

# MaineDOT's Municipal Partnership Initiative

## *Municipal Guide*

### **Purpose of the Initiative**

MaineDOT's Municipal Partnership Initiative (MPI) is intended to be a streamlined program to address municipal requests that deal with transportation infrastructure issues on state and state-aid highways, encourage economic opportunities and make improvements to infrastructure to increase its life or correct safety deficiencies.

The program is designed to promote partnerships between MaineDOT and municipalities by leveraging additional resources on a voluntary basis to match limited state resources. The goal is to make improvements to state and state-aid highways by utilizing more flexible project delivery methods.

### **MPI Grant Requirements**

The intent of the Municipal Partnership Initiative is to make improvements to the core of a road through various pavement preservation treatments, highway rehabilitation, or reconstruction. In order to be eligible, each project must also meet the following additional criteria:

- *Professional Engineer Certified:* Unless waived by MaineDOT's Chief Engineer, all projects must be designed by an engineer licensed in the state of Maine. Once the project is constructed, the engineer of record must certify that it was constructed in accordance with the plans and specifications and MPI requirements.
- *10-Year Useful Life:* Unless waived by MaineDOT's Chief Engineer, the work must have a minimum 10-year useful life.
- *Deliverability:* Procurement and construction are administered by the municipality. In which case, the municipality must demonstrate to MaineDOT it has the ability or can obtain the ability to administer the project. Construction must commence within eighteen (18) months and construction must be certified complete in thirty-six (36) months from when the Municipal Partnership Agreement is signed. If timelines are not met, MaineDOT may opt to reallocate funding to other eligible projects in other municipalities.
- *Public Involvement:* The municipality is responsible for leading the public involvement process consistent with all laws, including Maine's Sensible Transportation Policy Act. The value and extent of documented municipality support will be considered a project benefit.
- *Betterment of the State Transportation System:* The work covered must be a betterment of the state transportation system. The MPI is not intended to fund improvements required as a condition to a Highway Opening Permit or mitigation for a Traffic Movement Permit. (Improvements required by a Traffic Movement permit may be eligible for MaineDOT's Business Partnership Initiative funding.)
- *Multiple Party Agreements:* The municipality and all involved parties must be willing to enter into a Municipal Partnership Agreement whereby the MPI grant amount is capped based on project estimates at the time of MPI application submittal. Future roadway maintenance should remain the same unless a change is negotiated between MaineDOT and the municipality.

- *Right-of-Way Acquisition:* MPI grants will only reimburse for the right of way required for the transportation betterment. Most projects are expected to be within existing right of way; however, the municipality may be asked to secure any needed property rights in accordance with all applicable state and federal law. Municipalities shall be prepared to convey acquired rights to MaineDOT upon completion of the project.

## Funding

State funding for MPI projects is limited by available state funding. MaineDOT anticipates having approximately \$8 million annually for the Municipal Partnership Initiative. Maximum funding shares will be based on the table provided below.

To better provide access to this program throughout the state, a three-tiered share approach is used to determine the maximum MaineDOT share based on the most current municipal valuation published by the Maine Revenue Service. Please see the table below to find your municipal share.

Municipal Valuation	Maximum MaineDOT Share	Minimum Municipal Share	MaineDOT Share CAP
1. Less than \$200 Million	80%	20%	\$1,200,000
2. \$200 to \$350 Million	70%	30%	\$1,050,000
3. \$350 to \$550 Million	60%	40%	\$900,000
4. Over \$550 Million	50%	50%	\$750,000

MPI funding is not available to supplement funding for any other published capital project in MaineDOT's work plan.

The MPI program, since its inception, has been very well received. Demand has always exceeded available resources. Thus, consideration will be given to municipalities proposing higher municipal shares when requesting an MPI.



Municipalities with valuations of less than \$350 million may apply for financing of MPI projects through low interest State Infrastructure Bank loans. These loans will have a maximum 10-year term, with interest compounded annually, and repayment will be billed annually. Municipalities should express a desire to borrow funds in their application letter. Alternatively, there are repayment options available through reductions in Local Road Assistance Programs annual payments.

