



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION VII
Iowa, Kansas, Missouri,
Nebraska

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Mr. Earnest Rouse
Acting City Manager
City of Kansas City
29th Floor, City Hall
414 East 12th Street
Kansas City, MO 64106

Re: Approval to Enter Engineering
Kansas City Streetcar Main Street Extension

Dear Mr. Rouse:

The Federal Transit Administration (FTA) is pleased to inform you that the City of Kansas City's (City) request for the Kansas City Streetcar Main Street Extension project (Project) to enter the New Starts Engineering phase of the FTA Capital Investment Grants (CIG) Program is approved. This approval to initiate Engineering is a requirement of Federal public transportation law (49 U.S.C. § 5309(g)) governing the CIG Program.

The FTA is required by law to evaluate proposed CIG projects against a number of criteria and ensure that prospective grant recipients demonstrate the technical, legal, and financial capability to implement the project. As a result of FTA's evaluation of the Project, an overall project rating of *Medium-High* was assigned.

Please note that the City undertakes Engineering work at its own risk, and that the Project must still progress through further steps in the CIG program to be eligible for consideration to receive CIG funding.

With this Engineering approval, the City has automatic pre-award authority to incur costs for Engineering activities, demolition and other non-construction activities such as the procurement of rails, ties, commodities, and other specialized equipment. The City should consult with the FTA Region VII office for a determination of whether any other non-construction activity falls within the automatic pre-award authority granted with Engineering approval.

In addition, the City has automatic pre-award authority to procure vehicles, acquire real property and perform utility relocation since the National Environmental Policy Act (NEPA) review process has been completed. FTA reminds the City that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, and Buy America Act Requirements. FTA encourages the City to discuss the procurement of vehicles with FTA prior to exercising the pre-award authority.

This pre-award authority does not constitute any FTA commitment that future Federal funds will be approved for the Project or for any element of the Project. As with all pre-award authority, all Federal requirements must be met prior to incurring costs in order to retain eligibility for future FTA grant assistance. This approval also does not constitute approval to start any physical construction activity other than those highlighted above without the issuance of a Letter of No Prejudice. Additional guidance regarding pre-award authority for the CIG Program is provided in the FTA Fiscal Year 2019 Apportionments, Allocations, and Program Information Notice, that was published in the Federal Register Notice on July 3, 2019.

Local Financial Commitment

The capital cost of the Project is estimated to be \$351,634,889 in year-of-expenditure (YOE) dollars. The City is seeking \$174,059,270 (49.5 percent) in CIG program funds. The FTA determined that approximately 98.7 percent of the non-CIG capital funds were either committed or budgeted. Prior to the Project's consideration for a Full Funding Grant Agreement (FFGA), the City must secure and document the commitment of all non-CIG funding for the Project.

Please be advised that the amount of CIG funding for the Project is fixed at the time of entry into Engineering. Therefore, consistent with the City's request, \$174,059,270 represents the maximum amount of CIG funds that will be provided by FTA for the Project, should an FFGA be approved.

Scope, Schedule, Cost, and Technical Capacity

The FTA has determined that the City has the technical capacity and capability to effectively manage the Engineering phase of the Project. However, during Engineering, the City must address all recommendations noted in FTA's *Readiness to Enter Engineering Report*, which represent risks to the project cost and schedule, including the key items listed below:

- The City should address all outstanding items in the Project Management Plan and subplans required for FFGA execution.
- Early in the Engineering phase, the City should revise the schedule logic and intermediate milestones to develop a revised schedule risk model.
- The City should continue to augment the project team including adding another Deputy Project Manager and a systems integration lead.
- The City must execute the third-party agreements identified as critical for an FFGA.
- The City should address outstanding items in the Quality Management Plan, including establishing and disseminating a project-specific goal and establishing additional processes related to internal, second-party and third-party audits.
- The City should fully implement the Project Controls Plan to include detailed cost and schedule control procedures.

Civil Rights

Pursuant to the Civil Rights Act of 1964 and its implementing regulations, including FTA Circular 4702.1B (Title VI Program Guidelines for Federal Transit Administration Recipients), the City submitted a Title VI program on December 27, 2019. The FTA concurred on this submission on January 14, 2020. The FTA informed the sponsor that an update to the Agency's Title VI program must be submitted by June 1, 2022.

The City is exempt from submitting an Equal Employment Opportunity (EEO) program plan, as they do not hit the threshold for transit related employees.

The City submitted its Disadvantaged Business Enterprise (DBE) program on October 14, 2019, including the required program updates to the DBE/Small Business Enterprise, and FTA concurred on this submission on October 23, 2019. The City's next DBE program would only be due if there were major changes to the program. The City's DBE triennial goal was submitted on October 14, 2019, and concurred on by FTA on October 23, 2019. The City's goal remains valid through September 30, 2022.

The City is required to ensure that the vehicles, stations and facilities are designed and engineered to ensure compliance with current standards for accessibility under U.S. Department of Transportation (DOT) regulations implementing the transportation provisions of the Americans with Disabilities Act of 1990. The City is advised to independently verify manufacturers' claims of ADA compliance, and to consult with FTA's office of Civil Rights concerning ADA requirements as project implementation progresses.

Before and After Study

Within four months of entry into Engineering, the City should complete the milestone activities required for the Before-and-After Study of the Project, namely the documentation, analysis, and archiving of the predicted physical scope, capital cost, transit service levels, operating and maintenance costs, and ridership. The City should coordinate this work, as it is underway, with the FTA Office of Planning and Environment.

The FTA looks forward to working with the City on the Kansas City Streetcar Main Street Extension project. If you have any questions, please call me at (816) 329-3930 or Cynthia Moses of our Region VII office at (816) 329-3939.

Sincerely,

5/22/2020

X Mokhtee Ahmad

Mokhtee Ahmad

Signed by: MOKHTEE AHMAD
Regional Administrator