

**DEPARTMENT OF TRANSPORTATION**

Division of Local Assistance  
1120 N STREET  
P.O. BOX 942874, MS# 1  
Sacramento, CA 94274-0001  
TTY 711  
(916) 654-3883  
Fax (916) 654-2408



**RECEIVED**

**JUN 20 2016**  
**CITY MANAGER**  
**CITY OF CHICO**

File : 03-BUT-0-CHC  
HSIPL-5037(029)  
Nord Ave. from 1st to 4th Sts. and  
from West 1st to West 4th Sts.

June 16, 2016

Mr. Mark Orme  
City Manager  
City of Chico  
P. O. Box 3420  
Chico, CA 95927

Dear Mr. Orme:

Enclosed is your fully executed copy of Program Supplement Agreement No. 018-F to Administering Agency-State Agreement No. 03-5037F15.

Sincerely,

  
WINTON EMMETT, Chief

Office of Project Implementation - North  
Division of Local Assistance

Enclosure

c: DLA AE Project Files  
(03) DLAE - Martin Villanueva

**PROGRAM SUPPLEMENT NO. F018**  
to  
**ADMINISTERING AGENCY-STATE AGREEMENT**  
**FOR FEDERAL-AID PROJECTS NO 03-5037F15**

**Adv Project ID** 0316000115 **Date:** April 12, 2016  
**Location:** 03-BUT-0-CHC  
**Project Number:** HSIPL-5037(029)  
**E.A. Number:**  
**Locode:** 5037

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 6/16/16 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. 34-15 approved by the Administering Agency on June 16, 2015. (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:**

Nord Ave. from 1st to 4th Sts. and from West 1st to West 4th Sts.

**TYPE OF WORK:** Road Diet, Bike lanes, new signal hardware

**LENGTH:** 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds	
	ZS30		LOCAL	OTHER
\$286,500.00		\$257,850.00	\$28,650.00	\$0.00

**CITY OF CHICO** Authorized pursuant to Resolution No. 34-15 2015-2016  
City of Chico Annual Budget Policy No. G.6.a.

By Mark Orme  
Title City Manager  
Date 6/18/16  
Attest Deborah R. Presson  
Deborah R. Presson, City Clerk

Approved as to form and procedure:  
By: Vincent C. Ewing  
Vincent C. Ewing  
City Attorney

**STATE OF CALIFORNIA**  
Department of Transportation

By Adam Ambrosini  
Chief, Office of Project Implementation  
Division of Local Assistance  
Date 6/16/16

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

Accounting Officer [Signature] Date 4/12/16 \$257,850.00

Chapter	Statutes	Item	Year	Program	BC	Category	Fund Source	AMOUNT



**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-

**SPECIAL COVENANTS OR REMARKS**

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](http://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 submitted on ADMINISTERING AGENCY letterhead that includes the address of ADMINISTERING AGENCY and 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,

**SPECIAL COVENANTS OR REMARKS**

48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be 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

SPECIAL COVENANTS OR REMARKS

ADMINISTERING AGENCY's annual audit and in the schedule of projects to be 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.

3. In the event that right of way acquisition for or construction of this project of the initial federal authorization for preliminary engineering is not started by the close of the tenth fiscal year following the fiscal year in which the project is authorized, the ADMINISTERING AGENCY shall repay the Federal Highway Administration through Caltrans the sum of Federal funds paid under the terms of this agreement.

1 RESOLUTION NO. 34-15

2 RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO  
3 ADOPTING THE 2015-16 PROPOSED AND FINAL BUDGET  
4 FOR THE CITY OF CHICO, THE CHICO PUBLIC FINANCING  
5 AUTHORITY AND THE CITY OF CHICO PARKING  
6 AUTHORITY

7 WHEREAS, the City Manager of the City of Chico has prepared and presented to the  
8 City Council the 2015-16 Proposed Budget (hereinafter "Proposed Budget") which includes the  
9 budget requests of each office, department, board or commission of the City, as well as  
10 requests for funding assistance submitted by community organizations; and