Municipalities may utilize in-kind services and provide materials to cover all or a portion of their share, depending upon the scope of the project. Rates for these services and material costs shall be the actual rates for their staff and equipment, and actual costs for materials. Rates and materials costs must be corroborated by the municipality's financial accounting system.

Municipalities that do not have a full-time engineer on staff, nor have a consulting engineering firm on retainer, may be eligible for a professional engineering grant solely for preliminary engineering. Engineering grants for preliminary engineering shall have a funding split of 70% MaineDOT funds to 30% local funds.



## Project Selection

MaineDOT continuously accepts project application letters. Eligible projects will typically be selected during the first quarter of the year or until funds are exhausted. Remaining applications will be considered in the next funding cycle.

Selection will be based on the following (in no specific order):

- *Safety*: The improvement will impact a direct safety need, such as an infrastructure improvement that addresses an area with a high crash history or a potential for hazardous conditions. Improvements that address deficiencies for multiple modes of transportation will be given higher priority.
- *Degree of Betterment*: Projects that provide a greater infrastructure benefit than others by reducing maintenance costs, improving ride quality, or increasing mobility will be given higher priority.
- *Customer Benefit*: Preference will be given to projects based on the amount and degree of benefit that travelers will realize from the improvement. Projects on higher priority corridors will be given preference.

- *History of Prior Repairs or Maintenance:* Preference will be given to projects that address issues that have a history of frequent maintenance repairs.
- *Maintenance and Capital Benefit:* Projects that are on highways with low Pavement Condition Ratings (PCR) will be given higher priority.
- *Percentage of Local Match:* The greater the percentage of non-state funding, the greater the likelihood the project will be selected.
- *Community Support:* Support of the project from users, abutters, businesses, and other community entities will be evaluated.
- *Utility Upgrades:* Municipalities should coordinate proposed projects with local utilities prior to applying for an MPI. Projects with underground utility upgrades will be given higher priority.
- *Prior MPI Awards:* MaineDOT will seek to fund eligible projects in all interested municipalities prior to issuing multiple grants to the same municipality.
- *Economic Development & Job Creation:* Preference will be given to projects that allow for job growth and facilitate economic development.
- *Local Funding Share:* The municipality must certify that the local share is not part of the MaineDOT work plan.



## Project Administration

Projects shall be administered by the municipality with professional engineering oversight, and by their procurement processes. MaineDOT will only review projects at completion of design and construction. The focus of MaineDOT's review will be to ensure that the project will achieve the above selection criteria, and not degrade safety. MaineDOT will reimburse entities once the work is completed to the satisfaction of MaineDOT. For large projects, subject to available funding, MaineDOT will consider partial payments based on project progress.

## Application Process

- Review the program criteria in this guide.
- Reach out to the Region Office ([www.maine.gov/mdot/about/regions/](http://www.maine.gov/mdot/about/regions/) or call 624-3600) to discuss project merits and expected funding availability. The Region Engineer is the point of contact for all MPI inquiries.
- Submit a letter describing the project and its benefits in the following categories:
  - a. Safety Improvements
  - b. Degree of Betterment
  - c. Customer Benefit



- d. History of Prior Repairs or Maintenance
  - e. Maintenance and Capital Benefit
  - f. Percentage of Local Match
  - g. Community Support
  - h. Utility Upgrades
  - i. Prior MPI Awards
  - j. Economic Development and Job Creation
- Submit an opinion of cost to complete the project. This estimate can include the cost of engineering work prior to and during construction and will become part of the Municipal Partnership Agreement later if your project is accepted. Municipalities proposing to allocate a greater share than the minimum percentage will be given favorable consideration.
  - MaineDOT will evaluate and prioritize all candidate projects within available funding.
  - Municipalities must execute signed agreement within 3 months of project acceptance notification.





