

**ALBERTA
CITIES
TRANSPORTATION
PARTNERSHIP**

**ADMINISTRATIVE
PROCEDURES
MANUAL**

BASIC CAPITAL GRANT

Part 1

Program Guidelines

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For detailed information on grant application procedures and financial reporting requirements see

Basic Capital Grant Part 2 – Applications and Reports.

Note:

In this document **TRANS** refers to **Alberta Transportation**.

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1. BASIC CAPITAL GRANT

One of the major principles of the Basic Capital Grant (B.C.G.) is that the Government and the city work together in partnership. The Government sets the criteria by which projects qualify for funding under this grant and works with the city to set the individual priorities for those projects that meet the eligibility criteria.

Note: *Other transportation grant programs or agreements may refer to these Administrative Procedures, either in whole or in part, as the procedures under which the referencing program or agreement will be administered. In such cases, the name of the referencing program or agreement may be substituted in place of “Basic Capital (B.C.G.)” throughout the referenced portions of this guideline.*

1.1 OBJECTIVES

1.1.1 The objectives of the B.C.G. are:

- To work in partnership with the cities to provide a safe and cost-effective transportation system recognizing broad municipal, regional, and provincial transportation objectives.
- To assist cities by providing capital grant support for the development of major components of the transportation system.

1.1.2 These objectives are met by:

- utilizing the project eligibility criteria and the municipal/regional transportation needs to establish cost-sharable projects and project limits,
- taking a cooperative approach to: reviewing project approvals from a safety and engineering perspective, establishing priorities, implementation scheduling, and timing of conditional grant payments.
- providing conditional per capita cost-sharing grants for eligible projects, subject to annual budget availability.

1.2 TIME FRAME

1.2.1 This program was implemented April 1, 1988 with procedural and eligibility updates effective April 1, 1989, April 1, 1995, and April 1, 2000. Grants are provided annually to eligible municipalities.

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1.3 PROJECT ELIGIBILITY CRITERIA

The types of capital-related projects eligible for provincial cost-sharing under this grant are:

1.3.1 ROADWAYS

To be eligible for cost-sharing, a roadway must be designated as a public road in accordance with the City Transportation Act.

Note: *While the priority for roadway projects rests with the city, the city is encouraged to assign the highest priority to projects on Arterial Streets as defined in the city's current Transportation Bylaw.*

1.3.1.1 Construction, Reconstruction and Resurfacing of Roadways.

The Recommended Design Guidelines should be referenced when undertaking projects, specifically:

- Geometric Design Guide for Canadian Roads
- Recommended Access Control for Arterial Streets
- Design Guidelines for Pedestrian Accessibility
- Easier Access Features for Transit Buses
- Guidelines for Billboards Adjacent to Provincial Highways in Cities

1.3.1.2 Rehabilitation or Improvement of Existing Structures.

Design and construction for bridge rehabilitation projects are eligible for cost-sharing provided that:

- routine maintenance procedures have been carried out on a regular basis and,
- a cost/benefit analysis indicates that rehabilitation of the structure is more cost-effective than replacement,

And one of the following conditions will be achieved:

- the life of the structure will be extended beyond the original (or previously extended) design life,
- the load carrying capacity of the structure will be increased to the current regulated or higher load limits, or
- the traffic carrying capacity of the structure will be increased by the improved geometry of the roadway.

Routine bridge maintenance is not eligible for cost-sharing.
(See Section 1.4.1.6 Non-Eligible Project Criteria)

1.3.1.3 Construction of Railway Grade Separations with Roadways, or with L.R.T.

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1.3.2 UTILITY REHABILITATION

- 1.3.2.1 Rehabilitation of existing water, wastewater, and storm drainage pipes, or replacement with pipes of equivalent size when carried out in conjunction with an accepted road rehabilitation or reconstruction project.

Note: *Where a water, wastewater, or storm drainage pipe size is below the currently defined or generally accepted minimum size, it may be upgraded to the minimum size as part of the cost-shared project. In general, however, upgrading to a larger than existing pipe size is not cost-sharable.*

1.3.3 TRANSIT

To be eligible for cost-sharing, a transit system must be a municipally owned and provincially recognized **public** transit system.

- 1.3.3.1 Construction and Major Rehabilitation of L.R.T. lines, Station Structures, Park and Ride Facilities, and L.R.T. Maintenance Facilities.

- L.R.T. lines must be designated in the City's Transportation System Bylaw.

