



September 29, 2022

Attention: Remon Habib
City of Lake Elsinore
Public Works Department / Engineering Division
130 South Main Street
Lake Elsinore, CA 92530

RE: Proposal for 2022 Trade Corridor Enhancement Project (TCEP) Grant Writing Services: I-15 / SR-74 Interchange Improvement Project - Right of Way and Construction Funding

Dear Mr. Habib,

Under this proposal, HDR Engineering, Inc. (HDR) will assist The City of Lake Elsinore (The City) in the development of a 2022 TCEP grant application for the I-15/SR-74 Interchange Improvement Project. HDR has assisted many clients on numerous successful federal and state grant applications and has been instrumental in securing awards for these clients. In general, HDR has found that the following is required for a successful grant application:

1. A complete description of the project: its goals, its purpose and need, and how it will be implemented.
2. Completed engineering and environmental documentation, or a well-articulated plan to complete them.
3. Clear alignment with most if not all of the grant program's evaluation criteria.
4. A readable, complete narrative application.
5. A benefit-cost analysis demonstrating positive public economic outcomes.
6. Provision of an over-matching contribution that exceeds the program target.

Background

The objective of the Trade Corridor Enhancement Program is to fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement as determined by the California Transportation Commission.

To be eligible for funding under this program, a project must meet the freight project definition, support the objectives of the program, and meet the screening and evaluation criteria.

For this program, a freight project is a project that significantly contributes to the freight system's economic activity or vitality; relieves congestion on the freight system; improves the safety, security, or resilience of the freight system; improves or preserves the freight system infrastructure; implements technology or innovation to improve the freight system or reduce or avoid its negative



impacts; or reduces or avoids adverse community and/or environmental impacts of the freight system; or improves system connectivity.

Scope of Work

Given our previous work on the project for the PA&ED phase, we feel that we are in the best position to assist The City in developing a competitive application. For this effort HDR will provide The City with the following tasks for assistance in developing a TCEP grant application for the project.

Task 1. Project Kick-Off/Strategic Guidance

HDR will provide The City with specific recommendations on the program guidelines along with application strategy, development, schedule, and criteria that will provide The City with a strong 2022 TCEP grant application.

This task will include conference calls to discuss various options for the development of the application, as well as providing. The kick-off call will also be an opportunity for HDR to obtain any relevant documentation related to the project and to identify a local match and funding plan that will enable the project to be competitive.

Task 2. TCEP Grant Application Preparation

HDR will assist The City in the preparation of the 2022 TCEP grant application. The project for which a TCEP grant will be sought will consist of a request for funds (value established by The City) to enable certification of the right of way and construction of the project. HDR will provide technical writing and review services, and the preparation of select graphics to The City to enable the grant application to achieve its best possible fit to the 2022 TCEP grant criteria. The City will be responsible for the actual submittal of the grant application.

The application narrative will follow the latest TCEP guidance, which will identify the TCEP project definition, project evaluation and grant application requirements. HDR will design the application narrative to be easily accessible and emphasize the project's strengths with key themes throughout the application narrative.

The City will provide HDR with the current documentation detailing the project scope, budget, schedule, and likely impacts on transportation in the region. HDR will work with The City staff to identify the material risks to the project and the strategies that The City has developed to mitigate those risks.

It should be noted that identification of matching funds is critical to the grant application process. It is HDR's experience that upwards of 50% of the project cost should be from funding sources other than the TCEP in order for the application to be competitive. Identification of committed funds as well as identification of potentially committed funds shall be the responsibility of The City. In the case of non-committed funds, The City shall be responsible for seeking out a letter of support from the proposed funding agency.

Deliverables: Completed FY 2022 TCEP Grant Application (*separate from Benefit-Cost Analysis which is listed below*). Draft versions of the application narrative will be provided for review at 50% completion.

Task 3. Benefit-Cost Analysis

HDR will quantify the public benefits expected from the project that demonstrate adherence with TCEP goals, as described above. A key challenge of the TCEP grant application will be to provide



compelling evidence to the State of the merit of the project and its quantitative benefits in comparison to other applicants' projects.

We propose a five-step process for the economic analyses to be undertaken for this project:

Step 1: Define Project Baseline and Alternative Scenarios

Typically, the project benefits are estimated relative to a no-build scenario that factors in less capital-intensive improvements than the project being considered. Under this step, HDR will work with The City to clarify the baseline condition and the possible alternatives for consideration.

