Project Readiness Checklist for DOT Discretionary Grant Applicants

Introduction

Some U.S. Department of Transportation (DOT) discretionary grant programs review and score grant applications on "project readiness," a term that refers to how ready an applicant is to deliver a project. Each program's Notice of Funding Opportunity (NOFO) will state whether DOT intends to review or score the application for project readiness. Sometimes "project implementation" or "project planning" may be used to indicate the same concept.

This checklist provides generalized background and guidance on factors to consider for project readiness. It does not constitute a standard, specification, or regulation or create requirements other than those stipulated in statute and regulation.

Why is Project Readiness an Important Consideration?

For many grant programs, Congress identifies in statute the deadline by which grant funds must be committed. This is known as the *obligation date* and is always included in the NOFO. DOT NOFOs may also prioritize projects that can be obligated quickly. Many programs also have a date by which all federal grant funds must be *expended*. In most cases, any work performed after the expenditure deadline is not federally reimbursable, even if grant funds remain unspent.

A high level of "project readiness" can help ensure the project sponsor is able to meet both deadlines and that federal funds are used efficiently. Therefore, applicants should consider whether to defer applying to a program until they are sufficiently ready. This is especially important for construction projects that have additional steps that must be completed to be "project ready."

Although the stages may vary depending on the type of contracting method used, in general the stages for construction projects include:

- Planning/Scoping Complete
- Preliminary Design Complete (~35% designed)
- Final Design Complete, Ready to Advertise (100% designed)
- Advertisement/Selection Complete, Ready to Award Contract
- Notice to Proceed Issued – Construction Begins

Project Readiness Checklist

☑ Complete the transportation planning process to set your project up for success.

A well-thought-out project includes stakeholder engagement and alignment with regional and/or state transportation plans, local land use and comprehensive plans, and necessary engineering and design plans. Planning efforts that may factor into project readiness include:

- Complete meaningful public involvement activities[1] and develop a plan for ongoing engagement throughout the life of the project.
- Complete the necessary project concept and scoping activities.
- Develop at least a baseline or preliminary project delivery schedule and cost estimate to complete the project.
- Ensure you have met or are able to meet federal transportation planning regulations, such as metropolitan transportation planning requirements set forth in 49 USC 5303 and 23 USC 134 and nonmetropolitan and statewide transportation requirements set forth in 49 USC 5304 and 23 USC 135.
- Coordinate at the state and/or regional level with your Metropolitan Planning Organization (MPO) if in an urban area and with the State Department of Transportation (DOT) if in a rural or urban area to ensure the project is included, or can be included within the next 12 months, on the metropolitan[2] and/or statewide transportation improvement programs[3] (TIP/STIP).
- Engage and coordinate formal agreements, if necessary, with other relevant transportation partners such as freight rail carriers, airport or port authorities, county transportation departments, or others whose involvement or approvals may be necessary to advance your project.
- If you *will not be the direct recipient of the funds*, contact the entity that will be the direct recipient to coordinate on their environmental/National Environmental Policy Act (NEPA) compliance procedures. For instance, if the funds flow through the State DOT, MPO, or transit agency before received at the local level the entity that received the funds directly from DOT is the direct recipient.
- If you *will be the direct recipient of the funds*, you will need to identify and coordinate with the entity responsible for environmental/NEPA compliance, referred to as the NEPA lead agency. The

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[1] USDOT Volpe Center, Project Delivery Center of Excellence Project Delivery Toolbox, "Public Engagement", https://www.volpe.dot.gov/project-delivery/toolbox/public-engagement.

[2] USDOT Federal Transit Administration, "Transportation Improvement Program (TIP)", https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/transportation-improvement-program-tip.

[3] USDOT Federal Transit Administration, "Statewide Transportation Improvement Program (STIP)", https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/statewide-transportation-improvement-program-stip.

