



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

**SUBJECT: MASTER AGREEMENT FOR
FEDERAL-AID
TRANSPORTATION PROJECTS**

DATE: 04-28-08

Approved

Date

4/29/08

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Approval of an updated master agreement with Caltrans for federal-aid transportation grant programs and adoption of a resolution authorizing the City Manager to negotiate and execute any program supplements to the master agreement, enabling the City to receive federal-aid funds for qualifying transportation projects.

OUTCOME

The recommended action is necessary for the City to receive federal transportation grant funds and it supports continuing a streamlined administrative procedure related to delivering grant funded projects. Based on the adopted Traffic Capital Improvement Program, the City is currently expected to receive approximately \$30 million in federal transportation grants over the next five years.

BACKGROUND

On an ongoing basis, the City of San Jose has maintained a master agreement with the California Department of Transportation (Caltrans) that allows the City to receive federal funds from various transportation programs. Among these federal programs include the Surface Transportation Program (STP), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), and the Highway Bridge Program (HBP). Caltrans has the authority to administer the federal funding for these programs for funds allocated to California, and Caltrans requires that each local agency have a master agreement in order to receive the federal funds.

The current master agreement titled "Administering Agency-State Agreement for Federal-Aid Projects" between the City of San Jose and Caltrans was updated on October 6, 2000. Recently, Caltrans has requested that the master agreement be updated to incorporate the various changes in regulations and policies.

ANALYSIS

The master agreement for federal grants contains the basic terms related to implementing federally funded projects. The key elements of the master agreement include the following:

- Specifies that project implementation must conform with the rules and regulations for the Caltrans Local Assistance Manual and Guidelines
- Defines provisions for award, administration, and inspection of projects
- Defines provisions for right-of-way maintenance and management
- Defines fiscal requirements of the program including audit requirements
- Contains provisions related to indemnification, termination, fair employment, and non-discrimination

For specific transportation projects selected for funding from federal grant programs, the City will execute a supplemental agreement, referred to as a "program supplement". The program supplement describes the project scope and the grant funding amount for certain phases of project implementation, such as environmental clearance, project design, right-of-way acquisition, and construction. The City Council has in the past authorized the City Manager to execute program supplements in order to efficiently process grant authorizations.

The City's Traffic Capital Improvement Program identifies projects currently approved or expected to receive federal transportation grant funding. The projects include:

- Pavement Maintenance (\$17 million)
- Intelligent Transportation Systems Projects (\$11 million)
- Seismic Retrofit Bridge Projects (\$1 million)

EVALUATION AND FOLLOW UP

No follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Not applicable

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website as part of the Council Agenda public outreach process.

COORDINATION

The master agreement for federal-aid projects and the City Council resolution have been coordinated with the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

The recommended actions support the City Council's adopted strategy to "pursue federal and state funding for key efforts".

COST IMPLICATIONS

The recommended actions will support the City's ability secure future federal transportation grants estimated to be at least \$30 million over the next five years.

HONORABLE MAYOR AND CITY COUNCIL

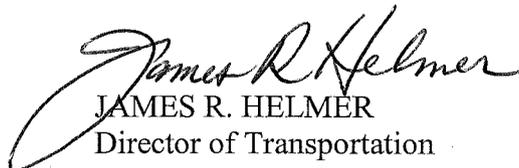
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CEQA

Not a project


JAMES R. HELMER
Director of Transportation

For questions please contact Rene Cordero, Manager of Transportation Capital Improvement Programs, at 975-3235.