RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 18-010 authorizing the General Manager, or his designee, to file and execute applications and funding agreements, and certifications and assurances with the California Department of Transportation (Caltrans) for the Senate Bill 1 State of Good Repair (SGR) Program to secure funding for the East Bay Bus Rapid Transit project; and to provide Certifications and Assurances.

BACKGROUND/RATIONALE:

The State of Good Repair Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee will be transferred to the State Controller’s Office (SCO) for the SGR Program. These funds will be allocated under the State Transit Assistance (STA) Program formula to eligible agencies pursuant to Public Utilities Code (PUC) section 99312.1. Half is allocated according to population and half according to transit operator revenues.

The East Bay Bus Rapid Transit (BRT) project is proposed for funding from the SGR program. The SGR program funds design, acquisition and construction of new vehicles or facilities that improve existing transit services, therefore the BRT qualifies as an eligible project. The BRT is in the early construction phase and is therefore the most ‘shovel ready’ project that is currently underway.

Certifications and Assurances

State Transit Assistance State of Good Repair (STA-SGR) guidelines require regional entities and transit operators who expect to receive SGR funds to sign the Certifications and Assurances document prior to receiving funds. The Certifications and Assurances document contains general conditions of the SGR program as well as reporting, cost principles, and record retention requirements that are standard for State-funded projects.

Authorized Agent

The STA-SGR guidelines require regional entities and transit operators who expect to receive SGR funds to assign an Authorized Agent or Agents to be the signatory on any documents associated with obtaining and managing SGR funds. Generally, the signatory is the General Manager, who can choose to assign other staff, such as the Chief Financial Officer or the Director of Management and Budget to sign in his stead.
BUDGETARY/FISCAL IMPACT:

The SGR revenue program will provide $3,149,541 for AC Transit. Matching funds are not required.

ADVANTAGES/DISADVANTAGES:

The advantage of applying for these funds is that the District would receive additional funds for the BRT project. Staff cannot identify any disadvantages to applying for the funds.

ALTERNATIVES ANALYSIS:

The eligibility criteria for the program are quite broad for capital projects. Given the amount of funds, staff identified the BRT as the most eligible project to apply for and administer. The funding will also reduce the project need and the amount of debt that the District will need to issue to cover any shortfall.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 324 – Revenue and Grant Policies

ATTACHMENTS:

1. Resolution No. 18-010
2. Recipient Certifications and Assurances
3. Authorized Agent Form

Approved by: Claudia Allen, Chief Financial Officer
Reviewed by: Denise C. Standridge, General Counsel
            Chris Andrichak, Director of Management and Budget
Prepared by: Evelyn Ng, Senior Capital Planning Specialist
             Phillip J. L. Halley, Senior Capital Planning Specialist
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
RESOLUTION NO. 18-010  

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO FILE AND EXECUTE APPLICATIONS AND FUNDING AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR ALLOCATIONS OF THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM; AND TO PROVIDE CERTIFICATIONS AND ASSURANCES AND ASSIGN THE GENERAL MANAGER, OR HIS DESIGNEE AS THE AUTHORIZED AGENT FOR THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM

WHEREAS, the Alameda-Contra Costa Transit District (District) is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair (SGR) Program for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 11 (2017) named the Department of Transportation (Department) as the administrative agency for the SGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

WHEREAS, the District wishes to delegate authorization to execute these documents and any amendments thereto to the General Manager, Michael A. Hursh.

NOW THEREFORE, the Board of Directors of the Alameda-Contra Costa Transit District does resolve as follows:

Section 1. The District as the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all SGR funded transit projects.

Section 2. Authorizes General Manager, Michael A. Hursh, to execute all required documents of the SGR program and any Amendments thereto with the California Department of Transportation.

Section 3. This resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

PASSED AND ADOPTED this 10th day of January, 2018.

Elsa Ortiz, President
Attest:

______________________________
Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 10th day of January, 2018, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
Linda A. Nemeroff, District Secretary

Approved as to Form and Content:

______________________________
Denise C. Standridge, General Counsel
State Transit Assistance State of Good Repair Program

Recipient Certifications and Assurances

Recipient: Alameda-Contra Costa Transit District

Effective Date: 10th January, 2018

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

A. General

(1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.

(2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project.

(3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

B. Project Administration

(1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.

(2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.

(3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.

(4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.
(5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.

(6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.

(7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.

(8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.

(9) Funds will be expended in a timely manner.

C. Reporting

(1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:

a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31st) of each year.

b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

D. Cost Principles

(1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
(3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

(1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.

(2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.
(3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

(1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.

(2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.

(3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient’s SGR funded projects at the Department’s discretion from SGR award through 3 years after the completion and final billing of any SGR funded project. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

BY:

AUTHORIZING OFFICER, Title
Unit/Department
ATTACHMENT I

(INSERT Agency Board Resolution approving this document)
Authorized Agent

The following individual(s) are hereby authorized to execute for and on behalf of the named Regional Entity/Transit Operator, and to take any actions necessary for the purpose of obtaining State Transit Assistance State of Good Repair funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. This form is valid at the beginning of Fiscal Year 2017-2018 until the end of the State of Good Repair Program. If there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself.

Claudia L. Allen, Chief Financial Officer
(Name and Title of Authorized Agent)

OR

Chris Andrichak, Director of Management and Budget
(Name and Title of Authorized Agent)

AS THE General Manager
(Chief Executive Officer / Director / President / Secretary)

OF THE Alameda-Contra Costa Transit District
(Name of County/City Organization)

Michael A. Hursh
(Print Name)

General Manager
(Title)

(Signature)

Approved this 10th day of January, 2018