## ***FAQs Regarding the Municipal Partnership Initiative***

1. Q: To whom do I send the application letter requesting an MPI project? Is there a backup person I can contact?  
A: The application letter should be sent directly to the Region Engineer for your area to begin processing. Preferably, it should be sent via email; however, a hard copy will be accepted as well. Should you be unable to reach the Region Engineer, you may contact the MaineDOT Region Manager at the same address. Region Office locations and phone numbers can be found at the following internet website: [www.maine.gov/mdot/about/regions/](http://www.maine.gov/mdot/about/regions/)
2. Q: What type of funds can a municipality use for its share of an MPI?  
A: MaineDOT has no opinion on the source of local funds outside of other MaineDOT and MPO funding contributions.
3. Q: Can our municipality get approval for funding in one year and begin construction the prior year?  
A: Yes, but there are two caveats. First, reimbursement cannot take place until the funding year. Second, the town must be willing to accept the risk that the MPI program may not be fully funded for that year.



4. Q: If a town's application overestimates the actual costs of the MPI work, can the municipality "roll it" into a new MPI?
- A: No, the surplus project funding amount is returned to the pool of MPI funding for that year.
5. Q: Once the MPI is approved and the Municipal Partnership Agreement is signed, can a municipality modify the MPI estimate and receive more funding?
- A: No, the MaineDOT cost share amount specified in the Municipal Partnership Agreement cannot be increased. The burden of cost overruns will be the responsibility of the municipality.
6. Q: Are there federal funds involved, or is it all state money?
- A: MaineDOT's share of Municipal Partnership Initiative funding is state funding only.
7. Q: Can we utilize a Business Project Initiative (BPI) and MPI together on the same project?
- A: No, not on the same project.
8. Q: When are the final invoices due to get a final reimbursement check?
- A: The invoices requesting reimbursement to the municipality must be received within 12 months of project completion and the project must be completed within 36 months of signing the Municipal Partnership Agreement.
9. Q: Is the municipality responsible for wage rate confirmation as required by the following law: *"Effective September 19, 2019, any public works project that is 1) contracted out AND is funded with state funds (partial or fully funded) AND 2) totals \$50,000 or more will require provisions for paying construction trade workers at least the prevailing minimum wage and benefit rates set by the Maine Department of Labor for the locality and type of construction."*?
- A: Yes.



10. Q: Do MPI projects have to follow MaineDOT Standard Specifications?
- A: No. Generally accepted engineering standards and specifications may be utilized; however, unless waived by the Chief Engineer, projects must be designed by an engineer licensed in Maine. Once constructed, the engineer of record must certify that the project was constructed in accordance with the plans and specifications. In addition, design exception(s) to controlling design criteria shall be listed on the plan set title sheet.
11. Q: Does MaineDOT require any materials testing during construction or after the project is completed?
- A: No. Any quality assurance/quality control testing shall be determined by the engineer of record and performed under the jurisdiction of the municipality.



12. Q: Can a municipality use MPI funds for mitigation for a developer project required by a Traffic Movement Permit?
- A: No. If MaineDOT participates in mitigation for a TMP, it will be through the Business Partnership Initiative (BPI).
13. Q: What's the smallest amount of funding a municipality can request for an MPI?
- A: There is no improvement that is too small. MPI's have been funded for as little as \$5,000 and as large as \$8,000,000.



14. Q: Can a municipality begin the application process for an MPI without having the town's funding fully encumbered at the time of application?
- A: A municipality can request an MPI project and then receive approval of the municipal cost share through their local budgeting approval process.
15. Q: What type of projects qualify for MPI?
- A: Paving, drainage, combined sewer overflows (CSO), bridges, intersection improvements, or retaining walls, on any state or state aid highway regardless of Urban Compact Limits
16. Q: What type of projects do not qualify for MPI?
- A: Projects consisting solely of sidewalks, benches or other landscaping improvements, street lighting, striping, and other ancillary items. These may be included as components of a larger project addressing the core of the road. Projects on local roads do not qualify.
17. Q: What are our options if bids come in too high?
- A: MaineDOT will not offer additional funds to cover overruns.
18. Q: Can a municipality back out of an agreement once it is signed?
- A: Due to the popularity of the MPI program, MaineDOT encourages municipalities to commit to their projects and not tie up limited resources. That said, we do understand that circumstances change. In any event there is no penalty for backing out of an MPI project.
19. Q: I have a project that will cost \$4 million. May I submit an application once and receive funding for 4 years in a row?
- A: No. Funding is on an annual basis.

