

PENDING APPROVAL

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Deputy

[Signature]

Oklahoma Cooperative

Circuit Engineering Districts Board

429 NE 50th Street
Oklahoma City, OK 73105
3700

STATE OF OKLAHOMA
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Tele: (405) 524-3200
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Randy Robinson, Executive Director
OCCEDB Board Members

Gary Deckard, CED 1	Kenneth Holden, CED 5
Bobby Botts, CED 2	Carlos Squires, CED 6, President
Roy Alford, CED 3, Secretary/Treasurer	Dale Dunn, CED 7
Gary Starns, CED 4, Vice President	Dee Schieber, CED 8

June 2, 2010

To: All Boards of County Commissioners, County Clerks and other interested parties

From: Randy Robinson

Subject: County Bridge and Road Improvement Fund

With the passage of SB 2173 the Boards of County Commissioners will have direct access to this restrictive account. We are holding four meetings around the state discussing the transfer of this fund to the counties and the allowed usages.

It is extremely important that you attend one of these meetings so that we will all hear and understand the same issues.

If you have any questions please call me at (405) 229-7632.

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County Bridge and Road Improvement, CBRI, Fund Highlights

SB 2173 signed into law 5/10/2010
Effective 7/1/2010

Meeting locations and details:

Northwest

When: Wednesday, June 9, 2010
Start: 11:00 am
Where: Alva
Woods County Fairgrounds
43258 Harper Road (Jct US 64/US 281 at college then 1 mile south and
¾ mile west)
Merchants Building
Lunch provided: Yes

Northeast

When: Tuesday, June 15, 2010
Start: 10:00 am
Where: Tulsa
Central Park Hall at the Tulsa County Fairgrounds
Building nearest Fair Meadows Racetrack
21st Street / Yale Ave
Lunch provided: Yes, following the meeting
RSVP for lunch: If you plan on staying for lunch call by Friday, June 11th
Melody Johnson, (918) 337-2820, mjohnson@countycourthouse.org

Southeast

When: Thursday, June 17, 2010
Start: 10:00 am
Where: McAlester Expo Center/Pittsburg County Fairgrounds
Off of US 270 (SH 1) near the Indian Nations Turnpike
Lunch provided: Yes
RSVP for lunch: By Monday, June 14th
Trula Walker
(580) 326-9191
(405) 532-5054

Southwest

When: Tuesday, June 22, 2010
Start: 12:00 pm
Where: Clinton
Frisco Conference Center
4th Street (US 183) / Frisco Ave
Lunch provided: Yes

Draft Agenda

CBRI fund – History, Revenue Sources
Fund Transition - Accounts, Timelines, ODOT
SB 2173 bill – Changes, Usage
Process
Recommendations



OKLAHOMA DEPARTMENT OF TRANSPORTATION

Office of the Director of Capital Programs

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www.okladot.state.ok.us

DATE: June 2, 2010

TO: The Honorable County Commissioners of the State of Oklahoma

FROM: Tim Gatz, Director of Capital Programs
Shannon Sheffert, Local Government Division Engineer

SUBJECT: Transfer of County Bridge and Road Improvement Program (CBRI) per Senate Bill 2173

The Department is corresponding with reference to the recent passage of Senate Bill 2173 and the return of the County Bridge and Road Improvement (CBRI) Program to County control.

Please be advised that the Department has initiated preparations in order to quickly and effectively implement the provisions of the legislation. You will find an outline describing the transfer preparations attached along with a general timeline for the implementation. The initial CBRI fund apportionments to the Counties and the Statewide Circuit Engineering District Revolving Fund will begin with the Tax Commission's disbursement of the June motor fuel tax collections which are anticipated to be deposited with the Counties sometime around mid-July.

All Department programs which are wholly or partially financed with CBRI funds will be impacted. This includes existing Force Account projects, CBRI Engineering Contracts and CBRI funded match for the County Improvements for Roads and Bridges (CIRB) Program along with match for the Federal-aid Bridge Replacement (BR) and Surface Transportation Program (STP) projects. Future contracts and agreements for the CBRI matched and Federal-aid BR funded Safety Bridge Inspection Program will also be effected. The Department has committed to work with the Counties and the Circuit Engineering Districts if you determine that the programmatic changes brought about by SB 2173 warrant a review of the context and financial constitution of the projects included in the BR, STP and CIRB 5 Year Plans.

