



# City Council Report

**Date:** August 22, 2016  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
Michele Davila, Sr. Fiscal Analyst  
**Subject:** Certification Acceptance Agreement  
Citywide

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to present the Certification Acceptance Agreement between the Arizona Department of Transportation (ADOT) and the City of Mesa (City). This agreement grants the City the authority to administer pathway, traffic signal, intelligent transportation systems and street improvement projects funded by the Federal Highway Administration (FHWA).

## Background

The City of Mesa has been self-certified to administer FHWA-funded projects since 2007. This agreement renews self-certification and supersedes the previous agreement dated May 25, 2007. For the past two years, the City has worked collaboratively with seven (7) other certified agencies and ADOT on the renewal effort creating consistency across the State in terms of the administration of these projects.

## Discussion

By entering into the Agreement, ADOT will delegate authority to directly administer the design and construction of Federal Aid Highway Projects (FAHP). This agreement will govern all program and project specific activities between ADOT and the City for FAHP projects. The Agreement commits the City to accept delegated authority to administer FAHP projects, to adhere to federal and state laws and regulations and to perform the delegated duties as outlined in the ADOT Certification Acceptance Manual (delegated duties include, but are not limited to, compliant project development, assigning qualified staff to projects, obtaining required approvals from State and FHWA and keeping and maintaining project records). The Agreement will remain in full force and effect for three years with annual reviews and updates.

## **Alternatives**

If the City does not enter into this Agreement, the City will no longer be authorized to directly administer FHWA-funded projects. Federal Aid Highway Projects would be administered by ADOT, which would result in additional cost, oversight and monitoring and cause delays in project delivery and completion. Projects administered by ADOT for Local Public Agencies (LPA's) typically take one year longer than those administered by self-certified agencies.

The cost for ADOT to administer a project for an LPA is 15% of construction costs for construction engineering and construction administration, 5% for construction contingency to account for potential cost overruns and 1% for consultant services to cover post-project fees for post-design activities.

In addition to taking longer and costing more to manage these projects on the City's behalf, ADOT will have reduced sensitivity to the local needs of the City. ADOT primarily manages large highway projects and is not familiar with local agency needs and requirements.

## **Fiscal Impact**

If the City does not enter into the Agreement, the City will face project completion delays of approximately one year and additional fees of 15-21% for the administration of FAHP projects as noted above.

## **Coordinated With**

The Transportation Department concurs with this recommendation.

