

## Short Line Infrastructure Assistance Program – Grant Requirements Notebook

This document provides step by step instructions for participation in the Short Line Infrastructure Assistance Program (SIAP). **Please review the information in the notebook carefully.** These instructions are presented in phases, which are summarized below:

- [PHASE I](#) is information pertaining to the Rail Freight and Contingent Interest Agreement between NCDOT, the operating railroad, and owner of the right-of-way.
- [PHASE II](#) explains the scheduling requirements for SIAP projects
- [PHASE III](#) provides information on potential environmental reviews required prior to project construction
- [PHASE IV](#) describes guidelines for track construction specifications
- [PHASE V](#) explains the bidding process required by grant recipients
- [PHASE VI](#) describes the process for requesting a scope revision, progress report requirements, and final inspection
- [PHASE VII](#) describes the process for requesting reimbursement from NCDOT
- [PHASE VIII](#) explains the project close out process
- [CONTACTS](#) provides department contact information

The [SIAP Notebook - Checklist](#) compliments this Notebook and summarizes useful milestones and requirements throughout the execution of the project agreement.

Please call Rail Planning Manager, Neil Perry, P.E. at (919) 707-4711 or [nlperry@ncdot.gov](mailto:nlperry@ncdot.gov) if you have any questions.

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**Short Line Infrastructure Assistance Program  
Documents:**

[Sample Rail Freight Assistance and Contingent Interest Agreement](#)

[Certification of No Overdue Tax Debts](#)

[Conflict of Interest Policy Certification](#)

[Environmental Regulations Quick Reference for Railroads](#)

[Bid Summary/Tabulation](#)

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[SIAP Notebook - Checklist](#)

## Introduction

The North Carolina Department of Transportation (NCDOT) provides short line railroads with matching funds for track infrastructure improvement projects through the Short Line Infrastructure Assistance Program. Applications are accepted following an annual call for projects.

Applications and requests for reimbursement are submitted online. To submit a project application, each user requiring access must complete and return the [System Access Authorization Form](#). The Rail Division System Access Authorization Form shall be filled out and returned to the NCDOT Rail Division per the instructions on the form. If the applicant has any questions, please contact Rail Planning Manager: Mr. Neil Perry, P.E.: (919) 707-4711 or [nlperry@ncdot.gov](mailto:nlperry@ncdot.gov).

A NCID (user ID and password) is required to access the grants system. Visit: [NCID](#) and click on "Register!" to obtain a new NCID user ID.

### **Summary of RR Responsibilities:**

- ▶ **Complete System Access Authorization Form for each user**
- ▶ **Create NCID user ID and password**

## Phase I - Grant Agreement

1. The railroad should sign (witness and provide seal) and return to NCDOT the [Rail Freight Assistance and Contingent Interest Agreements](#).
2. The railroad should complete, sign, and return to the NCDOT a W-9 Tax Payer ID form (form will be provided).
3. The railroad should sign a [Certification of No Overdue Tax Debts](#) (form will be provided).
4. The railroad must submit to NCDOT a company [Conflict of Interest Policy](#).
5. NCDOT will return one (1) executed original of the Project Grant Agreement.
6. No project work should be started before the grant agreement is executed and without **AUTHORIZATION FROM THE NCDOT**. NCDOT will provide a Notice to Proceed following execution of the agreement. NCDOT approval is also required before a contractor is hired.

### Summary of RR Responsibilities:

- ▶ Sign (witness & seal) & return original grant agreements
- ▶ Complete, sign, & return W-9 Taxpayer ID form
- ▶ Sign & return Certification of No Overdue Tax Debts
- ▶ Submit company Conflict of Interest Policy
- ▶ No project work until authorized by NCDOT

## Phase II - Schedule

1. Provide NCDOT a schedule of bidding.
2. Submit existing [continuing contract](#)(s) to NCDOT.
3. If [Force Account](#) labor or equipment will be used, submit rates to NCDOT for verification and approval prior to beginning construction.
4. Provide NCDOT a schedule of work.
5. Notify the NCDOT when the project starts and when the project is completed.
6. Notify NCDOT of any significant changes in schedule.

