

MEMORANDUM

TO: CITY COUNCIL

FROM: BILL ROBESON, ASSISTANT CITY MANAGER/PUBLIC WORKS DIRECTOR

BY: JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

SUBJECT: CONSIDERATION OF PROGRAM SUPPLEMENT NO. F018 TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL AID PROJECT NO. 05-5199F15 AND AN AWARD OF CONTRACT TO QUINCON, INC. FOR CONSTRUCTION OF THE HABITAT MITIGATION PHASE OF THE BRIDGE STREET BRIDGE REHABILITATION PROJECT, PW 2020-08

DATE: OCTOBER 13, 2020

SUMMARY OF ACTION:

Approve Program Supplement No. F018 to allow for Federal Highway Bridge Program (HBP) reimbursement and award a construction contract for the Habitat Mitigation Phase of the Bridge Street Bridge Rehabilitation project.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Federal Highway Bridge Program (HBP) funds in the amount of \$250,000 were secured for the subject project based on original estimates. It is now estimated that an additional \$166,060 is needed to fully fund the project. A transfer of Local Sales Tax from the Annual Pavement Management Program budget is recommended. Concurrently, staff has applied for additional HBP funding. Staff time will be necessary to coordinate construction activities with the contractor and engineering consultants.

RECOMMENDATION:

It is recommended the City Council: 1) Adopt a Resolution authorizing the Mayor to execute Program Supplement No. F018 to Administering Agency-State Agreement for Federal-aid Project No. 05-5199F15; 2) Award a contract for the Habitat Mitigation Phase of the Bridge Street Bridge Rehabilitation Project to Quincon Inc. in the amount of \$317,419; 3) Authorize the City Manager to approve change orders for 10% of the contract amount, \$317,419, for unanticipated costs during the construction phase of the project (total construction costs = \$317,419 + \$31,741 = \$349,160); and 4) transfer \$166,060 of Local Sales Tax funds from the Annual Pavement Management Program budget to the subject project.

BACKGROUND:

On August 25, 2020, the City Council approved the revegetation plan and specifications for the Habitat Mitigation Implementation, Maintenance, Monitoring, and Reporting for the

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Bridge Street Bridge Rehabilitation Project. The revegetation plan and specifications contain provisions for a habitat mitigation and restoration implementation plan, and a five-year maintenance, monitoring and reporting plan. Because habitat mitigation is typically performed by specialized contractors and over a five-year window, the City coordinated with Caltrans to separate this post-construction phase of the project from the construction phase. This allows the City to close out the construction contract with Granite Construction Company at the completion of the bridge rehabilitation, and allows a separate contractor to maintain and monitor the planting it installs.

In order for a local agency to expend Federal-aid funds, it must enter into a general Master Agreement with the State. The Master Agreement contains general provisions and identifies responsibilities of each agency for any Federally funded projects. Once a Master Agreement is in place, the City and the State can enter into a Program Supplement, which contains project specific covenants or remarks that are incorporated in the Master Agreement. The City entered into the Master Agreement on August 7, 2018.

ANALYSIS OF ISSUES:

As part of the environmental clearance and permitting for the Bridge Street Bridge Rehabilitation project, the City is required to implement its Habitat Mitigation and Monitoring Plan (HMMP).

On September 24, 2020, one bid was received for the Habitat Mitigation Phase of the Bridge Street Bridge Rehabilitation project. The bid, from Quincon, Inc., was in the amount of \$317,419. The bid provided by Quincon, Inc has been determined to be responsive and Quincon, Inc. has been determined to be a responsible bidder.

In order to fully fund the Habitat Mitigation Phase, an additional \$166,060 to the previously secured \$250,000 of HBP funds is needed as shown below:

Construction	\$ 317,419
Construction Contingencies	31,741
Engineering Services	22,800
Construction Management/Inspection	<u>44,100</u>
Total Expenditures	\$ 416,060

Staff has applied for additional HBP funding. However, HBP funding for the State is extremely constrained at this time and it is unknown if or when additional HBP for this project can be secured. Therefore, staff is recommending a transfer of \$166,060 of Local Sales Tax funds from the Annual Pavement Management Program budget to fully fund the project.

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Before the City can begin invoicing for HBP reimbursement of the work performed, a program supplement must be executed. A Resolution must be adopted by the City Council that clearly identifies the official authorized to execute Program Supplement No. F018 to Administering Agency-State Agreement for Federal-aid Project No. 05-5199F15.

Site preparation and planting is expected to be performed in November 2020, depending on the bridge rehabilitation construction schedule. Delivery of the final completion report is anticipated at the end of December 2025.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations;
2. Do not approve staff's recommendations and request further information;
3. Modify staff's recommendation and approve; or
4. Provide direction to staff.

ADVANTAGES:

The project will mitigate impacts to riparian and wetland habitats associated with the Bridge Street Bridge Rehabilitation project. Approving the Program Supplement will allow the City to request \$250,000 reimbursement of the HBP funds secured so far. Awarding the construction contract will allow for planting in November 2020 as outlined in the HMMP.

DISADVANTAGES:

A transfer of Local Sales Tax funds takes away funding from other street projects.

