

### III. APPLICATION, REVIEW, RECOMMENDATION AND BOARD ACTION PROCESS

Upon approval of a new or revised RFGAA by the Board, it will be posted on the [AZ SMART website](#). In compliance with ARS §41-2702.C, all applications received within the initial, required 6 week application period will be held. At the end of the 6 week application period, all applications will be processed as discussed below. Following the initial, required 6 week application period, applications will be continuously accepted and no further waiting period will apply unless the Board approves a subsequent RFGAA, which will restart the posting and 6 week application period cycle.

Questions regarding the RFGAA are continuously accepted by email to [azsmart@azdot.gov](mailto:azsmart@azdot.gov). Answers to these questions, clarifications related to this RFGAA and other updates will be posted and updated periodically on the [AZ SMART website](#). An Applicant is responsible for reviewing this information before applying. The Authorized Representative is required to certify he/she has read and understood the RFGAA and the Questions and Answers webpage on the [AZ SMART website](#).

The Application, Review, Recommendation and Board Action process is shown in Figure 4 below. The duration shown for each phase is an estimate only and some applications, such as those requesting GDS or Match, may proceed more quickly. Applications with well-developed Project scopes, schedules and budgets will generally be reviewed and forwarded to the Evaluators, PPAC and the Board more quickly than applications that are very preliminary.

*Due to the time requirements and allowances specified in the applicable statutes, neither the Board nor ADOT can guarantee that PPAC will make a recommendation or the Board will consider or approve the AZ SMART Fund application prior to the NOFO/NOFA deadline. If the Applicant proceeds to apply for a Federal Grant before the Board considers its application for AZ SMART Funds, the Applicant does so with full knowledge and understanding that it may not be awarded AZ SMART Funds and will be responsible for providing the funds itself if awarded a Federal Grant.*

As shown in Figure 4, there are 4 phases in the Application, Review, Recommendation and Board Action Process:

#### A. Phase 1, Application Development

**Applicants are advised to begin preparing an AZ SMART application prior to the release of a NOFO/NOFA.** Most US DOT Federal Grants have fairly predictable cycles which can be quickly identified using the USDOT [Discretionary Grant Dashboard](#). An Applicant can anticipate the next round of the applicable grant and begin preparing at any time.

**Phase 1 is the most important to determining the speed at which an Application can be referred to PPAC and/or the Board.** The quality and completeness of scope, schedule and budget is directly correlated with the amount of time required in Phase 2. Well-conceived and developed applications are expected to proceed more quickly, an important consideration when limited resources are available. Applicants are solely responsible for the timing of their application development and submission, and advanced preparation is required to facilitate timely processing and consideration for award.