11 WHEREAS, the Proposed Budget also includes the 2015-16 proposed budgets for the  
12 Chico Public Financing Authority and the City of Chico Parking Authority; and

13 WHEREAS, the Proposed Budget sets forth all Development Impact Fees on deposit  
14 which are unexpended or uncommitted; and

15 WHEREAS, the Proposed Budget sets forth the Appropriations Limit required by  
16 California Government Code §7910; and

17 WHEREAS, the Proposed Budget, as well as the Appropriations Limit, are on file and  
18 available for inspection in the Office of the City Clerk; and

19 WHEREAS, the Proposed Budget and all parts thereof will be considered by the City  
20 Council on June 16, 2015, at which time the City Council may adopt the Proposed Budget  
21 along with any modifications that the Council directs thereto, as the 2015-16 Final Budget of  
22 the City of Chico, as well as the Chico Public Financing Authority, and the City of Chico  
23 Parking Authority:

24 NOW, THEREFORE, be it resolved by the Council of the City of Chico that the 2015-16  
25 Proposed Budget for the City of Chico, including the proposed budgets for the Chico Public  
26 Financing Authority and the City of Chico Parking Authority, as amended by the City Council at  
27 its meeting of June 16, 2015, be and is hereby adopted as the 2015-16 Proposed and Final  
28 Budget of the City of Chico as required by Section 1103 of the Charter of the City of Chico.

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The foregoing resolution was adopted by the City Council of the City of Chico at its meeting held on June 16, 2015, by the following vote:

AYES: Coolidge, Fillmer, Morgan, Sorensen

NOES: Ritter, Schwab, Stone

ABSENT: None

DISQUALIFIED: None

ATTEST:

APPROVED AS TO FORM AND CONTENT:

  
Deborah R. Presson, City Clerk

  
Vincent C. Ewing, City Attorney

I, DEBORAH R. PRESSON, City Clerk of the City of Chico, hereby certify that this is a true and correct copy of the document on file in the City Clerk's office.

  
DEBORAH R. PRESSON, MMC, City Clerk

City Council at the earliest practicable date following such approval and shall secure from the Council approval of an appropriate Supplemental Appropriation. Funds for such assistance may be drawn from the Program Contingency or Program Administration Reserves of the Community Development Block Grant (CDBG) Fund, or the Operating Reserves of the General Fund, or such other municipal fund as may be appropriate and lawful for such use.

G.5.c. **Low and Moderate Income Housing Loans - Revolving Loan Accounts**

G.5.c.(1). **Rehabilitation Loans (CDBG and HOME)**

Principal on all loan repayments from City rehabilitation loans to low and moderate income households shall be deposited in a revolving loan fund to be used for future rehabilitation loans. Such revolving loan fund shall be established by the Administrative Services Director within each fund from which rehabilitation loans are made (i.e., Community Development Block Grant Fund or Home Investment Partnership Program Fund).

G.5.c.(2). **Mortgage Subsidy Program Loans (HOME)**

Principal on all loan repayments from City mortgage subsidy loans to low and moderate income households shall be deposited in a revolving loan fund to be used for future mortgage subsidy loans. Such revolving loan fund shall be established by the Administrative Services Director within the HOME Fund.

G.5.d. **Reduction of Interest on Delinquent Assessments**

The City Manager is authorized to reduce the interest rate on delinquent assessments to a rate not less than the City's rate of return based on the annualized rate of the City's investment pool for the period of the delinquencies, plus two percent, upon receipt of documentation satisfactory to the City Manager that: (1) the property owner had no knowledge of the delinquent assessments; (2) the property owner had no control over the payment of the delinquent assessments; or (3) the property owner attempted but was not allowed to pay the delinquent assessments because the Butte County Tax Collector would not accept a partial payment.

