

Exhibit B

PROGRAM SUPPLEMENT NO. M024 Rev. 1 Rev. 2
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 12-5955

Date: February 8, 2008 December 15, 2010
Location: 12 -ORA-0-CR
Project Number: BRLSZD-5955(039)
E.A. Number: 12-402434
Locode: 5955

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 02/20/98 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. Board of Supervisors meeting minutes, approved by the Administering Agency on 6/3/08. (See copy attached)

The Administering Agency further stipulates that as a condition to the payment by 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:

Santiago Canyon Road at Santiago Creek near Silverado, Br. No 55C-0038

TYPE OF WORK: Seismic retrofit

LENGTH: 0.1 (MILES)

Estimated Cost	Federal Funds		Matching Funds		
			LOCAL	SEIS MATCH	OTHER
	L1C0	\$427,440.00		\$15,000.00	
		\$507,309.00		PROP 1B - \$65,727.00	
\$1,333,792.00	BMD0	\$60,000.00	\$775,973.00		PROP 1B \$55,379.00
\$1,179,817.00			\$531,781.00		\$0.00

ORANGE COUNTY

STATE OF CALIFORNIA
Department of Transportation

By _____

By _____

Title _____

Chief, Office of Project Implementation
 Division of Local Assistance

Date _____

Date _____

Attest _____

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

Accounting Officer _____

Date _____ \$557,819.00 \$648,036.00

Chapter	Statutes	Item	Year	Program	BC	Category	Fund Source	AMOUNT
171	2007	2660-102-890	2007-2008	20.30.010.690	C	224060	892-F	427,440.00
52	2000	2660-101-042	2000-2001	20.30.010.690	C	224060	042-T	15,000.00
171	2007	2660-120-662	2007-2008	20.30.010.690	C	262040	662-B	55,379.00
52	2000	2660-101-890	2000-2001	20.30.010.690	C	224060	892-F	60,000.00

By _____
 Deputy

Date _____

SPECIAL COVENANTS OR REMARKS

1. The ADMINISTERING AGENCY will reimburse the STATE for ADMINISTERING AGENCY share of costs for work requested to be performed by STATE advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
- ~~2. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.~~
2. 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 and "Authorization to Proceed" from the STATE for that phase(s) unless no further State of Federal funds are needed for those future phase(s).
- ~~3. All project repair, replacement and maintenance involving the physical condition and the operation of project improvements referred to in Article III MAINTENANCE, of the aforementioned Master Agreement will be the responsibility of the ADMINISTERING AGENCY and shall be performed at regular intervals and as required for efficient operation of the completed project improvements.~~
3. 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.

- ~~4. The ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act and OMB A-133 if it receives a total of \$500,000 or more in federal funds in a single fiscal year. The federal funds received under this project are a part of the Catalogue of Federal Domestic Assistance (CFDA) 20.205, Highway Planning & Research. OMB A-133 superseded OMB A-128 in 1996. A reference to OMB A-128 in a Master Agreement (if any) is superseded by this covenant to conform to OMB A-133.~~

SPECIAL COVENANTS OR REMARKS

4. The 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-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.).
- ~~5. The ADMINISTERING AGENCY agrees that payment of Federal funds will be limited to the amounts approved by the Federal Highway Administration (FHWA) in the Federal-Aid Project Authorization/Agreement or Amendment/Modification (E-76) and accepts any resultant increases in ADMINISTERING AGENCY funds as shown on the Finance Letter, and modification thereof as approved by the Division of Local Assistance, Office of Project Implementation.~~
5. This PROJECT is programmed to receive State Proposition 1B Bond funds from the Local Bridge Seismic Retrofit Account (LBSRA) to provide the required match to federal Highway Bridge Program (HBP) funds on this PROJECT. The PROJECT will be administered in accordance with the Proposition 1B Local Bridge Seismic Retrofit Account Guidelines adopted by the California Transportation Commission (CTC) and its amendments, accountability requirements of the Governor's Executive Order # S-02-07, PROJECT Baseline Agreement, and this Program Supplement Agreement (PSA). ADMINISTERING AGENCY agrees the PROJECT Baseline Agreement and any amendments thereto are hereby made a part of this PSA.
- ~~6. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days after the project contract award. A copy of the award package shall also be included with the submittal of the ADMINISTERING AGENCY's first invoice for the construction contract to:~~

