

REPORT TO SHASTA COUNTY RTPA

| SUBJECT | | MEETING DATE | ITEM NUMBER |
|--|--|--------------|-------------|
| Policy Revision #1 to the Regional Surface Transportation Program (RSTP) | | 2-28-06 | 3-4 |

RECOMMENDATION

It is recommended that the Board approve the attached revision to Policy 5-2, Administration of Regional Surface Transportation Program (RSTP) funds.

SUMMARY

In February 2003, the Board approved the policy and procedure for the distribution of RSTP Exchange funds. During the 2004/2005 fiscal audits, it was recommended that the RTPA revise Policy 5-2 to include agency compliance with the Davis-Bacon Act.

DISCUSSION

The RSTP Exchange Program is the result of the Transportation Equity Act for the 21st Century (TEA-21). In accordance with Section 182.6 of the Streets and Highways Code, funds may be exchanged for nonfederal State Highway Account Funds. Funding is allocated on an annual basis from the Department of Transportation (DOT). The RTPA distributes these funds to the three cities and the county. In February 2003, the Regional Transportation Planning Agency (RTPA) approved Policy 5-2, which placed financial controls on the distribution of RSTP funds.

During the 2004/2005 fiscal audits it was recommended that the RTPA require compliance with the Davis-Bacon Act for all RSTP recipients. The Davis-Bacon Act requires that laborers, contractors, and subcontractors who work on construction projects that are federally funded be paid wages not less than those established for the locality by project (prevailing wage rates).

Annually, the agencies will provide certification that they are in compliance with the Davis-Bacon Act.

OTHER AGENCY INVOLVEMENT

The Technical Advisory Committee (TAC) and D.H. Scott and Company have reviewed this policy.

FINANCING

Adoption of the staff recommendation will have no financial impact.

Daniel J. Kovacich, Executive Officer

SLC/jac

Attachment: RSTP Exchange Policy and Procedure

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| SHASTA COUNTY RTPA POLICY AND PROCEDURE MANUAL | | Number |
| | | 5-2 |
| SECTION: Rules of the Regional Transportation Planning Agency (RTPA) | Regional Surface Transportation Program (RSTP) | |
| APPROVAL DATE: February 28, 2006 rev.1 | | |
| Page No. 1 of 2 | | |

POLICY FOR THE ADMINISTRATION OF REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) FEDERAL EXCHANGE AND STATE MATCH REQUEST

BACKGROUND

The RSTP exchange program is the successor to the Transportation Equity Act for the 21st Century (TEA-21). In accordance with Section 182.6 of the Streets and Highways Code, funds may be exchanged for nonfederal State Highway Accounts funds. Funding is allocated on an annual basis from the Department of Transportation (DOT). The amount of funding allowable is calculated by the DOT.

The RTPA agrees to allocate all state funds within the RSTP agreement to projects defined under Title 23 – Section 133 of the Federal Aid for Highways, and in accordance with the State of California Constitution. Section 133(b) eligible projects may include:

- **Highway (limited access facilities):** construction, reconstruction, resurfacing, restoration, operational improvements, safety improvements and programs, research and development, and technology transfers
- **Bridges:** construction, reconstruction (including seismic retrofit), resurfacing, and restoration
- **Transit:** anything eligible for Federal Transit Administration (FTA) funding, including fixed guideways, vehicles, maintenance facilities, safety improvements and programs, research and development, and technology transfers
- **Streets and roads (conventional facilities):** all functionally classified highways are eligible except for those classified as local roads or rural minor collectors. Activities include construction, signalization and signal timing, widening, restriping, resurfacing, and bus turnouts
- **Carpool projects**
- **Park and Ride lots**
- **Bicycle and pedestrian projects**
- **Traffic monitoring, management, and control facilities and programs:** includes capital and operating
- **Infrastructure-based intelligent transportation system (ITS) projects**
- **Surface transportation planning programs**
- **Transportation enhancement activities:** (as defined by law)
- **Transportation control measures**
- **Development and establishment of management systems**

- **Wetlands mitigation and wetlands banking**
- **Natural habitat restoration**
- **Landscaping**
- **Application of anti-icing and de-icing compositions to bridges and elevated structures**
- **Modification of sidewalks to comply with the Americans with Disabilities Act (ADA). Publicly or privately owned or operated vehicles and facilities that provide intercity passenger bus service: (capital improvements only)**
- **Any activities eligible under the CMAQ or TEA programs**

Financial Controls: City and county agencies must establish a separate account within their “Special Gas Tax Street Improvement Fund” or “County Road Fund” to deposit and account for State exchange and match payments received directly from the RTPA.

City and county expenditures of exchange and match funds will be subject to financial and compliance audits by State of California auditors.

Compliance with Davis-Bacon Act: The Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (40 USC 276 to 276a-7).

Annual Certification: Agencies are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b), and that the agency is in compliance with the Davis-Bacon Act. Agencies must submit documentation prior to distribution of current year exchange funds.

In the event of an adverse audit finding, the agency must return the State cash to the RTPA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments to the RTPA until such time as the adverse findings are corrected to the satisfaction of the State.

PROCEDURES

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|-------------------------|---|
| December | Notification from DOT for Federal Fiscal Year allocation |
| January-February | RTPA provides to DOT Federal Apportionment Exchange Buyout Program annual report = cash received from DOT and cash disbursed by RTPA |
| May | RTPA completes RSTP agreement |
| June | DOT returns fully executed agreement |
| June-July | RTPA invoices DOT for exchange funds |
| July | Agency verification of expenditure of funding for eligible projects |
| July-August | Upon receipt of funds, RTPA disburses funds to agencies |