



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 2, 2007

ITEM NUMBER: _____

SUBJECT: REVISION TO MASTER AGREEMENT FOR FEDERAL AID PROJECTS

DATE: DECEMBER 21, 2006

FROM: PUBLIC SERVICES DEPARTMENT/ADMINISTRATION DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: Donna Theriault, Management Analyst 714-754-5024

RECOMMENDATION:

1. Approve the Revised Master Agreement Administering Agency-State Agreement for Federal Aid Projects, and authorize the Mayor and City Clerk to execute the Agreement.
2. Approve Resolution authorizing the Public Services Director to execute all project specific Program Supplements to the Master Agreement, and authorizing the City Manager to execute future revisions to the Master Agreement.

BACKGROUND:

As a result of the Federally enacted Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and subsequent State legislation allowing the use of certain Federal-aid Program funds for use on local transportation facilities, the California Department of Transportation (CALTRANS) has revised the Master Agreement setting forth the requirements of local agencies in administration of projects receiving Federal-aid Program funds and the maintenance of the completed facility.

The City of Costa Mesa and Caltrans have been operating under the Master Agreement for Federal Aid Projects executed on July 18, 1977 and revised in June 1997. Recently, Caltrans has revised the existing Master Agreement to reflect various changes in Caltrans Local Assistance regulations and procedures, and is requesting local agencies to approve the revised Master Agreement (Attachment 1).

ANALYSIS:

The revised Agreement sets forth the requirements of the City of Costa Mesa, as the administering agency, and applies to all City projects financed in part with Federal program funds which include the Regional Surface Transportation Program (RSTP), the Congestion Mitigation and Air Quality Improvement (CMAQ), the Transportation Enhancement Activities Program (TEA), the Highway Safety Improvement Program (HSIP) and the Highway Bridge Program (HBP). By entering into the Agreement, the City

agrees to comply with the most current State statutes, regulations and procedures relating to the Federal-aid Program.

The revised Agreement requires the City to comply with a Federal/State Fair Employment Practices Addendum and Nondiscrimination Assurances attached to the agreement, which the City currently does for all State and Federally funded projects. The revised Agreement will require that all rights-of-way be acquired before a construction contract can be awarded, all projects be regularly maintained by the City or the City's designated contractor, and that all records pertaining to Federally-funded projects be maintained for a minimum length of time after completion of the project. In the event the City breaches the Agreement by not completing the project, the Agreement allows for the State to seek reimbursement from the City of all Federal funds paid towards the uncompleted project.

The revised Agreement requires the City to execute a project-specific Program Supplement to the Master Agreement for each project receiving Federal funds. The Program Supplement is required to secure the financial commitment of State administered Federal funds. The Resolution (Attachment 2) will authorize the Public Services Director to execute the required Program Supplements. The Resolution will also authorize the City Manager to execute future revisions to the Master Agreement.

ALTERNATIVES CONSIDERED:

The City can elect not to enter into the revised Agreement with Caltrans. However, this would jeopardize the City's eligibility to receive any future Federal or State grant funds. Also, the revised Agreement could be changed or reworded. However, City staff is of the opinion that the existing content is not detrimental to the City, and any change would have to receive approval of Caltrans' attorneys in Sacramento which is a lengthy process.

FISCAL REVIEW:

There is no fiscal impact for this item.

LEGAL REVIEW:

The City Attorney's Office has reviewed the revised Agreement and approved it as to form. The City Attorney's Office has prepared the attached Resolution.

CONCLUSION:

In order to remain eligible to receive Federal funds for City transportation facility projects, it is recommended City Council approve the revised Master Agreement for Federal Aid

Projects and the Resolution authorizing the Public Services Director to execute Program Supplements to the Master Agreement, and authorizing the City Manager to execute future revisions to the Master Agreement.

DONNA THERIAULT
Management Analyst

WILLIAM J. MORRIS
Director of Public Services

DISTRIBUTION: City Manager
Assistant City
Manager
City Attorney
Finance Director
Staff

ATTACHMENTS: 1 [Revised Master Funding Agreement](#)
2 [Resolution](#)

File Name Master Funding Agrmt

Date 12-19-06

Time 2:05 pm