



Folsom City Council Staff Report

MEETING DATE:	4/14/2026
AGENDA SECTION:	Consent Calendar
ITEM TITLE:	Resolution No. 11588 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement with Caltrans for the Folsom-Placerville Rail Trail Project, Project No. PK1604, Federal Project No. 5288(042)
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

The Parks & Recreation Department recommends that the City Council pass and adopt Resolution No. 11588 - A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement with Caltrans for the Folsom-Placerville Rail Trail Project, Project No. PK1604, Federal Project No. 5288(042).

BACKGROUND / ISSUE

The proposed project would provide Class I Trail improvements for bicycles and pedestrians for approximately 1.25 miles from Humbug-Willow Creek Trail, which is between Creekside Drive and Oak Avenue Parkway on the west, to Iron Point Road on the east. Most of the proposed project would parallel East Bidwell Street along the Southern Pacific Placerville Branch right-of-way and would be within the existing Sacramento-Placerville Transportation Corridor (SPTC) Joint Powers Authority (JPA).

In June 2015, Parks & Recreation Department staff prepared and submitted a grant application to the Regional Active Transportation Funding Program in the amount of \$1,048,036 with a local match of \$136,000 to provide funding for the design and construction of the Folsom Placerville Rail Trail. On December 3, 2015, the Sacramento Area Council of Governments (SACOG) Board approved the full amount of the City's requested grant funding through the Congestion Mitigation and Air Quality (CMAQ) grant. At the March 8, 2016, City Council meeting, the Folsom City Council approved the grant award acceptance for the Folsom-Placerville Rail Trail Project.

In March 2017, the City Council awarded a consultant contract to Kimley-Horn & Associates, Inc. to prepare the environmental analysis (NEPA/CEQA) and design/engineering plans (up to 30% complete) for the Folsom-Placerville Rail Trail project.

As preliminary design and environmental clearance efforts progressed, staff continued seeking additional funding to fully fund both the final design and construction of the project. In March 2023, SACOG awarded the City an additional \$1,700,000 of ATP funding for final design and construction. The required local match for this grant is \$300,000, or 15% of the total grant funding award.

The total grant funding received for the project to date is as follows:

Source	Design	Right of Way	Construction	Total
CMAQ	\$88,530	\$0	\$959,506	\$1,048,036
Local Match	\$11,470	\$0	\$124,530	\$136,000
State ATP	\$200,000	\$0	\$1,500,000	\$1,700,000
Local Match	\$35,000	\$0	\$265,000	\$300,000
Total	\$335,000	\$0	\$2,849,036	\$3,184,036

Since the grant awards, the project has progressed through the required environmental clearance and preliminary design phase in coordination with Caltrans Local Assistance and the Sacramento Area Council of Governments (SACOG). The Program Supplement Agreement (PSA) with Caltrans for the Project Approval and Environmental Document (PA&ED) phase of the project was adopted by the City Council in 2017. The PA&ED phase was completed in January 2026, with Caltrans accepting the National Environmental Policy Act (NEPA) Categorical Exclusion. Executing this PSA will allow the project to proceed with final design and will allow staff to proceed with the next steps to select a consultant to complete the final design.

A separate PSA will be required prior to initiating the construction phase of the project.

POLICY / RULE

Execution of an Administering Agency-State Agreement and/or Program Supplement Agreement requires City Council approval.

ANALYSIS

The City of Folsom is required to execute the Program Supplement Agreement with Caltrans Local Assistance to proceed with the Plans, Specifications, and Estimates (PS&E) phase of the Folsom-Placerville Rail Trail Project. The City must invoice Caltrans to receive any federal or state reimbursement. Before invoicing Caltrans, the City must approve a Program Supplement Agreement for the Folsom-Placerville Rail Trail Project. This is a Caltrans standard form that has previously been approved by the City Attorney for other projects, including:

- Johnny Cash Trail
- Folsom Boulevard Improvements

- Historic Folsom Station Phase I Project
- Green Valley Road Widening
- Riley Street Safety Improvement Project
- Folsom Lake Crossing Phase II Safety Improvements

Staff anticipate bringing a final design contract to the City Council for approval at an upcoming City Council meeting.

FINANCIAL IMPACT

If the City Council adopts the resolution authorizing the City Manager to execute a program supplement agreement with Caltrans for the Folsom-Placerville Rail Trail Project, this portion of the project process will have no direct financial impact on the City.