Department of Transportation
 Division of Accounting
 Local Programs Accounting Branch, MS #33
 P.O. Box 942874
 Sacramento, CA 94274-0004

~~Failure to do so will cause a delay in the State processing invoices for the construction phase. Please refer to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.~~

SPECIAL COVENANTS OR REMARKS

6. The ADMINISTERING AGENCY acknowledges that Local Bridge Seismic Retrofit Account (LBSRA) funds will only be available to ADMINISTERING AGENCY if: 1) the LBSRA has sufficient funds, 2) the funds are appropriated by the legislature, and 3) the California Transportation Commission (CTC) provides an allocation of the Proposition 1B State Seismic Match funds.

In addition, any federal Highway Bridge Program (HBP) funds authorized under Advance Construction (AC) procedures for eligible seismic retrofit work must be converted to a real obligation of federal funds (via a modified E-76) prior to requesting reimbursement of the associated federal and LBSRA match funds.

~~7. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available for new phase(s) of work 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 the Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.~~

7. 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 Excluded Parties List System (EPLS).

~~8. 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 the phase(s) unless no further State or Federal funds are needed for those future phase(s).~~

8. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award or with the submittal of the ADMINISTERING AGENCY's first invoice for the construction contract, whichever is earlier.

Failure to do so will cause a delay in the State processing invoices for the construction phase.

Please refer to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

~~9. State Seismic funds will provide the match to Federal Funds, as well as ADMINISTERING AGENCY overhead costs, relating to seismic project development.~~

9. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated

SPECIAL COVENANTS OR REMARKS

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.

~~10. The ADMINISTERING AGENCY agrees to use local funds to match that portion of the work not eligible for match under The State Seismic Program.~~

~~11. Any STATE and Federal funds that may have been encumbered for this project are only available for disbursement for a period of five (5) years and seven (7) years, respectively, from the start of the fiscal year(s) that those funds were appropriated within the State Budget Act. All project funds not liquidated within these periods will revert unless an executive Cooperative Work Agreement extending these dates is requested and is approved by the California Department of Finance per Government Code Section 16304. The exact date of each fund reversion will be reflected in the approved finance letter(s) issued for this project.~~

~~Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement that is not submitted to the Department on or before 60 days after that applicable fixed fund reversion date will not be paid from that fiscal year's encumbered funds because all of these unexpended funds will be irrevocably reverted by the Department's Division of Accounting on that date.~~

~~Pursuant to a directive from the State Controller's Office and the Department of Finance, the last date to submit invoices for reimbursed work in each fiscal year is May 15th in order for payment to be made out of those then current appropriations. Project work performed and invoiced after May 15th will be reimbursed only out of available funding that might be encumbered in the subsequent fiscal year, and then only when those funds are actually allocated and encumbered as authorized by the California Transportation Commission and the Department's Accounting office.~~

SPECIAL COVENANTS OR REMARKS

~~12. 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, and invoice payments for any on-going or future federal-aid 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.~~

~~13. The funds being encumbered for this PROJECT include Proposition 1B Bond Funds. In order to satisfy the accountability provisions put in place by the Governor's Executive Order # S-02-07 with respect to Proposition 1B Funds, the ADMINISTERING AGENCY shall submit to the STATE the status of scope, cost, and schedule (status reports) of the PROJECT, on a regular basis. Failure to submit the required information in a timely manner will jeopardize the funding of the PROJECT. By a separate letter the STATE will notify the ADMINISTERING AGENCY of the details of the project status reports. ADMINISTERING AGENCY agrees to be bound by the requirements contained in this separate letter.~~

~~14. This PROJECT is programmed to receive Proposition 1B Local Bridge Seismic Retrofit Account (Prop. 1B State Seismic Match Funds) for one or more new phases of work not previously authorized. The Seismic Match funds may be provided under one or more phases and are to be used as a match to federal funds used for federally eligible seismic work. ADMINISTERING AGENCY acknowledges that the Prop. 1B Seismic Match Funds will only be available to the ADMINISTERING AGENCY if (i) the Seismic Match Funds are appropriated by the Legislature, and (ii) the California Transportation Commission (CTC) provides an allocation for the Seismic Match Funds.~~