We have been in constant contact with Gayle Ward, Executive Director of the Association of County Commissioners of Oklahoma (ACCO) and she informed the Department that ACCO is planning regional meetings to discuss the CBRI Program transfer in more detail. Department representatives will be in attendance at ACCO's invitation and will be available for further consultation at these meetings.

Senate Bill 2173 brings about a new era of flexibility for the Counties. However, the transfer of the CBRI program is still a significant administrative action and must be formally documented and executed. The Department will ensure that each County receives an accurate and complete accounting of the transfer of funds. Each County will then need to set up the appropriate accounting systems and controls to ensure CBRI funds are administered according to current statutes. Please familiarize yourself with the provisions of the legislation, plan to attend the ACCO regional meeting in your area and be prepared to work with the Department to insure a successful operation.

Thank you for your patience, cooperation and assistance. Please feel free to call on Shannon or myself should you have questions, comments or if we can provide you with additional information.

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Oklahoma Department of Transportation County Bridges and Roads Improvement (CBRI) Program

Senate Bill 2173 Transition Plan

"Deposit of Future Apportionments and Transfer of CBRI Contracts and Fund Balances"

Future CBRI Apportionments

Beginning July 1, 2010 and regarding the disposition of the June Motor Fuel Tax collections, the CBRI apportionments will be directed to the County / Statewide Circuit Engineering District Revolving Fund accounts in accordance with the requirements set forth in Senate Bill 2173 and through a process to be established by the Oklahoma Tax Commission.

Transfer of Funds

The transfer of funding will be applicable to the accrued balance of funds which were appropriated or otherwise accrued in the 103 account as established by Senate Bill 1288 to be used for bridge improvements only and the regular 105 CBRI account.

The Department will prepare an initial accounting and disbursement of the balances of the CBRI 105 account funding to be transferred to the Counties in accordance with the provisions of SB 2173. The initial transaction will disburse approximately 75% of the 105 account balance in the CBRI account with 1% directed to the Statewide Circuit Engineering District Revolving Fund and is anticipated to occur no later than July 30, 2010. The timing of this transaction will be predicated on the Office of State Finance's beginning of the State fiscal year operations and our ability to disburse funding through their systems.

The Department will then prepare a second and a third accounting and disbursement of the CBRI funding. The second will include the remaining 25% of the original CBRI balances along with any CBRI funds resulting from the closeout of CBRI funded force account projects and engineering contracts or agreements. The third transaction will be the disbursement of the balances remaining in the 103 account to be held separate by the Counties and expended only for bridges in accordance with the provisions of Senate Bill 1288 with 1% of the balances to be directed to the Statewide Circuit Engineering District Revolving Fund. The second and third transactions are anticipated to occur no later than September 30, 2010.

Additional accounting and disbursement cycles will be prepared and completed as determined to be administratively necessary in order to complete the closeout of the CBRI program at the Department.

The Department will provide itemized documentation for active CBRI funded force account projects and engineering contracts or agreements including copies of the original contract or agreements, the amount of the original Department encumbrance, the amount of any change orders, supplemental agreements or modifications, an accounting of the total agreement value, claims paid and the remaining balance to be transferred to the County.

CBRI Funded Force Account Work

- I. No new CBRI funded force account projects will be encumbered by the Department after May 10, 2010.
- II. No further force account projects will be recommended for Transportation Commission approval.
- III. CBRI funded force account projects previously approved by the Transportation Commission but not yet encumbered in the Department's financial systems will be considered void for the Department's purposes. The CBRI funds necessary to finance the proposed force account improvements will be considered to be included in the initial accounting and disbursement to the Counties with the exception of those to be funded from the 103 account. 103 account funding will be included in the third accounting and disbursement. Each Board of County Commissioners will be responsible for insuring that the appropriate County Commissioner District is properly reimbursed for previously approved force account projects in accordance with the Department's documentation and accounting.
- IV. CBRI funded force account projects previously approved by the Transportation Commission and encumbered by the Department but not yet invoiced by the County as of June 1, 2010 will be itemized, documented and closed out. The remaining balance of funds will be included in the second or third accounting and disbursement of the CBRI funding to the Counties as applicable. Each Board of County Commissioners will be responsible for insuring that the appropriate County Commissioner District is properly reimbursed for previously approved force account projects in accordance with the Department's documentation and accounting.
- V. CBRI funded force account projects that have been invoiced by the County and that enter processing by the Department before June 1, 2010 will be paid from the existing CBRI accounts. Those that are invoiced after June 1, 2010 or that cannot be processed before June 1, 2010 will be itemized, documented and closed out. The remaining balance of funds will be included in the second or third accounting and disbursement of the CBRI funding to the Counties as applicable. Each Board of County Commissioners will be responsible for insuring that the appropriate County Commissioner District is properly reimbursed for previously approved force account projects in accordance with the Department's accounting.

