS / REPROGRAMMING OF FUNDS:

Grantee must demonstrate timely use of the Funds by:

- (i) executing this Agreement within ninety (90) days of receiving formal transmittal of the Agreement from LACMTA, or by December 31<sup>st</sup> of the first Fiscal Year in which the Funds are programmed, whichever date is later; and
- ~~(ii) meeting the Project milestones due dates as agreed upon by the LACMTA and Grantee in Attachment B (Scope of Work) of this the Funding Agreement; milestones include, but are not limited to the following:~~
  - ~~a. for project development, Grantee must complete phase by the end of the second fiscal year following the year the Funds were first programmed; and~~
  - ~~b. for right-of-way, Grantee must follow its right-of-way acquisition policies and must show a realistic schedule for completion of acquisition required for the project agreed upon by LACMTA and Grantee prior to Agreement execution; and~~
  - ~~c. for construction or capital purchase projects, contracts shall be awarded within nine (9) months from the date of completion of design. Project design (preliminary engineering) must begin within six (6) months from the identified milestone start date; and~~
- ~~(ii) — Contracts for construction or capital purchase shall be executed within nine (9) months from the date of completion of design. Project design (preliminary engineering) must begin within six (6) months from the identified milestone start date. Funds programmed by LACMTA for Project development or right-of-way costs must be expended by the end of the second fiscal year following the year the Funds were first programmed; and~~
- (iii) submitting the Quarterly Progress/Expenditure Report ~~as described in Part II, Section 4.1 of this Agreement~~; and
- (iv) expending the Funds granted under this Agreement for allowable costs by June 30, 20\_\_ (lapse date), within 36 months from July 1 of the FY 20\_\_ - \_\_, final Fiscal Year in which funds are programmed ~~within 36 months from July 1 of the Fiscal Year in which funds are programmed.~~

~~If the GRANTEE fails to meet any of the above conditions, the Project shall be considered lapsed and will be subject to the LACMTA Board for deobligation. Expenses that are not invoiced within 60 days after the lapsing date are not eligible for reimbursement.~~

Quarterly Progress/Expenditure Reports will be used to evaluate compliance with the Project milestone due dates as identified in the Funding Agreement. If the Project does not meet the milestone due dates as agreed upon in the Funding Agreement, the Grantee will be required to develop a written Recovery Plan illustrating in detail the Grantee's actions to resolve the delay and to meet the Project completion date agreed upon in the Funding Agreement. If the Recovery Plan is deemed viable by LACMTA staff, and meets the Project completion date agreed upon in the Funding Agreement, LACMTA may grant an administrative schedule update as long as the Funds are expended in compliance with (iv)

above. If Grantee fails to submit within 30 days of the notice of non-compliance from LACMTA, or the Recovery Plan illustrates that the project will not meet the lapse date in the Funding Agreement, LACMTA may recommend potential deobligation of the funds as part of its annual Call for Projects Recertification/Deobligation process.

Recertification of funds will be based on Project progress and is subject to meeting the Project milestones as agreed upon in the Funding Agreement. Grantee will ONLY be allowed to request a one-time lapsing date extension of 20-months from the final lapse date. The request is subject to TAC consideration as part of the annual Call for Projects Recertification/Deobligation process.

~~In the event that the timely use of the Funds is not demonstrated, the Project will be reevaluated by LACMTA as part of its annual Call for Projects Recertification/Deobligation process and the Funds may be deobligated and reprogrammed to another project by the LACMTA Board of Directors.~~

If Grantee does not complete one element of the Project, as described in the FTIP Project Sheet, due to all or a portion of the Funds lapsing, the entire Project may be subject to deobligation at LACMTA's sole discretion. In the event that all the Funds are reprogrammed/deobligated, this Agreement shall automatically terminate.

If the GRANTEE rantee fails to meet any of the above conditions, the Project shall be considered lapsed and will be subject to the LACMTA Board for deobligation. Expenses that are not invoiced within 60 days after the lapsing date are not eligible for reimbursement.