

Bridge Investment Credit Questions and Answers

Question: Does any Highway Bridge Program (HBP) eligible project qualifies for banking Bridge Investment Credit (BIC).

Answer: Any HBP eligible project except Low Water Crossing may be eligible however our recommendation is to bank BIC for projects with estimated construction cost of less than \$1,000,000. By eliminating federal requirement for these type of smaller projects local agencies may be able to deliver them faster and more cost effective.

Question: Can a Minimal HBP Application be submitted when requesting programing a BIC project.

Answer: No, our recommendation is to use BIC for projects with easily identifiable scope. BIC projects will require full HBP application.

Question: What are the reimbursement rates for banking BIC or using BIC?

Answer: To bank BIC Local agencies will have to fully fund (100%) the project cost therefor there are no federal requirements, no invoices, and no reimbursement. To use the banked BIC local agencies should have banked at least 200% of required match for PE and 125% for right of way and construction to cover the required 11.47% match for HBP funds at the time of obligation.

Question: Why local agencies should have banked BIC higher than their estimated need for PE?

Answer: We want to make sure that local agencies have enough banked BIC so eligible cost increases can be accommodated.

Question: If a HBP project is shared between two local agencies who is entitle to the banked BIC?

Answer: BIC may be banked for each agency based on their share of the cost or as agreed between the agencies involved.

Question: Could local agencies use the banked credit to cover required match for federally funded roadway projects?

Answer: No, Banked credit may only be used to cover the required match for HBP projects.

Question: How do local agencies know that how much BIC they have banked?

Answer: After any BIC Project Completion, Caltrans approves the credit as the original request or as shown in the final project cost whichever is lower. Caltrans will let the agency know how much credit they have banked after Caltrans receives as-built and final cost documentation.

Question: Can local agencies bank BIC for one phase and use federal funds for the other phases of a HBP project?

Answer: Not recommended, if any phase of a HBP project uses federal funds then all the phases need to follow federal requirements regardless of the funding type.

Question: Can local agencies use their banked credit to cover the match for any phase of a federally funded HBP project?

Answer: Yes, as long as the available banked credit is 200% of required match for PE and 125% for right of way and construction at the time of obligation.

Question: Can a local agency donate or sell their banked BIC to another agency?

Answer: Yes, all we need is a letter signed by director of public works from the agency that is wishing to transfer their banked credit to another agency. Terms and condition of the transfer is strictly between the agencies involved and Caltrans is not in any way involved.