### **Summary of RR Responsibilities:**

- ▶ **Submit schedule of bidding to NCDOT**
- ▶ **Submit continuing contract(s) to NCDOT**
- ▶ **Submit Force Account rates to NCDOT**
- ▶ **Submit schedule of work to NCDOT**
- ▶ **Notification of project start and completion**
- ▶ **Notification of significant schedule changes**

## Phase III - Environmental Review

An environmental review or study may be required for certain projects including new construction and those significantly impacting bodies of water. (See the [summary](#) of environmental guidelines and regulations)

1. You may request that NCDOT provide guidance regarding the environmental document requirements.
2. No project work shall be started before a satisfactory environmental review is completed, if required.

Questions to consider:

1. Are there wetlands or streams on or near your project site? If yes, how close is your project site to those wetlands or streams?
2. Has your project site been evaluated for archaeological or historic resources? **If yes, please submit the cultural resources report.**
3. What animals, birds, and plants are present on your project site (those species that would be considered endangered, threatened, or monitored by state or federal agencies)?
4. Have you completed the State Environmental Policy Act (SEPA) process? **If yes, please submit a copy of the documentation.**
5. What federal, state, and local permits will be needed for your project?

### Summary of RR Responsibilities:

- ▶ Request NCDOT guidance, if needed
- ▶ Complete satisfactory environmental review prior to project work

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## Phase IV - Plans & Specifications

Plans and specifications that adequately describe project work and materials are required in order to conduct project bidding.

Sources of reference for developing specifications are:

1. [AREMA standards](#) (The American Railway Engineering and Maintenance of Way Association)
2. [CSX specifications](#)
3. [NS specifications for privately owned track](#)
4. Private consultant.

NCDOT can provide additional reference material and assistance.

### **Summary of RR Responsibilities:**

- ▶ **Submit bid plans and specs to NCDOT for approval prior to bidding**

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## Phase V – Bidding

1. Submit a request for bids and bidding schedule to the Rail Division for review and approval;
2. Obtain bids from contractors\* by a competitive bidding process (formal or informal);
3. Submit the [bid tabulation](#) to the Rail Division. Recommend a bid award for review and approval by the Rail Division prior to the execution of the construction contract;
4. Execute the contract after approval from the Rail Division.

Materials and construction contracts for more than \$30,000 of state funds (\$60,000 total with a 50% project match) require adherence to the informal bidding procedure outlined below. Materials purchases and for greater than \$90,000 of state funds and construction contracts for greater than \$500,000 of state funds require a formal bidding process.

Procurement Requirements	
State Funding	Bidding Requirement
>\$30,000	Materials or construction contracts - Informal
>\$90,000	Materials - Formal
>\$500,000	Construction - Formal

Note that all steel and iron permanently incorporated into a construction or repair project must be produced in the United States to satisfy [N.C.G.S. §136-28.7](#)

All contractors performing work of \$30,000 or more must have an active North Carolina General contractor's license.

- ~ Contractor licenses are renewed each year and expire December 31 of the year.
- ~ Check [www.nclbgc.com](http://www.nclbgc.com) (North Carolina Licensing Board for General Contractors) for information on the status of a firm's contractor's license. The Licensing Board's phone number is 919-571-4183.

Detailed information can be found in the [Bid Procurement Requirements](#) document.

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## Professional Services Procurement

Requirements for Professional Services must be publicly announced and chosen from pre-qualified consultants based on qualifications. Prepare the relevant Request for Letters of Interest ([Construction or Planning & Design Services](#)) before submitting to the Program Manager for comments. The process is outlined below

- A) Prepare relevant draft Request for Letters of Interest
- B) Submit for review to Program Manager and address resulting comments
- C) Publicly notify all requirements for service
- D) Select the most qualified firm and request cost proposal
- E) Submit cost proposal, completed RS-2 forms (per RFLOI) to Program Manager. Contracts to exceed \$50,000 require NCDOT approval
- F) Enter into the final contract after receiving comments
- G) Submit a final copy of the executed contract to Program Manager

For more detailed information on the procurement process for professional services, see: ([NCDOT Procurement - Professional Services](#))

### **Summary of RR Responsibilities:**

- ▶ **Provide NCDOT with a schedule of bidding**
- ▶ **Provide NCDOT with a bid tabulation**
- ▶ **Publicly advertise all needs for Professional Services**
- ▶ **Make selection based on qualifications**

## **MBE and WBE Participation**

NCDOT encourages participation by Minority Contractors (MBE) and Women Contractors (WBE) in NCDOT funded project contracts. See WBE and MBE [Guidelines](#) and a standard [form](#) to enter MBE/WBE participation.

