

**RESOLUTION 2438**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
AUTHORIZING THE EXECUTION OF THE LOW CARBON TRANSIT OPERATIONS  
PROGRAM (LCTOP) PROJECT: SHAFTER SATURDAY DAR SERVICE IN  
THEAMOUNT OF \$18,256.00.**

**WHEREAS**, the City of Shafter is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, the City of Shafter wishes to implement the LCTOP project(s) listed above,

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Shafter that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Shafter that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2015-16 LCTOP funds:

*List project(s), including the following information:*

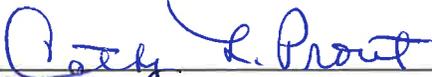
*Project Name: Shafter Saturday DAR Service*

*Amount of LCTOP funds requested: \$18,256*

*Short description of project: Establishing Saturday Dial-A-Ride Service*

*Contributing Sponsors (if applicable):*

**PASSED, APPROVED AND ADOPTED THIS 19<sup>th</sup> DAY OF JANUARY, 2016.**

  
\_\_\_\_\_  
Cathy L. Prout, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Yazmina Pallares, Deputy City Clerk



## Low Carbon Transit Operations Program (LCTOP)

### PROJECT DESCRIPTION AND ALLOCATION REQUEST (SUMMARY)

**Project Information:**

Lead Agency:	City of Shafter
Project Name:	Shafter Saturday DAR Service
Project Type: <i>See Attachment A</i>	A2: Expand/Enhance transit service
Description of Project (Short):	Shafter Dial A Ride does not currently operate on Saturdays. This project would add
Project Location:	City of Shafter
Project Start Date (anticipated):	7/1/2016
Project End Date (anticipated):	6/30/2017

**Funding Information:**

Funding Year:	2015/2016
Requested Amount of PUC 99313:	\$17,714
Requested Amount of PUC 99314:	\$542
Total LCTOP Funding:	\$18,256
Total Project Cost:	\$21,918

**Project Benefits:**

#### Greenhouse Gas Benefits (off of worksheet)

Estimated GHG Reduction:	-0.0009
Project Life:	1
Estimated Total GHG Reduction:	-0.0009

#### Disadvantaged Communities (DAC) Benefits:

Does your service area have a DAC?	Yes
Does the Project Benefit a DAC?	Yes
Identify the DAC Census Tracts?	40, 41.01, 41.02
Identify Specific DAC Benefit Criteria? <i>See Attachment B</i>	LCTP 1D: Project provides greater mobility and increased access to clean transportation for disadvantaged community residents by placing services in a disadvantaged community, including ride-sharing, car-sharing, or other advanced
Qualitative Description of DAC Benefit?	This project would provide transit service on Saturdays with an all electric vehicle where there currently is no public transit service during that time.
Describe the DAC Need Project Addresses?	With no public transit currently available on Saturdays in this service area, this project will address that need.
Total GGRF \$ Allocated to DAC	\$18,256

#### Co-benefit

Critical Air Pollution Reduction:	
VMT Reduction:	
Ridership Increase	estimated additional 2,055 riders per year.
Fuel Use Reduction:	
Energy Use Reduction:	

**PROJECT DESCRIPTION AND ALLOCATION REQUEST (ALLOCATION)**

<b>Regional Entity:</b>	
<b>Project Lead:</b> City of Shafter	<b>County:</b> Kern
<b>Project Title:</b> Shafter Saturday DAR Service	

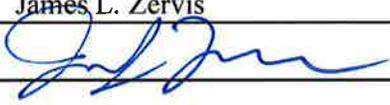
**Project Lead:**

I certify the scope, cost, schedule, and benefits as identified in the attached Allocation Request (Request) and attachments are true and accurate and demonstrate a fully funded operable project. I understand the Request is subject to any additional restrictions, limitations or conditions that may be enacted by the State Legislature, including the State's budgetary process and/or auction receipts. In the event the project cannot be completed as originally scoped, scheduled and estimated, or the project is terminated prior to completion, project lead shall, at its own expense, ensure that the project is in a safe and operable condition for the public. I understand this project will be monitored by the California Department of Transportation - Division of Rail and Mass Transportation.