##### 1. Applicant Responsibilities

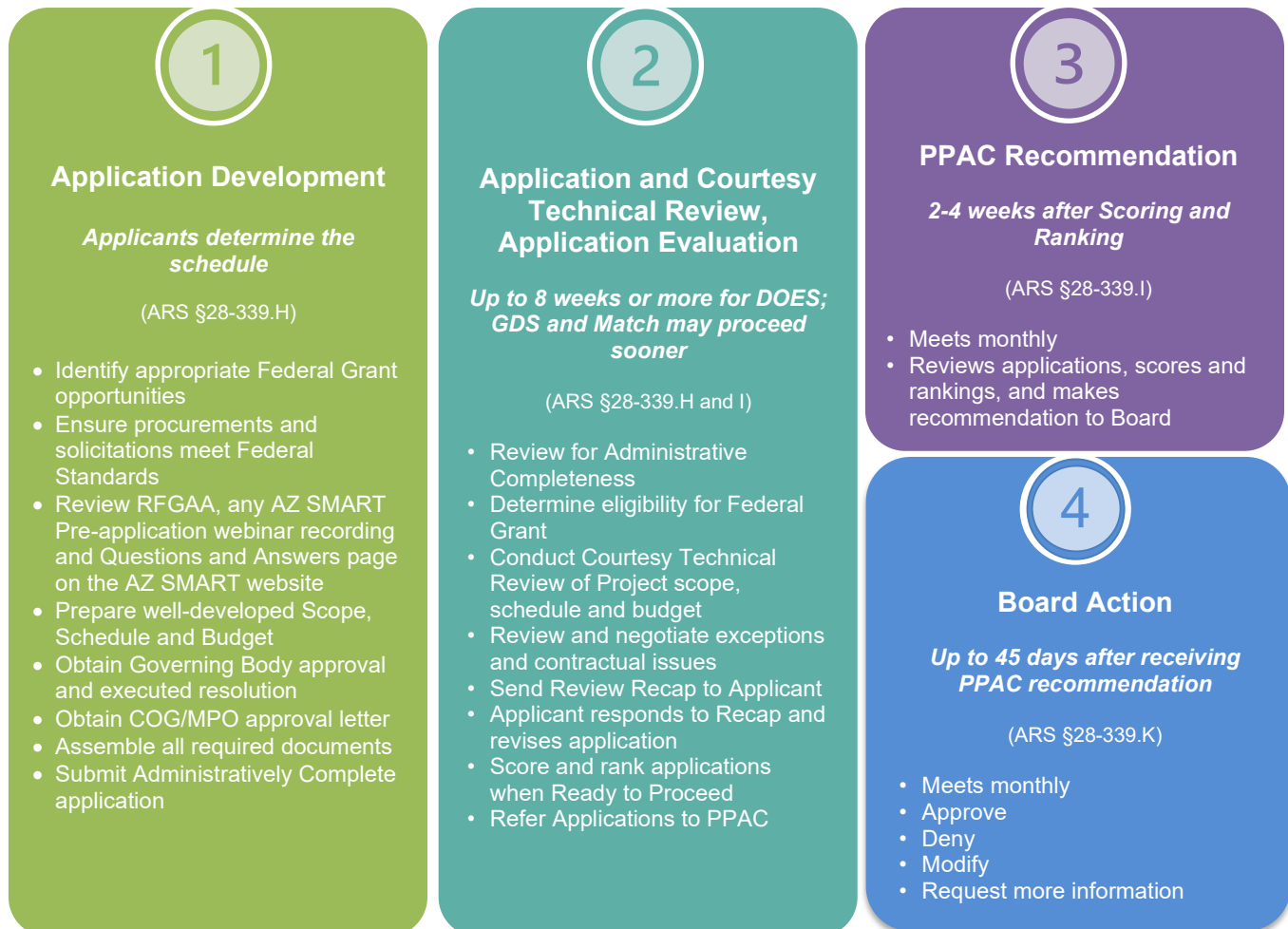
At a minimum, Applicants are responsible for the following actions during Phase 1:

- a. Visit the USDOT [Discretionary Grants Dashboard](#) for assistance in identifying

transportation grant opportunities for which the Project may be eligible. Only one Federal Grant may be identified in each AZ SMART application.

- b. Review the NOFO/NOFA or the federal statutes establishing the applicable Federal Grant to determine suitability, Project and Applicant eligibility, priority criteria, eligible expenditures, etc. The [AZ SMART website](#) contains excerpts of federal statutes for numerous Federal Grants. This information is provided as a courtesy only and does not purport to cover all Federal Grants. Applicants are solely responsible for conducting their own grant research.

Figure 4 – Application, Review, Recommendation and Board Action Process



- c. Read and understand this RFGAA and the Questions and Answers webpage on the [AZ SMART website](#). The Application and Offer both require the Authorized Representative to certify this responsibility has been discharged. Also, listen/watch the AZ SMART Pre-Application webinar on the website, if available.
- d. Submit any questions regarding the RFGAA via email to [azsmart@azdot.gov](mailto:azsmart@azdot.gov).
- e. Ensure DOES and Match expenditures for which Reimbursement will be requested have been procured through solicitation(s) which meet the applicable Federal

Standards. ADOT will require Direct Recipients or those authorized by ADOT to self-administer a Project to provide the applicable solicitation or contract under which consultants, contractors and all other services were procured with a request for reimbursement.

