

Bell, Tammi [DOT]

From: Nicholson, Tamara [DOT]
Sent: Friday, March 27, 2009 5:08 PM
Subject: ARRA Rail Funding Opportunities in Iowa

To: Iowa MPOs, Iowa RPAs, County Engineers, City Engineers, Iowa League of Cities, Iowa State Association of Counties, Rail Advisory Committee and other interested parties

One of the unique provisions related to highway funding from the American Recovery and Reinvestment Act (ARRA) of 2009 is that the funding may also be used for public transit, transportation enhancements, passenger rail, freight rail, and ports. Of those eligible uses, freight rail is the one mode of transportation that likely has ready-to-go projects but yet there is no dedicated funding from ARRA. Therefore, the Iowa Transportation Commission (Commission) has asked Iowa Department of Transportation (Iowa DOT) staff to solicit potential freight rail projects that could utilize up to \$5 million of ARRA highway funding that has not yet been programmed.

The attached documents provide additional information about this funding opportunity. Applications for potential projects should be submitted to the Iowa DOT no later than 5:00 pm on Wednesday, April 8, 2009. Submit applications to Rose Wazny at: Roselyn.Wazny@dot.iowa.gov. If you any questions, please contact Rose at 515-239-1066.

Tammy Nicholson, P.E., Director
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March 27, 2009

To: Iowa Metropolitan Planning Organizations
Regional Planning Affiliations
County Engineers
City Engineers
Iowa League of Cities
Iowa State Association of Counties
Rail Advisory Committee
Other interested parties

From: Tammy Nicholson, Director
Office of Rail Transportation
Iowa Department of Transportation

**Subject: American Recovery and Reinvestment Act (ARRA) of 2009
Rail Funding Opportunities in Iowa**

One of the unique provisions related to highway funding from the American Recovery and Reinvestment Act (ARRA) of 2009 is that the funding may also be used for public transit, transportation enhancements, passenger rail, freight rail, and ports. Of those eligible uses, freight rail is the one mode of transportation that likely has ready-to-go projects but yet there is no dedicated funding from ARRA. Therefore, the Iowa Transportation Commission (Commission) has asked Iowa Department of Transportation (Iowa DOT) staff to solicit potential freight rail projects that could utilize up to \$5 million of ARRA highway funding that has not yet been programmed. The applications will be reviewed with the Commission and a decision will be made whether to award any or all of the \$5 million of ARRA highway funding to freight rail projects.

The types of freight rail projects best suited to utilize this funding include replacing ties, rail or ballast; upgrading rail to serve heavier traffic; improving facilities to allow for increased capacity; or providing new freight rail access when right-of-way has already been acquired. Projects should require limited engineering and be structured to occur within existing right of way.

If projects are selected for funding, they may receive up to 100 percent federal-aid; however, applicants will need to demonstrate adequate funding is available in order to complete the project (including any potential cost overruns) with available funds from federal and other sources. Additional private investment in a project will be favorably considered, but is not required. Projects should demonstrate a benefit to Iowa and involve work that is above and beyond normal maintenance activities.

This funding has strict time constraints; therefore, the ready-to-go nature of potential projects will be closely evaluated. In addition, applicants need to be aware that all requirements that apply to federally funded highway projects will also apply to any freight rail projects that are awarded this funding. A partial list of requirements is attached.

In order to meet the short timeframes for expenditure of this funding, eligible projects must meet the following criteria:

- The project engineering and design must be able to be completed within two months of the award at the project sponsors' expense.
- All right-of-way has been acquired.
- Environmental clearance secured or expected to have little or no impacts.
- Federal or state permits secured or ability to secure them within two months of award.

- The project includes limited bridge construction impact to waterways (i.e. no flood mitigation required).
- Project construction has not started.
- Project can be let no later than January 2010.

Competitive bidding procedures for letting of contracts will be required. Any labor costs that will be covered by ARRA funding must be procured by a competitive bid process. Force account labor by railroad forces is not being considered as an allowable expense for ARRA funds in Iowa; however, those labor expenses will be considered in the project evaluation and should be reported as an investment from other sources.

Project applications will be evaluated on a number of criteria including, but not limited to: project readiness, economic impact to Iowa, freight traffic benefits, and completeness of application.

Please e-mail (preferred) or fax (515-233-7983) your application materials to Rose Wazny at: Roselyn.Wazny@dot.iowa.gov by 5:00 pm, Wednesday, April 8, 2009. If you have any questions, please contact Rose at 515-239-1066.

