

Council Meeting of
September 25, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works - Approve a Program Supplement to Administering Agency-State Agreement for Federal-Aid Projects No. 07-5249R with the State of California that authorizes the use of Federal Aid funds in the amount of \$1,296,000 obligated for the Torrance Boulevard Rehabilitation, T-43/44. Expenditure: Not Applicable

RECOMMENDATION

The Public Works Director recommends that the City Council:

1. Adopt a Resolution authorizing approval of Program Supplement No. N009 to Administering Agency-State Agreement for Federal-Aid Projects No. 07-5249R with the State of California for the Torrance Boulevard Rehabilitation, T-43/44; STPL-5249(018); and
2. Authorize the Mayor to execute and the City Clerk to attest to Program Supplement No. N009 to the Administering Agency-State Agreement for Federal-Aid Projects No. 07-5249R.

Funding

Not applicable.

BACKGROUND AND ANALYSIS

The Torrance Boulevard Rehabilitation (Sartori Avenue to west City limit) is included in the City's adopted FY 2007-11 Capital Budget as project T-43/44 ("T-43/44 Project"). The T-43/44 Project will provide for the repair of damaged curbs, gutters, sidewalks; installation of ADA-compliant curb ramps; and pavement reconstruction and overlay of Torrance Boulevard. The total project budget is approximately \$3.9M.

The City is currently eligible to receive \$1,296,000 in Federal aid funds for the T-43/44 Project. The funds, which are administered by Caltrans, are available only as a reimbursement and restricted to construction expenditures. In order to be eligible for

reimbursement with these Federal funds, it is required to adopt a Resolution (Attachment A) and to execute and attest to a Program Supplement (Attachment B).

It is anticipated that construction of the Torrance Boulevard Rehabilitation, T-43/44 will commence in summer 2008, following construction of the 190th Street Rehabilitation, T-49.

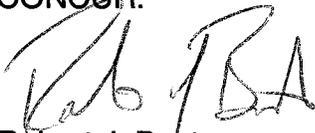
Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By: Craig Bilezerian
Project Manager

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Attachments: A. Resolution
B. Letter from State (August 21, 2007) and Program Supplement N009

RESOLUTION NO. 2007-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE
AUTHORIZING AND DIRECTING THE MAYOR AND THE CITY CLERK TO
EXECUTE AND ATTEST TO PROGRAM SUPPLEMENT NO. N009 TO
ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID
PROJECTS NO. 07-5249R WITH THE STATE OF CALIFORNIA**

WHEREAS, certain Federal funds administered by the State of California are conditionally available to the City of Torrance; and

WHEREAS, the City Council of the City of Torrance desires said funds be utilized to provide improvements within the City of Torrance; and

WHEREAS, in order to utilize said funds Administering Agency-State Agreement for Federal-Aid Projects No. 07-5249R with the State of California was entered into on June 29, 2007; and

WHEREAS, said Administering Agency-State Agreement requires a Program Supplement be executed for each project; and

WHEREAS, Program Supplement No. N009 to said Administering Agency-State Agreement is proposed to obtain Federal funds for road rehabilitation on Torrance Boulevard between Sartori Avenue and the west City boundary; and

WHEREAS, the utilization of said funds is in the best interest of the City of Torrance;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Torrance does hereby resolve as follows that the Mayor and City Clerk are authorized to execute and attest to Program Supplement No. N009 to said Administering Agency-State Agreement, copies of which are on file in the office of the City Clerk of the City of Torrance.

INTRODUCED, APPROVED, and ADOPTED this 25th day of September 2007.

Mayor of the City of Torrance

ATTEST:

City Clerk of the City of Torrance

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By _____
Ronald T. Pohl
Assistant City Attorney

DEPARTMENT OF TRANSPORTATION

Division of Local Assistance
 1120 N STREET
 P.O. BOX 942874, MS# 1
 Sacramento, CA 94274-0001
 TDD (916) 654-4014
 (916) 654-3151
 Fax (916) 653-7621



AUG 24 2007

File : 07-LA-0-TOR

STPL-5249(018)

Torrance Blvd: Sartori Ave to West
 City Limits

August 21, 2007

Mr. Robert Beste
 Public Works Director
 City of Torrance
 20500 Madrona Ave
 Torrance, CA 90503

Attn: Mr. Craig Bilezerian

Dear Mr. Beste:

Enclosed are two originals of the Program Supplement Agreement No. 009-N to Administering Agency-State Agreement No. 07-5249R and an approved Finance Letter for the subject project. Please retain the signed Finance Letter for your records.

Please note that federal funding will be lost if you proceed with future phase(s) of the project prior to getting the "Authorization to Proceed" with that phase.

Please review the covenants and sign both copies of this Agreement and return both to this office, Office of Project Implementation - MS1 within 60 days from the date of this letter. If the signed Agreements are not received back in this office within 60 days, funds will be disencumbered and/or deobligated. Alterations should not be made to the agreement language or funding. Attach your local agency's certified authorizing resolution that clearly identifies the project and the official authorized to execute the agreement. A fully executed copy of the agreement will be returned to you upon ratification by Caltrans. No invoices for reimbursement can be processed until the agreement is fully executed.

