



STAFF REPORT

City of Dripping Springs

PO Box 384

511 Mercer Street

Dripping Springs, TX 78620

Submitted By: Chad Gilpin, City Engineer

Council Meeting Date: September 15, 2026

Agenda Item Wording: Approval of an amended Advance Funding Agreement with the Texas Department of Transportation for the Transportation Alternatives Set-Aside Program high-visibility crosswalk improvements project, including the City's administration of project procurement.

Agenda Item Sponsor: Mayor Bill Foulds, Jr.

A. Recommended Action

Staff recommends approval of the revised Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT).

B. Summary

TxDOT awarded Transportation Alternatives Set-Aside (TASA) funding for the City of Dripping Springs Crosswalk Improvements project through Texas Transportation Commission Minute Order No. 117073, dated November 13, 2025. The revised AFA provides for improvements to 105 crosswalks within City limits on City, County, and State roadways, including relocation of pedestrian push buttons, replacement of non-compliant ADA ramps, and installation of signage.

The material change from the previously anticipated arrangement is that the project will be **City-let** rather than TxDOT-let. Under the revised AFA, the City will advertise the construction project, issue bid proposals, receive and tabulate bids, award the construction contract, and administer construction. City administration includes construction engineering and change-order administration.

TxDOT retains required oversight, including approval of the City's procurement procedures, authorization before advertising for construction, approval of letting and award procedures, and review and approval of change orders. the revised AFA, the City will advertise the construction project, issue bid proposals, receive and tabulate bids, award the construction contract, and administer construction. City administration includes construction engineering and change-order administration. TxDOT retains required oversight, including approval of the City's procurement procedures, authorization before advertising for construction, approval of letting and award procedures, and review and approval of change orders.

C. Financial Impact

The current Attachment B estimates total project participation of **\$1,751,753**, consisting of up to **\$1,393,600** in federal TASA funds, **\$9,753** in State participation, and **\$348,400** in estimated City participation. The City is responsible for 100 percent of cost overruns above the federally authorized amount.

The current budget identifies an estimated **\$311,800** payment by the City to TxDOT: an initial payment of **\$10,620** due within 30 days after execution and a second payment of **\$301,180** due 60 days before advertisement of the construction contract. The remaining

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The current budget identifies an estimated **\$311,800** payment by the City to TxDOT: an initial payment of **\$10,620** due within 30 days after execution and a second payment of **\$301,180** due 60 days before advertisement of the construction contract. The remaining estimated City participation is associated with City-performed project work. T

E. Background

The City previously approved entering into an AFA for the TASA project. After TxDOT's area office elected to move from a State-let to a City-let delivery method, TxDOT issued revised AFA materials and requested a revised project map. Although the revised arrangement does not alter the federal-funding framework, it assigns the City the construction-procurement and contract-administration responsibilities that TxDOT would otherwise perform under a State-let project.

The City may not begin a project phase until TxDOT issues a State Letter of Authority for that phase. Work performed before federal spending authority is formally obligated is at the City's sole cost and is not eligible for reimbursement. The City must also maintain a qualified individual who has completed TxDOT local-government project-procedures training while the City performs or directly oversees reimbursable work.

F. Attachments

1. Revised Advance Funding Agreement for a Transportation Alternatives Set-Aside Program Project.
2. Attachment A — Final Project Location Map.
3. Attachment B — Project Estimate and Source of Funds.
4. Attachment C — City Council Resolution approving the revised AFA.