- f. Prepare a well-developed Project Scope, Schedule and Budget. **This is the most important element of the application and determines the speed at which the application will move to PPAC and the Board.** See the [Application Instructions](#) for detailed guidance. The development of scope, schedule and budget information required to be submitted in the AZ SMART application is eligible for DOES, provided:
  - 1) Any consultant services used to develop the information were procured under a solicitation which meets Federal Standards, and
  - 2) These expenditures are included in the Project Budget submitted with the Application.
- g. Obtain a duly approved and signed resolution of the board, council or other governing body of the Applicant which demonstrates support and financial commitment to the Project and the selected Federal Grant. The approved and signed resolution shall be submitted with the Application. A Sample Resolution is provided in this RFGAA.
- h. Obtain the COG/MPO approval letter required by ARS §28-339.H.
- i. Assemble all required documents (see [Application Checklist](#)) and submit an Administratively Complete application in a single sitting. The Application may not be saved and completed later.
- j. Provide a written response to each item in the Review Recap and amend the Application as required. Further processing of the Application will be dependent upon completing these items.
- k. Gather up to five letters of support for the Project.
- l. Clearly identify and mark any trade secrets or other proprietary information contained in the application which must remain confidential (ARS §41-2702.E).

## 2. COG/MPO Approval

- a. Applicants shall obtain the written approval of the applicable [MPO](#) or [COG](#) before applying to the department. (ARS §28-399.H). If the Project crosses COG/MPO boundaries, the letter shall be from the COG/MPO in which the greatest percentage of the Project is located. Applicants should consult with the applicable COG/MPO to determine the approval process for AZ SMART Fund applications.

The COG/MPO approval letter shall:

- 1) Be on letterhead of the applicable COG/MPO and signed by the Executive Director or Chairperson of the COG/MPO governing body.
- 2) Reflect *approval* of the Application. Letters merely transmitting the Application will be rejected and result in the Application not being Administratively Complete.

- b. Projects included in an approved Regional or Tribal TIP receive the highest points for the Priority Criterion related to Evidence of Public Support. This includes projects on an “Illustrative” list:
  - 1) Which is approved by the applicable COG/MPO board/council as part of the TIP, and
  - 2) From which a project may be quickly moved into the TIP in an administrative amendment if an AZ SMART award is approved by the Board.

## **B. Phase 2, Application and Courtesy Technical Review, and Application Evaluation**

Applicants are advised that it may take up to *8 weeks or more* until an application for DOES is Ready to Proceed for PPAC and Board consideration. Applications with well-developed scopes, schedules and budgets may proceed more quickly. ADOT has provided tools to assist Applicants in developing Project Scopes, Schedules and Budgets. ADOT accepts no responsibility for delays related to applications which require extensive review, require further information to be provided by the Applicant, or are not otherwise Ready to Proceed.

### **1. ADOT Authorities and Responsibilities**

During Phase 2, ADOT will:

- a. Conduct a Pre-application conference at least 21 days prior to the due date for applications (ARS §41-2702.D) as shown in Figure 1. The date of any Pre-application conference will be posted on the [AZ SMART website](#).
- b. Receive Applications and post the names of each Applicant on the [AZ SMART website](#) within 7 days of the receipt of the Application (ARS §41-2702.E).
- c. Ensure an Application is Administratively Complete. (ARS §28-339.I)
- d. Determine if the requirements of the NOFO or federal statutes establishing the Federal Grant have been met. The determination will be based on, but not limited to, the following:
  - 1) Eligibility of the Applicant and Project for the Federal Grant (ARS §28-399.I). ADOT will review the eligible Applicants identified either in the NOFO or the federal statute establishing the grant. ADOT may request additional documentation from a Non-governmental entity to assist in this determination.
  - 2) Eligibility of the Project for AZ SMART and the Federal Grant.
  - 3) Confirmation the required COG/MPO approval has been granted (ARS §28-399.H).
- e. Calculate the Quick Ratio for Direct Recipient or self-administering Applicants. Direct Recipients or Applicants approved by ADOT to self-administer DOES or a Federal Grant are required to pay Project invoices up front and then submit for reimbursement from the federal agency and/or AZ SMART. Reimbursements may be requested at least quarterly but not more than monthly and will take a minimum of 30 days to review, approve, and process. The Quick Ratio is an indicator of the Applicant’s cash flow

