



NORTH CAROLINA

Department of Transportation
FRRCSI Program Manual



Mountaire Farms - Rail Industrial Access Project, Scotland County, 2019.

June 28, 2024
Version 1.0

Authorization of FRRCSI Grant Programs Manual

The Freight Rail and Rail Safety Improvement (FRRCSI) Grant Programs Manual (Manual), version 1.0, is hereby approved as the official governing policy of the FRRCSI Grant Programs. The Manual will be updated periodically as processes and procedures are refined, with a comprehensive review and update every year, beginning in May 2025.


DocuSigned by:

02D28249EE28403...

Jason T. Orthner, PE, CPM
Rail Division Director

07/03/2024

Date

DocuSigned by:

4EB8B76EFA01452...

Matthew Simmons, PE
Rail Division Deputy Director

07/02/2024

Date


DocuSigned by:

57FBD4D96DC04EB...

Ron Lucas, PE
Planning and Project Development Branch Manager

06/28/2024

Date

DocuSigned by:

B90A40D418B14C6...

Neil L. Perry, PE, PTOE, PTP, MBA, CPM
Rail Planning Manager

06/28/2024

Date

Manual Revision Notice

The Manual Revision Notice summarizes the relevant changes to this Manual and serves as a short-hand notation for users. Manual review and revisions may be made as necessary. The Effective Date is always the most current revision date.

REVISION DATE	EMPLOYEE NAME	SECTION REVISED	REVISION DESCRIPTION
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

FRRCSI Program Manual

TABLE OF CONTENTS

I.	INTRODUCTION	11
	A. OVERVIEW	11
	B. FRRCSI PROGRAM AREAS	11
	1. FRRCSI GRANT PROGRAMS	11
	2. FRRCSI STRATEGIC PROGRAMS	11
II.	SHORT LINE INFRASTRUCTURE ASSISTANCE PROGRAM	12
	A. INTRODUCTION	12
	1. PROGRAM PURPOSE	12
	2. ELIGIBLE RECIPIENTS	12
	3. ELIGIBLE PROJECTS	12
	4. ALLOCATION OF FUNDS	12
	5. CALL FOR PROJECTS	12
	B. APPLICATION	13
	1. SYSTEM ACCESS	13
	2. APPLICATION SUBMITTAL	13
	3. SUPPORTING MATERIALS	13
	A) CERTIFICATION OF NO OVERDUE TAX DEBTS	13
	B) CONFLICT OF INTEREST POLICY	13
	C) BRIDGE INSPECTION REPORT	14
	C. EVALUATION & SCORING	14
	D. RECOMMENDATION AND APPROVAL	14
	E. PROJECT PROCESS	14
	1. AGREEMENT DEVELOPMENT	14
	A) MASTER AGREEMENT	14
	B) ADDENDUM TO MASTER AGREEMENT	15
	C) RAIL FREIGHT ASSISTANCE AGREEMENT	15
	D) CONTINGENT INTEREST AGREEMENT	15
	E) RAIL FREIGHT ASSISTANCE AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (RFA/CIA)	15
	2. PRECONSTRUCTION ACTIVITIES	15
	A) SCHEDULE(S)	15
	B) FORCE ACCOUNT VERIFICATION	15
	C) CONTINUING CONTRACTOR VERIFICATION	16
	D) ENGINEERING PLAN DEVELOPMENT	16
	E) ENVIRONMENTAL REVIEW	16
	F) RIGHT OF WAY ACQUISITION	17
	G) UTILITY RELOCATION	17

H)	BEGIN CONSTRUCTION	17
3.	LABOR AND MATERIAL PROCUREMENT	17
A)	PROCUREMENT THRESHOLDS.....	17
B)	BID APPROVALS.....	18
C)	PROFESSIONAL SERVICES.....	18
D)	CONTRACTORS	18
E)	MBE/WBE.....	18
F)	BUY-AMERICA.....	18
4.	REQUESTS FOR REIMBURSEMENT	19
A)	REQUIRED DOCUMENTATION	19
B)	WORK IN PLACE (WIP) REVIEW AND REPORT	19
C)	INVOICE REVIEW AND PROCESSING.....	20
5.	PROJECT CHANGE ORDERS.....	20
A)	SCHEDULE EXTENSIONS.....	20
B)	ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED	21
C)	ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED.....	21
D)	SCOPE/PROJECT REPURPOSE	21
E)	ADVANCED NOTICE TO PROCEED (WORK AT RISK).....	22
F)	CHANGES IN LABOR SOURCE.....	23
G)	PROJECT CANCELLATION	23
6.	PROJECT AND PROGRAM REPORTING.....	23
A)	REPORTING COMPLIANCE.....	23
B)	POST-PROJECT COMPLETION REPORTING COMPLIANCE.....	24
C)	GRANT NON-COMPLIANCE	24
7.	PROJECT CLOSEOUT	25
A)	REMNANT GRANT FUNDS	25
III.	RAILROAD INDUSTRIAL ACCESS PROGRAM (RIAP)	26
A.	<u>INTRODUCTION</u>	26
1.	PROGRAM PURPOSE	26
2.	ELIGIBLE RECIPIENTS	26
3.	ELIGIBLE PROJECTS.....	26
4.	ALLOCATION OF FUNDS	26
5.	CALL FOR PROJECTS.....	27
B.	<u>APPLICATION</u>	27
1.	SYSTEM ACCESS.....	27
2.	APPLICATION SUBMITTAL.....	27
3.	SUPPORTING MATERIALS	27
A)	CERTIFICATION OF NO OVERDUE TAX DEBTS.....	27
B)	CONFLICT OF INTEREST POLICY.....	28
C)	BRIDGE INSPECTION REPORT (WHERE APPLICABLE)	28
D)	RAILROAD COMMITMENT	28
E)	INDUSTRY COMMITMENT.....	28
F)	COUNTY AND CITY RESOLUTION	28
G)	PROPERTY EASEMENT CERTIFICATION	28
C.	<u>EVALUATION & SCORING</u>	28
D.	<u>RECOMMENDATION AND APPROVAL</u>	29

E.	<u>PROJECT PROCESS</u>	29
1.	<u>AGREEMENT DEVELOPMENT</u>	29
A)	RAIL INDUSTRIAL ACCESS AGREEMENT (RIA)	29
B)	CONTINGENT INTEREST AGREEMENT	29
C)	RAIL INDUSTRIAL ACCESS AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (RIA/CIA)	29
2.	<u>PRECONSTRUCTION ACTIVITIES</u>	29
A)	SCHEDULE(S)	30
B)	ENGINEERING PLAN DEVELOPMENT	30
C)	ENVIRONMENTAL REVIEW	30
D)	RIGHT OF WAY ACQUISITION	30
E)	UTILITY RELOCATION	30
F)	BEGIN CONSTRUCTION	30
G)	PROCUREMENT THRESHOLDS	31
H)	BID APPROVALS	31
I)	PROFESSIONAL SERVICES	31
J)	CONTRACTORS	31
K)	MBE/WBE	32
L)	BUY-AMERICA	32
3.	<u>REQUESTS FOR REIMBURSEMENT</u>	32
A)	REQUIRED DOCUMENTATION	32
B)	WORK IN PLACE (WIP) REVIEW AND REPORT	33
C)	INVOICE REVIEW AND PROCESSING	33
4.	<u>PROJECT CHANGE ORDERS</u>	33
A)	SCHEDULE EXTENSIONS	34
B)	ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED	34
C)	ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED	34
D)	SCOPE/PROJECT REPURPOSE	35
E)	ADVANCED NOTICE TO PROCEED (WORK AT RISK)	36
F)	PROJECT CANCELLATION	36
5.	<u>PROJECT AND PROGRAM REPORTING</u>	36
A)	REPORTING COMPLIANCE	37
B)	POST-PROJECT REPORTING COMPLIANCE	37
C)	GRANT NON-COMPLIANCE	38
6.	<u>PROJECT CLOSEOUT</u>	38
IV.	<u>FREIGHT RAIL DIVERSION PROGRAM (FRDP)</u>	39
A.	<u>INTRODUCTION</u>	39
1.	<u>PROGRAM PURPOSE</u>	39
2.	<u>ELIGIBLE RECIPIENTS</u>	39
3.	<u>ELIGIBLE PROJECTS</u>	39
4.	<u>ALLOCATION OF FUNDS</u>	39
5.	<u>CALL FOR PROJECTS</u>	40
B.	<u>APPLICATION</u>	40
1.	<u>SYSTEM ACCESS</u>	40
2.	<u>APPLICATION SUBMITTAL</u>	40
3.	<u>SUPPORTING MATERIALS</u>	40
A)	CERTIFICATION OF NO OVERDUE TAX DEBTS	40
B)	CONFLICT OF INTEREST POLICY	41

C)	BRIDGE INSPECTION REPORT	41
D)	RAILROAD COMMITMENT	41
E)	INDUSTRY COMMITMENT	41
F)	COUNTY AND CITY RESOLUTION	41
G)	PROPERTY EASEMENT CERTIFICATION	41
C.	EVALUATION & SCORING	41
D.	RECOMMENDATION AND APPROVAL	41
E.	PROJECT PROCESS	42
1.	AGREEMENT DEVELOPMENT	42
A)	MASTER AGREEMENT	42
B)	ADDENDUM TO MASTER AGREEMENT	42
C)	FREIGHT RAIL DIVERSION AGREEMENT (FRDA)	42
D)	CONTINGENT INTEREST AGREEMENT	42
E)	FREIGHT RAIL DIVERSION AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (FRDA/CIA)	43
2.	PRECONSTRUCTION ACTIVITIES	43
A)	SCHEDULE(S)	43
B)	FORCE ACCOUNT VERIFICATION	43
C)	CONTINUING CONTRACTOR VERIFICATION	43
D)	ENGINEERING PLAN DEVELOPMENT	44
E)	ENVIRONMENTAL REVIEW	44
F)	RIGHT OF WAY ACQUISITION	44
G)	UTILITY RELOCATION	44
H)	BEGIN CONSTRUCTION	44
3.	LABOR AND MATERIAL PROCUREMENT	45
A)	PROCUREMENT THRESHOLDS	45
B)	BID APPROVALS	45
C)	PROFESSIONAL SERVICES	45
D)	CONTRACTORS	45
E)	MBE/WBE	46
F)	BUY-AMERICA	46
4.	REQUESTS FOR REIMBURSEMENT	46
A)	REQUIRED DOCUMENTATION	46
B)	WORK IN PLACE (WIP) REVIEW AND REPORT	47
C)	INVOICE REVIEW AND PROCESSING	47
5.	PROJECT CHANGE ORDERS	47
A)	SCHEDULE EXTENSIONS	48
B)	ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED	48
C)	ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED	48
D)	SCOPE/PROJECT REPURPOSE	49
E)	ADVANCED NOTICE TO PROCEED (WORK AT RISK)	49
F)	CHANGES IN LABOR SOURCE	50
G)	PROJECT CANCELLATION	50
6.	PROJECT AND PROGRAM REPORTING	50
A)	REPORTING COMPLIANCE	51
B)	POST-PROJECT REPORTING COMPLIANCE	51
C)	GRANT NON-COMPLIANCE	52
7.	PROJECT CLOSEOUT	52
A)	REMNANT GRANT FUNDS	53

V.	SHORT LINE SIGNAL MODERNIZATION PROGRAM (SSMP)	54
	<u>A. PURPOSE</u>	<u>54</u>
	1. ELIGIBLE RECIPIENTS	54
	2. ELIGIBLE PROJECTS.....	54
	3. ALLOCATION OF FUNDS	54
	<u>B. PROGRAM PROCEDURES</u>	<u>55</u>
	1. PROJECT PROGRAMMING	55
	A) CALL FOR PROJECTS	55
	B) PROJECT EVALUATION	55
	C) PROJECT SELECTION	55
	2. PROJECT EXECUTION	55
	A) PROJECT AGREEMENT	55
	B) PROJECT FUNDING/COST SHARING	56
	C) PROJECT DEVELOPMENT	56
	D) PROJECT CONSTRUCTION	56
	E) PROJECT CLOSEOUT	56
VI.	CROSSING CONSOLIDATIONS AND CLOSURES	57
	<u>A. PURPOSE</u>	<u>57</u>
	1. ELIGIBLE RECIPIENTS	57
	2. ELIGIBLE PROJECTS.....	57
	3. ALLOCATION OF FUNDS	57
	<u>B. PROGRAM PROCEDURES</u>	<u>58</u>
	1. PROJECT PROGRAMMING	58
	A) CALL FOR PROJECTS	58
	B) PROJECT EVALUATION	58
	C) PROJECT SELECTION	58
	2. PROJECT EXECUTION	58
	A) PROJECT AGREEMENT	58
	B) PROJECT FUNDING/COST SHARING	58
	C) PROJECT DEVELOPMENT	58
	D) PROJECT CONSTRUCTION	59
	E) PROJECT CLOSEOUT	59
VII.	CROSSING SURFACES	60
	<u>A. PURPOSE</u>	<u>60</u>
	1. ELIGIBLE RECIPIENTS	60
	2. ELIGIBLE PROJECTS.....	60
	3. ALLOCATION OF FUNDS	61
	<u>B. CALL FOR PROJECTS</u>	<u>61</u>
	<u>C. APPLICATION</u>	<u>61</u>
	<u>D. EVALUATION AND SCORING</u>	<u>61</u>
	<u>E. RECOMMENDATION AND APPROVAL</u>	<u>61</u>

F.	<u>PROJECT PROCESS</u>	62
1.	PROJECT AGREEMENT	62
2.	PROJECT FUNDING/COST SHARING	62
3.	PROJECT DEVELOPMENT	62
4.	PRECONSTRUCTION ACTIVITIES	62
5.	PROJECT CONSTRUCTION	63
6.	REQUESTS FOR REIMBURSEMENT	63
7.	PROJECT AND PROGRAM REPORTING	63
8.	PROJECT CLOSEOUT	63
VIII.	<u>RAIL CORRIDOR PROTECTION AND REACTIVATION PROGRAM (RCPR)</u>	64
A.	<u>PURPOSE</u>	64
1.	ELIGIBLE RECIPIENTS	65
2.	ELIGIBLE PROJECTS	65
3.	ALLOCATION OF FUNDS	65
B.	<u>PROGRAM PROCEDURES</u>	65
1.	<u>CORRIDOR MAINTENANCE</u>	65
A)	PROJECT PROGRAMMING	65
B)	PROJECT EXECUTION	65
C.	<u>PROJECT PURCHASES AND COST REIMBURSEMENTS</u>	66
1.	<u>LABOR AND MATERIAL PROCUREMENT</u>	66
A)	PROCUREMENT THRESHOLDS	66
B)	BID APPROVALS	66
C)	PROFESSIONAL SERVICES	66
D)	CONTRACTORS	67
E)	MBE/WBE	67
F)	BUY-AMERICA	67
IX.	<u>ACRONYMS</u>	68
X.	<u>APPENDICES</u>	70
A.	<u>QUICK REFERENCE OF FRRCSI PROGRAM RESOURCES</u>	70
1.	ALL PROGRAMS	70
2.	SIAP FORMS	70
3.	RIAP FORMS	70
4.	FRDP FORMS	70
B.	<u>EVALUATION AND SCORING</u>	72
1.	SIAP EVALUATION & SCORING	72
2.	RIAP EVALUATION & SCORING	73
A)	PROJECT QUALIFICATION PARAMETERS	73
B)	PROJECT SCORING	74
C)	GRANT AWARDS	75
3.	FRDP EVALUATION & SCORING	76
A)	PROJECT QUALIFICATION PARAMETERS	76

B) PROJECT SCORING 76

I. INTRODUCTION

A. OVERVIEW

The FRRCSI Improvement Fund was established in 2013 under [G.S. § 124-5.1](#) for the enhancement of freight rail service, short-line railroad assistance, and railroad-roadway crossing safety. As the State agency designated to administer such railroad revitalization programs under [G.S. § 136-44.36\(a\)](#), the North Carolina Department of Transportation (NCDOT) Rail Division established the FRRCSI Program to formalize the administration of the FRRCSI Improvement Fund. The Rail Division Planning & Development Branch, Rail Planning Unit administers the FRRCSI Program budget, policy development, and final project selection for any FRRCSI-funded project.

B. FRRCSI PROGRAM AREAS

The FRRCSI Program is comprised of seven subareas, including three grant programs (FRRCSI Grant Programs) and four strategic programs (FRRCSI Strategic Programs). Supplemental materials for these programs may be found on the Rail Division Resources [site](#).

1. FRRCSI GRANT PROGRAMS

The FRRCSI Grant Programs include the Short line Infrastructure Assistance Program (SIAP), Rail Industrial Access Program (RIAP), and Freight Rail Diversion Program (FRDP). In addition to their role as the FRRCSI Program administrator, the Rail Planning Unit is responsible for program and project management of the FRRCSI Grant Programs. Unless otherwise provided in this Manual, all correspondence relating to a FRRCSI Grant Program must be sent by electronic mail to FRRCSI_GRANTS@NCDOT.GOV.

2. FRRCSI STRATEGIC PROGRAMS

The FRRCSI Strategic Programs subareas are the (i) Short line Signal Modernization Program (SSMP), (ii) Crossing Consolidations and Closures Program (CCCP), (iii) Crossing Surfaces Program (CSP), and (iv) Rail Corridor Protection and Reactivation Program (RCPR).

II. SHORT LINE INFRASTRUCTURE ASSISTANCE PROGRAM

A. INTRODUCTION

1. PROGRAM PURPOSE

The SIAP provides short line railroads and other eligible recipients up to 50 percent in matching funds for the enhancement of short line rail infrastructure and access to ports and military installations. The SIAP grant criteria is designed to award funding to projects that maintain and enhance safe freight rail operations and increase freight rail service efficiency and capability. In return, grantees commit to performing projects to the standards and specifications of the Rail Division while ensuring the project improvements remain in service for a five-year period and are not relocated or sold without the Rail Division's written approval.

2. ELIGIBLE RECIPIENTS

Short line railroad companies and the North Carolina State Ports Authority (NCSPA) are eligible for this program, and grantees may receive a grant award to fund up to 50 percent of total project costs. The Rail Division reviews applications, scores projects through a quantitative methodology, and makes funding recommendations to the North Carolina Board of Transportation (BOT). Applications for the SIAP are completed online, as described in Section II.B of this Manual. Ownership, maintenance, and liability for a project will be addressed in each grant agreement.