The Folsom-Placerville Rail Trail Project is included in the Fiscal Year 2025-26 Capital Improvement Plan with a total project budget of \$3,305,438, utilizing the Transportation System Management Fund (Fund 206), Transportation Tax Fund (Fund 248), and Measure A Fund (Fund 276) as local matching funds for the CMAQ and ATP grants.

Executing this PSA will allow the City to seek reimbursement for the remaining design portion of the eligible grant funding.

ENVIRONMENTAL REVIEW

This action authorizes the City Manager to execute a Program Supplement Agreement with Caltrans for the Folsom-Placerville Rail Trail Project. Approval of the agreement is an administrative action and not a “project” under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5).

ATTACHMENTS

1. Resolution No. 11588 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement with Caltrans for the Folsom-Placerville Rail Trail Project, Project No. PK1604, Federal Project No. 5288(042)
2. Program Supplement No. F026 Rev 2 for Federal-Aid Project No 03-5288F15

Submitted,

Kelly Gonzalez, Parks & Recreation Director

Attachment 1

RESOLUTION NO. 11588

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROGRAM SUPPLEMENT AGREEMENT WITH CALTRANS FOR THE FOLSOM-PLACERVILLE RAIL TRAIL PROJECT, PROJECT NO. PK1604, FEDERAL PROJECT NO. 5288(042)

WHEREAS, the City of Folsom desires to implement the Folsom-Placerville Rail Trail Project; and

WHEREAS, the Folsom-Placerville Rail Trail Project is included in the FY 2025-26 Capital Improvement Plan; and

WHEREAS, Prior to invoicing Caltrans, the City must approve a Program Supplement Agreement for the Folsom-Placerville Rail Trail Project; and

WHEREAS, The City delegates authority to the Parks and Recreation Director, or designee, Senior Trails Planner, to sign and submit all documents which may be necessary for the completion of the grant scope; and

WHEREAS, preliminary design and environmental compliance has been completed, and all necessary approvals have been obtained to allow the project to proceed to final design; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Program Supplement Agreement with Caltrans for the Folsom-Placerville Rail Trail Project, Project No. PK1604, Federal Project No. 5288(042).

PASSED AND ADOPTED this 14th day of April 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

PROGRAM SUPPLEMENT NO. F026 Rev. 2
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 03-5288F15

Adv. Project ID
 0317000025

Date: March 05, 2026
Location: 03-SAC-0-FOL
Project Number: CML-5288(042)
E.A. Number:
Locode: 5288

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 10/18/2016 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. _____ approved by the Administering Agency on _____ (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the 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: On Folsom/Placerville Rail Trail parallel to Bidwell St. between the existing Humbug-Willow Creek Trail and Scholar Way, and from Broadstone Pkwy. to Iron Point Rd.

TYPE OF WORK: Pedestrian and Bike Path

LENGTH: 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds		
	Z400		LOCAL	STATE	OTHER
\$300,000.00		\$88,530.00	\$11,470.00	\$200,000.00	\$0.00

CITY OF FOLSOM

By _____
 Title _____
 Date _____
 Attest _____

STATE OF CALIFORNIA
Department of Transportation

By _____
Chief, Office of Project Management Oversight
Division of Local Assistance
 Date _____

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

Accounting Officer



Date 03/11/2026

\$288,530.00

SPECIAL COVENANTS OR REMARKS

1.
 - A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
 - B. 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 that phase(s) unless no further State or Federal funds are needed for those future phase(s).
 - C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available 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 Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.
 - D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.6 "Award Package" of the Local Assistance Procedures Manual.

E. 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.

SPECIAL COVENANTS OR REMARKS

F. 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.).

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

H. 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 Exclusion List. Exclusions can be found at www.sam.gov.

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2.
 - A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.
 - B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.
 - C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
 - D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.
 - E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
 - F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

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G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system

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of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends \$750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over \$5,000, construction contracts over \$10,000, or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

Pertinent Nondiscrimination Authorities:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);

D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as

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amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);

F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);

H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;

I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

J. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

K. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. In the event that construction of this project of the initial federal authorization for right of way is not started by the close of the twentieth fiscal year following the fiscal year in which the right of way is authorized, the ADMINISTERING AGENCY shall repay the Federal Highway Administration through Caltrans the sum of Federal funds paid under the terms of this agreement.

Authorizing the ROW phase of a project as Advance Construction does not exempt the project from the provisions of 23 U.S.C. 108(a)(2), and 23 CFR 630.112(c)(1).

5. A. This PROJECT will be administered in accordance with the applicable CTC STIP guidelines and the Active Transportation Program guidelines as adopted or amended, the Local Assistance Procedures Manual (LAPM), the Local Assistance Program Guidelines (LAPG), and this PROGRAM SUPPLEMENT.