capacity while awaiting reimbursement.

The Quick Ratio for each of the last 3 years will be provided to the Board to assist its determination of an Applicant's financial capacity to successfully complete the Project (ARS §28-399.H). The Quick Ratio will be calculated as follows:

*Quick ratio = Current liabilities/(Current assets – inventory – prepaid expenses)*

- f. Validate information regarding an Applicant's experience as evidenced by previous federal discretionary grant awards or formula federal aid projects such as HSIP, TA, etc., since January 1, 2023. This information will be provided to the Board to assist its determination of an Applicant's technical capacity to successfully complete the Project (ARS §28-399.H).
- g. Conduct the Courtesy Technical Review:
  - 1) The Evaluators will conduct a Courtesy Technical Review of the scope, schedule and budget for the Project and may identify concerns, provide comments or request additional information. Applicants are strongly encouraged to consider this information and adjust their Application prior to formal evaluation, scoring and ranking by the Evaluators.
  - 2) There is no cost to the Applicant for the Courtesy Technical Review.
  - 3) The time required to complete the Courtesy Technical Review will depend on the project, availability of resources to conduct the review, and the quality of the scope, schedule and budget information submitted by the Applicant.
  - 4) Questions, comments and requests for more information from the Courtesy Technical Review will be combined with any eligibility, documentation or application questions or issues in the Review Recap document.
  - 5) The Courtesy Technical Review is a high-level review provided by ADOT to assist Applicants with developing realistic scopes, schedules and budgets. It does not purport to cover all scenarios and does not constitute approval or endorsement by ADOT of the Project or its scope, schedule and budget, and does not guarantee the Applicant will receive an award from the Board. Applicants are solely responsible for developing a Project's scope, schedule and budget and neither ADOT nor the Board will bear any responsibility if the Courtesy Technical Review does not provide sufficient or complete information.
- h. Forward the Review Recap to the Applicant.

## **2. Applicant Response to Review Recap**

Upon receipt of the Review Recap from ADOT:

- a. The Applicant shall prepare a written response to any questions identified in the application or Courtesy Technical Review and return it to ADOT within 10 business days.

- b. The Applicant may also update its application during this time if desired.

### **3. Application Evaluation**

- a. After an Applicant has responded to questions in the Review Recap, updated its application, and all Project, contract or other issues have been resolved, an Application is deemed to be Ready to Proceed. ADOT staff will forward each Ready to Proceed Application and the Applicant's responses to the Review Recap to the Evaluators (ARS §41-2702.H).
- b. Each Ready to Proceed Application will be evaluated by at least three Evaluators who are peers or other qualified individuals (ARS §41-2702.F).
- c. The Evaluators will review each application based solely on the Priority Criteria or factors set forth in the RFGAA. The Evaluators will maintain a written record of the assessment of each application, which includes comments regarding compliance with each Priority Criterion, the citation of a specific criteria or factor as the basis of each stated strength or weakness and a clear differentiation between comments based on facts presented in the Application and comments based on professional judgment.
- d. The Evaluators will rank the applications based on the total score of each and provide each application with Priority Criteria scores and rankings to PPAC to make recommendations to the Board (ARS §25-339.I).
- e. Pursuant to ARS §41-2702.E, Applications are confidential during the evaluation process.
- f. Upon completion of the evaluations, ADOT shall forward applications to the departmental committee established pursuant to section 28-6951 (PPAC) for a recommendation (ARS §28-399.I). ADOT will place the Application, along with scores and rankings, on the PPAC agenda. With the posting of the PPAC meeting materials, the Application, Priority Criteria scores and rankings and other information or data related to the Application will be made publicly available. The exception is trade secrets or proprietary information which were identified as confidential.