- 1.3.3.2 Construction and Rehabilitation of Major Public Transit Terminals and Bus Garages.

- 1.3.3.3 Purchase of "Low-Floor" standard 40 foot and accessible community Public Transit Vehicles, articulated transit buses, LRT vehicles, and Specialized Transit Vehicles for Seniors and/or Persons with Disabilities.

- All new buses must be equipped with easier access features, see Design Guidelines – Recommended Standards for Transit Buses.
- Other special vehicles must meet current regulations and provincial guidelines.

- 1.3.3.4 Major Rehabilitation of Public Transit Vehicles when specifically accepted by TRANS.

Note: *Rehabilitation must include incorporation of easier access features, see Design Guidelines Recommended Standards for Transit Buses.*

- 1.3.3.5 Major comprehensive transit stop retrofit programs to achieve a "barrier free path of travel" to accessible transit services. Refer to the Design Guidelines for Pedestrian Accessibility.

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1.3.4 GENERAL - ROADWAY/TRANSIT

- 1.3.4.1 Construction or Implementation of major Transportation Systems Management Projects such as major intersection improvements, major traffic signal coordination, etc.
- 1.3.4.2 Significant Enhancements or Improvements for the Safety of users of the Transportation Systems.
- 1.3.4.3 Restoration of grass-standard landscaping in areas disturbed by the construction or reconstruction of transportation facilities.
- 1.3.4.4 Enhanced landscaping (trees and shrubs) may be considered, on a case specific basis, where it is necessary for the mitigation of the environmental impacts of eligible transportation facilities, subject to prior acceptance by the Minister.
- 1.3.4.5 Right-of-Way and Right-of-Way purchased in Advance of Construction to be utilized in five years. Cost-sharing is generally as follows:
 - (a) The actual costs of right-of-way, easement or land required for an accepted project will be eligible for cost-sharing.
 - (b) Right-of-way may only be claimed during the time of actual construction of an accepted project or, upon agreement with TRANS, up to five years in advance of construction of a programmed eligible project. For example, right-of-way purchased in 2000 may be claimed in 2000 if construction of the eligible project is to commence in 2004 or sooner.
 - (c) Eligible costs include original purchase price, actual carrying charges (including accrued interest and maintenance costs), demolition, and legal and litigation costs when specifically accepted by the department.
 - (d) In cases involving expropriation, the city is advised to consult with TRANS to confirm the extent of cost-sharing; the city's offered purchase price is to be based on appraised value. The Province may not cost-share on expenditures related to excessive delays in expropriation matters or any costs that are considered to be excessive.
 - (e) Included as credit items to the above costs are salvage value of any improvements on the original site, proceeds from sale of residual lands, appraised value of residual land in year of construction and net income from land purchased in advance of construction.

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- (f) The city will be required to submit, with its annual statement of funding and expenditures or as otherwise requested, a summary and plan of the right-of-way claimed for cost-sharing. This document must describe what right-of-way was purchased, including details of the original purchase cost, carrying charges, credit items, value of residual land, etc.
- (g) Where applicable, the annual statement must include a brief status summary of current and prior year's expenditures of advance right-of-way purchases including project description, property acquired to date, implementation schedule, year right-of-way was claimed, and total expenditures.
- (h) If the city has claimed advance right-of-way purchases and does not commence construction on the designated project within the five year limitation, then previously claimed right-of-way expenditure may be deducted from future grant allocations.

1.3.4.6 Financing Costs for Right-of-Way Purchases except Advance Right-of-Way, are eligible at time of construction.

1.3.4.7 City-wide Transportation Planning Studies and major Systems Planning Reviews.

- Due to the impact that these general studies have on the regional and provincial transportation system, TRANS may, at its discretion, be represented on the consultant selection committee and the technical steering committee for the project.
- A variable cost-sharing rate, and/or a maximum contribution determined appropriate by the department, may be assigned to these studies.

1.3.4.8 Functional Planning and Design Studies for Eligible Roadways, and Public Transit Capital Projects, Feasibility Studies for new public transit system, and accessible/Specialized Transportation Review Studies.

- Provided the terms of reference for the study are mutually agreed upon and TRANS staff is invited to participate on the technical steering committee for the project.

1.3.4.9 Transportation Studies to address specific Environmental and/or Safety Concerns including Environmental Impact Assessments.