NEPA lead agency will generally be the federal agency (identified in the NOFO) distributing the funds. Most State DOTs and some transit agencies lead the process for projects that qualify for a Categorical Exclusion (CE).

☑ Plan for completion of environmental review and permitting requirements.

Any construction project that receives federal funding must comply with federal environmental laws, including but not limited to the [National Environmental Policy Act of 1969 (NEPA)](#)[4]. These often entail different requirements from those at the state level. Applicants should be aware, for example, that in most cases they must complete NEPA before they can proceed to final design and acquire real property.

For planning projects, check the program NOFO to see what types of planning activities the discretionary grant can fund, including for NEPA and other environmental planning activities.

Below are some tips for navigating federal environmental review and permitting requirements:

- The NOFO will indicate if the costs associated with planning and NEPA compliance are reimbursable, may be covered by advanced payment, or are an ineligible grant expense. If they are eligible expenses, determine if you will use grant funds for this purpose and indicate that in the grant application as part of the project budget.
- Walk the site and create a map of your project that includes any buildings and historic or environmental resources that you are aware of as a starting point. When you consult with your environmental lead agency for the project, they may ask for such a map to help determine what level of documentation will be required.

NEPA Class of Action

Compliance with NEPA will require preparation of one of three types of documents, referred to as 'Class of Action.' They are a Categorical Exclusion (CE), an Environmental Assessment (EA), and an Environmental Impact Statement (EIS).

- CE is a category of actions that, based on federal experience with similar actions, do not involve significant environmental impacts. Different operating administrations within DOT have different types of CEs. See, for example [CE guidance for projects funded by the Federal Transit Administration](#) versus [CE guidance for projects funded by the Federal Highway Administration.](#)
- An EA determines whether a federal action has the potential to cause significant environmental effects while an EIS is required for projects that significantly affect the quality of the human environment and require the most analysis and documentation to demonstrate compliance with applicable environmental laws and executive orders.
- Some projects, for example those that fall within the operational right-of-way of an existing transportation facility and/or those do not require ground disturbing activities, may only require a simple CE to comply with NEPA/environmental requirements.
- Projects that require relocations or impacts to historic or environmental resources may require more extensive environmental analysis and documentation. In these cases, consider hiring a consultant to help with the process. If you intend to hire a consultant to assist with preliminary design, environmental compliance may be included in their scope of work.

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[4] USDOT, "NEPA Resources", https://www.transportation.gov/tiger/nepa-resources.

- Consider the environmental review and approval timeline in the context of grant obligation requirements – can your project be reasonably expected to receive necessary approvals in advance of the NOFO's published obligation deadline? Ideally, you will be able to indicate which agency is the lead agency for NEPA/environmental process and the appropriate Class of Action for your project when you complete the grant application. Determine where your project is in the environmental review and approval process[5]; if applicable, document receipt of environmental permits and approvals (including Federal, state, and local authorizations).
- Develop a clear schedule for the completion of any outstanding environmental reviews/authorizations, if applicable. For example, document timelines for public engagement, submission of applications to authorizing federal agencies, and expected timelines for decisions from agencies. For projects that require an EA or EIS, applicants should start or complete the NEPA process before applying.

☑ Consider your project's civil rights compliance and equity considerations and outcomes.

Federal public involvement and equity requirements[6] can help an individual project contribute to a more equitable overall transportation system. Consider, for example:

- Does your project comply with Civil Rights (Title VI)[7] requirements, including specifically to prohibit discrimination in the workplace?
- Does your project comply with Americans with Disabilities Act (ADA)[8] requirements? Find more information about incorporating accessibility in transportation projects in this FAQ[9].
- Does your project comply with Build America Buy America[10] requirements? Different operating administrations have different requirements and waivers for types of products. Check to see what information may be available for your specific program or its sponsoring agency.
- Do you have a workforce development plan[11] or other provisions that can help to create job and job training or apprenticeship opportunities associated with delivering the project?

