

16. Approve an agreement with the State of California, acting by and through the Department of Transportation, for the exchange of Federal Transportation project funds for non-Federal State Highway Funds, in an amount of \$887,784, for Fiscal Year 2024/2025. Accept the \$100,000 from the State as matching funds.



Resource Management Agency

COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

LARRY MICARI
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: May 6, 2025

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	Yes

CONTACT PERSON: Celeste Perez PHONE: (559) 624-7010

SUBJECT: Approve the 2024/2025 Federal Exchange and State Match Agreement

REQUEST(S):

That the Board of Supervisors:

1. Approve an agreement with the State of California, acting by and through the Department of Transportation, for the exchange of Federal Transportation project funds amounting to \$887,784 for non-Federal State Highway Funds for Fiscal Year 2024/2025.
2. Accept the \$100,000 from the State as matching funds.
3. Authorize the Chair to sign the Agreement.
4. Direct the Resource Management Agency to provide a fully executed copy of the Agreement to the Clerk of the Board.

SUMMARY:

Tulare County receives funding for road maintenance from a variety of sources including federal, state, and local origins. One of these sources is the federal Regional Surface Transportation Block Grant Program (RSTBGP). Through the RSTBGP Tulare County received approximately \$1.7 million last fiscal year. This money is routed through two separate channels before it is deposited into the County Roads fund. Approximately half of the funds are disbursed through a claim request to the local Regional Transportation Planning Agency (RTPA) and the Tulare County Association of Governments (TCAG). The other portion of funds is disbursed directly to the County through the State of California via the Department of Transportation (Caltrans). RSTBGP funds can be used toward maintenance or street improvements on County maintained roadways.

This item is a request for the approval of a regular annual agreement with Caltrans for

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DATE: May 6, 2025

the disbursement of a portion of this year's RSTBGP funds. A separate Board Agenda Item will request approval of a claim for the portion of the RSTBGP funds disbursed through TCAG.

This Agreement provides for \$887,784 in federal funds exchanged into state funds and a \$100,000 state funds match. In accordance with Title 23 of the United States Code, federal transportation funds (RSTBGP) are annually apportioned to the State. According to the California Streets and Highways Code Section 182.6(g), Tulare County is eligible to exchange its annual federal apportionment (\$887,784) on a dollar-for-dollar basis for non-federal State Highway Account funds. In addition, Section 182.9 provides for the state to pay the County \$100,000 as the match to the federal funds.

State Highway Account funds have fewer restrictions, a shorter environmental process, and no local match requirements when compared with federal funds. By exchanging the RSTBGP federal funds for state funds, the County's flexibility in the use of these funds on County road project is increased.

This funding will be allocated towards Tulare County's annual County Transportation Improvement Program (CTIP) which will be utilized in conjunction with the annual funding from Measure R and Road Maintenance and Rehabilitation Account funds (i.e. SB 1 funding) for roadway rehabilitation and maintenance projects.

The CTIP utilizes a three (3) factor approach to project selection: 1) Quantitative analysis such as the Pavement Management System and road safety data, 2) Qualitative analysis such as constituent requests and development factors, and 3) Rapid Response reserves for as needed maintenance projects throughout the fiscal year. Upon allocation of the funding and project selection, projects will be either designed by staff and constructed by County Forces or advertised for competitive bidding and constructed through contract. The specific locations of these roadway maintenance projects identified through the CTIP is being brought to your Board for approval under a separate agenda item.

It is expected that projects utilizing this funding will begin construction during the fiscal year 2025/26.

This Agreement has been approved as to form by County Counsel. The following terms deviate substantively from County contract protocol:

1. The County signs the Agreement first.

FISCAL IMPACT/FINANCING:

No Net County Cost to the General Fund.

This action would authorize the exchange of federal funds and state matching funds amounting to \$987,784 for State Highway Account funds which will then be distributed to the County. This amount includes apportionments for the 2024/2025 fiscal year. These funds will be recognized as state revenue. There is no fee to exchange funds. All project costs related to work performed using these funds are eligible costs to be paid using this fund source.

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DATE: May 6, 2025

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

This links to the goals of the Business Plan's Strategic Initiative Safety and Security which includes the goal of improving and maintaining adequate transportation infrastructure.

ADMINISTRATIVE SIGN-OFF:

/s/ Reed Schenke

Reed Schenke, P.E.
Director

Cc: County Administrative Office

Attachment: Federal Exchange and State Match Agreement

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

**IN THE MATTER OF Approve the
2024/2025 Federal Exchange and State
Match Agreement**

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**Resolution No. 2025-0343
Agreement No.**

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

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FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM
CALIFORNIA DEPARTMENT OF TRANSPORTATION - NON MPO COUNTY

06 TULARE
District County

Agreement No. X25-5946(229)
AMS Adv ID:0625000163

THIS AGREEMENT is made on _____, by the COUNTY of TULARE , a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (STATE).

