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July 20, 2022

Trisha Tillotson, Director
County of Nevada Community Development Agency
Department of Public Works
950 Maidu Avenue
Nevada City, CA 95959-8617

SUBJECT: FUNDING AGREEMENT #RSTPNCO072022 BETWEEN THE COUNTY OF NEVADA AND THE NEVADA COUNTY TRANSPORTATION COMMISSION FOR FY 2022/23 REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) EXCHANGE FUNDS

Dear Ms. Tillotson:

This agreement, when countersigned, authorizes the Nevada County Transportation Commission (NCTC) to perform contract management and oversight of the RSTP exchange funds distributed to County of Nevada, hereinafter referred to as "RSTP Exchange Recipient".

The RSTP Exchange Recipient agrees to the following:

1. To use RSTP exchange funds for projects as authorized under Article XIX of the California State Constitution.
2. Establish a special account for the purpose of depositing therein all payments received from NCTC pursuant to this Agreement: (a) for cities, within their Special Gas Tax Street Improvement Fund, (b) for counties, within their County Road Fund, and (c) for all other sponsors, a separate account.
3. To return RSTP exchange funds to NCTC if the funds received are not used in accordance with the terms of this agreement.
4. Cost Principles
 - a. To comply with Office of Management and Budget Supercircular 2 CFR 200, Cost Principles for State and Local Government and the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
 - b. That (A) 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, and (B) those parties shall comply with Federal Administrative

Procedures in accordance with 2 CFR 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every subrecipient receiving funds as a contractor or subcontractor under this agreement shall comply with Federal administrative procedures in accordance with 2 CFR 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- c. Repay any RSTP exchange fund expenditures for costs that are determined by subsequent audit to be unallowable under Office of Management and Budget Supercircular 2 CFR 200. Any reimburse fund moneys are due within 30 days of demand, or within such other period as may be agreed in writing between the parties.

5. Third Party Contracting

- a. Shall not award a construction contract 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.
- b. Any subcontract or agreement entered into as a result of disbursing funds received pursuant to this agreement shall contain all of the fiscal provisions of this agreement; and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as project costs only after those costs are incurred and paid for by the subcontractors.
- c. In addition to the above, the pre-award requirements of third-party contractor/consultants should be consistent with Local Program Procedures as published by the California Department of Transportation.

6. Accounting System

- a. Shall establish and maintain an accounting system and records that properly accumulate and segregate fund expenditures by line item. The accounting system, including contractors and all subcontractors, shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

7. Right to Audit

- a. For the purpose of determining compliance with this agreement and other matters connected with the performance of contracts with third parties, the RSTP Exchange Recipient, contractors, and subcontractors shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times for three years from the date of final payment of funds. The California Department of Transportation, the California State Auditor, or any duly authorized representative of State of California or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and shall be furnished copies thereof if requested.