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1.4 NON-ELIGIBLE PROJECT CRITERIA

On accepted projects under the B.C.G. the following items are specifically **not** eligible for cost sharing with the Government, even though costs may have been incurred by the city, unless specifically approved in writing by TRANS:

1.4.1 ROADWAYS

1.4.1.1 All work on alleyways (back-lanes).

1.4.1.2 *Deleted.*

1.4.1.3 All roadway maintenance and structure maintenance activities such as snow removal, sanding, pot-hole repairs, crack sealing, annual bridge inspections.

1.4.1.4 The rehabilitation of short isolated sections of sidewalks walkways, bicycle paths, etc. (the repair/replacement of short sections of sidewalks is considered to be routine maintenance)

1.4.1.5 Eligible sidewalks are cost-sharable up to concrete standards only; paving stone standards are not eligible. (Refer to Design Guidelines for Pedestrian Accessibility).

1.4.1.6 Routine bridge maintenance, such as:

- Annual cleaning and washing of the bridge drains, abutments, piers, and superstructure,
- Regular painting and sealing of all concrete and steel surfaces,
- Spot repairs of the overall structure as well all attachments to the structure,
- Periodic adjustment, repair or replacement of bearings and expansion joints,
- Periodic routine inspections and the production of inspection reports (such reports, however, may lead to the initiation of cost-sharable design and rehabilitation projects).

1.4.2 TRANSIT

1.4.2.1 Transit operating and regular maintenance costs.

1.4.2.2 Small equipment items for transit garages.

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- 1.4.2.3 That portion of L.R.T. station, transit centre and transit garage costs that are not required for public transit use (such as retail/commercial space, storage and maintenance of school buses, etc.)
- 1.4.2.4 Transit shelters and transit stop improvements that are not part of a major system upgrading program and do not support the objective of a barrier-free environment for seniors and persons with disabilities.
- 1.4.3 GENERAL - ROADWAYS/TRANSIT
 - 1.4.3.1 All costs on roadway and L.R.T. construction projects incurred outside of the project limits as may be defined by TRANS (In general, the project's limits consist of the width of the right-of-way or easement for the transportation facility and the length, from where-to-where, as approved by TRANS in the city's project application.)
 - 1.4.3.2 Regulatory, pedestrian and warning type signs except when they are included as part of an accepted construction project.
 - 1.4.3.3 All storm sewer costs except those costs associated with draining the transportation project's right-of-way. (The eligible storm sewer costs are based on the percentage of the total flow requirement directly attributable to draining the transportation project's right-of-way only.)
 - 1.4.3.4 Any project whose primary intent is beautification.
- 1.4.4 GENERAL - ADMINISTRATIVE
 - 1.4.4.1 Administrative and Project Management staff salaries (including those cases where a person's time may be dedicated to an eligible project) and related expenses.
 - 1.4.4.2 Administration related capital costs, such as overhead, business machines, office space and supervision vehicles.
 - 1.4.4.3 Financing costs.
 - 1.4.4.4 Legal expenses and litigation costs except for right-of-way acquisition unless specifically accepted by the department.
 - 1.4.4.5 Costs borne by others such as developers, railway companies, private organizations and other government agencies.

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1.4.4.6 All non-transportation related costs.

1.4.4.7 Goods and Services Tax (G.S.T.).

1.4.4.8 Any other item that the Minister of Infrastructure and Transportation may, from time to time, determine as ineligible for provincial cost-sharing. In cases where clarification is required, TRANS staff should be consulted.

1.5 SPECIAL CONDITIONS

1.5.1 WORK OUTSIDE CITY LIMITS

Whenever a portion of a cost-shared project is proposed to extend beyond a city's corporate limit, funding approval to proceed with such work must first be obtained from TRANS and will be subject to the following procedures:

1.5.1.1 For purposes of budget allocation and reimbursement by the Government, the city is to advise TRANS, at least one year in advance, of any contemplated construction beyond its corporate limits that involves extension onto the provincial highway transportation system (or other external roadway) and provide a cost estimate of the portion of the construction work occurring outside the city limits.

1.5.1.2 Upon preliminary acceptance of the project, the city will need to submit to TRANS a request for authority to proceed with the construction work along the external roadway. A written agreement must then be entered into between TRANS and the city concerning work to be undertaken by the city outside its corporate limits. When construction is completed, the actual cost of the project is to be calculated and submitted to TRANS. The final construction cost amount will be used to confirm the actual payment amount. TRANS will be responsible for the coordination of all information concerning projects outside city limits.