### **C. Phase 3, ADOT Priority Planning Advisory Committee ("PPAC") Recommendation**

- 1. Pursuant to ARS §28-6951, PPAC was established to aid the ADOT Director in the development of the five year transportation facilities construction program. The members of PPAC are ADOT employees, appointed by and responsible to the director.
- 2. PPAC is a public body which generally meets virtually on the first Wednesday of each month. Applicants will be invited to the PPAC meeting at which their applications will be considered, and it is recommended that a person familiar with the scope, schedule and budget participates to answer any questions from PPAC. Applicants may also take advantage of the Call to the Public to discuss their project.
- 3. If a recommendation is made by PPAC to the Board, ADOT shall notify the Board Chairperson the application is ready for consideration and action (ARS §28-399.I).

4. A recommendation by PPAC to the Board does not constitute approval or endorsement of the Project by PPAC or ADOT. The ultimate approval authority lies with the Board. Neither ADOT nor PPAC will be responsible if an application is delayed at PPAC or is not approved by the Board.

#### **D. Phase 4, State Transportation Board (“Board”) Action**

All AZ SMART awards must be approved by the Board. Per Board Policy #45, AZ SMART Fund, the Board intends to award funding to well-developed applications that maximize the State’s competitiveness for each Federal Grant.

##### **1. Board authorities**

- a. The chairperson of the Board shall place an application(s) on the agenda for action within 45 days of notification of a recommendation by ADOT (ARS §28-339.J).
- b. The Board may:
  - 1) Determine the extent to which an application has the technical and financial capacity to successfully complete the Project (ARS §28-339.H).
  - 2) Pursuant to ARS §28-339.J, give preference to applications based on:
    - a) The percentage of matching monies (\$ USD) provided by the Applicant.
    - b) The extent to which the Applicant will partner with other entities to deliver the Project. For the purposes of AZ SMART, partnering with other entities is defined as financial participation (cash monies \$ USD) provided by the partnering entity.
    - c) Any Priority Criteria as deemed appropriate by the Board for the applicable Federal Grant (see [Priority Criteria](#)).
  - 3) Approve, deny, modify or request more information on an application.
  - 4) Redistribute unawarded monies in the Fund in January and July to ensure each category receives a 20% share of the monies (ARS §28-339.N). ADOT will post the amount available for each category on the [AZ SMART website](#) within 30 days after the approval of a redistribution by the Board (ARS §28-339.N).
  - 5) Direct ADOT to close the RFGAA and return applications for a category that has less than \$100,000 available for award (ARS §28-339.O). The closure will remain in effect until the balance of the applicable category recovers to a minimum of \$100,000 through the receipt of other funding, interest earnings, a January or July redistribution, return of funds from rescinded applications or unsuccessful Federal Grant applications, or other means.
  - 6) The Board is required to rescind an award if:
    - a) The Applicant receives funding from another other funding source for the same Project and purpose in an amount equal to or greater than the amount requested or awarded from AZ SMART. Examples of other funding sources include Legislative Appropriations, Congressionally Directed Spending, funding or grants from federal, state, local or private sources, bond elections and any other source of funding. The Applicant shall repay any monies expended from the AZ SMART Fund within one year after the date of the rescission resolution approved by the Board (ARS §28-339.P).

- b) An Applicant receiving a DOES award fails to submit a Federal Grant application for the Project within 2 years of the Date of Award. The Applicant shall repay any monies to the Fund within 30 days after receiving an invoice from ADOT (ARS §28-339.E.3).
- c) An Applicant receiving a DOES award determines it is no longer pursuing a Federal Grant.

