

## 720 CMR: DEPARTMENT OF HIGHWAYS

### 720 CMR 11.00: SMALL TOWN ROAD ASSISTANCE PROGRAM (STRAP)

- 11.01: Purpose and Authority
- 11.02: Definitions
- 11.03: Eligible Applicants
- 11.04: Eligible Costs
- 11.05: Criteria and Priorities
- 11.06: Grant Awards
- 11.07: Payment Method
- 11.08: Records
- 11.09: Application
- 11.10: Information and Application Forms
- 11.11: Severability

#### 11.01: Purpose and Authority

(1) In compliance with the requirements of M.G.L. c. 30A, §§ 1(5) and 3 and of St. 1983, c. 637, § 32, as amended, 720 CMR 11.00 sets forth a procedure of application and distribution of funds under the Small Town Road Assistance Program (STRAP) to eligible municipalities.

(2) The scope of 720 CMR 11.00 is limited to the financing of eligible road, highway and bridge projects in accordance with St. 1983, c. 637, § 32, as amended. Only municipalities with a population of not more than 3,500 persons will be eligible for a grant of up to \$500,000.00. Further provided, that such municipality shall be eligible for only one grant every five years beginning in 1992. Any municipality receiving such a grant shall repay not less than 30% of the grant amount to the Highway Fund of the Commonwealth.

(3) 720 CMR 11.00 is intended to assure that:

- (a) Grant funds are to be expended only on work that is authorized by St. 1983, c. 637, § 32, as amended;
- (b) Grant funds are granted only to those communities eligible to receive such funds;
- (c) Grantees have adequate financial and audit capabilities to provide accountability for the disbursement and repayment of these funds or a firm commitment, arrangement or ability to obtain such audit and financial capabilities.

#### 11.02: Definitions

Application means a properly completed form as supplied by the Department with all supporting documents.

Applicant means an eligible municipality which seeks funding under this program.

Commonwealth means the Commonwealth of Massachusetts.

Commissioner means the Commissioner of the Department.

Department means the Department of Highways as defined pursuant to M.G.L. c. 16, § 1.

Eligible Activity means to construct, reconstruct, widen, resurface, rehabilitate and otherwise improve public roads, highways and bridges.

Grant Amount means a sum not to exceed \$500,000.00 as specified by the offer/acceptance agreement.

11.02: continued

Local Approval means by vote of an annual town meeting or at a special town meeting called for that purpose.

Offer/Acceptance Agreement means the document which, upon signature of the Commissioner, the chief elected official of the municipality and the head Public Works official of the municipality constitutes a binding agreement regarding the grant amount, scope of work to be undertaken and the conditions of repayment.

Project means eligible activities to be undertaken utilizing grant funds.

Program means the Small Towns Road Assistance Program (STRAP) as described in St. 1983, c. 637, § 32, as amended.

Project Cost means all costs incurred by the grantee in completing the project, not limited to the grant amount.

11.03: Eligible Applicants

An applicant shall be considered eligible for award of a grant if the Department is satisfied that:

- (1) The municipality has a population of not more than 3,500 persons as established by the most recent Federal Census.
- (2) The municipality has the financial resources to provide any of the project costs in excess of the grant amount. To the extent that borrowed funds will be used to finance the project, the applicant must submit evidence that it has the clear authority to borrow for the difference between the grant amount and the project cost; and
- (3) Local approval for submission of the application has been received.

11.04: Eligible Costs

- (1) The following costs are eligible for funding:
  - (a) Project design costs;
  - (b) Cost of updating plans, specifications and estimates where preliminary engineering and related planning has already been undertaken;
  - (c) Costs associated with standard construction activities as allowed under M.G.L. c. 90, § 34(2)(a);
  - (d) Payment for outside engineering services for design and construction provided that engineering services will be performed by a registered professional engineer or a registered land surveyor with a background of satisfactory performance.
- (2) All items included in the project which are not specifically approved by the Department shall be at the full expense of the applicant. These include without limitation the following:
  - (a) Acquisition of any interest in real property or easements for right of way;
  - (b) Maintenance or improvement to municipal property;
  - (c) Any administrative cost or expense required to carry out the overall responsibilities of the recipient municipality;
  - (d) Any cost which has been incurred previous to execution of an offer/acceptance agreement.
- (3) Eligible project costs shall not exceed the amount specified in the Offer/Acceptance Agreement. Eligible project costs shall not include any expansion or modification of the project unless prior approval has been obtained from the Department.

11.05: Criteria and Priorities

In evaluating the applications and the level of funding, the Commissioner shall consider, among others, the following factors:

- (1) The extent to which the project will have a beneficial impact on the economic and public safety efforts of the applicant. Priority shall be given to those projects which promote public safety, which encourage the retention of the applicant's economic base and where the urgency of the project can be demonstrated.
- (2) The availability of funds for the project under other state and/or federal programs;
- (3) The ability of the town to enter the capital markets to obtain borrowed funds for the project;
- (4) The reasonableness of the scope and the cost estimates of the project. Priority will be given to those applicants who submit adequate information and who have conferred with the District Office regarding such matters as environmental requirements, project cost, right of way and compliance with all other state or federal requirements and regulations prior to submission of the application.