Step 2: Identify Public Benefit Categories

This step formalizes the public benefit categories to be evaluated. Included in this step is a strategy session by which the various components of the project will be discussed in order to fully define which elements should be included in the project scope in order to maximize probability of a grant award.

Step 3: Conduct Benefit-Cost Analysis

For each of the benefit categories identified in Step 2 above, structure and logic models will be developed that represent the methodology used to monetize each project benefit. They will then be used to estimate the benefits in Cal-B/C, a suite of MS Excel workbooks developed by Caltrans and currently maintained by HDR. HDR will collect model inputs from a variety of sources including The City, Caltrans, and other project documentation (e.g., its Feasibility Study, Environmental Assessment, cost estimates, etc.).

Step 4: Issue Results

In this step, materials for inclusion in the TCEP grant application and in support of the findings described in the benefit-cost analysis section of the application are prepared. Typically, a short document is drafted with key sections for input directly into the application and a technical appendix is drafted that can be posted online and referenced in the text of the document. The appendix describes the evaluation approach, describes the data and assumptions used, and presents the analysis results.

Deliverables: Benefit-cost analysis and technical appendix.

Budget

Based on the tasks described in this proposal, HDR proposes a lump sum fee of \$75,284.40 for this engagement. The cost proposal is attached to this letter for your use and information.

Schedule

HDR will deliver the 100% complete grant application to The City no later than 5 days prior to the TCEP grant application submission deadline, provided that all other interim deadlines regarding data, reports, and edits to drafts are met.

Confidentiality

HDR staff assigned to this project will maintain confidentiality with The City on this project, including all materials, information, and work products developed.

We very much appreciate this opportunity to assist The City with this critical project. Please direct any questions or concerns related to this proposal to HDR's Project Manager Eric Rouse at:eric.rouse@HDRinc.com



Sincerely,
HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Anna Lantin'.

Anna Lantin, PE
Vice President

Eric Rouse
Project Manager

COST PROPOSAL - Lake Eslinore TCEP Grant Preparation

DIRECT LABOR COSTS

¹ Includes overhead, fringe benefits and general administrative expenses

Task No.			Loaded Hourly		Total
			Hours	Rate ¹	
1.0	Grant Strategy Development/Kick Off				
	Robert Yates	Principal	8.00	\$ 302.55	\$ 2,420.40
	Eric Rouse	Sr. Financial Economist	8.00	\$ 377.97	\$ 3,023.76
	Elena Wilken	Principal Planner	8.00	\$ 188.80	\$ 1,510.40
	Kiernan Maletsky	Planner	8.00	\$ 115.17	\$ 921.36
	Kimberly Merkert	Project Administrator	8.00	\$ 122.72	\$ 981.76
			<u>40.00</u>		<u>\$8,857.68</u>
2.0	Draft and Final Grant Narrative/Application Development				
	Elan Wilken	Principal Planner	20.00	\$188.80	\$3,776.00
	Kiernan Maletsky	Planner	200.00	\$115.17	\$23,034.00
			<u>220.00</u>		<u>\$26,810.00</u>
3.0	Develop Benefit Cost Analysis				
	Stanley Wu	Economist	180.00	\$120.19	\$ 21,634.20
	Dallas Deford	Economist QA/QC	24.00	\$133.57	\$ 3,205.68
			<u>204.00</u>		<u>\$24,839.88</u>
4.0	Graphic Design/Final Package Assembly				
	Eric Rouse	Sr. Financial Economist	8.00	\$377.97	\$ 3,023.76
	Elena Wilken	Principal Planner	8.00	\$188.80	\$ 1,510.40
	Macy Cox	Graphic Designer	40.00	\$ 93.27	\$ 3,730.80
			<u>56.00</u>		<u>\$8,264.96</u>
5.0	Traffic Analysis Subconsultant				
	Eric Rouse	Principal Planner	4.00	\$377.97	\$ 1,511.88
	Fehr & Peers	Subconsultant			\$5,000.00
			<u>4.00</u>		<u>\$6,511.88</u>

TOTAL DIRECT LABOR COSTS: \$ 75,284.40

OTHER DIRECT COSTS (ODCs)

² All ODCs will be reimbursed at the actual cost incurred by the Consultant, as supported by receipts, and will not exceed the maximum amounts allowable for state employees, as indicated on the CalHR website: <https://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>.

Item No.	Description of Item	Unit	Quantity	Unit Cost ²	Total
1	Mileage	mile		\$ 0.585	\$ -
2					
3					
4					
5					
6					\$ -
7					\$ -
					<u>\$ -</u>
					TOTAL ODCs: \$ -

Assumes all meetings are virtual