#### **E. Following Board Action**

##### **1. Application Awards.** Unless otherwise determined, ADOT will:

- a. Within 10 days of the Date of Award:
  - 1) Send an email to the contact person listed in the application indicating the action taken by the Board.
  - 2) Sign the Offer and Acceptance for awarded applications and send a copy of the executed RFGAA to each Applicant via email with further instructions related to the Project.
- b. Make Evaluator assessments available for public inspection (ARS §41-2702.G). One or more assessments may be requested through submission of a public records request.
- c. For Projects administered by ADOT:
  - 1) Within 30 days of the Date of Award, invoice the Applicant for excess local funding and initial PDA fees of \$30,000 if these fees are not estimated and identified in the Project Budget.
  - 2) Select consultant(s), contractor(s) and service provider(s) through a competitive solicitation or from the current list of prequalified consultants, based on the needs of the Project.
  - 3) Retain and obligate AZ SMART award funds in the state accounting system, along with any Applicant funds which may be required for the Project.
  - 4) Request the Federal Grant funding be made available in the Federal Management Information System ("FMIS") by USDOT for road and bridge Federal Grant awards, as applicable.
  - 5) Obligate Federal Grant funds awarded by FHWA. Grants from the Federal Transit Administration ("FTA") or other federal agencies may require different processing which will be determined either upon award by the applicable agency or during the review of the Federal Grant Agreement.
  - 6) Reimburse AZ SMART Funds to Direct Recipients or Applicants approved by ADOT to self-administer a Project. Expenditures must be a result of a solicitation that meets Federal Standards. AZ SMART Funds will not be transferred to the Applicant.
  - 7) Release any AZ SMART funding remaining for a Project after completion of the final Project accounting back to the applicable AZ SMART Fund Category from which the funds were awarded.
- d. **DOES Awards.** Applicants receiving an award for DOES shall:
  - 1) Remit any required funds within 30 days of receipt of an invoice from ADOT.

- 2) Respond to all requests from ADOT within 10 days.
  - 3) Submit proof of submission of a Federal Grant Application within 2 years of the Date of Award of the AZ SMART grant. Acceptable sources include the email confirmation from the applicable grant submission portal or system, or an email from the federal agency acknowledging receipt of the federal grant application.
  - 4) Direct Recipients and Applicants approved by ADOT to self-administer a Project pursuant to an AZ SMART award for DOES shall:
    - a) Procure any consultant(s), contractor(s) and service provider(s) under solicitation(s) which include the applicable provisions to ensure the resulting expenditures meet Federal Standards.
    - b) Enter into an agreement with consultant(s) and contractor(s) and be solely responsible to make payments directly to the consultant or contractor prior to submitting to ADOT for Reimbursement of Eligible Expenditures.
    - c) Submit for Reimbursement from AZ SMART at least quarterly but not more than monthly.
- e. **Match awards for a Federal Grant.** Match awards shall comply with the following:
- 1) Match awarded for a Project that is the subject of multiple AZ SMART applications, each identifying a different Federal Grant, shall be applied to the first Federal Grant received by the Applicant. Any additional AZ SMART applications for the same Project for subsequent Federal Grants shall become invalid, removed from the current or future application round, and no data, information or documents will be retained by ADOT.
  - 2) PDA fees will apply to Projects receiving an award for Match if:
    - a) Any design work is included in the scope awarded under a Federal Grant, or
    - b) The Applicant requests ADOT to administer the Project.
  - 3) An Applicant awarded a Federal Grant shall:
    - a) Within 10 business days of the announcement of the awards, notify ADOT of the award by sending an email to [azsmart@azdot.gov](mailto:azsmart@azdot.gov) and attach or provide a link to the public award announcement.
    - b) Provide the draft Federal Grant Agreement to ADOT within 10 days of receipt and work with ADOT to finalize it, as necessary.
    - c) Provide the final executed Federal Grant Agreement to ADOT within 10 days of execution.
    - d) Construction administration fees will apply for construction projects administered by ADOT, whether contemplated in the federal grant agreement or requested at a later date.
  - 4) An Applicant which is not awarded a Federal Grant shall, within 10 business days of the announcement of the awards, notify ADOT no grant was awarded by sending an email to [azsmart@azdot.gov](mailto:azsmart@azdot.gov). Any Match funds awarded from AZ SMART for the Federal Grant will be returned to the applicable Funding Category to be used for other awards.
  - 5) Direct Recipients and Applicants approved by ADOT to self-administer

