



Board Agenda Item 14

DATE: April 23, 2019

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Senate Bill 1 Project List and Declaration of Anticipated Projects to be Performed by Force Account for FY 2019-20

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Resolution establishing and adopting a list of identified road and bridge projects to be performed using approximately \$17,278,000 in Road Maintenance and Rehabilitation Account funds for FY 2019-20.**
- 2. Declare the FY 2019-20 Anticipated Day Labor Overlay Road Segment projects identified on Exhibit D are intended to be performed by force account in accordance with California Public Contract Code, section 22031(g).**

Approval of the first recommended action will authorize the projects to be performed with Road Maintenance and Rehabilitation Account (RMRA) funding for FY 2019-20. The initial Project List must be submitted by May 1, 2019, but your Board may add, delete, or revise the list at any time and as often as necessary. Approval of the second recommended action will allow the Department of Public Works and Planning to comply with California Public Contract Code (PCC), section 22031(g), which limits the amount of new construction and reconstruction that can be completed by county forces and requires that projects intended to be performed by force account be declared by the Board of Supervisors or the County Road Commissioner each fiscal year. This item is countywide.

ALTERNATIVE ACTIONS:

If the first recommended action is not approved, the County Road Fund 0010 would not receive approximately \$17,278,000 from the RMRA for FY 2019-20. Your Board may approve the recommended action in its original form or in modified form and direct the Department to return at a later date to modify the Project List. As long as the initial list is adopted by your Board and submitted to the California Transportation Commission (CTC) by May 1, 2019, your Board may direct the Department to return at any time and as often as necessary to modify the Project List by adding, deleting, or revising projects.

If the second recommended action is not approved, county forces will be unable to perform some of the anticipated maintenance and reconstruction projects identified in Exhibit D by force account. Your Board may approve the recommended action in its original form or in modified form and direct the Department to return at a later date to modify Exhibit D. This will require Department staff to bid out additional maintenance and construction projects, causing delays in delivery of service and resulting in additional project costs.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. Revenues received from the RMRA will be deposited in Road Fund 0010, and will be utilized for design, right-of-way purchase, construction, and construction inspection of the identified road and bridge projects. Funds for anticipated day labor overlay road segment projects by county forces will be included in the Public Works and Planning - Roads Org 4510 FY 2019-20 budget request.

DISCUSSION:

SB 1 / RMRA Funding & Projects

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1) the Road Repair and Accountability Act of 2017, (Chapter 5, Statutes of 2017), to address basic road maintenance, rehabilitation and critical safety needs on both the State highways and local street and road systems. SB 1 increases per gallon fuel excise taxes, diesel fuel sales taxes, vehicle registration fees, and provides for inflationary adjustments to tax rates in future years. A percentage of RMRA funding will be annually apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC), section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local street and road systems.

The Local Streets and Roads Funding Program, administered by the CTC in partnership with the State Controller, is supported by RMRA funding which includes portions of revenues pursuant to SHC, section 2031.

The County's share of the gasoline and diesel excise taxes are calculated using a formula, which considers the number of registered vehicles and the number of maintained miles of roadway. The formula assigns greater significance to the number of registered vehicles by assigning weighting factors of 75% and 25%, respectively, to the number of registered vehicles and to the number of maintained miles. The excises taxes are distributed on a monthly basis, based on projected gasoline sales. Because it is paid on an estimate of gasoline sales, the actual amount being collected and disbursed may be greater than or less than the actual amounts that should have been disbursed based on actual sales. The State Controller accounts for deviations between projections and actual revenues by making adjustments to the following year's disbursements. For this reason, excise tax revenues can be volatile and difficult to project year to year.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, the statute requires cities and counties to provide basic RMRA project reporting to the CTC. It is projected that the County will receive approximately \$17,278,000 for FY 2019-20.

On April 17, 2019, a list of projects to be performed using RMRA funding in FY 2018-19 was adopted by your Board and is attached as Exhibit A. Projects which have not yet been completed will be carried over. The Project List for FY 2019-20 is attached as Exhibit B, referenced in the proposed resolution, and includes funds to complete projects that are carryovers from FYs 2017-18 and 2018-19, as well as four additional overlay projects.

If funding is not adequate to cover all projects, or if completion is still pending, they will be carried over as projects to be constructed using RMRA funding from FY 2019-20 and future allocations, as necessary.

As shown on Exhibit B, not all of the listed projects will be constructed during FY 2019-20. In some cases, the funding is used only to cover the engineering and/or right-of-way phases for the projects. Furthermore, it is anticipated that the cost of the various projects to be funded pursuant to Exhibit B will significantly exceed the available funding, and several projects may be deferred or deleted from the list at a later date.

While it is critical that a Project List be adopted by your Board and submitted to the CTC by May 1, 2019 to secure RMRA funding for FY 2019-20, your Board may direct the Department to return at any time and as

often as necessary to modify the list by adding, deleting, or revising projects. RMRA revenues were estimated based on the California State Association of Counties projections published on January 22, 2019 and attached as Exhibit C.

Force Account Day Labor Projects

PCC, section 22031(g) was amended on September 2014 with the passage of Assembly Bill 2752 (Chapter 345, Statutes of 2014). The section limits the amount of new construction and reconstruction that can be done by county forces to 30% of the total value of all work performed by force account other than maintenance as reported in the Controller's Streets and Roads Annual report as of March 1 of each year prior to the subsequent fiscal year.

For the County, the force account limit is approximately \$4 million for FY 2019-20. To perform the identified work the Board of Supervisors or County Road Commissioner must declare its intention to use the provisions of Section 20395(c), which authorizes the Road Commissioner to perform day labor work on specific projects.

Department staff has identified several road segments that are planned for rehabilitation (day labor overlays greater than one inch) by force account in FY 2019-20. These anticipated maintenance and reconstruction projects have been selected to be performed by force account because it would be more cost effective than contracting the projects out due to the nature of the required work, which consists primarily of short segments and/or narrow, low volume roads.

With your Board's approval of the second recommended action, the FY 2019-20 Anticipated Day Labor Overlay Road Segment projects, which total approximately \$4 million, intended to be performed by force account in accordance with PCC, section 22031(g), will be declared. Department staff will monitor qualifying expenditures throughout the fiscal year to ensure that the limit is not exceeded and make any necessary project adjustments due to cost or changing priorities. Any projects not completed during FY 2019-20 will be deferred to a subsequent year.

OTHER REVIEWING AGENCIES:

The resolution will be submitted to the CTC by May 1, 2019.

REFERENCE MATERIAL:

BAI #48, March 12, 2019
BAI #50, April 17, 2018
BAI #52, December 5, 2017
BAI #49, November 14, 2017
BAI #7, August 22, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibits A - D
On file with Clerk - Resolution

CAO ANALYST:

Sonia M. De La Rosa