- ~ MBE and WBE firms must be certified by the NCDOT.
- ~ Bidder may count toward its MBE goal 60% of expenditures for materials from an MBE dealer and 100% from an MBE manufacturer.
- ~ A list of MBE and WBE certified firms is available at the following NCDOT web site address. [NCDOT Directory of MBE and WBE Firms](#)

## **Good Faith Effort**

If MBE and WBE goals are not met, bidders are encouraged to demonstrate that they took positive steps to recruit them. See the Good Faith Effort Section of the WBE and MBE [Guidelines](#) document for additional details.

The following steps demonstrate a “Good Faith Effort”:

- ~ Bidder attends any pre-bid meetings by NCDOT to inform Disadvantaged Business Enterprises (DBEs) of subcontracting opportunities.
- ~ Bidder provides solicitations through all reasonable and available means (advertising in newspapers owned and targeted to the Disadvantaged).
- ~ Bidder follows up initial solicitations of interests by contacting DBEs to determine with certainty whether they were interested.
- ~ Bidder selects portions of the work to be performed by DBEs (this includes breaking out contract items even when the prime contractor might otherwise perform the work with its own forces.)
- ~ Bidder provides interested DBEs with adequate and timely information.
- ~ Bidder negotiates in good faith with interested DBEs (Reasons for rejection should be noted in writing).
- ~ Whether quotations were received from interested DBE firms but rejected without sound reason including not the lowest quotation and ability or desire to perform the work with its own forces.
- ~ Bidder specifically negotiates with subcontractors to assume part of the DBE goal.
- ~ Bidder makes any effort to assist interested DBEs in obtaining necessary equipment, supplies, materials, insurance and/or bonding.
- ~ Any other evidence that shows bidder has made a reasonable Good Faith effort.

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## Continuing Contractors

A contractor can be established as a continuing contractor if the following criteria are met:

- ~ An established relationship exists between the railroad and contractor for a specific type of work.
- ~ Documented proof of the relationship is available.
- ~ The contractor performs work for the railroad outside of governmental contracts and documentation exists to support this.

Railroads should submit written contracts for continuing contractors to NCDOT for review as soon as possible after a grant agreement is executed (see [Phase II](#)). Rates should be updated annually, or as the costs need to be adjusted. Updated rates should be submitted to NCDOT as soon as they are available.

New vendors cannot be set up as continuing contractors and must go through the bid process if they do not meet the preceding criteria. Continuing contractors can only perform in that capacity in the area of work the relationship was established, and the costs must be determined as reasonable.

**Note:** Railroads are not required to use a continuing contractor. The continuing contract relationship is established for ease and convenience when practical and the costs are deemed reasonable.

## Force Account

Any work performed by Railroad force account must be preapproved in writing by NCDOT.

- ~ Subsequent invoices must show a summary of labor, actual timesheet records, labor additives, equipment, materials, and other qualifying costs. The summary must clearly indicate regular salary rates versus overtime rates.

After a grant agreement is executed (see [Phase II](#)) and as soon as equipment and labor requirements are determined for the project, Railroads should submit rates for review and approval by NCDOT. Rates should be updated annually. Updated rates should be submitted to NCDOT as soon as they are available.

### Summary of RR Responsibilities:

- ▶ Submit written continuing contracts to NCDOT for review
- ▶ Submit updated rates for continuing contractors and Force Account to NCDOT

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## Phase VI – Progress Reports & Project Revisions

### Progress Reports

Progress Reports must be submitted **monthly** to NCDOT. Reports will be uploaded to Partner Connect or Email. The following information will be included in each report:

- ~ Project Overview
- ~ Schedule and Budget
- ~ Summary of Progress
- ~ Open Items – Contractor
- ~ Open Items – Railroad
- ~ General Comments
- ~ 30 Day Projection

Please use the template [Monthly Construction Progress Report](#) form.

### Budget Revisions

Submit requests for budget revisions to NCDOT via the online grant management system. Please refer to this example [budget revision form](#).

#### Summary of RR Responsibilities:

- ▶ Submit progress report monthly
- ▶ Include work completed at each milepost
- ▶ Submit budget revision forms as needed

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## Phase VII – Requests for Reimbursement

To receive grant reimbursement, the Railroads must provide NCDOT with a payment invoice. Railroads must submit invoices at least every 6 months in order to retain the funding allocation. **Note:** all claims for reimbursement must be submitted through the [NC EBS Portal](#).