G.6. **Contractual Authority**

G.6.a. **Participation in Federal, State, or Other Funding Assistance Programs**

From time to time the City becomes eligible, pursuant to appropriate statutes and/or regulations of the State and/or Federal Governments, or through programs of private non-profit and for-profit agencies, to apply for and/or receive funding assistance for various activities, programs, or projects (such as employment programs, traffic safety programs, and capital funding assistance for public right-of-way, park, or airport facilities and the like). The City Manager is authorized to file applications and develop or negotiate provisions for such funding assistance on behalf of the City as the City Manager may

deem appropriate and in the best interests of the City in connection with the activities, programs, or projects proposed to be funded. If funds have been appropriated for such assistance or if no City funding will be required in connection with it, no action by the City Council shall be required. If funds for such assistance have not been appropriated, the City Manager shall report upon each such application to the City Council. If the Council does not request the City Manager to withdraw the application or not finalize the arrangements, then the City Manager is authorized to take all further actions necessary to secure the assistance and implement the program, activity, or project.

In the event the assistance is received, one of the following courses of action, as applicable, shall be taken:

- G.6.a.(1). If the assistance for the contemplated activity, program, or project fully funds it and no City matching funds are required, no further budgetary action shall be required and the Administrative Services Director is authorized to establish such municipal funds and accounts as appropriate.
- G.6.a.(2). If the assistance and previously appropriated City matching funds fully fund the contemplated activity, program, or project, no further budgetary action shall be required.
- G.6.a.(3). If the assistance and previously appropriated City matching funds are insufficient, or no matching funds have been previously appropriated, they shall be appropriated by Supplemental Appropriation of the Council either in connection with any required Council action regarding acceptance of the assistance, or at such later time as the amount can be reasonably determined.

Should such funding assistance involve the employment of persons in the City service, it is recognized that such employment and the retention of such employees are wholly contingent upon the continued allocation of such assistance to the City and that the City has no obligation for continuing the employment of such persons in the event the funding assistance is terminated or otherwise withdrawn. Accordingly, the City Manager is granted full authority to terminate any persons so employed under these circumstances, unless, with the approval of the City Council, City funding is appropriated to continue their employment.

Should a program, activity, or project funded (in whole or in part) with assistance generate income required to be used for the program, activity, or project funded (e.g., rental income, property sales, housing assistance loan repayments, and the like), such program income shall be used to fund such activities, programs, or projects prior to utilization of any funding assistance monies. It is understood that such program income will increase the scope of the approved programs, projects, or activities. Accordingly, the City Manager is authorized to make such Budget Modifications as may be required from time to time, to reflect the use of such income.

Further, the City Manager, as the Chief Executive Officer of the City, pursuant to the provisions of Section 701 of the Charter, is hereby authorized to sign any and all

**City of Chico - Capital Improvement Program  
2016-17 Annual Budget**



<b>Project Number:</b> 50336	<b>Included in Nexus?</b> No
<b>Title:</b> Walnut Ave (SR32) Road Diet	
<b>Department:</b> 610 - Capital Project Services	
<b>Project Manager:</b> Brendan Ottoboni, Public Works Director - Engineering	

**Related Projects:**

**Project Description:** Project consists of reducing travel lanes from 5 lanes to 3 lanes, including installation of buffered bike lanes along Walnut Street (SR32), sidewalk widening and traffic signal modifications.

F300 - California Department of Transportation - Highway Safety Improvement Program (HSIP) \$1,444,950.

	<b>Fund</b>	<b>Actuals</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
4998 Project Budget	212	0	28,650	0	151,685	0	0	0	0	0	0	0	0
4998 Project Budget	300	0	257,850	0	1,187,100	0	0	0	0	0	0	0	0
4999 Overhead	212	0	42,976	0	178,065	0	0	0	0	0	0	0	0
<b>Project Total:</b>		<b>0</b>	<b>329,476</b>	<b>0</b>	<b>1,516,850</b>	<b>0</b>							
<b>Total by Fund</b>													
Transportation	212	0	71,626	0	329,750	0	0	0	0	0	0	0	0
Capital Grants/ Reimbursements	300	0	257,850	0	1,187,100	0	0	0	0	0	0	0	0
<b>Project Total:</b>		<b>0</b>	<b>329,476</b>	<b>0</b>	<b>1,516,850</b>	<b>0</b>							