In accordance to Government Code 16304, Federal funds appropriated by the State budget are available for liquidation only for seven years and the State funds are available only for five years. The attached Finance Letter shows these deadlines as the "Reversion Date". Please ensure that your invoices are submitted at least 60 days prior to the reversion date to avoid any lapse of funds. If your agency is unable to seek reimbursement by this date you may request an extension through a Cooperative Work Agreement (CWA). A CWA is subject to the final approval of the State Department of Finance. If approved, the CWA may extend the deadline for up to one year for federal funds and up to three years for State funds.

Please note that Government Code 16304 does not supersede any other more restrictive expenditure deadlines.

Your prompt action is requested. If you have questions, please contact your District Local Assistance Engineer.

Sincerely,


 RAY ZHANG, Chief
 Office of Project Implementation - South
 Division of Local Assistance

Enclosure

c: DLA AE Project Files
 (07) DLAE - Kirk Cessna

DEPARTMENT OF TRANSPORTATION
 DIVISION OF ACCOUNTING
 LOCAL PROGRAM ACCOUNTING BRANCH

FINANCE LETTER

Date: 08/17/2007
 Agency: 07-LA-0-TOR
 Project No: STPL-5249(018)
 EA No: 07-932953

Attention: City of Torrance

FINANCE ITEMS	TOTAL COST OF FEDERAL PART. WORK	FED. COST	FED. REIMB %	FEDERAL L230	LOCAL
Agency Preliminary Engineering	\$0	\$0	.00	\$0	\$0
R/W Acquisition	\$0	\$0	.00	\$0	\$0
Contract Items: \$5,661,292 Contingencies: \$338,708 Total: \$6,000,000	\$6,000,000	\$6,000,000	21.60	\$1,296,000	\$4,704,000
Agency Construction Engineering	\$0	\$0	.00	\$0	\$0
Totals:	\$6,000,000	\$6,000,000		\$1,296,000	\$4,704,000

Fed. Partic: 100.00% This Finance Letter was created based on specific financial information provided by the responsible local agency. The following encumbrance history is prepared by Local Assistance Accounting Office and is provided here for local agency's information and action.

Signature:  Title: HQ Area Engineer

For questions regarding finance letter, contact:
 Printed Name: Albert Soares
 Telephone No: (916) 653-7140

Remarks: This FL is based on the City's FL dated 6/29/07.

ACCOUNTING INFORMATION - STPL-5249(018)						
Fund	Program	Fed/State	Encumbrance Amount	Approp Year	Expenditure Amount	Reversion Date
07DH	-A. STP-MINALLOC-DB	F	\$1,296,000	2006	\$0	06/30/13

PROGRAM SUPPLEMENT NO. N009
 to
 ADMINISTERING AGENCY-STATE AGREEMENT
 FOR FEDERAL-AID PROJECTS NO. 07-5249R

Date: August 10, 2007
 Location: 07-LA-0-TOR
 Project Number: STPL-5249(018)
 E.A. Number: 07-932953

This Program Supplement hereby incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 06/29/07 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. _____, approved by the Administering Agency on _____ (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by State of any funds derived from sources noted below obligated to this project, the Administering Agency accepts and will comply with the Special covenants or Remarks set forth on the following pages.

PROJECT LOCATION:

Torrance Blvd: Sartori Ave to West City Limits

TYPE OF WORK: Road Rehabilitation

LENGTH: 0 (MILES)

Estimated Cost	Federal Funds		Matching Funds		
	L230	\$1,296,000.00	LOCAL		OTHER
\$6,000,000.00			\$4,704,000.00	\$0.00	\$0.00

CITY OF TORRANCE

STATE OF CALIFORNIA
 Department of Transportation

By _____

By _____

Date _____

Chief, Office of Project Implementation
 Division of Local Assistance

Attest _____

Date _____

Title _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer *[Signature]* Date 8/13/07 \$1,296,000.00

Chapter	Statutes	Item	Year	Program	BC	Category	Fund Source	AMOUNT
47	2006	2660-102-890	2006-2007	20.30.010.810	C	262040	892-F	1,296,000.00

STPL-5249(018)

SPECIAL COVENANTS OR REMARKS

1. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days after the project contract award. A copy of the award package shall also be included with the submittal of the ADMINISTERING AGENCY's first invoice for the construction contract to:
Department of Transportation

Division of Accounting
Local Programs Accounting Branch, MS #33
P. O. Box 942874
Sacramento, CA 94274-0001.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Please refer to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

2. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).
3. Any State and Federal funds that may have been encumbered for this project are only available for disbursement for a period of five (5) years and seven (7) years, respectively, from the start of the fiscal year(s) that those funds were appropriated within the State Budget Act. All project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested and is approved by the California Department of Finance per Government Code Section 16304. The exact date of each fund reversion will be reflected in the approved finance letter(s) issued for this project.

Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement that is not submitted to the Department on or before 60 days after that applicable fixed fund reversion date will not be paid from that fiscal year's encumbered funds because all of these unexpended funds will be irrevocably reverted by the Department's Division of Accounting on that date.

SPECIAL COVENANTS OR REMARKS

Pursuant to a directive from the State Controller's Office and the Department of Finance, the last date to submit invoices for reimbursed work in each fiscal year is May 15th in order for payment to be made out of those then current appropriations. Project work performed and invoiced after May 15th will be reimbursed only out of available funding that might be encumbered in the subsequent fiscal year, and then only when those funds are actually allocated and encumbered as authorized by the California Transportation Commission and the Department's Accounting Office.

4. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations, and invoice payments for any on-going or future federal-aid project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

5. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.