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[5] USDOT Volpe Center, Project Delivery Center of Excellence Project Delivery Toolbox, "Environment", https://www.volpe.dot.gov/project-delivery/toolbox/environment.

[6] USDOT Volpe Center, Project Delivery Center of Excellence Project Delivery Toolbox, "Equity", https://www.volpe.dot.gov/project-delivery/toolbox/equity.

[7] Department of Justice, Civil Rights Division, "Title VI Of The Civil Rights Act Of 1964 42 U.S.C. § 2000d Et Seq.", https://www.justice.gov/crt/fcs/TitleVI-Overview.

[8] Federal Highway Administration, "Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 (504)", https://highways.dot.gov/civil-rights/programs/americans-disabilities-act-ada-and-section-504-rehabilitation-act-1973-504.

[9] USDOT Navigator, "Frequently Asked Questions on Incorporating Accessibility in Transportation Projects", https://www.transportation.gov/grants/dot-navigator/frequently-asked-questions-incorporating-accessibility-transportation-projects.

[10] Office of Acquisition Management, "Build America Buy America", https://www.commerce.gov/oam/build-america-buy-america.

[11] USDOT Navigator, "Grant Application Checklist for a Strong Transportation Workforce and Labor Plan", https://www.transportation.gov/grants/dot-navigator/grant-application-checklist-for-strong-workforce-and-labor-plan.

☑ Ensure you have the ability to secure the non-federal share[12] according to the program's requirements identified in the NOFO.

DOT understands that projects may not have their non-federal match requirement secured before knowing if their project has been selected for a grant award. Significant delays in finalizing these resources, however, can slow down grant agreement approvals.

Familiarize yourself with non-federal match requirements[13] generally, and specifically to your program's requirements as there are differences in terms of what is required, what can be counted as match, and how to calculate match.

Keep project partners informed about the status of your application, working with them to secure non-federal match funds if selected for award.

☑ Ensure your organization has sound project management systems and sufficient staffing.

In addition to project readiness, consider the readiness of your organization to manage the project and meet federal grant requirements. Soon after your grant award is announced, you will receive an initial communication from DOT or one of its operating administrations (FHWA, FRA, FTA, FAA, OST, MARAD, FMCSA, NHTSA, PHMSA) with a "point of contact" for your grant. For grant programs that require an executed grant agreement for funds to be obligated, you will also receive a copy of the grant agreement or grant agreement template. Some grant programs, like RAISE[14], have published grant agreements from past grant years on the DOT website, so you can check to see the type of provisions and requirements included.

Grant recipients must comply with financial and permitting requirements and all applicable federal laws. DOT and its operating administrations provide technical assistance resources to help navigate and meet these requirements, but preparing your organization for success can help expedite the grant agreement process considerably.

Trained, coordinated staff and efficient project management systems[15] will help ensure you can move your project quickly from award to obligation. Communities have different levels of capacity depending on their size and financial resources or experience with administering federal grants. There is no one-size-fits-all approach and sometimes other partner organizations can help to provide, supplement, or grow your organization's capacity. DOT staff can also assist you in working through the process. The following may be useful to consider:

- Identify a lead project manager and/or point of contact for your organization that will be dedicated to seeing the project through the process.

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[12] USDOT Navigator, "Understanding Non-Federal Match Requirements", https://www.transportation.gov/grants/dot-navigator/understanding-non-federal-match-requirements.
[13] Ibid.
[14] USDOT, "RAISE Grant Agreements", https://www.transportation.gov/policy-initiatives/raise/raise-grant-agreements.
[15] USDOT Volpe Center, Project Delivery Center of Excellence Project Delivery Toolbox, "Project Management", https://www.volpe.dot.gov/project-delivery/toolbox/project-management.

- Identify which external entities or departments within your organization need to approve your project or have a material stake in the project. Have your project manager initiate regular communications and/or meetings with those entities.
- Consider creating a project team that may be comprised of representatives within your organization and representatives of key external entities.
- Develop a project activity work plan, schedule, and process that includes all major project milestones achieved and outstanding.
- Identify and discuss potential risks to the successful delivery of the project and plan for how you may address risks as they arise. Build potential risks and delays into your project schedule.