---

---

**Name:** James L. Zervis

**Signature:** 

**Title:** Administrative Services Director

**Agency:** City of Shafter

**Date:** 1/6/2016                      **Amount:** \$542

**Contributing Sponsor(s):**

\*If this project includes funding from more than one project sponsor, the project lead above becomes the "recipient agency" and the additional contributing project sponsor(s) must also sign and state the amount and type of LCTOP funds (PUC Sections 99313 and 99314) contribution. Sign below or **attach a separate officially signed letter providing that information. If there is more than one contributing sponsor, please submit additional page, or a letter from the additional contributors.**

---

---

**Name:** Ahron Hakimi

**Signature:**

**Title:** Executive Director

**Agency:** Kern Council of Governments

**Date:** 1/6/2016                      **Amount:** \$17,714



	LCTOP Allocation	15/16	16/17	17/18
<b>Request Amount per PUC 99313:</b>		\$17,714	\$0	\$0
<b>Request Amount per PUC 99314:</b>		\$542	\$0	\$0
<b>Total Project Allocation Request:</b>		\$18,256	\$0	\$0
<b>Project Title:</b>	Shafter Saturday DAR Service			
<b>Project Location/Address:</b>	336 Pacific Ave., Shafter CA 93263			

**Table 1: Project Lead Information**

		Legislative District Numbers	
Agency Name:	City of Shafter	Assembly:	16th
Contact Person:	James L.Zervis	Senate:	30th
Contact Phone #:	(661)746-5043	Congressional:	20th
Email Address:	<a href="mailto:jzervis@shafter.com">jzervis@shafter.com</a>	Amount:	PUC Funds Type:
Address:	336 Pacific Ave.	\$	542
	Shafter, CA 93263	\$	

**Table 2: Contributing Sponsor Information**

Name:	Kern Council of Governments	Amount :	PUC Fund Type:
Contact:	Bob Snoddy	\$	17,714
Contact Phone #:	(661)861-2191	\$	
Email Address:	<a href="mailto:bsnoddy@kerncog.com">bsnoddy@kerncog.com</a>		
Address:	1401 19th. Street #300 Bakersfield, CA 93301		
<i>Other Contributing Sponsors: (Attach sheet with contact information)</i>		Amount:	PUC Fund Type:
Name:		\$	
Name:		\$	
Name:		\$	
<b>TOTAL</b>			<b>\$18,256</b>

(\*Contributing project sponsors provide signed letters of verification as to amount and eligibility or sign cover page)

**Low Carbon Transit Operations Program (LCTOP)  
 PROJECT DESCRIPTION AND ALLOCATION REQUEST (PROJECT)**

**Table 3: Type of Project**





**a) Greenhouse Gas Reduction** - Describe how this project will reduce greenhouse gases and any assumptions or data that support this description. For example, "The expanded transit service will reduce VMT and greenhouse gas emissions by replacing auto trips with transit trips. Initial estimates indicate that the expansion could add 50 commuter bus riders per day to replace an average auto trip of 10 miles each way." If available, please provide the expected amount of VMT reductions and greenhouse gas reductions.

The new Saturday Dial A Ride service will be provided in an all electric shuttle from Zenith Motors. This all electric public transportation should replance 3,900 miles of travel by gas vehicles over the course of the year based on estimated ridership of 2,055 riders at an average of 1.8977 miles per trip.

**b) Increased Mode Share** - Describe how this project will directly increase mode share.

**c) Disadvantaged Communities (DAC) Project Criteria**

See Attachment B for DAC Criteria to Evaluate Projects (example: Category 1B Project provides transit incentives to residents with a physical address in a disadvantage community (e.g., vouchers, reduced fares, transit passes).

Low Carbon Transportation Projects				Transit Projects					
<input type="checkbox"/>	1A	<input type="checkbox"/>	2A	<input checked="" type="checkbox"/>	1A	<input checked="" type="checkbox"/>	1G	<input type="checkbox"/>	2E
<input type="checkbox"/>	1B	<input type="checkbox"/>	2B	<input type="checkbox"/>	1B	<input type="checkbox"/>	1H	<input type="checkbox"/>	2F
<input type="checkbox"/>	1C	<input type="checkbox"/>	2C	<input type="checkbox"/>	1C	<input type="checkbox"/>	2A	<input type="checkbox"/>	2G
<input checked="" type="checkbox"/>	1D	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1D	<input type="checkbox"/>	2B	<input type="checkbox"/>	2H
				<input type="checkbox"/>	1E	<input type="checkbox"/>	2C	<input type="checkbox"/>	2I
				<input type="checkbox"/>	1F	<input type="checkbox"/>	2D		

**d) Disadvantaged Communities (DAC) (if applicable\*)** - Describe how this project will directly benefit the DAC(s) within your service area in your own words. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities. Most of the City of Shafter Dial-A-Ride service area is within a Disadvantaged Community. This project would directly benefit that Disadvantaged Community by providing Public Transportation on Saturday, when it is currently not available.