WHEREAS, COUNTY desires to assign federal apportionments made available to COUNTY for allocation to transportation projects in accordance with Section 182.6 of the Streets and Highways Code [Regional Surface Transportation Program (RSTP)/Regional Surface Transportation Block Grant Program (RSTBGP) funds] in exchange for nonfederal State Highway Account funds, and

WHEREAS Section 182.9 of the Streets and Highways Code requires the allocation of State Matching funds from the State Highway Account to COUNTY:

NOW, THEREFORE, the parties agree as follows:

I. FEDERAL APPORTIONMENT EXCHANGE PROGRAM


A. As authorized by Section 182.6 of the Streets and Highways Code, and the RTPA having agreed to exchange or elected not to exercise its authority as it relates to the COUNTY'S portion of the RSTP/RSTBGP under Section 182.6(g), COUNTY agrees to assign to STATE:

\$887,784.00 from the eligible portion of its estimated annual minimum RSTP/RSTBGP Apportionment for Fiscal Year 2024/2025.

The eligible portion of said minimum apportionment is the COUNTY's estimated annual minimum RSTP/RSTBGP apportionment established under Section 182.6(d)(2) of the Streets and Highways Code less any federal apportionments already obligated for projects chargeable to COUNTY's eligible portion of its estimated annual minimum RSTP/RSTBGP apportionment.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance

 Accounting Officer	Date 03/06/2025	\$ 987,784.00
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B. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

II. STATE MATCH PROGRAM - Section 182.9

A. As authorized by Section 182.9 of the Streets and Highways Code, STATE agrees to pay to COUNTY \$100,000.00 from the unobligated balance of COUNTY's State Matching funds for Fiscal Year 2024/2025.

B. COUNTY agrees that before COUNTY uses State Matching funds for any other lawful purpose, COUNTY shall use such funds to match federally funded transportation projects.

III. COMMON PROVISIONS

A. Subject to the availability of State funds by the State Budget Act, and upon receipt of COUNTY invoice evidencing COUNTY's assignment of COUNTY's estimated apportionment under Section I.A to STATE, STATE agrees to pay to COUNTY an amount not to exceed \$987,784.00 that equals the sum of the estimated apportionment amounts identified in Sections I.A and the State Match funds identified in Section II.A.

B. COUNTY agrees to use all State funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

C. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

D. COST PRINCIPLES

1. The COUNTY agrees to comply with, and require all project sponsors to comply with, Office of Management and Budget Supercircular 2 CFR Part 200, Cost Principles for STATE and LOCAL government, Uniform Administrative Requirements for Grants and Cooperative Agreements to STATE and LOCAL governments.

2. COUNTY will assure that its fund recipients 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. Every sub-recipient receiving funds as a contractor or sub-contractor under this agreement 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 fund expenditures for costs for which COUNTY has received payment or credit that are determined by subsequent audit to be unallowable under Office of Management and Budget Supercircular, 2 CFR Part 200, are subject to repayment by COUNTY to STATE. Should COUNTY fail to reimburse funds due STATE within 30 days or demand, or within

such other period as may be agreed in writing between the parties hereto, STATE is authorized to intercept and withhold future payments due COUNTY from STATE of any third-party source, including, but not limited to, the State Treasurer, the State Controller and the CTC.

E. THIRD PARTY CONTRACTING

- 1) COUNTY shall not award a construction contract 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 using funds without the prior written approval of STATE.
- 2) Any subcontract or agreement entered into by COUNTY as a result of disbursing funds received pursuant to this Agreement shall contain all of the fiscal provisions of this Agreement; and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as project costs only after those costs are incurred and paid for by the subcontractors.
- 3) In addition to the above, the preaward requirements of third party contractor/consultants with COUNTY should be consistent with Local Program Procedures as published by STATE.

F. ACCOUNTING SYSTEM

COUNTY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate fund expenditures by line item. The accounting system of COUNTY, 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.

G. RIGHT TO AUDIT

For the purpose of determining compliance with this Agreement and other matters connected with the performance of COUNTY'S contracts with third parties, COUNTY, COUNTY's contractors and subcontractors and STATE 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 for three years from the date of final payment of funds to COUNTY. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and COUNTY shall furnish copies thereof if requested.

H. TRAVEL AND SUBSISTENCE

Payments to only COUNTY for travel and subsistence expenses of COUNTY forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under

current State Department of Personnel Administration (DPA) rules. If the rates invoiced are in excess of those authorized DPA rates, then COUNTY is responsible for the cost difference and any overpayments shall be reimbursed to STATE on demand.

STATE OF CALIFORNIA
Department Of Transportation

COUNTY OF TULARE

By: _____
Office of Project Management Oversight
Division of Local Assistance

By: _____
Pete Vander Poel
Chair, Board of Supervisors

Title: _____

Date: _____

Date: _____

Approved as to Form
County Counsel
By: Makenzie M. Walker
Deputy
Matter No. 2025497