3. ELIGIBLE PROJECTS

Projects that construct, preserve, or upgrade rail corridor infrastructure are eligible for funding. Eligible expenses include engineering costs, site preparation, track construction, switch construction, grade crossing improvements if required by track improvements, signal improvements, and bridge preservation or upgrades. Ineligible costs include the relocation of utilities and acquisition of rights of way.

Engineering support activities such as bridge inspections, ultrasonic testing, and geo-testing may be submitted as eligible expenses so long as repairs are justified, and such is requested in the grant applications. In such cases, the testing results or reports must be submitted to the Rail Division. Standalone inspections and tests, not related to specific infrastructure repairs, are ineligible costs.

4. ALLOCATION OF FUNDS

After evaluation of project Benefit/Costs, Economic Competitiveness, System Opportunities, Capacity and Diversion, Safety, Public Benefits, and Available Funding, the Rail Division may award up to 50 percent of total project costs.

5. CALL FOR PROJECTS

For an upcoming or ongoing State fiscal year, the Rail Division issues one or more SIAP Call for Projects to solicit SIAP applications from North Carolina's short line railroads and the NCSPA.

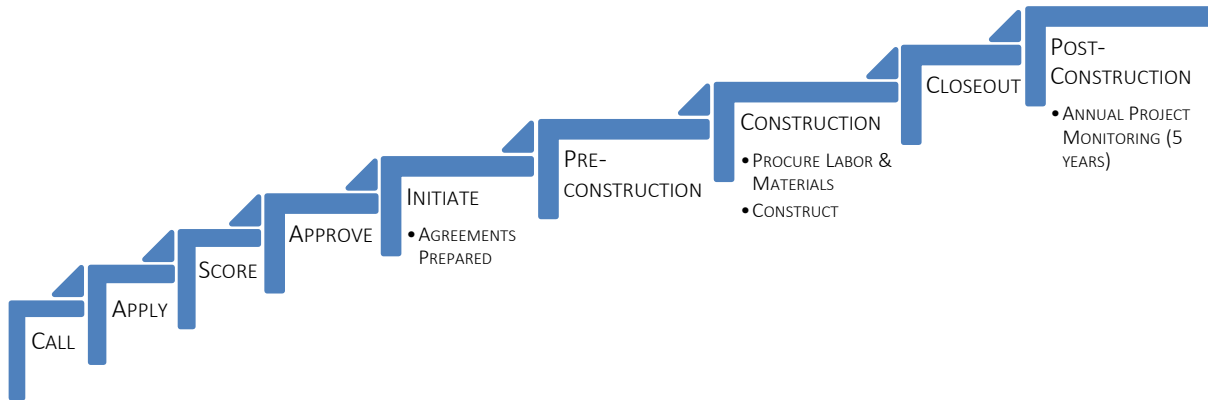


Figure II-1 SIAP Process Steps

B. APPLICATION

1. SYSTEM ACCESS

Once a call for projects has been issued, the grant applications will remain open and available for 30 days, or as otherwise specified, through the [Enterprise Business System portal](#) (EBS Portal).

In order to access the EBS Portal, applicants must complete an [NC EBS Portal System Access Request Form](#) and send it to the Rail Division at FRRCSI_GRANTS@NCDOT.GOV. This process will require applicants to create log in credentials (NCID username and password), and SAP Support Services can provide assistance as needed for this by emailing EBSSupport@NCDOT.GOV.

When a new vendor registration number is required, the applicant must complete a Substitute Form W-9, [Vendor Registration Form](#) (page 2 of the NC EBS Portal System Access Authorization Form) and an [NCDOT ACH-EFT Authorization Form](#) (page 3 of the NC EBS Portal System Access Authorization Form).

2. APPLICATION SUBMITTAL

Applicants submit an SIAP application through the EBS Portal. Upon entering the system, use the SIAP Rail Applications “Tile” and upon entering the application tool, click “Create” in the upper right of the window. Applicants are allowed multiple project submissions per each call for projects if the projects have independent utility from each other. The Rail Grants System Help page includes step-by-step instructions on how to log onto the system, start a new application, and record payments.

3. SUPPORTING MATERIALS

The supporting materials that must accompany an SIAP application are as follows:

A) CERTIFICATION OF NO OVERDUE TAX DEBTS

By signing the [Certification of No Overdue Tax Debts](#) form, the applicant certifies they have no overdue tax debts at the federal, State, or local level.

B) CONFLICT OF INTEREST POLICY

[G.S. § 143C-6-23\(b\)](#) requires every grantee to file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest. Applicants must execute

the Rail Division-developed [FRRCSI Grant Programs Conflict of Interest](#) form or include a previously executed copy.

C) BRIDGE INSPECTION REPORT

Funding requests for bridge repairs, upgrades, or modernization efforts must be accompanied by the grantee's most recent bridge inspection report.

C. EVALUATION & SCORING

Upon receipt of applications, the Rail Division will evaluate, score, and rank each project based on the following criteria:

- Benefit/Cost Assessment
- Economic Competitiveness
- System Opportunities
- Capacity and Diversion
- Safety

Projects are recommended for approval based on score, rank, and available funding. Please see Section X.B.1 of the Appendices for detailed scoring criteria.

D. RECOMMENDATION AND APPROVAL

Projects are subject to review and recommendation by the Rail Division.

An I-2 Item is prepared for recommended projects and submitted to the BOT for funding approval. Once funding is approved by the BOT, projects are considered programmed within the SIAP. An O-Item approval is required from the BOT for approval to enter into a grant agreement with the grantee. Upon all approvals from the BOT, a grant agreement between the Rail Division and grantee must be executed prior to project commencement.

E. PROJECT PROCESS

1. AGREEMENT DEVELOPMENT

Generally, agreements are developed with the grantee pending or after BOT approval and address terms, responsibilities, scope of work, procurement procedures, reporting requirements, and reimbursement procedures. Finalized agreements are transmitted to the grantee for signature and returned to the Rail Division for further processing. The grantee will be sent a final, executed agreement after NCDOT has signed. The NCDOT signature is considered the official date of execution and begins the standard 18-month project schedule (or as otherwise agreed) within which all construction activities, not including final invoicing, must be completed.

Agreements that are not executed within 3 months of project award may be subject to cancellation unless unforeseen circumstances warrant an extended signature period, to be determined by the Rail Division.

A) MASTER AGREEMENT

A railroad may enter into a master agreement with the Rail Division to establish a framework that will govern all standard terms, including responsibilities, reporting requirements, and

reimbursement procedures. Master agreements are not specific to a project and may not be entered for a non-recurring applicant or singular project, which are negotiated and established by a Rail Freight Agreement (RFA).

B) ADDENDUM TO MASTER AGREEMENT

An addendum to a master agreement must be entered for each unique project stemming from a master agreement between the Rail Division and applicant. The addendum governs terms that are specific to the actual project, such as scope of work, project costs, and project estimates.

C) RAIL FREIGHT ASSISTANCE AGREEMENT

An RFA is used for non-recurring SIAP projects and governs all aspects of a project, including responsibilities, reporting requirements, reimbursement procedures, scope of work, project costs, and project estimates. An RFA must be accompanied by a Contingent Interest Agreement (CIA) when project improvements are performed on a leased corridor upon which the corridor property owner is not the operator.

D) CONTINGENT INTEREST AGREEMENT

When project improvements are being performed on a leased corridor upon which the corridor property owner is not the operator, the Rail Division and the property owner enter a CIA. This agreement governs the terms of a project, including entry and construction activities, and protects the financial interests of the Rail Division's project investment should the owner sell the rail asset or discontinue service where improvements are made.

E) RAIL FREIGHT ASSISTANCE AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (RFA/CIA)

A combined RFA/CIA is entered when project improvements are being performed in partnership with a grantee that owns and operates the rail corridor.

2. PRECONSTRUCTION ACTIVITIES

Preconstruction activities must be completed before construction. These activities determine the successful execution of construction by outlining schedule and labor requirements for the project.

A) SCHEDULE(S)

The grantee must provide to the Rail Division a schedule for bidding, a general work plan, anticipated project commencement and completion dates, notification of significant schedule changes, and written notification of when project work is complete and ready for final review and project closeout.

B) FORCE ACCOUNT VERIFICATION

The self-performance of project construction by a railroad is known as "Force Account." Railroads may employ internal labor and equipment with prior approval from the Rail Division. Railroads are not required to use Force Account, and self-performance of project construction is established for ease and convenience when practical.

If Force Account use is anticipated, railroads must provide written notification of such to the Rail Division as soon as possible, prior to accruing expenditures. Labor and equipment rates must be approved by the Rail Division prior to commencement of Force Account activities. These approvals may be requested by submitting a Force Account rate package through the EBS Portal (Submit Documents – Procurement workflow).

- Unless otherwise approved and on file for the current State fiscal year, an updated [Force Account Rate Package](#) must be submitted by the grantee for review and Rail Division approval for use on a project.
- The [Force Account Rate Package](#) must include labor rates based on position classification and equipment rates with as much detail as possible to facilitate ease of approvals by the Rail Division. Labor rates will be approved by a relative position classification comparison using Davis Bacon rates or another declared equivalent source. Equipment rates will be approved by a relative position classification comparison using Equipment Watch based on Blue Book.
- Force Account rates may be updated every six months or annually at the preference of the grantee. Changes to rates during billing are not allowed prior to approval by the Rail Division.

C) CONTINUING CONTRACTOR VERIFICATION

Railroads may use a sole-source contractor for project labor if a working relationship can be verified between the railroad and contractor. This relationship is referred to as a “continuing contractor.” The short line must notify the Rail Division if a continuing contractor will be used on a project. This notification must be accompanied by a written agreement between the railroad and contractor or previous invoices that document a working relationship.

Railroads must submit written contracts for continuing contractors to the Rail Division for review as soon as possible following execution of a grant agreement. Labor rates must be updated annually for the contractor or as the costs need to be adjusted, and updated rates must be submitted to the Rail Division as soon as they are available. New vendors may not be considered as continuing contractors and must go through the bid process if they do not meet the preceding criteria.

Railroads are not required to use a continuing contractor, and such a relationship is established for ease and convenience when practical and the costs are deemed reasonable.

D) ENGINEERING PLAN DEVELOPMENT

If necessary, the grantee shall be responsible for the development of engineering plans and specifications. The grantee must adhere to the Professional and Engineering Services agreement provisions and must publicly advertise all needs for [Professional Services](#). Selections for Professional and Engineering Services must be based on qualifications.

Upon completion, the grantee must transmit engineering plans and specifications to the Rail Division for review. The Rail Division will review and return comments to the grantee for corrections and provide direction towards project letting.

E) ENVIRONMENTAL REVIEW

It is the responsibility of the grantee to determine what environmental documents are required for each Project and provide any necessary environmental reviews or studies for SIAP projects. The grantee may request that the Rail Division provide guidance regarding the environmental document requirements, but no project work may begin before a satisfactory environmental review is completed. Final copies of any environmental documents or required permits must be provided to Rail Division.

The grantee must coordinate and cooperate with the Rail Project Development Unit to perform preliminary screening of all approved projects to identify projects that may need additional

assessment to include review of engineering plans (for environmental impacts), potential impacts to human and natural environments (including impacts to Waters of the US), and required environmental permits. The Rail Project Development Unit may coordinate with grantees and agency stakeholders, as necessary, to aid with compliance of State environmental requirements.

F) RIGHT OF WAY ACQUISITION

It is the responsibility of the grantee to acquire any right of way for the project. All right of way needed for a project must be obtained before the start of construction and at the sole cost of the grantee.

G) UTILITY RELOCATION

It is the responsibility of the grantee to relocate utilities associated with project construction activities. All utility work must be completed at the sole cost of the grantee.

H) BEGIN CONSTRUCTION

The grantee must coordinate with the respective Rail Division project manager to ensure all project development steps have been completed prior to beginning construction. Construction activities that are commenced prior to an executed grant agreement or a notice-to-proceed may be ineligible for reimbursement.

3. LABOR AND MATERIAL PROCUREMENT

The grantee is required to comply with State procurement procedures when acquiring material and labor. Three bids are required for scope items and approval must be given by the Rail Division for award selections. Procurement steps are as follows:

- Submit a request for bids and bidding schedule to the Rail Division for review and approval;
- Obtain bids from contractors by formal or informal competitive bidding process and invite the respective Rail Division project manager to the bid opening (for formal bids);
- Submit bid tabulation and recommended bid award to the Rail Division for review and approval, prior to execution of the construction contract;
- Execute the purchase agreement following Rail Division approval; and
- Maintain invoices, proofs of payment, a field review list with materials installed to include quantities and locations, and steel certifications (if applicable) for project reimbursement.

The [FRRCSI Procurement Guide](#) is a helpful resource for adhering to procurement/bidding standards and guidelines. All bidding materials that are subject to review and approval must be submitted through the EBS Portal (Submit Documents – Procurement workflow).

A) PROCUREMENT THRESHOLDS

Materials and construction contracts for more than \$30,000 of State funds (\$60,000 total with a 50 percent project match) require adherence to procurement thresholds as outlined below in Table II-1. See the [FRRCSI Procurement Guide](#) for further details on the Formal/Informal bid process.

Table II-1 Formal/Informal Bid Process

STATE FUNDING	BIDDING REQUIREMENT
> \$30,000	Materials or Construction Contracts - Informal
> \$500,000	Construction – Formal

B) BID APPROVALS

In general, the Rail Division will only approve low-bid recommendations, unless the rail company provides written explanation whereby the quality, schedule of delivery, or delivered cost of the vendor bid will not satisfy the expectations of the grant agreement. In such cases, those bids may be determined non-compliant by the Rail Division and substitutes may be authorized.

C) PROFESSIONAL SERVICES

The grantee shall be responsible for the development of engineering plans and specifications. The grantee will follow the section in the agreement related to Professional and Engineering Services. The grantee must publicly advertise all needs for [Professional Services](#), and make selections based on qualifications. Professional Services that accrue costs prior to execution of a grant agreement are not reimbursable.

D) CONTRACTORS

All contractors performing work of \$30,000 or more must have an active North Carolina general contractors license. Contractor licenses are renewed each year and expire December 31 of the year. Check the [North Carolina Licensing Board](#) for information on the status of a firm's license.

E) MBE/WBE

NCDOT encourages participation by Minority Contractors (MBE) and Women Contractors (WBE) in NCDOT-funded project contracts. See the [NCDOT MBE/WBE Connect Resources Page](#) for further information.

MBE/WBE goals are assigned in each project agreement. If MBE and WBE goals are not met, a good faith effort must be demonstrated by bidders to solicit MBE and WBE services. An adequate good faith effort means that the bidder took all necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE participation. An adequate good faith effort also means that the bidder actively and aggressively sought MBE/WBE participation.

F) BUY-AMERICA

All steel and iron permanently incorporated into a construction or repair project must be produced in the United States to satisfy [G.S. §136-28.7](#) (see [Buy-America](#)).

Proof of adherence to Buy-America requirements must be submitted when project materials are acquired, or prior to remittance under any SIAP agreement. Proof may be demonstrated by a Buy-America stamp on a materials invoice from the vendor, a certificate from the vendor, or a notarized statement from the grantee attesting that all steel and iron materials used on the project adhere to Buy-America requirements.

Exceptions may be allowable in cases where necessary materials are not manufactured in the United States. In such cases, an exception must be requested in writing to the Rail Division and

must include supporting documentation from vendors that substantiate the need for an exception.

4. REQUESTS FOR REIMBURSEMENT

For project reimbursement, grantees must provide the Rail Division with a request for reimbursement through the EBS Portal meeting all the requirements of this section. A request is ineligible for reimbursement until the materials used and work performed are verified by a WIP Review Report and all documentation required by the grant agreement is provided.

For SIAP projects, invoices must be submitted at least every 6 months to retain the funding allocation, but requests for reimbursement may be submitted as frequently as milestone achievements allow and upon Project completion.

A) REQUIRED DOCUMENTATION

A project request for reimbursement must include of the following:

- Claim Cover Sheet.
- Certification Statement Form and Material Pictures. A Certification Statement and pictures are only required if the reimbursement request is for materials only. The statement should be notarized and attest that all billed materials are delivered in full and on location within project limits or within the local railroad property.
- WIP Review Request. A WIP Review is only required if the reimbursement request includes labor charges.
- Railroad invoices.
 - Force Account charges must include a timecard summary for equipment and labor and the corresponding employee timecards.
- Contractor/Vendor Invoice, which must include the following information:
 - The name and complete address of the contractor/vendor.
 - Invoice number and date.
 - Description of work performed, including quantity, price per unit, and total amount due for materials, labor, and subcontracting.
- Proof of all payments.
- Buy America/Steel Certification(s).
- [DBE-IS Subcontractor Payment Information Form](#).
- Any other inspection reports as required by the Project, including bridge, geo-testing, and ultrasonic reports.

B) WORK IN PLACE (WIP) REVIEW AND REPORT

WIP Reviews are performed by the Rail Division Design & Construction Branch, Field Review Team for all materials used and work performed on a project prior to any remittance. The reviews should be requested as early as possible to allow for efficient processing of the request for reimbursement.

The grantee may request a WIP Review by emailing the FRRCSI_GRANTS@NCDOT.GOV, or as part of the request for reimbursement documentation submitted through the EBS Portal. Once received, the Rail Division will coordinate the review with the Field Review Team. The Field Review Team will generate and circulate a WIP Review Report to the project manager once complete. Grantees can be provided a copy of the WIP Review Report upon request.

C) INVOICE REVIEW AND PROCESSING

Upon receipt of the request for reimbursement, the Rail Division will review and provide comments to the grantee as soon as possible. The grantee must address any comments before the request may be processed. Please note, any failure by the grantee to comply with the terms of the grant agreement, including any applicable reporting requirements, will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance with the grant agreement.

5. PROJECT CHANGE ORDERS

Change Orders may be requested that affect the terms of the grant agreement or line items within the project scope. The nature and scale of a Change Order determines the course of action regarding the grant agreement.

Change Orders must be processed through the EBS Portal – Change Request workflow. The following types of Change Orders are commonly submitted:

Table II-2 Change Order Summary

CHANGE ORDER	APPROVAL LEVEL	REQUIRED UPDATES/ACTION(S)
Schedule Extension	Rail Division	None
Estimate/Scope Revision (no supplemental funding requested)	Rail Division	Amended cost estimate
Budget/Scope Revision (supplemental funding requested)	Rail Division, Board of Transportation	Project reevaluation/rescore to consider benefit cost impacts Supplemental Agreement with updated cost estimate
Scope/Project Repurpose	Rail Division, Board of Transportation	Project reevaluation/rescore to consider benefit cost impacts Supplemental Agreement with new cost estimate
Advanced Notice to Proceed (Work at Risk)	Rail Division, DOJ (consent)	Written Work at Risk letter
Change in Labor Source (bid-out versus Force Account)	Rail Division	Updated bidding documentation (bidding or Force Account packages)
Project Cancellation	Rail Division	Project rejection in EBS Portal and written notification

A) SCHEDULE EXTENSIONS

A simple schedule extension may be requested through the EBS Portal. Schedule extensions, without otherwise modifying terms of the grant agreement, do not warrant the approval of a supplemental agreement or amendment to the addendum.