**Low Carbon Transit Operations Program (LCTOP)**

**PROJECT DESCRIPTION AND ALLOCATION REQUEST (BENEFITS/OUTCOMES)**

**Table 5: Description of Major Benefits/Outcomes**

**e) Co-Benefits** - Check all additional Benefits/Outcomes. Page 5 of 7

- |   |   |
|---|---|
| <input type="checkbox"/> Improved Safety                    | <input type="checkbox"/> Coordination with Educational Institutions                         |
| <input type="checkbox"/> Improved Public Health             | <input type="checkbox"/> College/University <input type="checkbox"/> Grades K-12            |
| <input type="checkbox"/> Reduced Operating/Maintenance Cost | <input type="checkbox"/> Promotes Active Transportation (walking, biking)                   |
| <input type="checkbox"/> Increase System Reliability        | <input checked="" type="checkbox"/> Promotes integration with other modes of transportation |
| <input type="checkbox"/> Other Benefits (describe below)    |   |

**f) Co-Benefits** - Describe benefits indicated above in d) and any other benefits not listed.

In addition to the direct benefit of providing public transportation within a Disadvantaged Community. This project promotes integration with the Kern Regional Transit System by providing local transportation, within the DAC, to the Regional Transit stops.

**Table 6: Project Schedule**

Capital Projects	
Begin Construction Phase (Contract Award)	n/a
End Construction Phase (Contract Acceptance)	n/a
Begin Vehicle/Equipment Order (Contract Award)	n/a
End Vehicle/Equipment Order (Contract Acceptance)	n/a
Begin Closeout Phase	n/a
End Closeout Phase	n/a

Operations Projects	
Begin expanded/enhanced transit services	7/1/2016
End expanded/enhanced transit services	6/30/2017
Begin Closeout Phase	10/1/2017
End Closeout Phase	11/1/2017

**START DATE FOR LCTOP FUNDED PHASES MAY NOT PROCEED PROJECT APPROVAL LETTER.**

*Pre-construction costs (e.g design, environmental and right-a-way) are not eligible to be funded by LCTOP funds, they must be funded by other sources.*

**Low Carbon Transit Operations Program (LCTOP)**

**PROJECT DESCRIPTION AND ALLOCATION REQUEST (OPERATIONS DESCRIPTION)**

**Table 7: Operations Project Description**

a) Describe the operating plan for this system.

This project will add one Dail A Ride vehicle in service on Saturdays for six hours per day for one year.

b) Describe the fare structure for this system.

