



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 21-07, **Version:** 1

**Item #:** C-10.

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### **CC - Approval of an Exchange Agreement and Assignment of Federal Surface Transportation Program-Local (STPL) Funds with Los Angeles County Metropolitan Transportation Authority**

**Meeting Date:** July 13, 2020

**Contact Person/Dept:** Hong Wang/Public Works Department  
**Phone Number:** 310-253-5604

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☐ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (07/08/2020);

**Department Approval:** Charles D. Herbertson, Director of Public Works/City Engineer (07/02/2020)

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### **RECOMMENDATION**

Staff recommends the City Council approve the Exchange Agreement and Assignment of Federal Surface Transportation (STPL) Funds with Los Angeles County Metropolitan Transportation Authority ("Exchange Agreement").

### **BACKGROUND/DISCUSSION**

The Federal Highway Reauthorization Bill for the Federal-Aid Highway Program provides long-term funding certainty for surface transportation infrastructure planning and investment. A portion of the highway bill provides local agencies allotments of federal transportation funds. The Federal Highway Administration entrusts Caltrans to manage these federal funds. In order to obligate the funds for construction, agencies are required to identify a project and submit an application to Caltrans. The preparation of the application is lengthy and can take many hours to complete the process. After the federal funds are obligated for construction, Caltrans' project administration and closeout requirements are rigorous and take considerable amount of staff and consultant time. Finally, the reimbursement and audit process is lengthy and can take over one year to complete. The purpose of these stringent requirements is to ensure that federal funds are not being inappropriately used by agencies.

The Los Angeles County Metropolitan Transportation Authority (Metro) has provided an opportunity for agencies to exchange Federal STPL funds for a like amount of flexible Metro STPL funds. According to the Exchange Agreement (Attachment 1), the flexible Metro funds can only be used on transportation capital projects as would be used for the federal funds, provided however, that any applicable federal regulations and standards related to procurement and other project delivery issues may be substituted with applicable state and local regulations, standards, and policies. The Metro STPL funds then can be used for street paving projects just as a state or local city funded project. Metro is requiring a 2% administrative fee be deducted from the funds when they are exchanged. The Metro funds can be directly deposited to the City revenue account within the next several weeks.

The total amount of Federal STPL funds allotted to Culver City is \$1,379,112, including FY 20 current balance and future allocation from FY21 through FY24. The administrative charge of 2% is \$27,582. The net amount of Metro STPL funds to be exchanged to Culver City would therefore be \$1,351,540. Once approved, the City is required to encumber the funds within three years. Staff proposes to spend these funds on the list of street paving projects as shown in the Exchange Agreement. Should the scope of work change, an amendment to the Exchange Agreement will need to be approved by Metro.

Staff believes that the 2% administrative charge of \$27,582 for the exchange would be less costly than the aforementioned federal procurement and project delivery process. Staff recommends the City Council approve the exchange of the federal STPL funds for Metro STPL funds.

### **FISCAL ANALYSIS:**

The total amount of Federal STPL funds allotted to Culver City is \$1,379,112, including FY 20 current balance and future allocation from FY21 through FY24. The administrative charge of 2% is \$27,582. The net amount of Metro STPL funds to be exchanged to Culver City would therefore be \$1,351,540. It is proposed that the funds be deposited in a new revenue account titled Metro flexible STPL funds.

### **ATTACHMENT:**

1. Exchange Agreement and Assignment of Federal Surface Transportation Program-Local Funds

### **MOTION**

That the City Council:

1. Approve the Exchange Agreement and Assignment of Federal Surface Transportation Program-Local Funds; and
2. Authorize the City Attorney to review/prepare the necessary documents; and,

3. Authorize the City Manager to execute such documents on behalf of the City.