- All extensions must be requested through the EBS Portal.
- Requests for extensions must be justified, demonstrating reasonable circumstances for the need.
- Extensions must be requested at least sixty (60) days prior to termination of the grant agreement terms.
- Extension requests are approved by the Rail Division (BOT approval not required).

B) ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated materials and labor planned for the project, as described in the grant agreement line-item estimate (cost estimate), so long as additional funding is not required and/or the project scope is not holistically rewritten. These changes do not require amendments to the grant agreement, the addition of a supplemental agreement, or approval by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a [Budget Revision Form](#).
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed to include any approved changes.
- Funding levels may be exchanged between cost estimate line items so long as there are no additional costs to the Rail Division.
- An updated cost estimate must be created and employed by both the grantee and Rail Division personnel for use in governing the remainder of the project build. The revised Cost estimate must be uploaded to the EBS Portal to reflect the most current project scope.
- Estimate/scope revision requests are approved by the Rail Division (BOT approval not required).

C) ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated scope, materials, and labor planned for the project, as described in the grant agreement cost estimate. If supplemental funding is required for existing cost estimate line items and/or for new line items on the cost estimate, an amendment to the grant agreement or a supplemental agreement must be prepared and approved by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a [Budget Revision Form](#).
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed for any approved changes.
- An amendment to the existing grant agreement or a supplemental agreement must be prepared and executed to govern changes to the project. An updated cost estimate must accompany the agreement changes and reflect the revision or supplemental line items to the project scope. The new project documentation must be uploaded to the EBS Portal to reflect the most current project scope. Note: projects built on leased properties may require an update to an existing Contingent Interest Agreement.
- All scope changes requiring additional funding are subject to a project reevaluation/rescore to consider impacts to the project cost/benefits.
- Estimate/scope revision requests that require additional funding must be approved by the Rail Division and BOT.
- All requests for supplemental funding are subject to available Program funding at the time of request and are not guaranteed for approval, regardless of project benefit.

D) SCOPE/PROJECT REPURPOSE

On rare occasions, circumstances necessitate funding for emergency repairs or a holistic repurposing of allocated project funding for a programmed project. In such cases, a strong justification must accompany the Change Order to repurpose the project. Ultimately, should the

request be approved, the existing grant agreement will be cancelled, and a new grant agreement will be executed.

- A written request to reallocate the project funding for new use must be submitted through the EBS Portal. Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- The request for reallocation of project funding must be considered and approved by the Rail Division prior to submittal of a new project application.
- Upon initial Rail Division approval, a new project application must be submitted through the EBS Portal to make use of the reallocated funding. The new project application is subject to evaluation and scoring.
- A new grant agreement or addendum must be created for the project. Note: a project built on leased properties will require an accompanying Contingent Interest Agreement.
- The funding reallocation and new grant agreement must be approved by the Rail Division and BOT.
- Upon BOT approval, the original project will be cancelled within the EBS Portal and written notification will be provided to the grantee. With full execution of the new grant agreement and completion of any pre-construction activities, the grantee may proceed with construction.
- As provided below, an Advanced Notice to Proceed (Work at Risk) authorization may be requested.

E) ADVANCED NOTICE TO PROCEED (WORK AT RISK)

Under emergency or extraordinary circumstances, Work at Risk authorization may be requested. This written authorization will allow emergency repairs, procurement, and other construction activities to commence prior to BOT approval and execution of the grant agreement.

- Work at Risk authorization is not meant for routine project circumstances, circumstantial/favorable procurement conditions or schedules, or other applicant priorities that do not align with the timing of the announced SIAP project application cycle.
- A written request to Work at Risk should be emailed to the Rail Division Planning Manager or the respective Rail Division project manager.
- Requests to Work at Risk must be justified, demonstrating reasonable circumstances for the need.
- Work at Risk authorization may be approved at the discretion of the Rail Division and are subject to legal review and concurrence by the Department of Justice.
- Written authorization to proceed Work at Risk must be signed by the Rail Division and the grantee prior to any procurement or construction activities. All procurement and construction activities must follow State guidelines and be in line with FRRCSI program policies.
- A written scope of work and cost estimate intended for advancement prior to grant agreement execution must be approved by the respective Rail Division project manager.
- Upon approval, all subsequent project work and expenditures are considered at risk, with no guarantee of reimbursement from the NCDOT, until the grant agreement is executed. If the agreement is not eventually executed or project funding becomes unavailable, all progress will be considered non-reimbursable.

F) CHANGES IN LABOR SOURCE

All approved projects must follow State procurement rules and are subject to a competitive bidding process for both labor and materials (refer to the [FRRCSI Procurement Guide](#)). Should the grantee eventually decide to use Force Account to self-build the project, this change must be requested for approval.

- A change to Force Account labor must be requested through the EBS Portal, unless previously approved at the onset of the project.
- Unless otherwise approved and on file for the current State fiscal year, an updated [Force Account Rate Package](#) must be submitted for review and approval by the Rail Division.
- Where Force Account labor is approved at the onset of the project and the grantee declares a change to contract labor, all contracted labor is subject to State procurement rules and a competitive bidding process.

G) PROJECT CANCELLATION

In the event the grantee no longer wishes to pursue the project, the project may be cancelled.

- A written request to cancel the project must be submitted through the EBS Portal, emailed to FRRCSI_GRANTS@NCDOT.GOV, or the respective Rail Division project manager.
- The project application or EBS system agreement will be cancelled/rejected within the EBS Portal.
- All project funding will be returned to the FRRCSI general fund for reuse.

6. PROJECT AND PROGRAM REPORTING

Reporting is a critical component of the SIAP program and enables the Rail Division to effectively administer rail projects. North Carolina Administrative Code requires the Railroad to satisfy the following reporting requirements, the method of which will be stipulated in each grant agreement between the Rail Division and grantee: (i) certify that State financial assistance received/held was used for the purposes for which it was awarded, including approved Change Orders; (ii) account for all State financial assistance received, held, used, and/or expended; (iii) report on activities and accomplishments undertaken by the recipient for State financial assistance of at least twenty-five thousand dollars (\$25,000) but less than five hundred thousand dollars (\$500,000) within its fiscal year; or (iv) receive a single or program-specific audit prepared/completed in accordance with GAGAS/Yellow Book for State financial assistance equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year. Failure to meet the reporting requirements will place the grantee in non-compliance status. As provided in Section II.E.6.C), any failure by the grantee to comply with any applicable reporting requirements will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance.

A) REPORTING COMPLIANCE

Reporting requirements must be satisfied and filed with the Rail Division no later than three months after the end of the Railroad's fiscal year unless the same information is already required and received by the Rail Division from the Railroad through more frequent reporting. Reporting will be collected by the Rail Division by one of the following methods:

- (1) Requests for Reimbursement. Information required and collected as part of the request for reimbursement process as provided under Section II.E.4 of this Manual.

- (2) [Annual Progress Report](#). If no reimbursement is requested within the Railroad’s fiscal year in which a Project Addendum is executed, the Railroad shall file with the Department an annual Progress Report. Prior to Project completion, the Progress Report must provide percentages complete for physical work and financial expenditures. After Project completion, the Annual Progress Report must provide the information as required under the Post-Project Completion Reporting Compliance section of this Manual.
- (3) Written requests from the Rail Division.
- (4) [State Single or Program Audit](#). Grantees that receive, expend, or obligate \$500K or more in State and federal pass-through funds, received directly from a State agency, must file a State Single or Program Audit in compliance with “Yellow Book” audit standards and the DOT-23 Compliance Supplement.

Exception to Yellow Book Audit: If you expend more than \$500,000 in Federal grant funds FROM ALL SOURCES, then you must have an A-133 single audit performed. If you are at this level for federal reporting AND you are required to file a yellow book audit with the State under G.S. § 143C-6-23, then you may substitute the A-133 audit for the yellow book audit.

The charges associated with a required audit may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards. As most audits are program based and span multiple projects, preparation costs associated with the audits must be submitted directly to the Rail Division Business Office for a reimbursement of up to 50%.

All audit reports shall be filed with the Rail Division in the format and method specified by the Rail Division no later than nine (9) months after the end of the Railroad’s fiscal year, as specified in the grant agreement or master agreement (if applicable).

B) POST-PROJECT COMPLETION REPORTING COMPLIANCE

For a period of five (5) years after Project Completion, the Railroad shall ensure Project improvements are operational and maintained. Upon request, the Railroad shall provide the Rail Division with written documentation that certifies the Project improvements are operational and maintained.

C) GRANT NON-COMPLIANCE

Any grantee is found to be in non-compliance if they are in violation of the executed agreement. The Rail Division will take the following corrective actions to bring the grantee into compliance:

- Immediately suspend funding reimbursements until non-compliance actions are corrected.
- Meet with grantee to review non-compliance issues.
- Resume funding reimbursements once non-compliance is corrected.

If the grantee is unable to bring the project back into compliance, the Rail Division may pursue its options as identified under the Default section of the grant agreement.

7. PROJECT CLOSEOUT

Following Project Completion, the Railroad is allowed six (6) months for Project Closeout. As part of Project Closeout, the Railroad shall provide the Rail Division with written notification of Project Completion sent by EBS as part of the final claim request for reimbursement, including (i) evidence that service is active on the Project, (ii) a WIP Review request, (iii) a final invoice, and (iv) any required reporting or audit materials. The Railroad shall provide the Rail Division with written notification of Project Completion as part of the claim requesting reimbursement. For the purposes of post-Project completion reporting compliance, the Project Completion date shall be the date of final remittance.

A) REMNANT GRANT FUNDS

The remaining balance of allocated grant funds that have not been utilized for their intended purpose within the designated grant fund cannot be repurposed except for extraordinary circumstances, which must be demonstrated in writing and approved by the Rail Division.

Any request for repurposing remnant grant funds will be granted at the discretion of the Rail Division, with consideration given to the original intent of the grant and the impact of the proposed change on project outcomes.

If remnant grant funds are approved to be repurposed, the grantee must follow the procedures provided under Section II.E.5, *Project Change Orders*.

III. RAILROAD INDUSTRIAL ACCESS PROGRAM (RIAP)

A. INTRODUCTION

1. PROGRAM PURPOSE

The RIAP is the direct economic development component of the FRRCSI Program, providing up to 50 percent of total project costs, not to exceed \$500,000, to cover construction or rehabilitation of railroad industrial access tracks to serve a new or expanding industries' manufacturing process, including receipt of raw materials, transfers during manufacturing, and outbound transfers of the final product. RIAP funds may be used for projects that construct and establishes rail service to a private industry, and in exchange, industries make a commitment that in the first three (3) years following project completion, there will be a specified total capital investment at the project site, number of new jobs created, and amount of new rail traffic. Other RIAP goals include providing an incentive for companies to locate or expand in North Carolina, enhancing access to intermodal and military facilities, and encouraging freight diversion from highway to rail.

2. ELIGIBLE RECIPIENTS

Local governments, community development organizations, railroad companies, and industries are eligible for this program. Grantees may receive a grant award to fund up to 50 percent of total project costs, not to exceed \$500,000. Ownership, maintenance, and liability for a project will be addressed in each grant agreement.

3. ELIGIBLE PROJECTS

Projects that construct and establish rail service to a private industry are eligible under the RIAP, including expenses for any associated engineering, site preparation (including necessary grading and drainage to construct track), track and switch construction, and grade crossings and signal work.

Ineligible costs include studies, relocation of utilities, acquisition of rights of way, rail docks or unloading facilities, and mobile equipment such as front-end loaders, rail cars, locomotives, cranes, etc.

4. ALLOCATION OF FUNDS

After evaluation and grant award, funds are applied to eligible projects pursuant to [19A NCAC 06B .0411](#). The Rail Division may award and fund up to 50 percent of total project costs, but no one project shall receive more than 20 percent of the total RIAP budget allocated in any fiscal year. The BOT may approve funding above the maximum for individual projects based on criteria listed in [19A NCAC 06B .0411\(b\)](#).

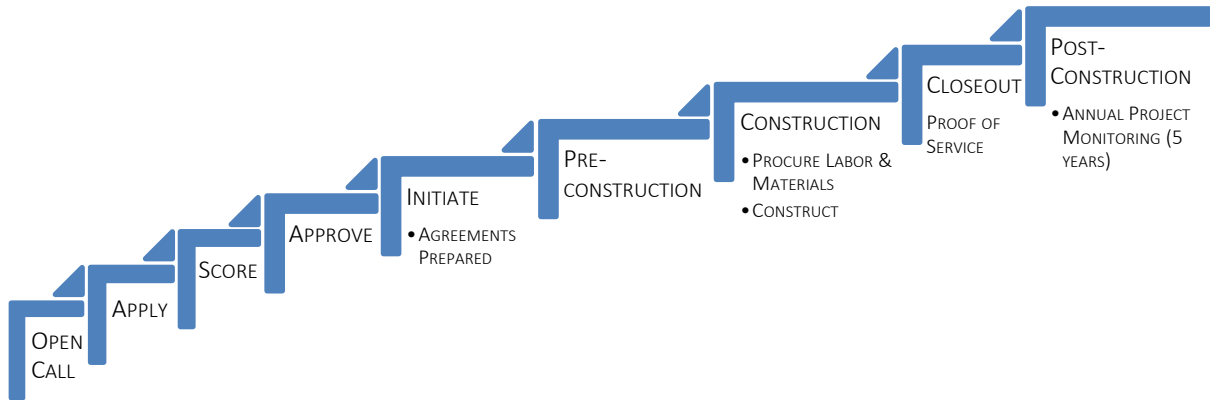


Figure III-1 RIAP Process Steps

5. CALL FOR PROJECTS

The need for rail access to industrial sites is often requested on a case-by-case basis. To better accommodate economic development opportunities throughout the year, the Rail Division maintains an open call for projects until RIAP funds are no longer available.

B. APPLICATION

1. SYSTEM ACCESS

In order to access the EBS Portal, applicants must complete an [NC EBS Portal System Access Request Form](#) and send it to the Rail Division at FRRCSI_GRANTS@NCDOT.GOV. This process will require applicants to create log in credentials (NCID username and password). SAP Support Services can provide assistance as needed for this by emailing EBSSupport@NCDOT.GOV.

When a new vendor registration number is required, the applicant must complete a Substitute Form W-9, [Vendor Registration Form](#) (page 2 of the NC EBS Portal System Access Authorization Form) and an [NCDOT ACH-EFT Authorization Form](#) (page 3 of the NC EBS Portal System Access Authorization Form).

2. APPLICATION SUBMITTAL

Applicants may submit an RIAP application through the EBS Portal. Upon entering the system, use the Rail RIAP Applications “Tile” and upon entering the application tool, click “Create” in the upper right of the window. The Rail Grants System Help page includes step-by-step instructions on how to log onto the system, start a new application, and record payments.

3. SUPPORTING MATERIALS

The supporting materials that must accompany an RIAP application are as follows:

A) CERTIFICATION OF NO OVERDUE TAX DEBTS

By signing the [Certification of No Overdue Tax Debts](#) form, the applicant certifies they have no overdue tax debts at the federal, State, or local level.

B) CONFLICT OF INTEREST POLICY

[G.S. § 143C-6-23\(b\)](#) requires every grantee to file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest. Applicants must execute the Rail Division-developed [FRRCSI Grant Programs Conflict of Interest](#) form or include a previously executed copy.

C) BRIDGE INSPECTION REPORT (WHERE APPLICABLE)

Funding requests for bridge repairs, upgrades, or modernization efforts must be accompanied by the grantee's most recent bridge inspection report.

D) RAILROAD COMMITMENT

The railroad company owning the main tracks to which a spur track is connected must agree to serve the industry and approve the track construction plans by executing the [Railroad Commitment Form](#).

E) INDUSTRY COMMITMENT

The industry must commit to provide a specific number of capital investment, new jobs and a level of new rail traffic during the first three (3) years of operation while maintaining the rail assets and continuing service during the first five (5) years of operation, by executing the [Industry Commitment Form](#). When project tracks are located within a municipality where the NCDOT has a Transportation Safety Plan, the industry shall accommodate it in their project planning.

F) COUNTY AND CITY RESOLUTION

The applicant must provide a certified copy of a resolution of support for the project from the county and, if applicable, the city government where the project is located. A [Resolution of Support Template](#) can be found on the Rail Resources site, and an interim letter of support may be accepted pending adoption of a formal resolution.

G) PROPERTY EASEMENT CERTIFICATION

The applicant must certify that it has or will obtain all property easements necessary to allow access to the rail spur construction site and permit rail freight operations by executing the [Property Easement Certification Form](#).

C. EVALUATION & SCORING

Upon receipt of applications, the Rail Division will evaluate and score each project based on the following criteria:

- New employment created by the project during the first three years.
- Capital investment in the project during the first three years.
- New annual rail traffic created by the project during the first three years.
- County Tier Designation (tiers 1-3, as defined under [G.S. § 143B-437.08](#)).
- Rail carrier classification.

Projects are recommended for approval based on score, rank, and available funding. The detailed scoring criteria can be found in Section X.B.2 of the Appendices. Scoring criteria will be evaluated and potentially adjusted annually.

D. RECOMMENDATION AND APPROVAL

Projects are subject to review and recommendation by the Rail Division.

An I-2 Item is prepared for recommended projects and submitted to the BOT for funding approval. Once funding is approved by the BOT, projects are considered programmed within the RIAP. An O-Item approval is required from the BOT for approval to enter into a grant agreement with the grantee. Upon all approvals from the BOT, a grant agreement between the Rail Division and grantee must be executed prior to project commencement.

E. PROJECT PROCESS

1. AGREEMENT DEVELOPMENT

Generally, agreements are developed with the grantee pending or after BOT approval and address terms, responsibilities, scope of work, procurement procedures, reporting requirements, and reimbursement procedures. Finalized agreements are transmitted to the grantee for signature and returned to the Rail Division for further processing. The grantee will be sent a final, executed agreement after NCDOT has signed. The NCDOT signature is considered the official date of execution and begins the standard 18-month project schedule (or as otherwise agreed) within which all construction activities, not including final invoicing, must be completed.

