2019 BUILD Additional Guidance

Benefit-Cost Analysis Guidance for Applicants

Each applicant to the BUILD grants program should provide a benefit-cost analysis (BCA) for their proposed project. BCA is a systematic process for identifying, quantifying, and comparing expected benefits and costs of a potential investment. The information provided in the applicants' BCAs will be evaluated by USDOT, and will be used to help ensure that the available funding under the program is devoted to projects that provide significant economic benefits to users and the Nation as a whole, relative to the resources required to implement those projects.

Applicants should consult the "Benefit-Cost Analysis Guidance for Discretionary Grant Programs" when preparing a BCA for a BUILD Grant application. This guide contains key information on procedures for conducting benefit-cost analysis, standard monetization values for many benefits, and other useful guidance for preparing a BCA for submission as part of the application. Applicants who need additional help after reading this guidance (and the reference materials cited therein) should contact USDOT staff, who are available to answer questions and offer technical assistance up to the final application deadline.

Project Readiness Guidance for Applicants

As applicants develop their applications, there are some guidelines on project readiness that they should consider. By statute, BUILD funds must be obligated within three years of the end of the fiscal year for which they are authorized. Obligation occurs when a selected applicant enters a written, project-specific agreement with the Department and is generally after the applicant has satisfied applicable administrative requirements, including transportation planning and NEPA requirements. Because of this deadline for obligation, it is important that the application package include sufficient evidence of project milestones (including planning, NEPA, and permitting milestones) achieved and remaining, as well as financial capacity and commitment in order to support project readiness.

Applicants should be aware that each operating administration with the responsibility for obligating the BUILD Grant funds has its own regulations, policies, and procedures that may apply to projects selected. In some cases, an operating administration may obligate a portion of the overall award amount for the purpose of completing eligible pre-construction activities, delaying the balance of the obligation of funds until all pre-construction requirements have been completed. Generally, DOT may not obligate for construction until all planning and environmental approvals are obtained and right-of-way acquisitions and final design are complete. If a project is selected for a BUILD Grant and the Grant funding will be used to complete these activities, DOT may obligate the funding in phases, in accordance with the laws, regulations, and policies of the operating administration that is administering the grant.

The guidelines below provide additional detail on some pre-construction activities that are required prior to the total award being obligated (including, but not limited to, planning requirements Submit Feedback >

approvals, right-of-way acquisitions, and design completion). Suggestions for milestones each project should target to obligate the full amount of awarded BUILD Grant funds, in advance of the obligation deadline are also provided. Applicants should demonstrate that they can reasonably expect to complete all of these activities and pre-construction so that all Grant funds are obligated in advance of the statutory deadline. The applicant should be able to demonstrate that any unexpected delays will not put BUILD Grant funds at risk of expiring before they can be fully obligated. With regard to the permitting approach, the applicant should provide adequate information for DOT to assess whether the remaining environmental review and permitting milestones can be achieved through this approach in order for obligation within the statutory timeframe. Applicants that are unfamiliar with, or have questions about, the requirements that a proposed project or projects may need to complete in order for the operating administration to obligate Grant funds may contact BUILDgrants@dot.gov with questions. The below information is not an exhaustive list, but rather an overview of the requirements that may need to be completed Grant funds can be obligated by the operating administration that is administering the Grant.

State and Local Planning

A project that receives Grant funds may require approval by the Metropolitan Planning Organization or State as part of the Long Range Plans and Transportation Improvement Program (TIP)/Statewide Transportation Improvement Program (STIP). Applicants should coordinate with the relevant planning authority to ensure that the project will be included in the appropriate plan if required before an operating administration may obligate funds to the project. If the project is not included in the relevant planning documents when the BUILD application is submitted, applicants should include with their application a certification from the appropriate planning agency that actions are underway to include the project in the relevant planning document. If the obligation of BUILD Grant funds for construction or other activities is contingent on the project being included in the relevant planning documents, applicants should include a schedule in their application demonstrating they reasonably expect to have the project included in such planning documents by the statutory deadline.

Environmental Approvals

Projects should have received or have substantially completed all Federal, State and local permits and approvals, including National Environmental Policy Act ("NEPA") analysis, at the time the application is submitted. The application should include adequate information to assess the ability to obtain any remaining environmental reviews and permitting in a time period that would allow funds to be obligated within the required timeframe. If any part of the environmental review or permitting process is incomplete at the time of application, the applicant should demonstrate, through their project schedule, narrative and supporting documents, that they will complete NEPA and obtain any other necessary permits and approvals, as well as complete all additional, necessary pre-construction steps by the statutory obligation date and, if appropriate, how the applicant distinguishes the permitting approach as appropriate to achieve this result.

If the obligation of Grant funds for construction or other activities is contingent on completion of other approvals that can only take place after the environmental approvals process, the applicant should demonstrate, through their project schedule, narrative, and supporting documents, that they can reasonably expect to obtain all environmental approvals by the statutory date. Like planning, environmental approvals must be obtained prior to completing other pre-construction project elements.

To demonstrate that this suggested milestone is achievable, the applicant should provide sufficient documentation for DOT to adequately review the project's environmental approval status. Applicants should provide information about the anticipated type of NEPA review; the budget for completing NEPA including hiring a consultant if necessary; and a schedule that demonstrates when NEP

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The schedule should show how the suggested milestones described in this section will be achieved, and include any ongoing or anticipated coordination with Federal and State resource and/or regulatory agencies for permits and approvals. Additionally, it should include target dates for all NEPA and permitting milestones including interim steps (i.e. Permit application) necessary to receive any required review or permit.

The budget should demonstrate how costs to complete the required environmental approvals factor into the overall cost to complete the project. The budget and schedule for completing the environmental approvals should be reasonable and be comparable to a budget and schedule of a typical project of the same type. Additionally, the applicant should provide any environmental studies or other documents (preferably by way of a website link) that describe in detail known project impacts and possible mitigation for these impacts.

Right-of-Way and Design

The obligation of BUILD Grant funds for construction or other activities by an operating administration may be contingent on completion of right-of-way acquisition and final design approval, and/or additional approvals contingent on completion of right-of-way acquisition and design. Therefore, applicants should demonstrate, through their project schedule that they reasonably expect to have right-of-way acquisition and design completed, as well as any other needed approvals or pre-construction steps. Applicants should submit a reasonable schedule of when right-of-way (if applicable), design, and any other required approvals are expected to be obtained. Applicants may expect that DOT may obligate funds for right-of-way acquisition and design completion only after planning and environmental approvals are obtained.

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