1.5.2 AWARD OF CONTRACTS

Where projects are undertaken by the city and those projects are accepted by TRANS as qualifying for provincial funding:

1.5.2.1 A city may award contracts for construction of a transportation facility by public tender, based on either unit prices or lump sum amounts, in accordance with procedures prescribed by the Minister.

1.5.2.2 In some instances, where approved by the department, the city may construct the facility with its own labour subject to the note below. (City Transportation Act, Alberta Regulation 301/80, Clause 6(1)).

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Note: *In those cases where the city utilizes its own labour on cost-sharable projects, the city is required to submit an economic analysis to TRANS indicating that this will result in a lower cost or more cost-effective project.*

- 1.5.2.3 Where the city recommends that any tender other than the low tender be accepted, the city must submit its recommendation respecting such awarding, together with details of all tenders received to TRANS for its written approval.

1.6 CREDIT ITEMS

The following credit items shall be applied to an accepted project under the B.C.G. on which provincial conditional grant funds have been expended by a city:

- 1.6.1 The salvage value of any material obtained from removal or demolition of any structure or any part of the facility or goods required for construction and not used.
- 1.6.2 The actual sale price of any residual lands and improvements and, if sold prior to construction, accrued interest at rates earned by the city.
- 1.6.3 The appraised value, at the time of project construction, of any residual land and improvements purchased but not sold prior to construction.
- 1.6.4 The net income from all land purchased until sale of the land or time of construction, whichever comes first.
- 1.6.5 The income from the sale of buses or other capital items that previously received a financial contribution from the Province.
- 1.6.6 The funding from other sources such as developers, railway companies, private organizations and other government agencies (including other provincial government departments).
- 1.6.7 The non-grant funding from non-profit organizations may be considered to form part of the city's share of the project costs.

Note: *Funding from other grant programs may not be used as the city's share of the project cost unless specifically approved by the Minister. Similarly, the B.C.G. may not be used as the city's share of any project funded under other grant programs unless specifically approved by the Minister.*

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1.7 URBAN ROADWAY PAVEMENT CONDITION MONITORING

During the November 30, 1999 joint AI/AUMA/City Technical Committee meeting, it was agreed that the cost-sharable network under the Basic Capital Grant component of the Alberta Cities Transportation Partnership, for cities other than Calgary and Edmonton, would be expanded subject to the implementation of a pavement condition monitoring and reporting procedure.

To that end, the following procedure has been added to the Administrative Procedures for the Basic Capital Grant component of the Alberta Cities Transportation Partnership.

1.7.1 TRANS, in consultation with the municipality, will designate a selected group of streets to be monitored, annually, by the municipality: Streets will be selected on the following basis:

- All designated Provincial Highway Connectors (PHC) under municipal jurisdiction.
- Where PHC constitute less than 25 percent of the municipality's current total arterial street network, other important regional streets or significant designated truck routes will be added up to approximately 25 percent of the network.
- For any selected street, the entire street is deemed to be included for monitoring, even if the 25 percent criterion is exceeded.
- Once selected, the designated streets are to be monitored by the municipality each year.
- In the event that responsibility for a PHC under municipal jurisdiction is subsequently transferred to the province, it will be deleted from the designated group of streets and replaced by an approximately equal length of other important regional street or significant designated truck route.

1.7.2 The municipalities will update and validate annually, and report to TRANS annually, the Visual Condition Index (VCI) for each segment included on the designated streets.

- Updating of the VCI data should be conducted by an independent professional organization specializing in pavement condition monitoring.
- Where practical, automated techniques should be incorporated into the data updating procedures.

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- The condition report shall highlight all street segments with a VCI less than 5.0, and shall include a multi-year plan for restoring the designated streets to an acceptable standard.

Note: *While the VCI may be used as an “indicator” of the need for pavement rehabilitation, it is recommended that other more rigorous indicators, such as roughness and strength, be used in determining the optimal timing and strategy for the rehabilitation.*

1.7.3 **The Pavement Condition Report** should be submitted to TRANS with the municipality’s annual Application for Program Acceptance.

- The collection of pavement condition data is eligible for cost-sharing under the Basic Capital Grant.

1.8 APPLICATION AND REPORTING PROCEDURES

For information on grant application procedures and financial reporting requirements see **Basic Capital Grant – Applications and Reports**.

For further information and/or assistance contact the Regional Director in your region.