Agreements that are not executed within 3 months of project award may be subject to cancellation unless unforeseen circumstances warrant an extended signature period, to be determined by the Rail Division.

A) RAIL INDUSTRIAL ACCESS AGREEMENT (RIA)

An RIA is used when project improvements are for rail infrastructure connecting an industry and railroad to establish freight rail service, outlining responsibilities, scope of work, reporting requirements, and reimbursement procedures for the project. An RIA must be accompanied by a CIA.

B) CONTINGENT INTEREST AGREEMENT

When project improvements are being performed on a leased corridor upon which the corridor property owner is not the operator, the Rail Division and the property owner enter a CIA. This agreement governs the terms of a project, including entry and construction activities, and protects the financial interests of the Rail Division's project investment should the owner sell the rail asset or discontinue service where improvements are made.

C) RAIL INDUSTRIAL ACCESS AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (RIA/CIA)

A combined RIA/CIA is used when project improvements are being performed in partnership with the property owner and operator of the rail corridor. The RIA/CIA governs the terms of the RIAP project as described above.

2. PRECONSTRUCTION ACTIVITIES

Preconstruction activities must be completed before construction. These activities determine the successful execution of construction by outlining schedule and labor requirements for the project.

A) SCHEDULE(S)

The grantee must provide to the Rail Division a schedule for bidding, a general work plan, anticipated project commencement and completion dates, notification of significant schedule changes, and written notification of when project work is complete and ready for final review and project closeout.

B) ENGINEERING PLAN DEVELOPMENT

If necessary, the grantee shall be responsible for the development of engineering plans and specifications. The grantee must adhere to the Professional and Engineering Services agreement provisions and must publicly advertise all needs for [Professional Services](#). Selections for Professional and Engineering Services must be based on qualifications.

Upon completion, the grantee must transmit engineering plans and specifications to the Rail Division for review. The Rail Division will review and return comments to the grantee for corrections and provide direction towards project letting.

C) ENVIRONMENTAL REVIEW

It is the responsibility of the grantee to determine what environmental documents are required for each Project and provide any necessary environmental reviews or studies for RIAP projects. The grantee may request that the Rail Division provide guidance regarding the environmental document requirements, but no project work may begin before a satisfactory environmental review is completed. Final copies of any environmental documents or required permits must be provided to Rail Division.

The grantee must coordinate and cooperate with the Rail Project Development Unit to perform preliminary screening of all approved projects to identify projects that may need additional assessment to include review of engineering plans (for environmental impacts), potential impacts to human and natural environments (including impacts to Waters of the US), and required environmental permits. The Rail Project Development Unit may coordinate with grantees and agency stakeholders, as necessary, to aid with compliance of State environmental requirements.

D) RIGHT OF WAY ACQUISITION

It is the responsibility of the grantee to acquire any right of way for the project. All right of way needed for a project must be obtained before the start of construction and at the sole cost of the grantee.

E) UTILITY RELOCATION

It is the responsibility of the grantee to relocate utilities associated with project construction activities. All utility work must be completed at the sole cost of the grantee.

F) BEGIN CONSTRUCTION

The grantee must coordinate with the respective Rail Division project manager to ensure all project development steps have been completed prior to beginning construction. Construction activities that are commenced prior to an executed grant agreement or a notice-to-proceed may be ineligible for reimbursable.

The grantee is required to comply with State procurement procedures when acquiring material and labor. Three bids are required for scope items and approval must be given by the Rail Division for award selections. Procurement steps are as follows:

- Submit a request for bids and bidding schedule to the Rail Division for review and approval;
- Obtain bids from contractors by formal or informal competitive bidding process and invite the respective Rail Division project manager to the bid opening (for formal bids);
- Submit bid tabulation and recommended bid award to the Rail Division for review and approval, prior to execution of the construction contract;
- Execute the purchase agreement following Rail Division approval; and
- Maintain invoices, proofs of payment, a field review list with materials installed to include quantities and locations, and steel certifications (if applicable) for project reimbursement.

The [FRRCSI Procurement Guide](#) is a helpful resource for adhering to procurement/bidding standards and guidelines. All bidding materials that are subject to review and approval must be submitted through the EBS Portal (Submit Documents – Procurement workflow).

G) PROCUREMENT THRESHOLDS

Materials and construction contracts for more than \$30,000 of State funds (\$60,000 total with a 50 percent project match) require adherence to procurement thresholds as outlined below in Table II-1. See the [FRRCSI Procurement Guide](#) for further details on the Formal/Informal bid process.

Table III-1 Formal/Informal Bid Process

STATE FUNDING	BIDDING REQUIREMENT
> \$30,000	Materials or Construction Contracts - Informal
> \$500,000	Construction – Formal

H) BID APPROVALS

In general, the Rail Division will only approve low-bid recommendations, unless the rail company provides written explanation whereby the quality, schedule of delivery, or delivered cost of the vendor bid will not satisfy the expectations of the grant agreement. In such cases, those bids may be determined non-compliant by the Rail Division and substitutes may be authorized.

I) PROFESSIONAL SERVICES

The grantee shall be responsible for the development of engineering plans and specifications. The grantee will follow the section in the agreement related to Professional and Engineering Services. The grantee must publicly advertise all needs for [Professional Services](#), and make selections based on qualifications. Professional Services that accrue costs prior to execution of a grant agreement are not reimbursable.

J) CONTRACTORS

All contractors performing work of \$30,000 or more must have an active North Carolina general contractors license. Contractor licenses are renewed each year and expire December 31 of the year. Check the [North Carolina Licensing Board](#) for information on the status of a firm’s license.

K) MBE/WBE

NCDOT encourages participation by Minority Contractors (MBE) and Women Contractors (WBE) in NCDOT-funded project contracts. See the [NCDOT MBE/WBE Connect Resources Page](#) for further information.

MBE/WBE goals are assigned in each project agreement. If MBE and WBE goals are not met, a good faith effort must be demonstrated by bidders to solicit MBE and WBE services. An adequate good faith effort means that the bidder took all necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE participation. An adequate good faith effort also means that the bidder actively and aggressively sought MBE/WBE participation.

L) BUY-AMERICA

All steel and iron permanently incorporated into a construction or repair project must be produced in the United States to satisfy [G.S. §136-28.7](#) (see [Buy-America](#)).

Proof of adherence to Buy-America requirements must be submitted when project materials are acquired, or prior to remittance under any SIAP agreement. Proof may be demonstrated by a Buy-America stamp on a materials invoice from the vendor, a certificate from the vendor, or a notarized statement from the grantee attesting that all steel and iron materials used on the project adhere to Buy-America requirements.

Exceptions may be allowable in cases where necessary materials are not manufactured in the United States. In such cases, an exception must be requested in writing to the Rail Division and include supporting documentation from vendors that substantiate the need for an exception.

3. REQUESTS FOR REIMBURSEMENT

For project reimbursement, grantees must provide the Rail Division with a request for reimbursement through the [NC EBS Grant Portal](#) meeting all the requirements of this section. A request is ineligible for reimbursement until the materials used and work performed are verified by a WIP Review Report and all documentation required by the grant agreement is provided.

RIAP projects may only remit eligible expenditures once, upon completion of the project. The final, and only, request for reimbursement must include proof the rail assets are in service.

A) REQUIRED DOCUMENTATION

A project request for reimbursement must include of the following:

- Claim Cover Sheet.
- Certification Statement Form and Material Pictures. A Certification Statement and pictures are only required if the reimbursement request is for materials only. The statement should be notarized and attest that all billed materials are delivered in full and on location within project limits or within the local railroad property.
- WIP Review Request. A WIP Review is only required if the reimbursement request includes labor charges.
- Railroad invoices.
- Contractor/Vendor Invoice, which must include the following information:
 - The name and complete address of the contractor/vendor.
 - Invoice number and date.

- Description of work performed, including quantity, price per unit, and total amount due for materials, labor, and subcontracting.
- Proof of all payments.
- Buy America/Steel Certification(s).
- [DBE-IS Subcontractor Payment Information Form](#).
- Any other inspection reports as required by the Project, including bridge, geo-testing, and ultrasonic reports.
- Proof of service. This may include a time/date stamped photograph of the rail assets in use, a ways of service bill, or certification statement from the rail carrier.

B) WORK IN PLACE (WIP) REVIEW AND REPORT

WIP Reviews are performed by the Rail Division Design & Construction Branch, Field Review Team for all materials used and work performed on a project prior to any remittance. The final review should be requested as early as possible to allow for efficient processing of the request for final reimbursement.

The grantee may request a WIP Review by emailing the FRRCSI_GRANTS@NCDOT.GOV, or as part of the request for reimbursement documentation submitted through the EBS Portal. Once received, the Rail Division will coordinate the review with the Field Review Team. The Field Review Team will generate and circulate a WIP Review Report to the project manager once complete. Grantees can be provided a copy of the WIP Review Report upon request.

C) INVOICE REVIEW AND PROCESSING

Upon receipt of the request for reimbursement, the Rail Division will review and provide comments to the grantee as soon as possible. The grantee must address any comments before the request may be processed. Please note, any failure by the grantee to comply with the terms of the grant agreement, including any applicable reporting requirements, will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance with the grant agreement.

4. PROJECT CHANGE ORDERS

Changes may be requested that affect the terms of the grant agreement or line items within the project scope. The nature and scale of a Change Order determines the course of action regarding the grant agreement.

Change Orders must be processed through the EBS Portal – Change Request workflow. The following types of Change Orders are commonly submitted:

Table III-2 Change Order Summary

CHANGE ORDER	APPROVAL LEVEL	REQUIRED UPDATES/ACTION(S)
Schedule Extension	Rail Division	None
Estimate/Scope Revision (no supplemental funding requested)	Rail Division	Amended cost estimate
Budget/Scope Revision (supplemental funding requested)	Not Applicable	Budget supplements are not authorized on RIAP projects, as grant funding is capped based on the qualifying project score

CHANGE ORDER	APPROVAL LEVEL	REQUIRED UPDATES/ACTION(S)
Scope/Project Repurpose	Not Applicable	RIAP projects are not eligible for repurposing the scope or budget
Advanced Notice to Proceed (Work at Risk)	Rail Division, DOJ (consent)	Written Work at Risk letter
Change in Labor Source (bid-out versus Force Account)	Not Applicable	Force Account is not authorized for used on RIAP projects.
Project Cancellation	Rail Division	Project rejection in EBS Portal and written notification

A) SCHEDULE EXTENSIONS

A simple schedule extension may be requested through the EBS Portal. Schedule extensions, without otherwise modifying terms of the grant agreement, do not warrant the approval of a supplemental agreement or amendment to the addendum.

- All extensions must be requested through the EBS Portal.
- Requests for extensions must be justified, demonstrating reasonable circumstances for the need.
- Extensions must be requested at least sixty (60) days prior to termination of the grant agreement terms.
- Extension requests are approved by the Rail Division (BOT approval not required).

B) ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated materials and labor planned for the project, as described in the grant agreement line-item estimate (cost estimate), so long as additional funding is not required and/or the project scope is not holistically rewritten. These changes do not require amendments to the grant agreement, the addition of a supplemental agreement, or approval by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a [Budget Revision Form](#).
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed to include any approved changes.
- Funding levels may be exchanged between cost estimate line items so long as there are no additional costs to the Rail Division.
- An updated cost estimate must be created and employed by both the grantee and Rail Division personnel for use in governing the remainder of the project build. The revised cost estimate must be uploaded to the EBS Portal to reflect the most current project scope.
- Estimate/scope revision requests are approved by the Rail Division (BOT approval not required).

C) ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated scope, materials, and labor planned for the project, as described in the grant agreement cost estimate. If supplemental funding is required for existing cost estimate line items, and/or to include new line items on the cost estimate, an amendment

to the grant agreement or a supplemental agreement must be prepared and approved by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a Budget Revision Form.
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed to include any approved changes.
- An amendment to the existing grant agreement, or a supplemental agreement must be prepared and executed to govern changes to the project. An updated cost estimate must accompany the agreement changes and reflect the revision or supplemental line items to the project scope. The new project documentation must be uploaded to the EBS Portal to reflect the most current project scope. Note: projects built on leased properties may require an update to an existing Contingent Interest Agreement.
- All scope changes requiring additional funding are subject to a project reevaluation/rescore to consider impacts to the project cost/benefits.
- Estimate/scope revision requests that require additional funding must be approved by the Rail Division and the BOT.
- All requests for supplemental funding are subject to available Program funding at the time of request and are not guaranteed for approval, regardless of project benefit.

D) SCOPE/PROJECT REPURPOSE

On rare occasions, circumstances necessitate funding for emergency repairs or a holistic repurposing of allocated project funding for a programmed project. In such cases, a strong justification must accompany the Change Order to repurpose the project. Ultimately, should the request be approved, the existing grant agreement will be cancelled, and a new grant agreement will be executed.

- A written request to reallocate the project funding for new use must be submitted through the EBS Portal. Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- The request for reallocation of project funding must be considered and approved the Rail Director prior to submittal of a new project application.
- Upon initial Rail Director approval, a new project application must be submitted through the EBS Portal to make use of the reallocated funding. The new project application is subject to evaluation and scoring.
- A new grant agreement or addendum must be created for the project. Note: a project built on leased properties will require an accompanying Contingent Interest Agreement.
- The funding reallocation and new grant agreement must be approved by the Rail Division and the BOT.
- Upon BOT approval, the original project will be cancelled within the EBS Portal and written notification will be provided to the grantee. Once the new grant agreement is executed, notice to proceed will be provided.
- As provided below, an Advanced Notice to Proceed (Work at Risk) authorization may be requested.

E) ADVANCED NOTICE TO PROCEED (WORK AT RISK)

Under emergency or extraordinary circumstances, Work at Risk authorization may be requested. This written authorization will allow emergency repairs, procurement, and other construction activities to commence prior to BOT approval and execution of the grant agreement.

- Work at Risk authorization is not meant for routine project circumstances, circumstantial/favorable procurement conditions or schedules, or other applicant priorities that do not align with the timing of the announced SIAP project application cycle.
- A written request to Work at Risk may be submitted through the EBS Portal or emailed to [FRRCSI GRANTS@NCDOT.GOV](mailto:FRRCSI_GRANTS@NCDOT.GOV) or the respective Rail Division project manager.
- Requests to Work at Risk must be justified, demonstrating reasonable circumstances for the need.
- Work at Risk authorization may be approved at the discretion of the Rail Division and are subject to legal review and concurrence by the Department of Justice.
- Written authorization to proceed Work at Risk must be signed by the Rail Division and the grantee prior to any procurement or construction activities.
- A written scope of work and cost estimate intended for advancement prior to grant agreement execution must be approved by the respective Rail Division project manager.
- Upon approval, all subsequent project work and expenditures are considered at risk, with no guarantee of reimbursement from the NCDOT, until the grant agreement is executed. If the agreement is not eventually executed or project funding becomes unavailable, all progress will be considered non-reimbursable.

F) PROJECT CANCELLATION

In the event the grantee no longer wishes to pursue the project, the project may be cancelled.

- A written request to cancel the project must be submitted through the EBS Portal or emailed to [FRRCSI GRANTS@NCDOT.GOV](mailto:FRRCSI_GRANTS@NCDOT.GOV) or the respective Rail Division project manager.
- The project application or EBS system agreement will be cancelled/rejected within the EBS Portal.
- All project funding will be returned to the FRRCSI general fund for reuse.

5. PROJECT AND PROGRAM REPORTING

Reporting is a critical component of the RIAP program and enables the Rail Division to effectively administer rail projects. North Carolina Administrative Code requires the Railroad to satisfy the following reporting requirements, the method of which will be stipulated in each grant agreement between the Rail Division and grantee: (i) certify that State financial assistance received/held was used for the purposes for which it was awarded; (ii) account for all State financial assistance received, held, used, and/or expended; (iii) report on activities and accomplishments undertaken by the recipient for State financial assistance of at least twenty-five thousand dollars (\$25,000) but less than five hundred thousand dollars (\$500,000) within its fiscal year; or (iv) receive a single or program-specific audit prepared/completed in accordance with GAGAS/Yellow Book for State financial assistance equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year. Failure to meet the reporting requirements will place the grantee in non-compliance status. As provided in Section III.E.5.C), any failure by the grantee to comply with any applicable reporting requirements will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance.

A) REPORTING COMPLIANCE

Reporting requirements must be satisfied and filed with the Rail Division no later than three (3) months after the end of the Railroad’s fiscal year unless the same information is already required and received by the Rail Division from the Railroad through more frequent reporting. Reporting will be collected by the Rail Division by one of the following methods:

- (1) Requests for Reimbursement. Information required and collected as part of the request for reimbursement process as provided under Section II.E.4 of this Manual.
- (2) [Annual Progress Report](#). If no reimbursement is requested within a twelve (12) month period following the execution of the grant agreement, and during the post-Project Completion, the Railroad must file with the Rail Division an annual Progress Report. Prior to Project completion, the Progress Report must provide percentages complete for physical work and financial expenditures. After Project completion, the Annual Progress Report must provide the information as required under the Post-Project Completion Reporting Compliance section of this Manual.
- (3) Written requests from the Rail Division.
- (4) State Single or Program Audit. Grantees that receive, expend, or obligate \$500K or more in State and federal pass-through funds, received directly from a State agency, must file a State Single or Program Audit in compliance with “Yellow Book” audit standards.

Exception to Yellow Book Audit: If you expend more than \$500,000 in Federal grant funds FROM ALL SOURCES, then you must have an A-133 single audit performed. If you are at this level for federal reporting AND you are required to file a yellow book audit with the State under G.S. § 143C-6-23, then you may substitute the A-133 audit for the yellow book audit.

The charges associated with a required audit may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards. As most audits are program based and span multiple projects, preparation costs associated with the audits must be submitted directly to the Rail Division Business Office for a reimbursement of up to 50%.

All audit reports shall be filed with the Rail Division in the format and method specified by the Rail Division no later than nine (9) months after the end of the Railroad’s fiscal year, as specified in the grant agreement or master agreement, if applicable.

B) POST-PROJECT REPORTING COMPLIANCE

After Project Completion, the grantee shall annually provide to the Rail Division verification of the following information by submitting an RIAP Annual Monitoring Form:

- (1) For the first three (3) years, the grantee’s employment numbers as committed in the Project grant application and industry certification, to include total capital invested, jobs created, and rail carloads served annually.
- (2) For the first five (5) years, the grantee’s rail use and Rail Asset maintenance as committed in the Project grant application and industry certification.