☑ Develop a clear plan for project financing and management of the grant.

Receiving a grant from DOT is only one piece of the federal grant financing process[16]. Federal grants must comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)[17]. To help determine your readiness, consider:

- Does your organization have the financial capacity and expertise to implement a federal grant? Have you managed other DOT grants and do you have familiarity with the grant management requirements and necessary reporting systems[18]?
- Do you want to consider having your State DOT play an administrative support role (see step 4 on the "Is Federal Funding the Right Fit for my Organization?" webpage[19])? If you do, you will need a formal agreement with them and should include funding for this in your grant proposal budget.
- Can you demonstrate that you will be able to obligate funds by the statutory deadline, if applicable, even if delays occur?
- Do you have systems in place to track and monitor the budget and report on project progress?

Being selected to receive a federal discretionary grant for your project is a major accomplishment! DOT is committed to ensuring that every community can access historic Bipartisan Infrastructure Law (BIL)[20] funding and to working with grantees to ensure successful delivery of projects to improve mobility and access for all.

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[16] USDOT Volpe Center, Project Delivery Center of Excellence Project Delivery Toolbox, "Financing", https://www.volpe.dot.gov/project-delivery/toolbox/financing.

[17] Code of Federal Regulations, "Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200.

[18] Federal Highway Administration, Local Aid Support, "Bipartisan Infrastructure Law (BIL) and Federal Requirements - Guidance for Local & Tribal Agencies", https://www.fhwa.dot.gov/clas/training_tools/bil_fed_requirements_guidance.aspx.

[19] USDOT Navigator, "Is Federal Funding the Right Fit for My Organization?", https://www.transportation.gov/grants/dot-navigator/federal-funding-right-fit-my-organization.

[20] USDOT, "Bipartisan Infrastructure Law", https://www.transportation.gov/bipartisan-infrastructure-law.

Additional Resources

The resources below are intended to help DOT funding applicants get "project ready." This list is not exhaustive.

General Resources

- **Project Delivery Center of Excellence's Project Delivery Toolbox and helpful links**
  - https://www.volpe.dot.gov/project-delivery-toolbox
  - https://www.volpe.dot.gov/project-delivery/about/helpfullinks
- **Is Federal Funding the Right Fit for My Organization? (DOT Navigator):** https://www.transportation.gov/grants/dot-navigator/federal-funding-right-fit-my-organization
- **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200):** https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200
- **Bipartisan Infrastructure Law (BIL) and Federal Requirements - Guidance for Local & Tribal Agencies:** https://www.fhwa.dot.gov/clas/training_tools/bil_fed_requirements_guidance.aspx
- **ROUTES Grant Application Toolkit**: https://www.transportation.gov/rural/grant-toolkit

Environmental Resources

- **CE Guidance for Projects Funded by FTA**: https://www.transit.dot.gov/regulations-and-programs/environmental-programs/preparing-environmental-documents#Categorical-Exclusion-CE
- **CE Guidance for Projects Funded by FHWA:** https://www.environment.fhwa.dot.gov/nepa/programmatic_ce.aspx
- **Companion Resource for NEPA Compliance and Class of Actions (FHWA):** https://www.fhwa.dot.gov/federal-aidessentials/companionresources/36nepacompliance.pdf
- **Preparing Environmental Documents (FTA):** https://www.transit.dot.gov/regulations-and-programs/environmental-programs/preparing-environmental-documents
- **FHWA's Programmatic Mitigation Planning Guidebook:** https://www.environment.fhwa.dot.gov/pubs_resources_tools/publications/case_studies/ProgMitPlanningGuidebook_10-4-2023.pdf
- **Federal Infrastructure Permitting Dashboard**: https://www.permits.performance.gov/

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