11.06: Grant Awards

- (1) The Department shall prepare an offer/acceptance agreement for each approved project.
- (2) The Department shall review the offer/acceptance agreement with each grantee prior to signing to ensure that:
  - (a) The grantee will be in compliance with all applicable State and municipal law and regulation in execution of the project.
  - (b) The grantee agrees to comply with the terms of the agreement.
- (3) Failure by a grantee to award a contract or to commence work by force account within one year of the date of acceptance of a grant award shall constitute sufficient cause for the Department to withdraw its grant commitment. Prior to withdrawal of a grant commitment, the Department shall give due consideration to any extenuating circumstances presented in writing by the applicant and may extend the grant commitment at its discretion. No grants shall be approved after the Legislature ends fund availability for the program.
- (4) The Grantee shall keep all monies relative to a STRAP funded project separate and distinct from all other accounts of the Grantee. At the time that such an account is opened with any bank, municipal treasurer or other financial institution, the Grantee shall obtain a written agreement on a form approved by the Department to the effect:
  - (a) That the grant funds provided by the Department shall be placed by the Grantee in an interest bearing account;
  - (b) The accrued interest from such an interest bearing account shall be the sole property of the Department and shall be returned no later than the submission of a Final Strap Report;
  - (c) That the bank, treasurer or other financial institution shall honor any written request for withdrawal of said funds or a check signed by the Department; and
  - (d) That upon receipt of direction from the Department, the bank, treasurer or other financial institution shall not allow the Grantee to make further withdrawals until such direction is revoked by the Department.
- (5) Any grant monies not utilized by the Grantee shall be returned to the Department at the completion of the project, to be made available to other eligible communities.

11.07: Payment Method

- (1) Any town receiving a grant shall repay a portion of that grant to the Commonwealth. The required repayment shall be not less than 30% of the total amount of the grant and the time period allowed for such repayment shall not exceed ten years. The payment basis and method of payment shall be set

720 CMR: DEPARTMENT OF HIGHWAYS

forth in the Offer/Acceptance Agreement with each grantee.

11.07: continued

(2) The Offer/Acceptance Agreement will authorize the Commissioner to enter agreement with the Commissioner of Revenue to deduct the Town's repayment from any distribution of gas tax monies or any other local aid distribution or grant made to the Town under the authority granted by M.G.L. c. 59 § 20.

11.08: Records

(1) The grantee shall maintain books, records, documents, and supporting evidence which fully explain the source, amount, and disposition of all funds used for the project.

(2) The grantee shall require its contractors, including contractors for professional services, to also maintain books, documents, papers and records which are pertinent to the project.

(3) The grantee and contractors of the grantee must retain all records for a period of at least three years from the date of approval by the Department of a Final Report. The grantee and its contractor shall retain all records relating to disputes until all appeals, litigation, claims or exceptions have been finally resolved.

(4) The grantee and its contractors shall make records available to the Department at all reasonable times for inspection, copying and auditing.

(5) The Department, may, at any reasonable time, inspect projects for which grant funds are utilized.

(6) When the project is complete the grantee shall prepare and submit a STRAP Final Report Form as supplied by the Department.

11.09: Application

Applications for grants shall be submitted to the Department on forms provided and shall be accompanied by all documentation, assurances, and all other information called for in the instructions for completing and filing such applications.

(1) In addition to the information and assurances appearing on the application form, the following documentation must accompany all such applications:

- (a) Documentation of Local Approval;
- (b) Scope of Work;
- (c) Description of Program Cost;
  - 1. eligible costs;
    - a. estimated design and engineering costs;
    - b. estimated construction cost;
  - 2. non-eligible costs;
    - a. estimated right of way costs;
    - b. other costs;
- (d) Location of Project, including map.

(2) An applicant may amend a pending application any time prior to the expiration of the 90 day application period to include additional data or information in support of its original application or as requested by the Department.

(3) Additional documentation in support of the application such as photographs, expressions of public support, maps, etc. may be supplied by the applicant.

11.10 Information and Application Forms

Copies of 720 CMR 11.00 may be purchased from the Office of Secretary of State. Application forms and other information may be obtained by the Department.

720 CMR: DEPARTMENT OF HIGHWAYS

11.11: Severability

If any provision of 720 CMR 11.00 or its application to any unit of government is held invalid, such invalidity shall not effect other provisions of applications of 720 CMR 11.00 which can be given effect without the invalid provision of application, and to this end the provisions of 720 CMR 11.00 are declared to be severable.

REGULATORY AUTHORITY

720 CMR 11.00: St. 1983, c. 637, § 32 as amended.