CBRI Funded Consultant or Circuit Engineering District Contracts for Engineering Services

- I. No new CBRI funded engineering contracts will be signed, approved or encumbered by the Department after May 10, 2010.
- II. Any engineering contracts or agreements proposed to be financed with CBRI funds that are in development but not yet encumbered will be returned to the Counties to be encumbered through their own accounting systems from the CBRI balances to be transferred. The CBRI funds necessary to finance the proposed engineering

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contracts or agreements will be considered to be included in the initial accounting and disbursement to the Counties with the exception of those to be funded from the 103 account. 103 account funding will be included in the third accounting and disbursement. Each Board of County Commissioners will be responsible for insuring that the engineering contracts or agreements are established and financed as intended.

- III. CBRI Engineering contracts or agreements that have been invoiced and that enter processing by the Department before June 1, 2010 will be paid from the existing CBRI accounts. Those that are invoiced after June 1, 2010 or that cannot be processed before June 1, 2010 will be itemized, documented and closed out. The remaining balance of funds will be included in the second or third accounting and disbursement of the CBRI funding to the Counties as applicable. Each Board of County Commissioners will be responsible for insuring that the engineering contracts or agreements are established and encumbered in their financial systems. Each County will then administer the agreements or contracts to completion in accordance with the Board of Commissioners' previous approval - or - if the work is no longer deemed necessary, the Board of Commissioners may elect to cancel or terminate the agreement or contract.

CBRI Funded Match for County Improvements for Roads and Bridges (CIRB) and/or Federal-Aid Participating Contracts or Projects

- I. CIRB or federal-aid participating contracts or projects that are currently matched with CBRI funding will be administered to completion by the Department as previously established.
- II. In the event that an adjustment to the matching funding level becomes necessary due to change order, supplemental agreement or modification, the Department will invoice or reimburse the County accordingly.
- III. Matching funding required for County projects or contracts that are encumbered prior to July 1, 2010 will be transferred from the appropriate County CBRI account unless the Department is otherwise instructed by the County.
- IV. With regard to future CIRB or federal-aid participating contracts or projects that require matching funding (BR, STP, Safety Bridge Inspections, etc.), the County will be invoiced by the Department and the matching funding must be placed on deposit prior to placing the project on a letting or issuing a notice to proceed on a contract. Please reference the attached timeline for an example of the timing of the invoicing and deposit of matching funding.
- V. The return of the control of the CBRI funding to the Counties is a significant event and was not anticipated in the context of the CIRB Program. Therefore, the Department will afford special consideration should Counties / Circuit Engineering Districts have a desire to re-visit and re-balance the CIRB 5 Year Plan in order to properly accommodate BR and STP project allocations and future matching funding requirements.

Right of Way Related Reimbursements

- I. No new CBRI funded R/W acquisitions will be encumbered by the Department after June 1, 2010.
- II. CBRI funded R/W projects not yet encumbered will be considered void for the Department's purposes. The CBRI funds necessary to finance the proposed R/W acquisitions will be considered to be included in the initial accounting and disbursement to the Counties. Each Board of County Commissioners will be responsible for insuring that the appropriate County Commissioner District is properly reimbursed for R/W acquisitions in accordance with the Department's accounting.