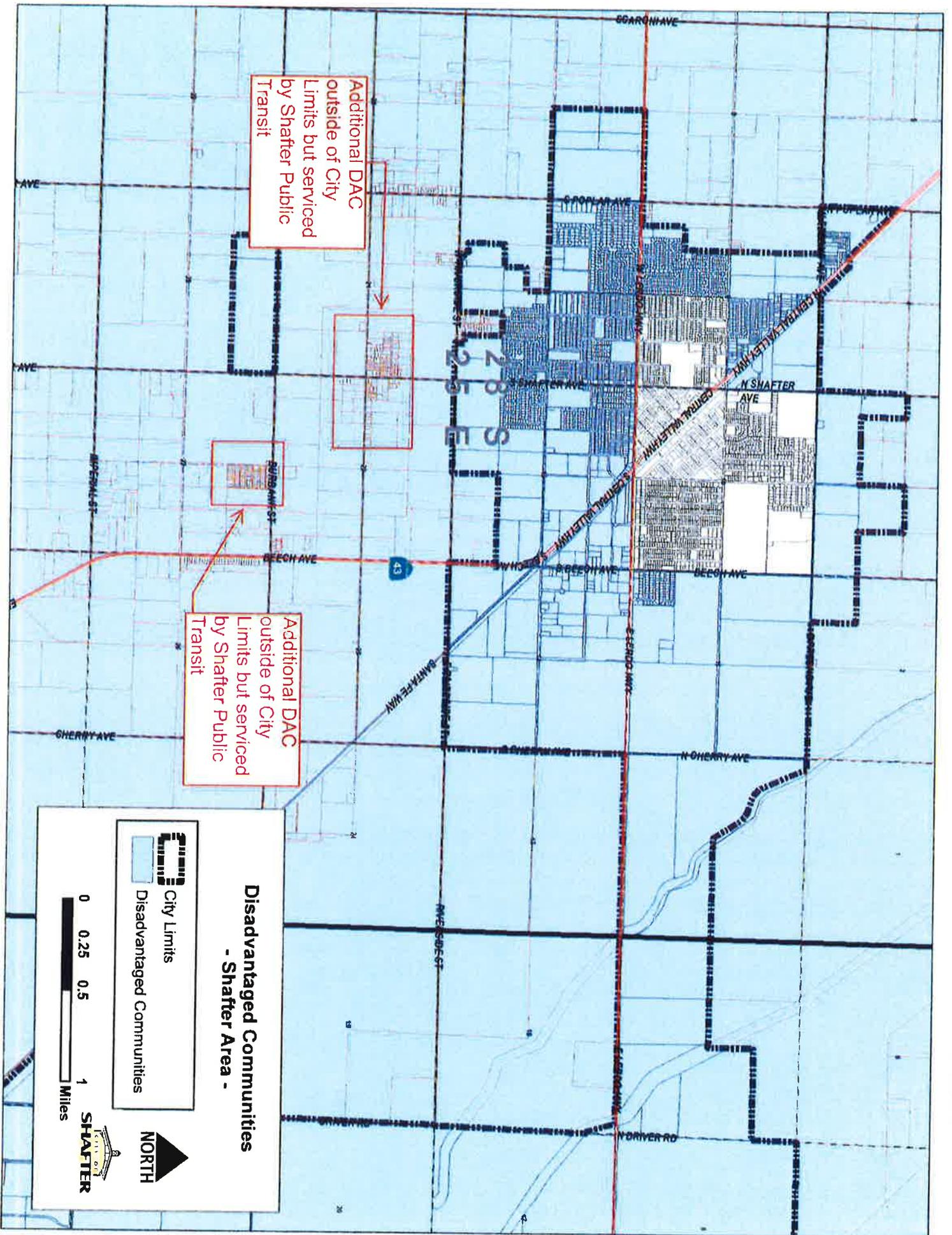
Fares per one-way trip are as follows: General Public \$1.00, Seniors \$0.75, Disabled \$0.75, Youth (5-12) \$0.75, Children (0-4) \$0.50.

c) Describe the assumptions and process that were used to develop the ridership projections shown in the request.

Ridership is projected based on average daily ridership per service hour for 2014 and 2015 multiplied by projected service hours.

d) Describe the assumptions and process for how the operating cost projections were developed.

Operating Cost is based on the average operating cost per service hour for 2014 and 2015 multiplied by projected service hours.



Additional DAC  
outside of City  
Limits but serviced  
by Shafter Public  
Transit

Additional DAC  
outside of City  
Limits but serviced  
by Shafter Public  
Transit

**Disadvantaged Communities  
- Shafter Area -**

 City Limits  
 Disadvantaged Communities

 NORTH  
 SHAFER

0 0.25 0.5 1 Miles



## Low Carbon Transit Operations Program TOTAL PROJECT COST AND FUNDING PLAN

The following Funding Plan has been reviewed and approved by the undersigned. It includes a complete list of funds for this project and is the total cost of the project, including LCTOP funds.

Person preparing this form (please type or print): James L. Zervis      Phone: (661)746-5043      Date: 1/11/16

Approval Authority: Sign and date  1/20/16      Typed name and phone number: James L. Zervis (661)746-5043

Shaded fields are automatically calculated. Please do not fill these fields.