Upon receipt of annual monitoring forms, the reported stats will be used, in comparison to the original goals, to reevaluate the project score (using qualifying scoring methods). If the total project score is equal to or greater than the original, the project remains in compliance; otherwise, the project is considered in default and is subject to a funding claw-back.

- A category that overachieves from original goals would receive additional points in this evaluation, in accordance with original scoring methods.
- A category that underachieves from original goals would receive reduced points in this evaluation, in accordance with original scoring methods.
- Should the total reevaluated score, based on annual reported statistics, meet or exceed original goals at any time during years 1-3 of the monitoring period, project goals will be considered met. The grantee will still be required to submit reports through the full five (5)-year monitoring period.
- A project is considered in default if the recipient fails to report annually, or if reported statistics fail to meet project commitments. The project score of the best reevaluated year will be compared to the original qualifying score. The net difference between the awarded grant and equivalent reevaluated grant value will be subject to claw-back. For instance, if the original project score qualified for a \$400K state grant and the best reevaluated score (reported during monitoring years 1-3) only qualified for a \$300K state grant, the \$100K difference is subject to claw-back in full.
- In cases of project default, the project report(s) must be escalated to Rail Division management for a determination of action. In instances where the project goals are narrowly missed, company/project hardships are documented, or other reasons are documented and submitted for review, the claw-back provision may be waved at the discretion of Rail Division management.

C) GRANT NON-COMPLIANCE

Any Grantee is found to be in non-compliance if they are in violation of the executed agreement. Rail Division will take the following corrective actions to bring the grantee into compliance:

- Immediately suspend funding reimbursements until non-compliance actions are corrected;
- Meet with grantee to review non-compliance issues; and
- Upon completion of non-compliance actions, resume funding reimbursements.

If the grantee is unable to obtain compliance, Rail Division will pursue its options as identified under the Default section of the agreement.

6. PROJECT CLOSEOUT

Following Project Completion, the Railroad is allowed six (6) months for Project Closeout. As part of Project Closeout, the Railroad shall provide the Rail Division with written notification of Project Completion sent by EBS as part of the final claim request for reimbursement, including (i) evidence that service is active on the Project, (ii) a WIP Review request, (iii) a final invoice, and (iv) any required reporting or audit materials. The Railroad shall provide the Rail Division with written notification of Project Completion as part of the claim requesting reimbursement. For the purposes of post-Project completion reporting compliance, the Project Completion date shall be the date of final remittance.

IV. FREIGHT RAIL DIVERSION PROGRAM (FRDP)

A. INTRODUCTION

1. PROGRAM PURPOSE

The FRDP provides up to 50 percent in matching funds to applicants for rail projects that seek to divert transport services from heavy truck to rail. A FRDP project facilitates transfer of a shipment from one transportation mode to another, generally with rail providing the long haul. This freight movement may include interim storage of the commodity between transfer of modes. Commodities that are manufactured between transfers of modes are ineligible, though otherwise may qualify for a RIAP grant.

Grantees commit to a new carload service goal, the standards and specification of the Rail Division, a five (5)-year service period for the project tracks and improvements, and not relocating or selling the project tracks or improvements with five years of project completion without the written approval of the Rail Division. The carload service commitment may be derived from converting existing truck service to new rail service.

2. ELIGIBLE RECIPIENTS

Any entity, including Class I railroads, industries, short line railroad companies, the NCSPA, and local governments, are eligible for this program if funds are used to construct, convert, or upgrade rail corridor infrastructure with the primary purpose of new freight diversion from highway to rail. Grantees may receive a grant award to fund up to 50 percent of total project costs. Ownership, maintenance, and liability for a project will be addressed in each grant agreement.

3. ELIGIBLE PROJECTS

Projects that construct, convert, or upgrade rail corridor infrastructure with the primary purpose of freight diversion from highway to rail are eligible for FRDP.

Eligible project expenses include engineering costs and professional services, general site development (grading, drainage, driveway or site access, security fencing and lighting), railroad infrastructure construction (track and roadbed, switch, grade crossing, warning device, and rail bridge), and transloading support (utilities, loading and unloading infrastructure, storage, or laydown surfaces, and fixed transloading equipment).

Ineligible project expenses include studies, buildings, non-transloading related utilities, and mobile equipment.

4. ALLOCATION OF FUNDS

After evaluation of a candidate project, the Rail Division may fund up to 50 percent of total project costs (see Section IV.C below and Section X.B.3 in the Appendix).

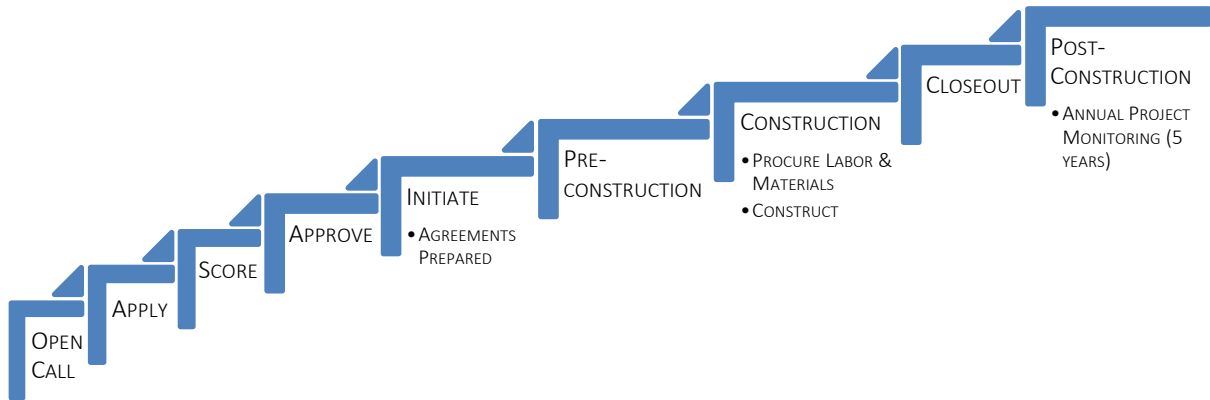


Figure IV-1 FRDP Process Steps

5. CALL FOR PROJECTS

The need for transload and other diversion projects is often requested on a case-by-case basis. In order to better accommodate these opportunities throughout the year, the Rail Division maintains an open call for projects until FRDP funds are no longer available.

B. APPLICATION

1. SYSTEM ACCESS

In order to access the EBS Portal, applicants must complete an [NC EBS Portal System Access Request Form](#) and send it to the Rail Division at FRRCSI_GRANTS@NCDOT.GOV. This process will require applicants to create log in credentials (NCID username and password). SAP Support Services can provide assistance as needed for this by emailing EBSSupport@NCDOT.GOV.

When a new vendor registration number is required, the applicant must complete a Substitute Form W-9, [Vendor Registration Form](#) (page 2 of the NC EBS Portal System Access Authorization Form) and an [NCDOT ACH-EFT Authorization Form](#) (page 3 of the NC EBS Portal System Access Authorization Form).

2. APPLICATION SUBMITTAL

Applicants may submit an FRDP application through the EBS Portal. Upon entering the system, use the FRDP Rail Applications “Tile” and upon entering the application tool, click “Create” in the upper right of the window. The Rail Grants System Help page includes step-by-step instructions on how to log onto the system, start a new application, and record payments.

3. SUPPORTING MATERIALS

The supporting materials that must accompany an FRDP application are as follows:

A) CERTIFICATION OF NO OVERDUE TAX DEBTS

The applicant must certify they have no overdue tax debts at the federal, state, and local level by signing the [Certification of No Overdue Tax Debts](#) form.

B) CONFLICT OF INTEREST POLICY

G.S. § 143C-6-23(b) requires every grantee to file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest. Applicants must execute the Rail Division-developed [FRRCSI Grant Programs Conflict of Interest](#) form or include a previously executed copy.

C) BRIDGE INSPECTION REPORT

Funding requests for bridge repairs, upgrades, or modernization efforts must be accompanied by the grantee's most recent bridge inspection report.

D) RAILROAD COMMITMENT

The railroad company owning the main tracks to which a spur track is connected must agree to serve the industry and approve the track construction plans by signing the [Railroad Commitment Form](#).

E) INDUSTRY COMMITMENT

The industry must commit to provide a specific level of new rail traffic during the first three (3) years while maintaining the rail assets and continuing service during the first five years of operation, by executing the [Industry Commitment Form](#). When project tracks are located within a municipality where the NCDOT has a Transportation Safety Plan, the industry shall accommodate it in their project planning.

F) COUNTY AND CITY RESOLUTION

The applicant must provide a certified copy of a resolution of support for the project from the county and city, if applicable, government where the project is located. A [Resolution of Support Template](#) can be found on the Rail Resources site, and an interim letter of support may be accepted pending adoption of a formal resolution.

G) PROPERTY EASEMENT CERTIFICATION

The applicant must certify that it has or will obtain all property easements necessary to allow access to the rail spur construction site and permit rail freight operations by executing the [Property Easement Certification Form](#).

C. EVALUATION & SCORING

Upon receipt of applications, the Rail Division will evaluate, score, and rank each project based on the following criteria:

- Benefit/Cost Assessment.
- Capacity and Diversion, including carload service commitment.

Projects are recommended for approval based on a qualifying score and available funding. The detailed scoring criteria can be found in Section X.B.3.B) of the Appendices. Scoring criteria will be evaluated and potentially adjusted annually.

D. RECOMMENDATION AND APPROVAL

Projects are subject to review and recommendation by the Rail Division.

An I-2 Item is prepared for recommended projects and submitted to the BOT for funding approval. Once funding is approved by the BOT, projects are considered programmed within the FRDP. An O-Item approval is required from the BOT for approval to enter into a grant agreement with the grantee. Upon all approvals from the BOT, a grant agreement between the Rail Division and grantee must be executed prior to project commencement.

E. PROJECT PROCESS

1. AGREEMENT DEVELOPMENT

Generally, agreements are developed with the grantee pending or after BOT approval and address terms, responsibilities, scope of work, procurement procedures, reporting requirements, and reimbursement procedures. Finalized agreements are transmitted to the grantee for signature and returned to the Rail Division for further processing. The grantee will be sent a final, executed agreement after NCDOT has signed. The NCDOT signature is considered the official date of execution and begins the standard 18-month project schedule (or as otherwise agreed) within which all construction activities, not including final invoicing, must be completed.

Agreements that are not executed within 3 months of project award may be subject to cancellation unless unforeseen circumstances warrant an extended signature period, to be determined by the Rail Division.

A) MASTER AGREEMENT

A grantee may enter into a master agreement with the Rail Division to establish a framework that will govern all standard terms, including responsibilities, reporting requirements, and reimbursement procedures. Master agreements are not specific to a project and may not be entered for a non-cyclical applicant or singular project, which are negotiated and established by a Freight Rail Diversion Agreement.

B) ADDENDUM TO MASTER AGREEMENT

An addendum to a master agreement must be entered for each unique project stemming from a master agreement between the Rail Division and applicant. The addendum governs terms that are specific to the actual project, such as scope of work, project costs, and project estimates.

C) FREIGHT RAIL DIVERSION AGREEMENT (FRDA)

An FRDA is used for non-cyclical applicants and singular projects to improve rail infrastructure in support of freight diversion and governs all aspects of a project, including responsibilities, reporting requirements, reimbursement procedures, scope of work, project costs, and project estimates. An FRDA must be accompanied by a CIA when project improvements are performed on a leased corridor upon which the corridor property owner is not the operator.

D) CONTINGENT INTEREST AGREEMENT

When project improvements are being performed on a leased corridor upon which the corridor property owner is not the operator, the Rail Division and the property owner enter a CIA. This agreement governs the terms of a project, including entry and construction activities, and protects the financial interests of the Rail Division's project investment should the owner sell the rail asset or discontinue service where improvements are made.

E) FREIGHT RAIL DIVERSION AGREEMENT WITH CONTINGENT INTEREST AGREEMENT (FRDA/CIA)

A combined FRDA/CIA is entered when project improvements are being performed in partnership with a grantee that owns and operates the rail corridor.

2. PRECONSTRUCTION ACTIVITIES

Preconstruction activities must be completed before construction. These activities determine the successful execution of construction by outlining schedule and labor requirements for the project.

A) SCHEDULE(S)

The grantee must provide to the Rail Division a schedule for bidding, a general work plan, anticipated project commencement and completion dates, notification of significant schedule changes, and written notification of when project work is complete and ready for final review and project closeout.

B) FORCE ACCOUNT VERIFICATION

The self-performance of project construction by a railroad is known as “Force Account.” Railroads may employ internal labor and equipment with prior approval from the Rail Division. Railroads are not required to use Force Account, and self-performance of project construction is established for ease and convenience when practical.

If Force Account use is anticipated, railroads must provide written notification of such to the Rail Division as soon as possible, prior to accruing expenditures. Labor and equipment rates must be approved by the Rail Division prior to commencement of Force Account activities. These approvals may be requested by submitting a Force Account rate package through the EBS Portal (Submit Documents – Procurement workflow).

- Unless otherwise approved and on file for the current State fiscal year, an updated [Force Account Rate Package](#) must be submitted by the grantee for review and Rail Division approval for use on a project.
- The [Force Account Rate Package](#) must include labor rates based on position classification and equipment rates with as much detail as possible to facilitate ease of approvals by the Rail Division. Labor rates will be approved by a relative position classification comparison using Davis Bacon rates or another declared equivalent source. Equipment rates will be approved by a relative position classification comparison using Equipment Watch based on Blue Book.
- Force Account rates may be updated every six months or annually at the preference of the grantee. Changes to rates during billing are not allowed prior to approval by the Rail Division.

C) CONTINUING CONTRACTOR VERIFICATION

Railroads may use a sole-source contractor for project labor if a working relationship can be verified between the railroad and contractor. This relationship is referred to as a “continuing contractor.” The short line must notify the Rail Division if a continuing contractor will be used on a project. This notification must be accompanied by a written agreement between the railroad and contractor or previous invoices that document a working relationship.

Railroads must submit written contracts for continuing contractors to the Rail Division for review as soon as possible following execution of a grant agreement. Labor rates must be updated

annually for the contractor or as the costs need to be adjusted, and updated rates must be submitted to the Rail Division as soon as they are available. New vendors may not be considered as continuing contractors and must go through the bid process if they do not meet the preceding criteria.

Railroads are not required to use a continuing contractor, and such a relationship is established for ease and convenience when practical and the costs are deemed reasonable.

D) ENGINEERING PLAN DEVELOPMENT

If necessary, the grantee shall be responsible for the development of engineering plans and specifications. The grantee must adhere to the Professional and Engineering Services agreement provisions and must publicly advertise all needs for [Professional Services](#). Selections for Professional and Engineering Services must be based on qualifications.

Upon completion, the grantee must transmit engineering plans and specifications to the Rail Division for review. The Rail Division will review and return comments to the grantee for corrections and provide direction towards project letting.

E) ENVIRONMENTAL REVIEW

It is the responsibility of the grantee to determine what environmental documents are required for each Project and provide any necessary environmental reviews or studies for FRDP projects. The grantee may request that the Rail Division provide guidance regarding the environmental document requirements, but no project work may begin before a satisfactory environmental review is completed. Final copies of any environmental documents or required permits must be provided to the Rail Division.

The grantee must coordinate and cooperate with the Rail Project Development Unit to perform preliminary screening of all approved projects to identify projects that may need additional assessment to include review of engineering plans (for environmental impacts), potential impacts to human and natural environments (including impacts to Waters of the US), and required environmental permits. The Rail Project Development Unit may coordinate with grantees and agency stakeholders, as necessary, to aid with compliance of State environmental requirements.

F) RIGHT OF WAY ACQUISITION

It is the responsibility of the grantee to acquire any right of way for the project. All right of way needed for a project must be obtained before the start of construction and at the sole cost of the grantee.

G) UTILITY RELOCATION

It is the responsibility of the grantee to relocate utilities associated with project construction activities. All utility work must be completed at the sole cost of the grantee.

H) BEGIN CONSTRUCTION

The grantee must coordinate with the respective Rail Division project manager to ensure all project development steps have been completed prior to beginning construction. Construction activities that are commenced prior to an executed grant agreement or a notice-to-proceed may be ineligible for reimbursable.

3. LABOR AND MATERIAL PROCUREMENT

The grantee is required to comply with state procurement procedures when acquiring material and labor. Three bids are required for scope items and approval must be given by Rail Division for award selections. Procurement steps are as follows:

- Submit a request for bids and bidding schedule to the Rail Division for review and approval;
- Obtain bids from contractors by formal or informal competitive bidding process and invite the respective Rail Division project manager to the bid opening (for formal bids);
- Submit bid tabulation and recommended bid award to the Rail Division for review and approval, prior to execution of the construction contract;
- Execute the purchase agreement following Rail Division approval; and
- Maintain invoices, proofs of payment, a field review list with materials installed to include quantities and locations, and steel certifications (if applicable) for project reimbursement.

The [FRRCSI Procurement Guide](#) is a helpful resource for adhering to procurement/bidding standards and guidelines. All bidding materials that are subject to review and approval must be submitted through the EBS Portal (Submit Documents – Procurement workflow).

A) PROCUREMENT THRESHOLDS

Materials and construction contracts for more than \$30,000 of State funds (\$60,000 total with a 50 percent project match) require adherence to procurement thresholds as outlined below in Table IV-1. See the [FRRCSI Procurement Guide](#) for further details on the Formal/Informal bid process.

Table IV-1 Formal/Informal Bid Process

STATE FUNDING	BIDDING REQUIREMENT
> \$30,000	Materials or Construction Contracts – Informal
> \$500,000	Construction – Formal

B) BID APPROVALS

In general, the Rail Division will only approve low-bid recommendations, unless the rail company provides written explanation whereby the quality, schedule of delivery, or delivered cost of the vendor bid will not satisfy the expectations of the grant agreement. In such cases, those bids may be determined non-compliant by the Rail Division and substitutes may be authorized.

C) PROFESSIONAL SERVICES

The grantee shall be responsible for the development of engineering plans and specifications. The grantee will follow the section in the agreement related to Professional and Engineering Services. The grantee must publicly advertise all needs for [Professional Services](#), and make selections based on qualifications.

D) CONTRACTORS

All contractors performing work of \$30,000 or more must have an active North Carolina general contractors license. Contractor licenses are renewed each year and expire December 31 of the year. Check the [North Carolina Licensing Board](#) for information on the status of a firm’s license.

E) MBE/WBE

NCDOT encourages participation by Minority Contractors (MBE) and Women Contractors (WBE) in NCDOT-funded project contracts. See the [NCDOT MBE/WBE Connect Resources Page](#) for further information.