Notification of Publicly Let County Road or Bridge Work Projects

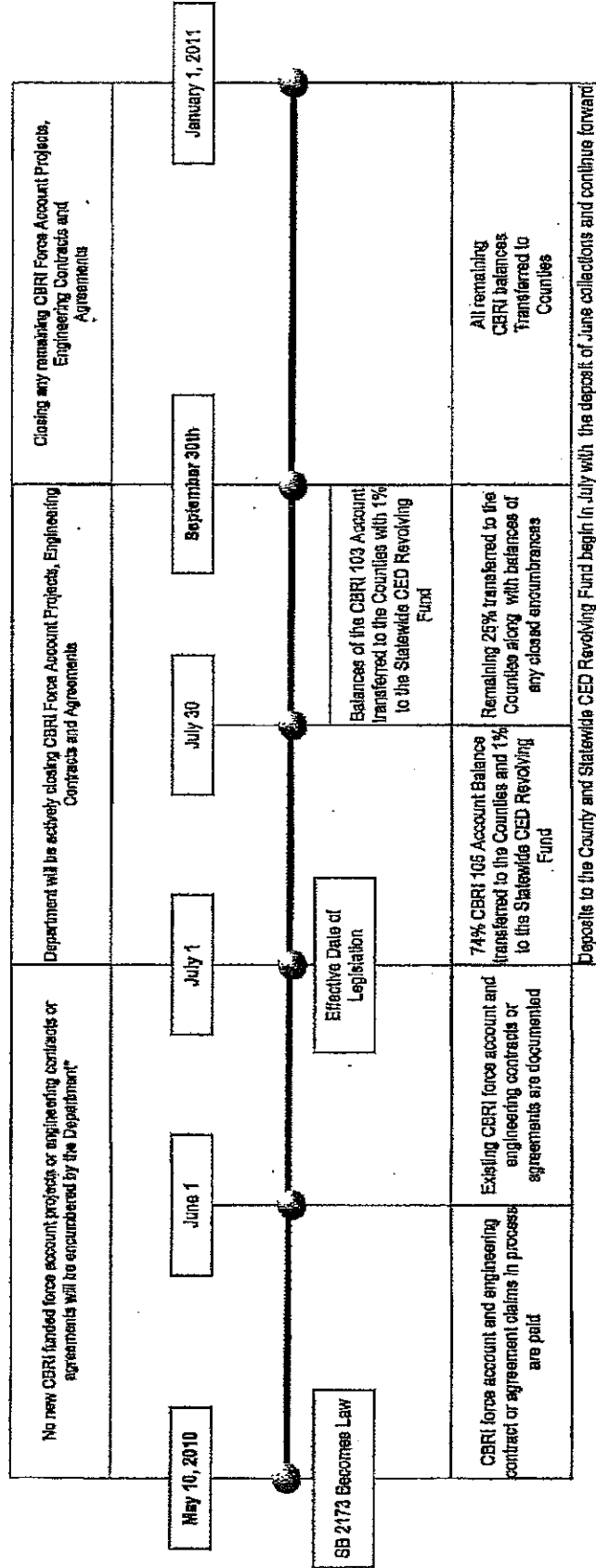
Beginning July 1, 2010, each County must notify the Department of their intent to accept bids on publicly let road and bridge projects a minimum of 21 days prior to the County's scheduled letting. The Department will make this information available on a dedicated link for County Bid Lettings under the "Contracts and Proposals" section of our website (<http://www.okladot.state.ok.us/>). In order to properly notify the Department, the County should send a copy of the public advertisement to the Local Government Division.

Exceptions, Timing, Understandings and Obligations

This document constitutes the Department's best anticipated plan to transition the administration of the CBRI program back to County Government. It by no means will address every occurrence or circumstance that we will encounter. Both Department personnel and the Counties must understand the need to move forward with the transfer in a fully documented, open, participatory and as expeditious a manner as possible. We should also understand that communication, training, meetings and assistance will be paramount to the success of the proposed process. However, we should also expect that exceptions will occur, unanticipated problems will haywire our best laid plans and schedules and both the Department and the Counties will have occasion to be upset with the proceedings.

Please join us in a commitment to foster patience and understanding and to collectively do everything we can to make the transition a smooth one.

CBRI TRANSITION PLAN TIMELINE



* Case by case exceptions are anticipated.

STP and BR Funded Construction Project Invoicing and Matching Funding Deposit

Timeline