- a Project pursuant to an AZ SMART award for Match shall:
  - a) Procure all consultant(s), contractor(s) and service provider(s) under solicitation(s) which meet Federal Standards.
  - b) Enter into an agreement with consultant(s) and contractor(s) and be solely responsible to make payments directly to the consultant or contractor prior to submitting to ADOT for Reimbursement of eligible expenditures.
  - c) Submit for Reimbursement from AZ SMART at least quarterly but not more than monthly.
- f. **Grant Development and Submission (“GDS”) awards.** An Applicant awarded GDS shall:
  - 1) Procure the applicable consultants, contractors and services. The AZ SMART statute does not require GDS expenditures to meet Federal Standards.
  - 2) Enter into an agreement with consultant, contractor and service provider and be solely responsible to make payments directly to the consultant, contractor or service provider prior to submitting to ADOT for Reimbursement for the match share of Eligible Expenditures.
  - 3) Submit a Federal Grant application within 6 months of the Date of Award.
  - 4) Request Reimbursement for some or all GDS expenditures within 6 months of the Date of Award.

## 2. Denied Applications.

Within 10 business days of the Board decision to deny an application:

- a. ADOT will send an electronic notification to the contact person listed in the application indicating the Application was denied by the Board.

The Application shall become invalid and no data, information or documents will be retained by ADOT. The Applicant may submit another application for the Project in the future.

- b. Neither ADOT nor the Board shall bear any responsibility for any consequences arising from the decision to deny an AZ SMART award or the deletion of data, information, or documents.

## 3. Modified Applications.

Within 10 business days of the Board decision to modify an application:

- a. ADOT will send an electronic notification containing the amounts awarded by the Board to the contact person listed in the Application.
- b. The contact person is required to accept or decline the modified award within 5 business days by replying to the email from ADOT. If the Applicant does not reply within 5 business days, the award will be invalid and the monies will be returned to the AZ SMART Fund to be used for the next highest-ranking application.
- c. If the Applicant accepts the modified award, ADOT will:
  - 1) Within 10 business days, sign the Offer and Acceptance and send a copy of the executed RFGAA to the Applicant via email with further instructions

related to the Project.

- 2) Within 30 days, invoice the Applicant for excess local funding and initial PDA fees of \$30,000 if not included in the Application.
- d. The Applicant shall take such steps as indicated in the notification by the deadlines provided.
- e. Neither ADOT nor the Board will bear any responsibility for an award that is less than the amount requested. Applicants receiving a modified award may re-apply for the balance of the award if funding becomes available at a later time. Subsequent applications for the same Project and same Eligible Use will be scored and ranked based on the Priority Criteria in effect at the time.
- f. The Applicant is responsible for all costs associated with the Project exceeding the amount awarded by the Board.

#### **4. Board Request for More Information.**

Within 10 business days of a request for more information from the Board:

- a. ADOT will send an electronic notification containing a list of additional information or documents requested by the Board to the contact person listed in the Application.
- b. The Applicant is required to provide the requested information or documentation within 10 business days by replying to the email from ADOT. If the Applicant does not reply within 10 business days, the Application will be invalid and no data, information or documents will be retained by ADOT. The Applicant may submit another application for the Project in the future after addressing any issues which may have resulted in the Board's request for information provided that funding is available.
- c. Neither ADOT nor the Board shall bear any responsibility for delays arising from the request for, or consideration of, additional information.