MBE/WBE goals are assigned in each project agreement. If MBE and WBE goals are not met, a good faith effort must be demonstrated by bidders to solicit MBE and WBE services. An adequate good faith effort means that the bidder took all necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE participation. An adequate good faith effort also means that the bidder actively and aggressively sought MBE/WBE participation.

F) BUY-AMERICA

All steel and iron permanently incorporated into a construction or repair project must be produced in the United States to satisfy [G.S. §136-28.7](#) (see [Buy-America](#)).

Proof of adherence to Buy-America requirements must be submitted when project materials are acquired, or prior to remittance under any FRDP agreement. Proof may be demonstrated by a Buy-America stamp on a materials invoice from the vendor, a certificate from the vendor, or a notarized statement from the grantee attesting that all steel and iron materials used on the project adhere to Buy-America requirements.

Exceptions may be allowable in cases where necessary materials are not manufactured in the United States. In such cases, an exception must be requested in writing to the Rail Division.

4. REQUESTS FOR REIMBURSEMENT

For project reimbursement, grantees must provide the Rail Division with a request for reimbursement through the EBS Portal meeting all the requirements of this section. A request is ineligible for reimbursement until the materials used and work performed are verified by a WIP Review Report and all documentation required by the grant agreement is provided.

For FRDP projects, invoices must be submitted at least every 6 months to retain the funding allocation, but requests for reimbursement may be submitted as frequently as milestone achievements allow upon Project completion.

A) REQUIRED DOCUMENTATION

A project request for reimbursement must include of the following:

- Claim Cover Sheet.
- Certification Statement Form and Material Pictures. A Certification Statement and pictures are only required if the reimbursement request is for materials only. The statement should be notarized and attest that all billed materials are delivered in full and on location within project limits or within the local railroad property.
- WIP Review Request. A WIP Review is only required if the reimbursement request includes labor charges.
- Railroad invoices.
 - Force Account charges must include a timecard summary for equipment and labor and the corresponding employee timecards.
- Contractor/Vendor Invoice, which must include the following information:
 - The name and complete address of the contractor/vendor.

- Invoice number and date.
- Description of work performed, including quantity, price per unit, and total amount due for materials, labor, and subcontracting.
- Proof of all payments.
- Buy America/Steel Certification(s).
- [DBE-IS Subcontractor Payment Information Form](#).
- Any other inspection reports as required by the Project, including bridge, geo-testing, and ultrasonic reports.

B) WORK IN PLACE (WIP) REVIEW AND REPORT

WIP Reviews are performed by the Rail Division Design & Construction Branch, Field Review Team for all materials used and work performed on a project prior to any remittance. The reviews should be requested as early as possible to allow for efficient processing of the request for reimbursement.

The grantee may request a WIP Review by emailing the [FRRCSI GRANTS@NCDOT.GOV](mailto:FRRCSI_GRANTS@NCDOT.GOV), or as part of the request for reimbursement documentation submitted through the EBS Portal. Once received, the Rail Division will coordinate the review with the Field Review Team. The Field Review Team will generate and circulate a WIP Review Report to the project manager once complete. Grantees can be provided a copy of the WIP Review Report upon request.

C) INVOICE REVIEW AND PROCESSING

Upon receipt of the request for reimbursement, the Rail Division will review and provide comments to the grantee as soon as possible. The grantee must address any comments before the request may be processed. Please note, any failure by the grantee to comply with the terms of the grant agreement, including any applicable reporting requirements, will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance with the grant agreement.

5. PROJECT CHANGE ORDERS

Changes may be requested that affect the terms of the grant agreement or line items within the project scope. The nature and scale of a Change Order determines the course of action regarding the grant agreement.

Change Orders must be processed through the EBS Portal – Change Request workflow. The following types of Change Orders are commonly submitted:

Table IV-2 Change Order Summary

CHANGE ORDER	APPROVAL LEVEL	REQUIRED UPDATES/ACTION(S)
Schedule Extension	Rail Division	None
Estimate/Scope Revision (no supplemental funding requested)	Rail Division	Amended cost estimate
Budget/Scope Revision (supplemental funding requested)	Rail Division, Board of Transportation	Project reevaluation/rescore to consider benefit cost impacts Supplemental Agreement with updated cost estimate
Scope/Project Repurpose	Rail Division, Board of Transportation	Project reevaluation/rescore to consider benefit cost impacts Supplemental Agreement with new cost estimate

CHANGE ORDER	APPROVAL LEVEL	REQUIRED UPDATES/ACTION(S)
Advanced Notice to Proceed (Work at Risk)	Rail Division, DOJ (consent)	Written Work at Risk letter
Change in Labor Source (bid-out versus Force Account)	Rail Division	Updated bidding documentation (bidding or Force Account packages)
Project Cancellation	Rail Division	Project rejection in EBS Portal and written notification

A) SCHEDULE EXTENSIONS

A simple schedule extension may be requested through the EBS Portal. Schedule extensions, without otherwise modifying terms of the grant agreement, do not warrant the approval of a supplemental agreement or amendment to the addendum.

- All extensions must be requested through the EBS Portal.
- Requests for extensions must be justified, demonstrating reasonable circumstances for the need.
- Extensions must be requested at least sixty (60) days prior to termination of the grant agreement terms.
- Extension requests are approved by the Rail Division (BOT approval not required).

B) ESTIMATE/SCOPE REVISIONS – NO ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated materials and labor planned for the project, as described in the grant agreement line-item estimate (cost estimate), so long as additional funding is not required and/or the project scope is not holistically rewritten. These changes do not require amendments to the grant agreement, the addition of a supplemental agreement, or approval by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a [Budget Revision Form](#).
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed to include any approved changes.
- Funding levels may be exchanged between cost estimate line items so long as there are no additional costs to the Rail Division.
- An updated cost estimate must be created and employed by both the grantee and Rail Division personnel for use in governing the remainder of the project build. The revised cost estimate must be uploaded to the EBS Portal to reflect the most current project scope.
- Estimate/scope revision requests are approved by the Rail Division (BOT approval not required).

C) ESTIMATE/SCOPE REVISIONS – ADDITIONAL FUNDING REQUESTED

Changes may be requested to the estimated scope, materials, and labor planned for the project, as described in the grant agreement cost estimate. If supplemental funding is required for existing cost estimate line items, and/or to include new line items on the cost estimate, an amendment to the grant agreement or a supplemental agreement must be prepared and approved by the BOT.

- All scope or estimate revisions must be requested through the EBS Portal, accompanied by a Budget Revision Form.
- Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- Procurement rules must be followed to include any approved changes.
- An amendment to the existing grant agreement, or a supplemental agreement must be prepared and executed to govern changes to the project. An updated cost estimate must accompany the agreement changes and reflect the revision or supplemental line items to the project scope. The new project documentation must be uploaded to the EBS Portal to reflect the most current project scope. Note: projects built on leased properties may require an update to an existing Contingent Interest Agreement.
- All scope changes requiring additional funding are subject to a project reevaluation/rescore to consider impacts to the project cost/benefits.
- Estimate/scope revision requests that require additional funding must be approved by the Rail Division and BOT.
- All requests for supplemental funding are subject to available Program funding at the time of request and are not guaranteed for approval, regardless of project benefit.

D) SCOPE/PROJECT REPURPOSE

On rare occasions, circumstances necessitate funding for emergency repairs or a holistic repurposing of allocated project funding for a programmed project. In such cases, a strong justification must accompany the Change Order to repurpose the project. Ultimately, should the request be approved, the existing grant agreement will be cancelled, and a new grant agreement will be executed.

- A written request to reallocate the project funding for new use must be submitted through the EBS Portal. Requests for revisions must be justified, demonstrating reasonable circumstances for the need.
- The request for reallocation of project funding must be considered and approved the Rail Division prior to submittal of a new project application.
- Upon initial Rail Division approval, a new project application must be submitted through the EBS Portal to make use of the reallocated funding. The new project application is subject to evaluation and scoring.
- A new grant agreement or addendum must be created for the project. Note: a project built on leased properties will require an accompanying Contingent Interest Agreement.
- The funding reallocation and new grant agreement must be approved by the Rail Division and BOT.
- Upon BOT approval, the original project will be cancelled within the EBS Portal and written notification will be provided to the grantee. Once the new grant agreement is executed, notice to proceed will be provided.
- As provided below, an Advanced Notice to Proceed (Work at Risk) authorization may be requested.

E) ADVANCED NOTICE TO PROCEED (WORK AT RISK)

Under emergency or extraordinary circumstances, Work at Risk authorization may be requested. This written authorization will allow emergency repairs, procurement, and other construction activities to commence prior to BOT approval and execution of the grant agreement.

- Work at Risk authorization is not meant for routine project circumstances, circumstantial/favorable procurement conditions or schedules, or other applicant priorities that do not align with the timing of the announced SIAP project application cycle.
- A written request to Work at Risk may be submitted through the EBS Portal or emailed to the Rail Division or the respective Rail Division project manager.
- Requests to Work at Risk must be justified, demonstrating reasonable circumstances for the need.
- Work at Risk authorization may be approved at the discretion of the Rail Division and are subject to legal review and concurrence by the Department of Justice.
- Written authorization to proceed Work at Risk must be signed by the Rail Division and the grantee prior to any procurement or construction activities.
- A written scope of work and cost estimate intended for advancement prior to grant agreement execution must be approved by the respective Rail Division project manager.
- Upon approval, all subsequent project work and expenditures are considered at risk, with no guarantee of reimbursement from the NCDOT, until the grant agreement is executed. If the agreement is not eventually executed or project funding becomes unavailable, all progress will be considered non-reimbursable.

F) CHANGES IN LABOR SOURCE

All approved projects must follow State procurement rules and are subject to a competitive bidding process for both labor and materials (refer to the [FRRCSI Procurement Guide](#)). Should the grantee eventually decide to use Force Account to self-build the project, this change must be requested for approval.

- A change to Force Account labor must be requested through the Change Order workflow, unless previously approved at the onset of the project.
- Unless otherwise approved and on file for the current State fiscal year, an updated [Force Account Rate Package](#) must be submitted for review and approval by the Rail Division.
- Where Force Account labor is approved at the onset of the project and the grantee declares a change to contract labor, all contracted labor is subject to State procurement rules and a competitive bidding process.

G) PROJECT CANCELLATION

In the event the grantee no longer wishes to pursue the project, the project may be cancelled.

- A written request to cancel the project must be submitted through the EBS Portal or emailed to FRRCSI_GRANTS@NCDOT.GOV or the respective Rail Division project manager.

6. PROJECT AND PROGRAM REPORTING

Reporting is a critical component of the FRDP program and enables the Rail Division to effectively administer rail projects. North Carolina Administrative Code requires the Railroad to satisfy the following reporting requirements, the method of which will be stipulated in each grant agreement between the Rail Division and grantee: (i) certify that State financial assistance received/held was used for the purposes for which it was awarded; (ii) account for all State financial assistance received, held, used, and/or expended; (iii) report on activities and accomplishments undertaken by the recipient for State financial assistance of at least twenty-five thousand dollars (\$25,000) but less than five hundred thousand dollars (\$500,000) within its fiscal year; or (iv) receive a single or program-specific audit prepared/completed in accordance

with GAGAS/Yellow Book for State financial assistance equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year. Failure to meet the reporting requirements will place the grantee in non-compliance status. As provided in Section IV.E.6.C), any failure by the grantee to comply with any applicable reporting requirements will result in the denial of any request for reimbursement until the issue has been addressed and brought into compliance.

A) REPORTING COMPLIANCE

Reporting requirements must be satisfied and filed with the Rail Division no later than three months after the end of the Railroad's fiscal year unless the same information is already required and received by the Rail Division from the Railroad through more frequent reporting. Reporting will be collected by the Rail Division by one of the following methods:

- (1) Requests for Reimbursement. Information required and collected as part of the request for reimbursement process as provided under Section II.E.4 of this Manual.
- (2) [Annual Progress Report](#). If no reimbursement is requested within a twelve (12) month period following the execution of the grant agreement, and during the post-Project Completion, the Railroad must file with the Rail Division an annual Progress Report. Prior to Project completion, the Progress Report must provide percentages complete for physical work and financial expenditures. After Project completion, the Annual Progress Report must provide the information as required under the Post-Project Completion Reporting Compliance section of this Manual.
- (3) Written requests from the Rail Division.
- (4) State Single or Program Audit. Grantees that receive, expend, or obligate \$500K or more in State and federal pass-through funds, received directly from a State agency, must file a State Single or Program Audit in compliance with "Yellow Book" audit standards.

Exception to Yellow Book Audit: If you expend more than \$500,000 in Federal grant funds FROM ALL SOURCES, then you must have an A-133 single audit performed. If you are at this level for federal reporting AND you are required to file a yellow book audit with the State under [G.S. § 143C-6-23](#), then you may substitute the A-133 audit for the yellow book audit.

The charges associated with a required audit may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards. As most audits are program based and span multiple projects, preparation costs associated with the audits must be submitted directly to the Rail Division Business Office for a reimbursement of up to 50%.

All audit reports shall be filed with the Rail Division in the format and method specified by the Rail Division no later than nine (9) months after the end of the Railroad's fiscal year, as specified in the grant agreement or master agreement, if applicable.

B) POST-PROJECT REPORTING COMPLIANCE

After Project Completion, the grantee shall annually provide to the Rail Division verification of the following information by submitting an [FRDP Annual Monitoring Form](#):

- (1) For the first three (3) years, the grantee's rail carloads served annually as committed in the Project grant application and industry certification.
- (2) For the first five (5) years, the grantee's rail use and Rail Asset maintenance as committed in the Project grant application and industry certification.

Upon receipt of annual monitoring forms, the reported stats will be used to reevaluate the project rail carload qualification parameters in comparison to the original rail carload qualifying measure. If the total project rail carloads reported is equal to or greater than the qualifying measure, the project remains in compliance; otherwise, the project is considered in default and is subject to a funding claw-back.

- Should the total reported rail carloads, based on annual reported statistics, meet or exceed original goals at any time during years 1-3 of the monitoring period, project goals will be considered met. The grantee will still be required to submit reports through the full five-year monitoring period.
- A project is considered in default if the recipient fails to report annually, or when reported statistics fail to meet project commitments during Years 1-3 reporting. The project score of the best reevaluated year will be compared to the original qualifying score. The net difference between the awarded grant and equivalent reevaluated grant value will be subject to claw-back equal to the percentage difference respective to the qualification measure.
- In cases of project default, the project report(s) must be escalated to Rail Division management for a determination of action. In instances where the project goals are narrowly missed, company/project hardships are documented, or other reasons are documented and submitted for review, the claw-back provision may be waved at the discretion of Rail Division management.

C) GRANT NON-COMPLIANCE

Any Grantee is found to be in non-compliance if they are in violation of the executed agreement. Rail Division will take the following corrective actions to bring the grantee into compliance:

- Immediately suspend funding reimbursements until non-compliance actions are corrected;
- Meet with grantee to review non-compliance issues; and
- Upon completion of non-compliance actions, resume funding reimbursements.

If the grantee is unable to obtain compliance, Rail Division will pursue its options as identified under the Default section of the agreement.

7. PROJECT CLOSEOUT

Following Project Completion, the Railroad is allowed six (6) months for Project Closeout. As part of Project Closeout, the Railroad shall provide the Rail Division with written notification of Project Completion sent by EBS as part of the final claim request for reimbursement, including (i) evidence that service is active on the Project, (ii) a WIP Review request, (iii) a final invoice, and (iv) any required reporting or audit materials. The Railroad shall provide the Rail Division with written notification of Project Completion as part of the claim requesting reimbursement. For the purposes of post-Project completion reporting compliance, the Project Completion date shall be the date of final remittance.

A) REMNANT GRANT FUNDS

The remaining balance of allocated grant funds that have not been utilized for their intended purpose within the designated grant fund cannot be repurposed except for extraordinary circumstances, which must be demonstrated in writing and approved by the Rail Division.

Any request for repurposing remnant grant funds will be granted at the discretion of the Rail Division, with consideration given to the original intent of the grant and the impact of the proposed change on project outcomes.

If remnant grant funds are approved to be repurposed, the grantee must follow the procedures provided under Section IV.E.5, *Project Change Orders*.

V. SHORT LINE SIGNAL MODERNIZATION PROGRAM (SSMP)

A. PURPOSE

As a component of the CSSI and subordinate to greater FRRCSI Program, the Crossing Safety and Signal Improvements Program (Signals) provides improvements to at-grade roadway/rail crossings throughout the state and include projects that install or enhance signals, gates, and signage and other safety improvements.

The CSSI program governs three distinctive project categories, one of which is the Safety and Signals Improvements Program, as shown in Figure V-1:



Figure V-1 CSSI Program, SSMP Sub-program

1. ELIGIBLE RECIPIENTS

Both Class I and Short Line railroad crossings are eligible for project improvements through the Signals Program.

2. ELIGIBLE PROJECTS

Any at-grade rail crossing that the railroad, local municipality, NCDOT Division of Highways, or NCDOT Rail Division has deemed as needing improvements is eligible for submittal as a candidate project.

Overall, crossing signal projects are considered where improvements benefit the safety and functionality of the at-grade crossing. If a project will not improve existing conditions to a reasonable level, or additional improvements are unfeasible, the crossing is ineligible for funding under FRRCSI. In such cases, projects may be funded under the Railway-Highway Crossings (Section 130) Program that provides funds for the elimination of hazards at railway-highway crossings, or for larger projects, submitted for funding under the NCDOT STI Program.

3. ALLOCATION OF FUNDS

Any crossing signals project may not exceed more than 20 percent of the overall FRRCSI budget or \$4M, as per Rail Planning Unit policy. And specific surface improvement projects may not exceed more than 10 percent of the overall FRRCSI budget. Funding allocations to the Crossings Program may vary from year to

year, depending on overall available FRRCSI funding allocations and the priorities of the NCDOT Rail Division.

B. PROGRAM PROCEDURES

Safety and signals projects improve the conditions of existing at-grade crossings through the implementation and upgrade of technology devices at the rail crossing. Potential enhancements include preemption devices, signals and receivers, deterrent equipment, and driver awareness technologies (warning signs, lights, etc.). Improvements to technology at crossing locations improve motor vehicle driver awareness, thus supporting the safe and uninterrupted flow of motor vehicle and train traffic. The program is administered by the NCDOT Rail Division – Rail Signals Unit.

1. PROJECT PROGRAMMING

The development and execution of a safety and signals project, from conception to completion, goes through a multi-step programming process, as described below.

