

Council Meeting of
February 23, 2010

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

Members of the Council:

SUBJECT: Public Works – Appropriate funds and approve RESOLUTION and Program Supplement to Administering Agency-State Agreement with the State of California authorizing the use of Federal-aid funds for the Del Amo Boulevard Extension, T-30. Expenditure: \$4,425,093

RECOMMENDATION

Recommendation of the Public Works Director that City Council:

1. Adopt a **RESOLUTION** authorizing approval of Program Supplement No. N011 to Administering Agency-State Agreement for Federal-Aid Projects No. 07-5249R with the State of California for the Del Amo Boulevard Extension, T-30; ESPLRSTP-5249(021); and
2. Appropriate \$2,355,000 of federal-aid grant funds from the American Recovery and Reinvestment Act of 2009 to the Del Amo Boulevard Extension, T-30; and
3. Appropriate \$2,070,093 of Prop C funds from the City's un-appropriated fund balance to the Del Amo Boulevard Extension, T-30.

Funding

\$2,355,000 of federal-aid grant funds is available from the American Recovery and Reinvestment Act of 2009. \$2,070,093 of Prop C funds is available from the from the City's un-appropriated Prop C fund balance.

BACKGROUND AND ANALYSIS

The Del Amo Boulevard Extension is included in the adopted capital budget as project T-30 ("T-30 Project"). The project limits are between Crenshaw Boulevard and Madrona Avenue/Prairie Avenue. The project will complete the missing segment of Del Amo Boulevard between Crenshaw Boulevard and Maple Avenue and widen the existing segment of Del Amo Boulevard between Maple Avenue and Prairie Avenue. When constructed, Del Amo Boulevard will be a new four-lane divided roadway within the project limits and provide an additional east-west route throughout the City.

The T-30 Project will be constructed in two phases. Phase 1 will reroute two water and two sewer pipelines between Maple Avenue and Crenshaw Boulevard. Construction began in January 2010 and is ongoing. Phase 2 will construct the new 4-lane roadway and a new bridge over the BNSF and METRO tracks. Staff anticipates Phase 2 will be advertised for bid in spring of 2010.

A significant portion of the construction cost for Phase 2 of the T-30 Project is funded by federal-aid grant funding. In 2007, Public Works secured \$7,000,000 of federal-aid grant funds for this project. In December 2009, Public Works secured additional federal-aid grant funds in the amount of \$2,355,000 from the American Recovery and Reinvestment Act of 2009 ("ARRA"). Therefore, the total amount of federal-aid grant funds for the T-30 Project is \$9,355,000.

These federal-aid funds are administered by Caltrans and available only as a reimbursement for construction and construction management expenditures. In order to be eligible for reimbursement with these federal-aid funds, it is required to adopt the recommended Resolution and to execute and attest to a Program Supplement. Approval of both will secure eligibility to be reimbursed for a total of \$9,355,000. The recommended action also includes appropriating the additional \$2,355,000 of ARRA federal-aid grant funds to the T-30 Project. The \$7,000,000, secured in 2007, is already appropriated to the T-30 Project's budget.

Appropriation of Prop C Funds

Over the last year, there have been several expenditures for the T-30 Project, including the purchase of right-of-way and the execution of multiple required licenses and agreements. Public Works has been proactively monitoring the T-30 Project's overall financial budget and based on a current estimate, including the newly-available ARRA funds, there is a potential deficit in the overall project budget. The confirmation of a budget deficit, and an actual deficit amount, can not be determined until construction bids are opened in summer 2010 for Phase 2 of this project.

Recently, Public Works secured \$2,000,000 of ARRA funds for the Crenshaw Boulevard Rehabilitation, T-51 ("T-51 Project"). Subsequently, \$2,000,000 of the T-51 Project's Prop C funds was returned to the City's un-appropriated Prop C fund balance and is available. Also, there is an additional available amount of \$70,093 in the un-appropriated Prop C fund balance from liquidated balances of completed Capital Improvement projects. Prop C funds can be spent for improvements only on roadways that carry transit-related vehicular traffic. Also, there is a requirement that Prop C funds be expended within 4 fiscal years from the time of receipt. The T-30 Project previously qualified for the use of Prop C funds and can timely expend them within the 4 year timeframe. Also, Public Works has secured an administrative approval from Los Angeles County Metropolitan Transportation Authority to appropriate the additional \$2,070,093 of Prop C funds to the T-30 Project. It, therefore, is recommended that the available \$2,070,093 of Prop C funds now be appropriated to the T-30 Project to help offset any potential future budget deficit.

