



NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Finance and Audit Committee

FROM: Grace Gallucci, Executive Director

DATE: August 5, 2016

RE: **Resolution 2016-029 – Capital Programs Performance Measures**

ACTION REQUESTED

The Board of Directors is asked to approve performance measures to guide the development, delivery and monitoring of the agency's capital funding programs.

The Finance and Audit Committee has recommended this item.

BACKGROUND/JUSTIFICATION FOR CURRENT ACTION

The Ohio Department of Transportation distributes Federal Highway Administration funds to NOACA for infrastructure improvement programs. Funding is sub allocated by formula based on population directly to NOACA for the following capital infrastructure programs - Surface Transportation Block Grant Program (STBG), Transportation Alternatives Program (TAP) and Congestion Mitigation and Air Quality Program (CMAQ), which is managed as a statewide program by the eight large Ohio metropolitan planning organizations. Funding is also directly allocated to NOACA by the Federal Transit Administration for the administration of the Enhanced Mobility for Seniors and Individuals with Disabilities (5319) program. Overall, NOACA receives approximately \$48 M annually that the Board allocates to transportation related projects in the region.

To ensure that funds allocated to NOACA capital infrastructure programs are expended optimally, performance measures and targets have been developed for *Project Delivery* and *Funding Efficiency*. The performance measures will result in greater transparency and accountability in NOACA's management of allocated public funds. These performance measures will ultimately be incorporated into the larger strategic and operational performance measurement system that is currently being developed through NOACA's councils, committees and Board in conjunction with the update to the Long-Range Transportation Plan and federal requirements.

Staff presented this item for information to the Finance and Audit Committee at its May 2016 meeting, and for recommendation of approval at its August 25, 2016.

FINANCIAL IMPACT

Performance measures will help NOACA monitor and manage its investments for better decision-making. Moreover, they will be used to assist NOACA to determine whether or not the agency is meeting its financial obligations and objectives.

CONCLUSION/NEXT STEPS

Upon Board approval, staff will continually inform the Finance and Audit Committee on agency performance regarding program delivery and financial management.

Enclosed: Draft Recommended Capital Programs Performance Measures

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Attachment 1: Draft Capital Programs Performance Measures

To provide clear and transparent goals for its capital programs, NOACA has developed performance measures and targets to guide management of its capital funding programs. The purpose is to ensure NOACA administered capital program funds are expended efficiently and effectively and to mitigate the risk of funding to be redistributed to other regions of the state. The following *program delivery* and *funding utilization* measures and targets are recommended:

Performance Area: Program Delivery

1. **Measure:** % On-time Project Implementation: Percent of projects awarded within 30 days of the implementation commitment date.
Target: 85% or greater
Explanation: This measure tracks the delivery of NOACA administered funding commitments in the TIP with focus on projects in the current state fiscal year (SFY), referred to as the NOACA Annual Priority List (APL). The project implementation commitment date is the basis for this measure.
Calculation: Total percentage of APL projects awarded for implementation on-time (within 30 days of the commitment date), commonly referred to as the Award Milestone Date.
2. **Measure:** % Program Balance: Percent of the NOACA administered funding programmed for delivery in the 4th Q of the SFYs constituting the current TIP.
Target: 20% or less
Explanation: This indicator measures NOACA's risk of exceeding the 25% maximum allowed carry forward balance to the next SFY. Establishing a target not to exceed 20% of NOACA's annual allocation of funding programmed in the 4th quarter will reduce the risk of unintended carry forward due to project delays or projects coming in under estimate. The indicator also promotes the sale of projects in SFY quarters 1-3 that have historically led to more favorable bids.
Calculation: The total of NOACA administered funding in the 4th quarters of the approved four-year TIP divided by the total of NOACA administered funding for all quarters of the approved four-year TIP.

Performance Area: Fund Utilization

1. **Measure:** % of Estimate Accuracy: Variance between NOACA administered funds committed to a project in the TIP and the NOACA administered funds actually realized at time of contract award for implementation.
Target: 10% greater or less than estimate
Explanation: This measure indicates if projects are estimated accurately when originally approved for funding in the TIP. Inaccurate project estimates can lead to an over programming of NOACA funds resulting in excess carry forward and missed opportunity to advance other needed projects.
Calculation: The project construction contract estimated and approved in the TIP divided by the actual cost of the project construction contract as bid.
2. **Measure:** % of Funds Encumbered: Percent of the total SFY available budget that is encumbered for projects.
Target: 95% or greater
Explanation: This measure tracks the delivery of the NOACA administered funding commitments in the TIP, both projects originally programmed and those added to the program to utilize additional funding that becomes available.
Calculation: Based on data for the current fiscal year, total NOACA administered program funding encumbered will be divided by total current encumbered and outstanding program dollars.

**RESOLUTION 2016-029
(CAPITAL PROGRAMS PERFORMANCE MEASURES)**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY**

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain and Medina, and the areawide water quality management agency for the same region; and

WHEREAS, the Ohio Department of Transportation (ODOT) distributes Federal Highway Administration (FHWA) funds to NOACA for infrastructure improvement programs; and

WHEREAS, funding is also directly allocated to NOACA by the Federal Transit Administration (FTA) for the administration of the Enhanced Mobility for Seniors and Individuals with Disabilities (5319) program; and

WHEREAS, overall, NOACA receives approximately \$48 M annually that the Board allocates to transportation related projects in the region; and

WHEREAS, to ensure that funds allocated to NOACA capital infrastructure programs are expended optimally, performance measures and targets have been developed for *Project Delivery* and *Funding Efficiency*; and

WHEREAS, performance measures will result in greater transparency and accountability in NOACA's management of allocated public funds; and

WHEREAS, performance measures will help NOACA monitor and manage its investments for better decision-making and to determine whether or not the agency is meeting its financial obligations and objectives; and

WHEREAS, performance measures will be incorporated into the larger strategic and operational performance measurement system that is currently being developed through NOACA's councils, committees and Board in conjunction with the update to the Long-Range Transportation Plan and federal requirements; and

WHEREAS, the recommended revisions will direct staff, Committees and the Board in the prioritization of resources in the periodic update of the Plan and TIP, while ensuring that all areas of the region have access to funding resources and that they are distributed fairly and equitably; and

WHEREAS, the recommended performance measures and targets have been reviewed and recommended for approval by the NOACA Finance and Audit Committee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

Section 1. Capital Programs Performance Measures (attached) are approved.

RESOLUTION 2016-029
(CAPITAL PROGRAMS PERFORMANCE MEASURES)

Section 2. The Executive Director is authorized to transmit certified copies of this resolution to the appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of
Directors of the Northeast Ohio Areawide Coordinating Agency
adopted this 9th day of September 2016.

Secretary: 

Date Signed: SEP 9, 2016

Attachments: Draft Capital Programs Performance Measures