A) CALL FOR PROJECTS

Funding requests for potential safety and signals projects are called for in the late summer to early fall, annually, following the allocation of the yearly FRRCSI budget. Class I, short line, and NCDOT Highway Divisions are prompted for submission of candidate projects during the annual call. The call is transmitted by email correspondence to eligible applicants.

B) PROJECT EVALUATION

Candidate projects are evaluated by the NCDOT Rail Division – Engineering and Coordination Unit. Projects are assessed through a standardized process, based on the investigative index rating of the crossing, crossing geometrics, technology devices employed at the crossing, and overall site conditions.

C) PROJECT SELECTION

The NCDOT Rail Division meets annually, in coordination with NCDOT Highway divisions and corresponding municipality(ies) (where applicable), to review submitted safety and signals projects. Projects are selected by a qualitative method, where investigative index score, existing site conditions, and overall need are considered. Projects are rated from highest to lowest and selected by available funding. Selections are awarded evenly throughout all 14 divisions, based on project needs and previous project distributions.

2. PROJECT EXECUTION

Once a project is selected for funding, the project must be fully executed from the legal agreement through project and plan development, construction, and project close out.

A) PROJECT AGREEMENT

Upon selection of a project, the NCDOT enters a standard legal agreement with the rail company and the municipality (where applicable) that governs the execution of scope of work, terms, responsibilities, right of entry, and any reimbursements for project costs.

Safety and signal projects are governed by a master agreement program that provides predetermined terms and responsibilities for the NCDOT and participating rail companies. For each project, the terms of the master agreement will apply, and an addendum will be submitted that describes project specifics, to include scope description and costs.

In cases where a rail company is not covered by a master agreement, a standard construction agreement will be provided and executed between the NCDOT and rail company.

B) PROJECT FUNDING/COST SHARING

As part of the agreement terms, the NCDOT will be responsible for all project material costs. The rail company will provide all associated labor to complete the project scope.

C) PROJECT DEVELOPMENT

Following execution of an agreement, coordination of project development is essential with all stakeholders.

The NCDOT Rail Division will be responsible for coordinating an environmental screening for the project. Further the NCDOT Rail Division will prepare a planimetric (schematic) sketch of signal or device improvements. The Rail Division will transmit the sketch to the partnering railroad, who will develop full design and construction plans.

D) PROJECT CONSTRUCTION

Following execution of an agreement, project construction is completed by the railroad. However, the NCDOT Division of Highways will complete any necessary site improvements such as grading and drainage.

E) PROJECT CLOSEOUT

When construction of the project is completed, a field review is performed (work-in-place review) by the NCDOT Rail Division to verify completion of project scope. Once positive verification is affirmed and any or all reimbursements are remitted, the project is considered final and closed.

VI. CROSSING CONSOLIDATIONS AND CLOSURES

A. PURPOSE

As a component of the CSSI and subordinate to greater FRRCSI Program, the Crossing Consolidations and Closures (Closures) Program provides improvements to at-grade roadway/rail crossings throughout the state and include projects that close and or/consolidate crossings. Depending on the project type, NCDOT may fund up to 100 percent of project costs.

The CSSI program governs three distinctive project categories, one of which is the Closures and Consolidations Program, as shown in Figure VI-1:



Figure VI-1 CSSI Program, CCC Sub-program

1. ELIGIBLE RECIPIENTS

Both Class I and Short Line railroad crossings are eligible for project improvements through the Closures Program.

2. ELIGIBLE PROJECTS

Any at-grade rail crossing that the railroad, local municipality, NCDOT Division of Highways, or NCDOT Rail Division has deemed as needing improvements is eligible for submittal as a Closures candidate project.

Overall, crossing projects are considered where improvements benefit the safety and functionality of the at-grade crossing. If a project will not improve existing conditions to a reasonable level, or additional improvements are unfeasible, the crossing is ineligible for funding under FRRCSI. In such cases, projects may be funded under the Railway-Highway Crossings (Section 130) Program that provides funds for the elimination of hazards at railway-highway crossings, or for larger projects, submitted for funding under the NCDOT STI Program.

3. ALLOCATION OF FUNDS

Any Closures project may not exceed more than 20 percent of the overall FRRCSI budget or \$5M, as per Rail Planning Unit policy. And specific surface improvement projects may not exceed more than 10 percent

of the overall FRRCSI budget. Funding allocations to the Closures Program may vary from year to year, depending on overall available FRRCSI funding allocations and the priorities of the NCDOT Rail Division.

B. PROGRAM PROCEDURES

Closure projects consolidate at-grade crossing points through elimination of high-risk at-grade crossings. These projects address safety issues and provide alternative access for motorists. Removal of these potential conflict points supports the safe and uninterrupted flow of motor vehicle and train traffic.

1. PROJECT PROGRAMMING

The development and execution of a closure project, from conception to completion, goes through a multi-step programming process, as described below.

A) CALL FOR PROJECTS

There is no formal call for projects for crossing closures. Potential projects are considered annually, following the allocation of the yearly FRRCSI budget.

B) PROJECT EVALUATION

Candidate projects are evaluated by the NCDOT Rail Division – Engineering and Coordination Unit. Projects are assessed through a standardized process, based on the investigative index rating of the crossing, crossing geometrics, overall site conditions, and availability of alternate access for motor vehicle traffic.

C) PROJECT SELECTION

The Engineering Coordination and Safety Branch of NCDOT’s Rail Division meets annually, in coordination with NCDOT Highway Divisions and corresponding municipality(ies) (where applicable), to review submitted crossing closure projects. Projects are selected by a qualitative method, where investigative index score, existing site conditions, and overall needs are considered. Projects are rated from highest to lowest and selected by available funding. Selections are awarded evenly throughout all 14 Divisions, based on project needs and previous project distributions.

2. PROJECT EXECUTION

Once a project is selected for funding, the project must be fully executed from the legal agreement through project and plan development, construction, and project close out.

A) PROJECT AGREEMENT

Upon selection of a project, the NCDOT enters a standard legal agreement with the rail company and the municipality (where applicable) that governs the execution of scope of work, terms, responsibilities, right of entry, and any reimbursements for project costs.

B) PROJECT FUNDING/COST SHARING

As part of the agreement terms, the NCDOT will be responsible for all project costs, to include materials and labor. Any reimbursements due are provided upon project completion as part of the project close-out process.

C) PROJECT DEVELOPMENT

Following execution of an agreement, coordination of project development is essential with all stakeholders. The NCDOT Rail Division will oversee public involvement through proper NCDOT

channels. Further, the NCDOT Rail Division will be responsible for developing plans and coordinating reviews, environmental analysis and compliance, and acquiring right of way.

D) PROJECT CONSTRUCTION

Following execution of an agreement, project construction is administered by the NCDOT Division of Highways. Adherence to, and completion of, agreement terms is monitored by the NCDOT Rail Division.

E) PROJECT CLOSEOUT

When construction of the project is completed, a field review is performed (work-in-place review) by the NCDOT Rail Division to verify completion of project scope. Once positive verification is affirmed and any or all reimbursements are remitted, the project is considered final and closed.

VII. CROSSING SURFACES

A. PURPOSE

As a component of the CSSI and subordinate to greater FRRCSI Program, the Crossing Surfaces Program (Surfaces) provides surface project improvements to at-grade roadway/rail crossings where motor vehicles travel over railroad tracks. These projects replace existing crossing surfaces with appropriate surface materials where the roadway and railroad track intersect. Surface improvements ensure both safe and uninterrupted travel of motor vehicles and train traffic at crossing points. Surface projects are administered by the NCDOT Rail Division – Surfaces & Encroachment Unit (Surfaces Unit). Depending on the project type, NCDOT may fund up to 100 percent of project costs.

The CSSI program governs three distinctive project categories, one of which is the Crossing Surfaces Program, as shown in Figure VII-1:



Figure VII-1 CSSI Program, CSI Sub-program

1. ELIGIBLE RECIPIENTS

Short line railroads and private industries with public railroad crossings are eligible for funding consideration.

2. ELIGIBLE PROJECTS

Any at-grade rail crossing that crosses a railroad or industrial spur line, and is identified by the railroad, local municipality, NCDOT Division of Highways, or NCDOT Rail Division as needing improvements is eligible for submittal as a Surfaces project. Crossings must be located on a state-maintained road.

Overall, crossing projects are considered where improvements benefit the safety and functionality of the at-grade crossing. If a project will not improve existing conditions to a reasonable level, or additional improvements are unfeasible, the crossing is ineligible for funding under FRRCSI. In such cases, projects may be funded under the Railway-Highway Crossings (Section 130) Program that provides funds for the elimination of hazards at railway-highway crossings, or for larger projects, submitted for funding under the NCDOT STI Program.

Crossings on municipal roads, Class I railroads, or State-owned rail corridors are ineligible for consideration under this program. Municipal crossings may be considered as an integral part of a greater

SIAP project and crossings on State-owned corridors may be improved through the Rail Corridor Protection and Reactivation Program.

3. ALLOCATION OF FUNDS

Any Surfaces project may not exceed more than 20 percent of the overall FRRCSI budget or \$5M, as per Rail Planning Unit policy. Funding allocations to the Surfaces Program may vary from year to year, depending on overall available FRRCSI funding allocations and the priorities of the NCDOT Rail Division.

B. CALL FOR PROJECTS

Funding requests for potential surface projects are called for in the spring, annually, prior to the allocation of the yearly FRRCSI budget. Short line railroads and NCDOT Highway Divisions are prompted for submission of candidate projects during the annual call. The call is transmitted by email correspondence to eligible applicants. While the call for projects generally occurs once per state fiscal year, additional solicitations may occur as funding allows.

C. APPLICATION

Candidate projects are received by the Surface Unit, from potential stakeholders, through email. There is no formal application required for project consideration. At this initial step, no additional support materials are required.

D. EVALUATION AND SCORING

All submitted candidate projects are evaluated by the Surfaces Unit through a field assessment that uses the Surface Unit's Crossing Surface Investigative Report (CSIR) form. The form assesses existing surface conditions, structures, approaches, and train and vehicle traffic data. The result of the field evaluation is a CSIR score for the candidate project. Additionally, a determination is made regarding the type of crossing surface material necessary for the new crossing surface. Cost estimates for candidate projects are provided by associated rail companies.

All candidate projects are added to a "Master List" for field evaluation, scoring, ranking, and potential funding consideration.

E. RECOMMENDATION AND APPROVAL

The Surfaces Unit meets annually to review the master project list. Projects are selected by a qualitative method, where the CSIR score, project cost, and overall needs are considered. Projects are rated from highest to lowest and selected by available funding. Selections are awarded evenly throughout the rail companies, based on project needs and previous project distributions.

Once a tentative list of crossing projects is developed, this list is provided to the short line railroads and the NCDOT Highway divisions for their approval.

Projects that remain unselected for programming and funding remain on the master project list for future consideration.

Exceptions may be made during project review to deselect an otherwise qualified project due to schedule constraints. Should a candidate project prove unavailable for construction during the seasonal construction window, other projects may be escalated in place of the project. Scheduling considerations are determined by the willingness and availability by the Crossing Surfaces Unit, the applicant, and the respective NCDOT Division. In cases where a project is deselected due to schedule constraints, the unconstructed project will remain on the master project list for future consideration.

F. PROJECT PROCESS

Once a project is selected for funding, the project must be fully executed from the legal agreement through project and plan development, construction, and project close out.

1. PROJECT AGREEMENT

Upon selection of a project, the NCDOT enters a standard legal agreement with the rail company and the municipality (where applicable) that governs the execution of scope of work, terms, responsibilities, right of entry, and any reimbursements for project costs.

Surface projects are governed by a master agreement program that provides predetermined terms and responsibilities for the NCDOT and participating rail companies. For each project, the terms of the master agreement will apply, and an addendum will be submitted that describes project specifics, to include scope description and costs.

In cases where a rail company is not covered by a master agreement, a standard construction agreement will be provided and executed between the NCDOT and rail company.

2. PROJECT FUNDING/COST SHARING

As part of the agreement terms, the NCDOT Division of Highways will provide all asphalt materials.

The Surfaces Unit provides all other construction materials such as concrete tubs, rail, rail seal, cross ties, spikes, joint bars, etc. The Surfaces Unit adheres to the **Surfaces Unit Procurement Guidelines** for all project procurements. This guideline provides purchasing parameters for project materials, based on tiered cost levels.

The rail company will provide all associated labor to complete the project scope.

3. PROJECT DEVELOPMENT

Following execution of an agreement, coordination of project development is essential with all stakeholders.

Crossing surface construction is a replace-in-kind activity that remains within the existing right of way. Due to the basic scope of surface projects, plan development, environmental analysis, and right of way purchases are unnecessary.

Project construction will adhere to standard NCDOT and AREMA standards and specifications.

4. PRECONSTRUCTION ACTIVITIES

Prior to construction, the railroad is sent a Letter of Authorization document along with an Authorization for Construction. The railroad then prepares an itemized estimate of material cost and returns the estimate along with the signed A4C. The A4C is then signed by NCDOT. Once the A4C is fully executed,

the signed A4C is returned to the railroad along with an Authorization to Proceed which authorizes the railroad to proceed with the railroad construction work.

From time to time, it becomes apparent that the existing crossing surface type is no longer sufficient for current traffic levels. Discussions with the railroad will ensue to determine the appropriate replacement surface. Due to the basic scope of surface projects, plan development, environmental analysis, and right of way purchases are unnecessary. Preliminary Engineering activities for crossing surface projects are typically not necessary. Therefore, no costs for PE are included in these projects.

Prior to beginning any work, the railroad, industry, or contractor must hold a meeting with local NCDOT officials to schedule the railroad construction work along with paving and traffic control.

5. PROJECT CONSTRUCTION

Following execution of an agreement, project construction is completed by the railroad. Construction activities are monitored by the NCDOT Division Maintenance Engineer.

Following execution of an agreement, all necessary materials are procured by the railroad or railroad contractor. Buy America policies are required for crossing surface projects. As part of the agreement terms, the NCDOT Division of Highways will provide all asphalt materials and traffic control. Project construction is completed by the railroad or railroad contractor working on behalf of the railroad or industry. Construction activities are monitored by the NCDOT County Maintenance Engineer.

6. REQUESTS FOR REIMBURSEMENT

Once railroad construction work is complete, the railroad invoices the NCDOT Rail Division for the materials used in the project. This invoice must be accompanied by an itemized list of materials used and the cost for each line item. If a railroad contractor was used in lieu of the railroad's own forces, then a copy of the contractor's invoice showing itemized material cost must accompany the railroad's invoice. Materials used on the crossing project must match the materials listed on the material estimate previously provided.

7. PROJECT AND PROGRAM REPORTING

Progress on FRRCSI crossing surface projects is reported monthly. Projects are deleted from the list of active FRRCSI projects once a project is closed out.

8. PROJECT CLOSEOUT

Once notification is received that a crossing project is complete, a member of the Surfaces Unit will visit the crossing (work in place review) to confirm and document the completed work on the crossing. Once positive verification is affirmed and any or all reimbursements are remitted, the project is considered final and closed. If deficiencies are noted in the crossing construction, the project is held open until such issues are resolved.

VIII. RAIL CORRIDOR PROTECTION AND REACTIVATION PROGRAM (RCPR)

§ 124-5.1. The Freight Rail & Rail Crossing Safety Improvement Fund.

The Freight Rail & Rail Crossing Safety Improvement Fund is a fund within the Highway Fund and administered by the Rail Division of the Department of Transportation. The Fund shall be used for the enhancement of freight rail service, short line railroad assistance, and railroad-roadway crossing safety, which may include the following project types:

-
1. *Track and associated infrastructure improvements for freight service.*
 2. *Grade crossing protection, elimination, and hazard removal.*
 3. *Signalization improvements.*
 4. *Assistance for projects to improve rail access to industrial, port, and military facilities and for freight intermodal facility improvements, provided that funding assistance under this subdivision shall be subject to the same limits as that for short line railroads under [NCGS §136-44.39](#).*
 5. *Corridor protection and reactivation.*
 6. *Subject to federal or other state law, improvements to rail lines and corridors in this State and through portions of a bordering state for the purpose of connecting with the national railroad system.*
 7. *Other short line railroad projects.*

The Fund may also be used to supplement funds allocated for freight rail or railroad-roadway crossing safety projects approved as part of the Transportation Improvement Program. (2000-67, s. 7.2(a); 2005-276, s. 28.7; 2013-360, s. 34.14(g); 2015-241, s. 29.23; 2016-94, s. 35.21(a); 2019-231, s. 4.4(a).)

A. PURPOSE

The NCDOT Policy A.09.0201 **Rail Corridor Preservation Policy, 2017** (Policy) governs public and private use agreements associated with state-owned rail corridors; adjacent property development; crossings; Federal Enhancement Corridors; trail use; clearing of the right of way; and material removal, hazardous materials and dumping. The Policy is administered by the NCDOT Rail Division – Facilities and Operations Branch (Operations Branch).

As part of the FRRCSI program, the goal of the RCPR is to preserve the safety and integrity of state-owned rail corridor right of ways. The RCPR works in conjunction with the Policy by funding projects and maintenance to provide a minimal/good state of repair of the corridors for future transportation use.

1. ELIGIBLE RECIPIENTS

State-owned rail corridors are eligible for project funding and maintenance through the FRRCSI program, under guidance of the RCPR.

2. ELIGIBLE PROJECTS

Corridor preservation projects are considered where improvements will benefit the safety and functionality of state-owned rail corridors. Such projects may include, though not be limited to, rail repairs, cross tie replacement, switch repairs, bridge repairs, surfacing and roadbed maintenance, drainage maintenance, crossing maintenance, returning inactive corridors to service, and clearing the right of way of vegetation and materials.

3. ALLOCATION OF FUNDS

Any RCPR project may not exceed more than 20 percent of the overall FRRCSI budget or \$5M, as per Rail Planning Unit policy. Funding allocations to RCPR may vary from year to year, depending on overall available FRRCSI funding allocations and the priorities of the NCDOT Rail Division.

B. PROGRAM PROCEDURES

1. CORRIDOR MAINTENANCE

The maintenance of state-owned corridors is predictable and reoccurring. These projects are executed to keep rail corridor right of ways free from obstructions such as vegetation, rail materials, and dumping activities. Additionally, infrastructure projects are executed to maintain a minimal or good state of repair to the existing rail infrastructure. Such activities seek to prevent further degradation of the rail, switches, crossties, rail bed, bridges, and drainage systems along the corridors.

A) PROJECT PROGRAMMING

The general condition of the state-owned rail corridors is assessed monthly by the Operations Branch. Through these observations, necessary maintenance is identified and recorded in a prioritized list of potential maintenance projects.