ENVIRONMENTAL REVIEW:

Caltrans, as lead agency, has determined that the project is categorically excluded from the requirements to prepare and Environmental Assessment (EA) or Environmental Impact Statement (EIS) under the National Environmental Policy Act (NEPA) pursuant to 23 CFR 771.117(d): activity (d)(13) covering bridge rehabilitation that avoids an adverse effect to historic properties under the National Historic Preservation Act.

The City, as lead agency, has adopted a Mitigated Negative Declaration (MND) prepared in accordance with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq., and the State CEQA Guidelines, California Code of Regulations (CCR) §15000 et seq. for the Bridge Street Bridge Rehabilitation project, including the habitat mitigation phase of the project addressed in this proposed action.

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PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Bid Opening Log Sheet

RESOLUTION NO. 5039

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING PROGRAM SUPPLEMENT NO. F018 TO ADMINISTERING AGENCY-STATE AGREEMENT NO. 05-5199F15 FOR CONSTRUCTION OF THE HABITAT MITIGATION PHASE OF THE BRIDGE STREET BRIDGE REHABILITATION PROJECT

WHEREAS, the City and the State have entered into a Master Agreement Administering Agency-State Agreement for Federal-Aid Projects No. 05-5199F15; and

WHEREAS, Program Supplement No. F018 to the Administering Agency-State Agreement for Federal-Aid Project No. 05-5199F15 designates the Federal funds requested for the Habitat Mitigation phase of the Bridge Street Bridge Rehabilitation Project; and

WHEREAS, the City of Arroyo Grande is eligible to receive Federal funds.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Arroyo Grande hereby:

1. Approves Exhibit A attached, entitled "Program Supplement No. F018 to Administering Agency-State Agreement for Federal-Aid Projects No. 05-5199F15."
2. Appoints the Mayor as the official representative authorized to sign the Program Supplement.

On motion of Council Member Storton, seconded by Council Member Barneich, and on the following roll call vote, to wit:

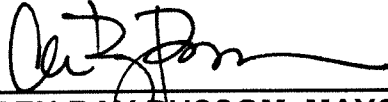
AYES: Council Members Storton, Barneich, Paulding, George, and Mayor Ray Russom

NOES: None

ABSENT: None

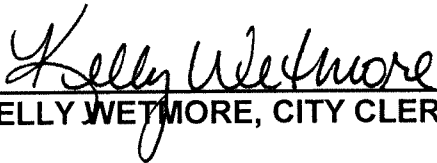
the foregoing Resolution was passed and adopted this 13th day of October, 2020.

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CAREN RAY RUSSOM, MAYOR

ATTEST:



KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:



WHITNEY McDONALD, CITY MANAGER

APPROVED AS TO FORM:



TIMOTHY J. CARMEL, CITY ATTORNEY

PROGRAM SUPPLEMENT NO. F018
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 05-5199F15

Adv Project ID **Date:** August 27, 2020
 0520000017 **Location:** 05-SLO-0-ARGD
 Project Number: BHLO-5199(032)
 E.A. Number:
 Locode: 5199

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 08/07/18 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 the 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: Long-Term Post-Construction Environmental Mitigation & Monitoring
 Bridge St bridge (Br. No. 49C-0196)
 Related to parent 5199(027)

TYPE OF WORK: Bridge Related - Other

LENGTH: 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds	
	Z233		LOCAL	OTHER
\$250,000.00	\$250,000.00		\$0.00	\$0.00

CITY OF ARROYO GRANDE

STATE OF CALIFORNIA
Department of Transportation

By _____
Title _____
Date _____
Attest _____

By _____
Chief, Office of Project Implementation
Division of Local Assistance

Date _____

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

Accounting Officer 

Date 9/2/20 \$250,000.00

SPECIAL COVENANTS OR REMARKS

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

B. 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).

C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.

D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

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

E. 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 for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future 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.

F. 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-

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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.).

G. 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 District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going 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.

H. 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 Exclusion List. Exclusions can be found at www.sam.gov.

2. A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of

SPECIAL COVENANTS OR REMARKS

Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.

B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.

C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.

D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.

E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.

F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be

SPECIAL COVENANTS OR REMARKS

used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States 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 and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends \$750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be

SPECIAL COVENANTS OR REMARKS

examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over \$5,000, construction contracts over \$10,000, or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.



**CITY OF ARROYO GRANDE
BID OPENING LOG SHEET**

DEADLINE: THURSDAY, SEPTEMBER 24, 2020 – 2:00 PM
**PROJECT NAME: HABITAT MITIGATION IMPLEMENTATION, MAINTENANCE, MONITORING,
AND REPORTING FOR THE BRIDGE STREET BRIDGE REHABILITATION PROJECT**
FEDERAL PROJECT NO. BHLO-5199 (032)
SPECIFICATION NO. PW 2020-08
ENGINEER'S ESTIMATE: \$270,000.00

SUBMITTED BY:

BID TOTAL:

1. **Quincon**
Grover Beach, CA 93433

\$317,419.00

Glenda Boner

Glenda Boner, Administrative Secretary

C: **Director of Public Works**
Public Works Manager

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