B. This PROJECT is programmed to receive State funds from the Active Transportation Program (ATP). Funding may be provided under one or more

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components. A component(s) specific fund allocation is required, in addition to other requirements, before reimbursable work can occur for the component(s) identified. Each allocation will be assigned an effective date and identify the amount of funds allocated per component(s).

This PROGRAM SUPPLEMENT has been prepared to allow reimbursement of eligible PROJECT expenditures for the component(s) allocated. Unless otherwise determined, the effective date of the component specific allocation will constitute the start of reimbursable expenditures.

C. STATE and ADMINISTERING AGENCY agree that any additional funds made available by future allocations will be encumbered on this PROJECT by use of a STATE-approved Allocation Letter and STATE Finance Letter. ADMINISTERING AGENCY agrees that STATE funds available for reimbursement will be limited to the amount allocated by the California Transportation Commission (CTC) and/or the STATE.

D. Upon ADMINISTERING AGENCY request, the CTC and/or STATE may approve supplementary allocations, time extensions, and fund transfers between components. Funds transferred between allocated project components retain their original timely use of funds deadlines, but an approved time extension will revise the timely use of funds criteria for the component(s) and allocation(s) requested. Approved supplementary allocations, time extensions, and fund transfers between components made after the execution of this PROGRAM SUPPLEMENT will be documented and considered subject to the terms and conditions thereof.

Documentation will consist of a STATE approved Allocation Letter, Fund Transfer Letter, Time Extension Letter, and Finance Letter, as appropriate.

E. This PROJECT is subject to the timely use of funds provisions enacted by the Active Transportation Program guidelines, as adopted or amended, and by approved CTC and State procedures as outlined below.

Funds allocated for the environmental & permits (E&P), plan specifications & estimate (PS&E), and right-of-way components are available for expenditure until the end of the second fiscal year following the year in which the funds were allocated.

Funds allocated for the construction component are subject to an award deadline and contract completion deadline. ADMINISTERING AGENCY agrees to award the contract within 6 months of the construction fund allocation and to complete and accept the construction within 36 months of award.

F. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer immediately after project contract award and

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prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract. Failure to do so will cause a delay in the State processing of invoices for the construction phase.

G. The ADMINISTERING AGENCY shall invoice STATE for environmental & permits (E&P), plans specifications & estimate (PS&E), and right-of-way costs no later than 180 days after the end of last eligible fiscal year of expenditure. For construction costs, the ADMINISTERING AGENCY has 180 days after project completion or contract acceptance to make the final payment to the contractor prepare the final Report of Expenditures and final invoice, and submit to STATE for verification and payment.

H. 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 LAPM and the Active Transportation Program (ATP) Guidelines.

I. ADMINISTERING AGENCY indirect costs, as defined in 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, to be claimed must be allocated in accordance with an Indirect Cost Allocation Plan (ICAP), submitted, reviewed, and approved in accordance with Caltrans Audits and Investigations requirements which may be accessed at: www.dot.ca.gov/hq/audits/.

ADMINISTERING AGENCY agrees to comply with, and require all sub-recipients and project sponsors to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, and all applicable Federal and State laws and regulations.

ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., and all applicable Federal and State laws and regulations, shall be used to determine the allowability of individual PROJECT cost items.

Any Fund expenditures for costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, or 48 CFR, Chapter 1, Part 3, are subject to repayment by ADMINISTERING AGENCY to STATE. Should ADMINISTERING AGENCY fail to reimburse Funds due STATE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, STATE is authorized to intercept and withhold future payments due ADMINISTERING AGENCY from STATE or any third-party source, including, but not limited to, the State Treasurer, the

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State Controller, and the California Transportation Commission.

J. By executing this PROGRAM SUPPLEMENT, ADMINISTERING AGENCY agrees to comply with all reporting requirements in accordance with the Active Transportation Program guidelines, as adopted or amended.

K. This PROJECT has received funds from Active Transportation Program (ATP). The ADMINISTERING AGENCY agrees to administer the project in accordance with the CTC Adopted SB1 Accountability and Transparency Guidelines.

6. The ADMINISTERING AGENCY shall construct the PROJECT in accordance with the scope of work presented in the application and approved by the California Transportation Commission. Any changes to the approved PROJECT scope without the prior expressed approval of the California Transportation Commission are ineligible for reimbursement and may result in the entire PROJECT becoming ineligible for reimbursement.