The Operations Branch executes maintenance through ongoing corridor maintenance contracts. These contracts are provided to qualified NC contractors who are selected by the Operations Branch. All contracts adhere to state procurement procedures. Agreements are executed between the NCDOT Rail Division and contractors and govern the overall terms, right of entry, scope of work, responsibilities, and reimbursement procedures for work performed. These service agreements span a limited-service period where multiple scopes of work may be performed and reimbursed for the duration of the agreement, at the discretion of the NCDOT Rail Division.

B) PROJECT EXECUTION

Following execution of an agreement, contract work is administered and monitored by the NCDOT Rail Division – Facilities and Operations Branch. Project work will adhere to standard NCDOT and AREMA standards and specifications.

When maintenance activities are completed, a field review is performed (work-in-place review) by the NCDOT Rail Division – Facilities and Operations Branch to verify completion of project scope. Once positive verification is affirmed the contractor may submit requests for reimbursement. Once requests for reimbursement are remitted, the project work for the specific scope is considered final and closed.

C. PROJECT PURCHASES AND COST REIMBURSEMENTS

Project purchases are to be competitive, and contracts must be awarded to the low bidder. All procurements are to be conducted in accordance with NC General Statute [143-129](#) or [143-131](#) (formal or informal). Please refer to the Bid Procurement Requirements document for more detail. To receive reimbursement the Grantee must submit a payment invoice after the project is completed and after the track is in revenue service.

1. LABOR AND MATERIAL PROCUREMENT

The NCDOT Rail Division or their selected contractor are required to comply with state procurement procedures when acquiring material and labor. Three bids are required for scope items and approval must be given by NCDOT for award selections. Procurement steps are as follows:

- Submit a request for bids and bidding schedule to the Rail Division for review and approval;
- Obtain bids from contractors by formal or informal competitive bidding process;
- Submit bid tabulation to the Rail Division as well as recommend a bid award for review and approval by the Rail Division prior to execution of the construction contract;
- Execute the purchase agreement following Rail Division approval; and
- Maintain invoices and proofs of payment for eventual project reimbursement.

A) PROCUREMENT THRESHOLDS

Materials and construction contracts for more than \$30,000 of state funds (\$60,000 total with a 50 percent project match) require adherence to procurement thresholds as outlined below in Table II-1. See the [FRRCSI Procurement Guide](#) for further details on the Formal/Informal bid process.

Table VIII-1 Formal/Informal Bid Process

STATE FUNDING	BIDDING REQUIREMENT
> \$30,000	Materials or construction contracts – Informal
> \$90,000	Materials - Formal
> \$500,000	Construction - Formal

B) BID APPROVALS

In general, the Rail Division will only approve low-bid recommendations, unless the contractor provides written explanation whereby the quality, schedule of delivery, or delivered cost of the vendor bid will not satisfy the expectations of the project agreement. In such cases, those bids may be determined non-compliant by the Rail Division and substitutes may be authorized.

C) PROFESSIONAL SERVICES

The NCDOT Rail Division or their selected contractor shall be responsible for the development of engineering plans and specifications. Where a selected contractor procures professional services as part of their scope of work, they must follow the section in the agreement related to Professional and Engineering Services. [The contractor must publicly advertise all needs for Professional Services, and make selections based on qualifications.](#)

D) CONTRACTORS

All contractors performing work of \$30,000 or more must have an active North Carolina general contractors license. Contractor licenses are renewed each year and expire December 31 of the year. Check the [North Carolina Licensing Board](#) for information on the status of a firm's license.

E) MBE/WBE

NCDOT encourages participation by Minority Contractors (MBE) and Women Contractors (WBE) in NCDOT-funded project contracts. See the [WBE and MBE Guidelines](#) for further information.

If MBE and WBE goals are not met, bidders are encouraged to demonstrate efforts to recruit them in a Good Faith Effort. An adequate good faith effort means that the bidder took all necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE participation. An adequate good faith effort also means that the bidder actively and aggressively sought MBE/WBE participation.

F) BUY-AMERICA

All steel and iron permanently incorporated into a construction or repair project must be produced in the United States to satisfy [NCGS §136-28.7](#) (see [Buy-America](#)).

§ 136-28.7. Contract requirements relating to construction materials.

(a) The Department of Transportation shall require that every contract for construction or repair necessary to carry out the provisions of this Chapter shall contain a provision requiring that all steel and iron permanently incorporated into the construction or repair project be produced in the United States.

(b) Subsection (a) shall not apply whenever the Department of Transportation determines in writing that this provision required by subsection (a) cannot be complied with because such products are not produced in the United States in sufficient quantities to meet the requirements of such contracts or cannot be complied with because the cost of such products produced in the United States unreasonably exceeds other such products.

(c) The Department of Transportation shall apply this section consistent with the requirements in 23 C.F.R. § 635.410(b)(4).

(d) The Department of Transportation shall not authorize, provide for, or make payments to any person pursuant to any contract containing the provision required by subsection (a) unless such person has fully complied with such provision. (1989, c. 692, s. 1.18; c. 770, ss. 74.12, 74.14, 74.15; 2002-151, s. 3.)

Proof of adherence to Buy-America requirements must be submitted when project materials are acquired, or prior to remittance under any Corridor Preservation agreement or contract. Proof may be demonstrated by a Buy-America stamp on a materials invoice from the vendor, a certificate from the vendor, or a notarized statement from the railroad attesting that all steel and iron materials used on the project adhere to Buy-America requirements.

Exceptions may be allowable in cases where necessary materials are not manufactured in the United States. In such cases, an exception must be requested in writing to the NCDOT Rail Division.

IX. ACRONYMS

ACH-EFT	Automated Clearing House – Electronic Funds Transfer
AREMA	American Railway Engineering and Maintenance-of-Way Association
BOT	North Carolina Board of Transportation
CIA	Contingent Interest Agreement and Instrument of Indebtedness
CSSI	Crossing Safety and Signals Improvements Program
DBE	Disadvantaged Business Enterprise
DOT	Department of Transportation
EBS	Enterprise Business System
EDC	Economic Development Commission
FRA	Federal Railroad Administration
FRDP	Freight Rail Diversion Program
FRRCSI	Freight Rail & Rail Crossing Safety Improvement Program
GIS	Geographic Information System
HazMat	Hazardous Materials
I-2	NC Board of Transportation Agenda – Project Items – (Item I-2) Rail Program
MBE	Minority-owned Business Enterprise
MPO	Metropolitan Planning Organization
NC	North Carolina
NCDOT	North Carolina Department of Transportation
NCGA	North Carolina General Assembly
G.S.	North Carolina General Statute
NCID	North Carolina Identity Service
NCRR	North Carolina Railroad Company
NCSPA	North Carolina State Ports Authority
RCPR	Rail Corridor Protection and Reactivation Program
RFA	Rail Freight Assistance Agreement
RIA	Rail Industrial Access Agreement
RIAP	Rail Industrial Access Program

RPO	Rural Planning Organization
RR	Railroad
SARAH	NCDOT State Authoritative Rail and Highway database
SIAP	Short-Line Infrastructure Assistance Program
STI	Strategic Transportation Investments
STIP	State Transportation Improvement Program
URCS	Uniform Rail Costing System
W-9	Vendor Registration Form
WBE	Woman-owned Business Enterprise
WIP	Work in Place

X. APPENDICES

A. QUICK REFERENCE OF FRRCSI PROGRAM RESOURCES

1. ALL PROGRAMS

- Main resource site: [Rail Division Resources](#)
- [NC EBS Grant Portal](#)
- [Rail Division System Access Authorization Form](#)
- [Substitute Form W-9 \(Vendor Registration Form\)](#)
- [NCDOT ACH-EFT Authorization Form](#)
- [NCDOT MBE/WBE Connect Resources Page](#)

2. SIAP FORMS

- [Certification of No Overdue Tax Debts](#)
- [Conflict of Interest Form](#)
- [MBE and WBE Participation Form](#)
- [DBE-IS Subcontractor Payment Information Form](#)
- [Budget Revision Form](#)
- [Annual Progress Report](#)

3. RIAP FORMS

- [Certification of No Overdue Tax Debts](#)
- [Conflict of Interest Form](#)
- [MBE and WBE Participation Form](#)
- [Railroad Commitment Form](#)
- [Industry Commitment Form](#)
- [Resolution Support Template](#)
- [Property Easement Certification Form](#)
- [Budget Revision Form](#)
- [DBE-IS Subcontractor Payment Information Form](#)
- [Annual Progress Report](#)
- [RIAP Yearly Monitoring Form](#)

4. FRDP FORMS

- [Certification of No Overdue Tax Debts](#)
- [Conflict of Interest Form](#)
- [MBE and WBE Participation Form](#)
- [Railroad Commitment Form](#)
- [Industry Commitment Form](#)
- [Resolution Support Template](#)
- [Property Easement Certification Form](#)
- [Budget Revision Form](#)
- [DBE-IS Subcontractor Payment Information Form](#)
- [Annual Progress Report](#)
- [FRDP Yearly Monitoring Form](#)

Legal Disclaimer

The material in this manual is for informational purposes only. The Department will make reasonable efforts to ascertain that any Department owned or maintained links are up to date. This manual may also include, refer to or makes available hyperlinks to other websites or content on the Internet that are owned and/or maintained by third parties. The Department will make reasonable efforts to ascertain that those links are up to date. However, such linked websites or content are not under the control of the Department, and the Department does not vouch for or assume responsibility for the material contained on those sites or their privacy practices. You are advised to verify if the regulation or policy linked to remains current and to consult the Department if any information is in question.

B. EVALUATION AND SCORING

1. SIAP EVALUATION & SCORING

Table X-1 2018 SIAP Scoring

CATEGORY	SCORING CRITERIA	MEASURE	OUTPUT VALUE
BENEFIT/COST	Short Line Involvement	Funding Participation (%)	Funding Participation Ratio (50% to 100%)
	Project	Project Budget (total cost of project, itemized)	Project Budget (monetized value)
		Railroad's Finances (future year finances with and without project)	Project Value (monetized value)
	System Health	Service Enhancements (efficiency)	Slow Order Removal Savings (monetized value using URCS variable costs)
		Industrial Support (transload facilities)	(monetized value)
		Embargoed Track Reclassified (miles reclassified, trains effected)	(monetized value using URCS variable costs)
		Excepted Track Reclassified (miles reclassified, trains effected)	(monetized value using URCS variable costs)
Network Viability (risk of abandonment)	(monetized value based on average NCDOT preservation costs)		
ECONOMIC COMPETITIVENESS	Employment	Added Employment (Short Line jobs and customer jobs added because of project)	Short Line Employment (monetized value based on average wages) Customer Employment (monetized value based on average wages)
SYSTEM OPPORTUNITIES	Service Advancement	Service Expansion (Additional Carloads, New Service)	Carloads Benefit (monetized value based on new carloads and an average revenue per car)
CAPACITY AND DIVERSION	Proficiency	Network Capabilities (Capacity and Diversion)	Project Capacity (monetized value) Project Diversion (potential truck miles reduction, monetized for pavement upkeep)
SAFETY	System Safety	Project Safety Improvements (Bridges, Crossings, Track)	Bridge Points (0 to 10) Crossings Points (0 to 10) Track Points (0 to 10)
		HazMat Safety (hazardous materials handling within project limits pre- and post-project)	HazMat Now Points (0 or 2) HazMat Future Points (0 or 10)

2. RIAP EVALUATION & SCORING

A) PROJECT QUALIFICATION PARAMETERS

(1) *EMPLOYMENT*

Employment (or job creation) is considered the net gain of jobs related to project improvements. When an existing industry adds a rail service, Employment is defined as the number of jobs created within three (3) years of project completion. However, when new industries locate to the State or existing industries expand their site capabilities, Employment is defined as the comprehensive employment increase at the site within three (3) years of project completion so long as rail service is a declared component of these site improvements. Construction and activation of rail services must be completed within five (5) years from the commencement of capital improvements to contribute toward Employment on an RIAP application.

To contribute toward an RIAP application, the intent to add, expand, or refurbish rail services must be declared as a component of a new capital project, prior to the commencement of construction.

Job creation goals are a commitment by the applicant that must be met by Year-3, following the completion of a project. Projects are considered “complete” when rail service is activated and RIAP grant funds are remitted to the grantee. Upon completion, the project enters a “monitoring stage” where the grantee must declare project metrics annually. In Years-1 through 3, the grantee must report total net jobs created to date. In Years-4-5, the grantee must certify the rail assets are being maintained and in service.

(2) *CAPITAL INVESTMENT*

Capital Investment is the overall financial investment made toward new project improvements by an applicant. When a project is solely for the addition or expansion of rail services, Capital Investment is considered the financial investment made by an applicant towards the cost of this rail service. However, when new industries locate to the State or existing industries expand their site capabilities, the comprehensive financial investment in the site may be considered the Capital Investment so long as rail service is a declared component of these site improvements and rail service is completed within 5 years from the commencement of any financial investment in the overall project.

To contribute toward an RIAP application, the intent to add, expand, or refurbish rail services must be declared as a component of a new capital project, prior to the commencement of construction. Capital Investment may only contribute towards an RIAP application score for new capital projects. If an applicant applies for an RIAP grant for rail service, previously expended financial investment in an already operational facility may not be considered a qualifying Capital Investment.

A project declaration may be substantiated in conjunction with a formal public announcement that acknowledges Rail Division support, through a Rail Division project support letter, or other documented coordination with Rail Division representatives.

The Capital Investment goal is a commitment by the applicant that must be met by Year-3, following the completion of a project. Projects are considered “complete” when rail service is activated and RIAP grant funds are remitted to the grantee. Upon completion, the project enters a “monitoring stage” where the grantee must declare project metrics annually. In Years-1 through

3, the grantee must report the total Capital Investment to date. In Years-4-5, the grantee must certify the rail assets are being maintained and in service.

(3) *RAIL CARLOADS*

Rail Carloads is considered the increase in rail carloads because of project improvements. Inbound and outbound carloads may be considered for this commitment, though they must be carrying a commodity. Empty carloads are not eligible for the carload count. Carloads being served prior to commencement of the construction project do not count toward the project commitment.

Carload goals are a commitment by the applicant that must be met by Year-3, following the completion of the project. Projects are considered “complete” when rail service is activated and RIAP grant funds are remitted to the grantee. Upon completion, the project enters a “monitoring stage” where the grantee must declare project metrics annually. In Years-1 through 3, the grantee must report annual rail carloads served for the respective year. In Years-4-5, the grantee must certify the rail assets are being maintained and in service.

An applicant must commit to at least twenty-five (25) rail carloads to be served annually to be considered eligible for a RIAP grant, regardless of the overall project score.

(4) *COUNTY TIER DESIGNATION*

Projects that are built in counties that are identified as having the highest levels of economic distress are awarded two (2) qualifying points. To be eligible, the county must be identified as a Tier 1 county in both the application year and the previous year, as ranked by the North Carolina Department of Commerce. Designated County Tiers 2 and 3 do not qualify for points.

(5) *RAIL CARRIER CLASSIFICATION*

Projects that are served by short line railroads contribute to the sustainability of local freight railroads. Accordingly, these projects are awarded two (2) qualifying points. Projects that are served by Class I railroads are not eligible for these points.

B) PROJECT SCORING

Table X-2 RIAP Scoring

SCORING CRITERIA	MEASURE	OUTPUT POINT RANGE
EMPLOYMENT (FIRST THREE YEARS OF OPERATION)	300+ Employees	20 Points
	200-299 Employees	16 Points
	150-199 Employees	12 Points
	100-149 Employees	8 Points
	50-99 Employees	6 Points
	25-49 Employees	4 Points
	10-24 Employees	2 Points

SCORING CRITERIA	MEASURE	OUTPUT POINT RANGE
	5-9 Employees	1 Point
	<5 Employees	0 Points
CAPITAL INVESTMENT (FIRST THREE YEARS OF OPERATION)	\$300M	20 Points
	\$150 to <300M	16 Points
	\$100 to <150M	12 Points
	\$35 to <100M	8 Points
	\$25 to <35M	6 Points
	\$10 to <25M	4 Points
	\$5 to <10M	2 Points
	\$2 to <5M	1 Point
	<\$2M	0 Points
RAIL CARLOADS (ANNUAL, BY YEAR THREE OF OPERATION)	2000+	20 Points
	1000-1999	16 Points
	750-999	12 Points
	500-749	8 Points
	350-499	6 Points
	200-349	4 Points
	50-199	2 Points
	25-49	1 Point
	<25 (ineligible)	0 Points
COUNTY TIER DESIGNATION (NCDOC)	Tier 1	2 Points
	Tier 2 or 3	0 Points
RAIL SERVICE CARRIER CLASSIFICATION	Short line	2 Points
	Class I	0 Points

C) GRANT AWARDS

The assessment of each project criterion results in awarded points; points are accumulated for a total project score. To qualify for funding, a project must receive a minimum score of 6 total points. State funding for any RIAP project is capped at a maximum of \$500K. All State funding

must be met equally or exceeded by private matching funds. The standard project share is a 50/50 percent match. Reimbursements are provided once, at the completion of the project, not to exceed the total grant award.

Table X-3 RIAP Match Percentages by Project Score

TOTAL PROJECT SCORE	GRANT FUNDING CAP
40+	\$500K
30-39	\$400K
20-29	\$300K
8-19	\$200K
6-7	\$100K
<6	\$0

3. FRDP EVALUATION & SCORING

A) PROJECT QUALIFICATION PARAMETERS

- Qualifying projects must demonstrate truck-to-rail freight diversion as a primary purpose
- Qualifying projects must provide a cost benefit analysis greater than zero (0)
- Qualifying projects must commit to annual carloads (or equivalent heavy-truck loads) served annually, for the first three years post-construction
 - The annual carload commitment is determined by the net gain resulting from project improvements. Existing/ongoing carload volumes being served prior to commencement of the project do not contribute toward qualification goals. However, the rail carload commitment may be derived from converting existing truck service to new rail service.

B) PROJECT SCORING

Table X-4 2021 FRDP Scoring

SCORING CRITERIA	MEASURE	STATE FUNDING MATCH (PCT.)
CARLOAD COMMITMENT (FIRST THREE YEARS, POST-CONSTRUCTION)	1000+ Carloads	50% Match
	750-999 Carloads	45% Match
	500-749 Carloads	40% Match
	250-499 Carloads	35% Match
PRIMARY PURPOSE	Freight Diversion (Highway to Rail)	Base Requirement
BCA	BCA>0.00	Base Requirement

Projects that do not meet the basic qualification parameters as described above are ineligible for FRDP funding consideration.