It should be noted that if it ultimately is confirmed that there is no budget deficit for the T-30 Project, then any available surplus funding can be returned to the un-appropriated account(s) and made available for future Capital Improvement Projects or other eligible City priorities.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By: Craig Bilezerian
Engineering Manager



Elizabeth Overstreet
Engineering Manager

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Attachments: A. Resolution
B. Program Supplement No. N011

RESOLUTION NO. 2010-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. N011 TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS NO. 07-5249R WITH THE STATE OF CALIFORNIA

WHEREAS, certain federal-aid 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. N011 to said Administering Agency-State Agreement is proposed to obtain federal-aid funds for construction of Del Amo Boulevard from Crenshaw Boulevard to Maricopa Street; 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. N011 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 23rd day of February 2010.

Frank Scotto, Mayor

ATTEST:

Sue Hebers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By _____
Patrick Q. Sullivan
Assistant City Attorney

PROGRAM SUPPLEMENT NO. N011
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO. 07-5249R

Date: January 06, 2010
Location: 07-LA-0-TOR
Project Number: ESPLRSTP-5249(021)
E.A. Number: 07-933627

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:

Del Amo Blvd: Madrona Ave/ Crenshaw Blvd

TYPE OF WORK: Construct 0 to 4 Lanes New Grade Separation

LENGTH: 0 (MILES)

Estimated Cost	Federal Funds		Matching Funds		
			LOCAL		OTHER
\$13,355,000.00	C230	\$2,355,000.00			
	L23E	\$7,000,000.00	\$4,000,000.00	\$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 1-7-10 \$9,355,000.00

Chapter	Statutes	Item	Year	Program	BC	Category	Fund Source	AMOUNT
1	2009	2660-102-890	2009-2010	20.30.010.810	C	262040	892-F	7,000,000.00
268	2008	2660-603-890	2008-2009	20.30.010.810	F	228010	898-F	2,355,000.00

SPECIAL COVENANTS OR REMARKS

1. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
2. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award or with submittal of the ADMINISTERING AGENCY's first invoice for the construction contract, whichever is earlier.

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.

3. 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).
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

SPECIAL COVENANTS OR REMARKS

imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

5. The Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).
6. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Excluded Parties List System (EPLS).
7. This project is financed, in whole or in part, with federal funds from the American Recovery and Reinvestment Act of 2009 (Recovery Act). ADMINISTERING AGENCY agrees:
 - 1) Statutory provisions contained in Chapter 1 of Title 23 United States Code (U.S.C.) are applicable to all Recovery Act funded projects,
 - 2) Costs incurred prior to the date of authorization are NOT eligible for reimbursement with federal Recovery Act funds,
 - 3) Federal Prevailing Wage Rate requirements apply to all Recovery Act funded construction projects regardless of location (including projects on local roads and rural minor collectors,

SPECIAL COVENANTS OR REMARKS

and Transportation Enhancement projects outside the highway right of way). ADMINISTERING AGENCY agrees to include the appropriate wage rate information in the contract and also include a contract provision that overrides the general applicability provisions in form FHWA-1273, Sections IV and V,

- 4) To expend and invoice for all Recovery Act funds prior to using other funds, and
 - 5) To comply with the reporting requirements, terms and conditions set forth in Sections 1201 and 1512 of the Recovery Act and as designated by the STATE. Failure to comply will result in retentions from progress payments due ADMINISTERING AGENCY and/or other sanctions,
 - 6) Recovery Act funds are available for liquidation only until September 30, 2015 when the remaining balance of Recovery Act funds will expire. ADMINISTERING AGENCY agrees to submit an invoice for the balance of project Recovery Act funds (if any) to the STATE prior to July 1, 2015.
8. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the DistrictLocal Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going

SPECIAL COVENANTS OR REMARKS

to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.