Proposed Total Project Cost								Project
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0
R/W	0	0	0	0	0	0	0	0
CON	0	0	0	0	0	0	0	0
Veh/Equip Purchase	0	0	0	0	0	0	0	0
Operations/Other	0	21,918	0	0	0	0	0	21,918
<b>TOTAL</b>	<b>0</b>	<b>21,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,918</b>

Low Carbon Transit Operations Program (LCTOP)								Total
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other		18,256						18,256
<b>TOTAL</b>	<b>0</b>	<b>18,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,256</b>

Fare Revenue								Total
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other		1,746						1,746
<b>TOTAL</b>	<b>0</b>	<b>1,746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,746</b>

TDA LTF								Total
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other		1,916						1,916
<b>TOTAL</b>	<b>0</b>	<b>1,916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,916</b>

Funding Source:								Total
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	<b>0</b>							



## Low Carbon Transit Operations Program TOTAL PROJECT COST AND FUNDING PLAN

<b>Funding Source:</b>								
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	0	0	0	0	0	0	0	0

<b>Funding Source:</b>								
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	0	0	0	0	0	0	0	0

<b>Funding Source:</b>								
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	0	0	0	0	0	0	0	0

<b>Funding Source:</b>								
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	0	0	0	0	0	0	0	0

<b>Funding Source:</b>								
Component	Prior	FY 15-16	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
<b>TOTAL</b>	0	0	0	0	0	0	0	0

**RESOLUTION 2437**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHAFTER  
AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES  
AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT  
OPERATIONS PROGRAM (LCTOP)**

**WHEREAS**, the City of Shafter is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, the City of Shafter wishes to delegate authorization to execute these documents and any amendments thereto to James L. Zervis, Administrative Services Director and Scott Hurlbert, City Manager.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Shafter that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

**NOW THEREFORE, BE IT FURTHER RESOLVED** that James L. Zervis, Administrative Services Director and Scott Hurlbert, City Manager be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

**PASSED, APPROVED AND ADOPTED THIS 19<sup>th</sup> DAY OF JANUARY, 2016.**

  
\_\_\_\_\_  
Cathy L. Prout, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Yazmina Pallares, Deputy City Clerk



**Low Carbon Transit Operations Program (LCTOP)  
AUTHORIZED AGENT**

AS THE Mayor  
(Chief Executive Officer / Director / President / Secretary)

OF THE City of Shafter  
(Name of County/City Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. I understand that if there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

James L. Zervis, Administrative Services Director OR  
(Name and Title of Authorized Agent)

Scott Hurlbert, City Manager OR  
(Name and Title of Authorized Agent)

\_\_\_\_\_  
(Name and Title of Authorized Agent)

Cathy Prout  
(Print Name)

Mayor  
(Title)

Cathy L. Prout  
(Signature)

Approved this 19<sup>th</sup> day of January, 2016

Attachment: Board Resolution approving Authorized Agent

## Low Carbon Transit Operations Program (LCTOP) CERTIFICATIONS AND ASSURANCES

**Project Sponsor:** Kern Council of Governments

**Agency Name:** City of Shafter

**Effective Date of this Document:** 1/19/2016

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Low Carbon Transit Operations Program. As a condition of the receipt of LCTOP funds, project lead must comply with these terms and conditions.

### A. General

- (1) The project lead agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
- (2) The project lead must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

### B. Project Administration

- (1) The project lead certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The project lead assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project lead certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
- (3) The project lead certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
- (4) The project lead certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
- (5) The project lead certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (6) The project lead must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (7) Any interest the project lead earns on LCTOP funds must be used only on approved LCTOP projects.
- (8) The project lead must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (9) Under extraordinary circumstances, a project lead may terminate a project prior to completion. In the event the project lead terminates a project prior to completion, the project lead must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to

verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

- (10) Funds must be encumbered and liquidated within the time allowed.

### C. Reporting

- (1) The project lead must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by May 15<sup>th</sup> and November 15<sup>th</sup> each year.
  - b. A Final Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
- (2) Other Reporting Requirements: ARB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

### D. Cost Principles

- (1) The project lead agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The project lead agrees, and will assure that its contractors and subcontractors will be obligated to agree, 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 allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any project cost for which the project lead has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project lead to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the project lead to the State. Should the project lead fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project lead from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

### E. Record Retention

- (1) The project lead agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project lead, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the project lead, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the “Project Closeout” report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project lead, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the project lead pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project lead’s external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project lead’s contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection 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. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project lead shall furnish copies thereof if requested.
- (3) The project lead, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

### F. Special Situations

The Department may perform an audit and/or request detailed project information of the project sponsor’s LCTOP funded projects at the Department’s discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

BY:

  
James L. Zervis  
Administrative Services Director  
City of Shafter