- ~ Use the claim workflow and submit a signed [Request for Reimbursement form](#).
- ~ Attach supporting documentation to the Request for Reimbursement (include contractor invoice & proof(s) of payment).
- ~ Complete and submit with the Request for Reimbursement a DBE-IS [Subcontractor Payment Information Form](#).
  - Any subcontractors, subconsultants, and suppliers who provide services or goods directly to the railroad should be listed on the form.

### Field Reviews

NCDOT will conduct field reviews to verify work in place and material purchases, based on the information provided in the invoice. Verification of work and materials must occur prior to reimbursement. Requests for work in place reviews are encouraged as soon as physical completion of milestones allow.

**Note:** In efforts to expedite claim processing and reimbursement, the work in place review may be requested by email and completed prior to submittal of the corresponding invoice. Review items should encompass all materials and labor reported in the invoice.

#### Summary of RR Responsibilities:

- ▶ Process claim using the NC EBS Portal and submit Request for Reimbursement form
- ▶ Submit contractor invoice(s) & proof(s) of payment
- ▶ Submit Subcontractor Payment Information form (DBE-IS)
- ▶ Submit updated continuing contractor rates to NCDOT (if applicable)
- ▶ Request corresponding work in place review with NCDOT personnel

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## Phase VIII - Close Out & Monitoring

Maintain project financial records for five years to allow NCDOT Financial Management/ External Audit closeout and audit.

### Reporting Requirements

The project Rail Freight Assistance Agreement describes reporting requirements and guidelines in detail. A summary of these procedures follows:

There are three reporting levels established for recipients and subrecipients receiving State financial assistance. Reporting levels are based on the level of State financial assistance from all funding sources. Grantees will be required to submit the following information to NCDOT Rail Division based on the grant amount. The reporting levels are:

- Level I – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year; or
- Level II - A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount of at least twenty-five thousand (\$25,000) or greater, but less than five hundred thousand dollars (\$500,000) within its fiscal year.; or
- Level III – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year.

The reporting requirements for each level are as follows:

- All recipients and subrecipients shall provide a certification that State financial assistance received or, held was used for the purposes for which it was awarded.
- All recipients and subrecipients shall provide an accounting of all State financial assistance received, held, used, or expended.
- Level II and III recipients and subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.
- Level III recipients and subrecipients shall have a single or program-specific audit prepared by an independent CPA firm in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book. The audit report must contain three key elements:

- All reports shall be filed with the Department in the format and method specified by the Department no later than three months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting. Audits must be provided to the Department no later than nine months after the end of the recipient's fiscal year.
- Agency-established reporting requirements to meet the standards set forth in Paragraph (b) of this Rule shall be specified in each recipient's contract. [Only if you agree, remove (d) as this section is referring to the contract herein and parts (a) and (b) above.
- Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges 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.
- Notwithstanding the provisions of this Subchapter, a recipient may satisfy the reporting requirements of Subparagraph (b)(4) of this Rule by submitting a copy of the report required under federal law with respect to the same funds.

***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.*

All reports shall be filed with the Department in the format and method specified by the Department no later than three months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting. Audits must be provided to the Department no later than nine months after the end of the recipient's fiscal year.

Agency-established reporting requirements to meet the standards set forth in Paragraph (b) of this Rule shall be specified in each recipient's contract.

Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges 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.



### Non-Compliance Procedures

Any Grantee is found to be in non-compliance if they are in violation of the executed agreement. NCDOT 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;
- Upon completion of non-compliance actions, resume funding reimbursements.

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

## **Annual Documentation of Service**

Following project completion and for a period of five years, the grantee shall provide written documentation to the NCDOT on a yearly basis, verifying the rail line is operation and providing service within the project area where improvements have been completed. The [project monitoring form](#) shall be through the [NC EBS Portal](#).

### **Summary of RR Responsibilities:**

- ▶ **Keep project financial records for 5 years**
- ▶ **Submit required closeout forms to Rail Division**
- ▶ **Report project funds expended annually to the NC Office of State Budget & Management**
- ▶ **Perform Yellow Book Audit (receipt of \$500,000 or more per calendar year)**
- ▶ **Following project completion, submit annual documentation of service for a five-year period.**

## Contacts

The following persons can be contacted for information and assistance:

### **Planning and Development**

James Bridges, Jr., P.E., C.P.M.

Rail Planning and Development Branch Manager

NCDOT, Rail Division

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### **Project Management**

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### **Field Reviews**

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### **Invoicing**

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