Specific Requirements of the American Recovery and Reinvestment Act of 2009

Implementation Guidance (Federal Highway Administration- Updated March 24, 2009)

- A. **Periodic Reports** – Periodic reporting requirements in accordance with Section 1201(c), Section 1512(c), and Section 1609 will be provided under separate guidance. (revised 3/20/09). The Iowa Department of Transportation will require monthly reporting from grant recipients in a prescribed format in order to comply with the reporting requirements established for ARRA funded projects.
- B. **Certifications**
 - 1. **Section 1511** - For funds made available to State or local governments for infrastructure investments, the Governor, mayor, or other chief executive, as appropriate, must certify that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. A description of the investment, estimated total cost, and the amount of ARRA funds used shall be provided and published on the ARRA Web site. Funds may not be provided to State or local agencies until this certification is made and posted on this Web site.
- C. **DBE regulations** - Section 1101(b) of Public Law 109-59 applies to ARRA funded projects. All ARRA funded projects will be required to set goals for inclusion of Disadvantaged Business Enterprises (DBE) in the competitive bidding process.
- D. **Competitive Procedures (Section 1554)** - Letting of contracts provisions contained in 23 U.S.C. 112, and related implementing regulations, are to be followed for projects carried out with ARRA funds. For any projects not awarded through a competitive process, such as those projects approved for force account pursuant to 23 CFR 635.204, a summary of the contract must be posted on a special Web site that is maintained by the Recovery Accountability and Transparency Board. The Web site is required to be established by March 19, 2009. More guidance on how to post information on such contracts will be provided once the Web site is established. The Office of Rail Transportation will provide guidance on the approved competitive bid process to all award recipients at a post award conference.
- E. **Buy America (Section 1605)** - FHWA's existing Buy America requirements apply to all ARRA funded projects. .
- F. **Davis-Bacon Prevailing Wage Rates (Section 1606)** - Prevailing wage rate requirements apply to all ARRA funded construction projects regardless of location (including projects on local roads or rural minor collectors, and Transportation Enhancement projects outside the highway right-of-way). Contracting agencies must include the appropriate wage rate information in the contract and also include a contract provision that overrides the general applicability provisions in form FHWA-1273, Section IV and V.
- G. **National Environmental Policy Act Special Requirements (Section 1609)** - Adequate resources must be devoted to ensuring that applicable environmental reviews under the National Environmental Policy Act are completed on an expeditious basis and that the shortest existing applicable process under the National Environmental Policy Act shall be utilized. Associated reporting requirements will be provided under separate guidance.(revised 3/20/09)

*Underlined sections have been added by Iowa Department of Transportation

APPLICATION FOR AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDING

Section 1

GENERAL INFORMATION

1. Project Name: _____
 2. Location: _____
 3. Applicant Name: _____
 4. Contact Person: _____ Title: _____
 5. Complete Mailing Address: _____

Street Address and/or Box No.

Phone

City

State

Zip

Area Code -Number

6. E-mail Address (electronic submission of application encouraged): _____

7. Type of Project :

- Development of a New Rail Line or Connection
 Improvement of an Existing Rail Line or Connection
 Both

Section 2

8. Purpose of Project:

- Expanding an Existing Development
 Attracting a New Development
 Retaining an Existing Development
 Improving the capacity or efficiency of an existing rail line
 Other

If "other," explain

9. Has any part of this development or railway project been started? Yes No

10. If yes, explain

11. If land has previously been acquired for this project, state when the acquisition was completed _____

12. Are qualified staff and financial resources readily available to prepare plans, prepare bids, monitor contractors, prepare reports, and pay any cost overruns? Yes No

13. Has a review to identify wetland impacts been completed? (Applicant is responsible for obtaining 404 permits)
 Yes No

14. Will improvement project be on a previously improved rail corridor disturbed land undisturbed land

Section 3

Complete this section if requesting American Recovery and Reinvestment Act (ARRA) Funds for rail line improvement or rehabilitation.

15. Total requested federal ARRA funds _____
 16. Investment from other sources (optional) _____
 a. Does this investment include cost of force account labor Yes No
 b. If Yes, what amount _____
 17. Total rail project cost (line 15 plus line 16) _____

18. Project Description (provide paragraph summary here and attach a narrative as Exhibit A assessing the existing condition, outlining the proposed concept of the railway improvement, enumerate economic and public benefits. Include impact the improvement will have on existing and future customers and any customer developments driving need for improvement. Narrative to be no more than two pages.)

Section 4

Complete this section if requesting American Recovery and Reinvestment Act (ARRA) Funds for the rail segment of an economic development project (for example, to upgrade or build an industrial spur, or other rail improvement that will increase business or industries' access to rail services.)

19. Total requested federal ARRA funds _____
20. Investment from other sources (optional) _____
21. Total rail project cost _____
22. Development cost (excluding rail project costs) _____
23. Total development cost (line 21 plus line 22) _____
24. Project Description (provide paragraph summary here and attach a narrative as Exhibit A describing the project goal and the direct economic development potential and any associated economic development. Narrative to be no more than two pages.)

**Section 5
SHIPPING PROJECTIONS**

	Increase	Retained
25. Estimated impact on tons of freight shipped annually		
26. Estimated impact on carloads of freight shipped annually		
27. Will development divert freight traffic from highways? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If so, estimate the number of ton/miles _____		

**Section 6
JOB CREATION**

Please state the number of permanent, full-time direct jobs created and/or retained as a result of the economic development activity being supported by this project. *(Direct jobs created refer to new jobs in firms, development, or sites specifically assisted by the ARRA project but do not include construction or indirect "multiplier" jobs. Only report retained jobs that are in danger of being eliminated and documentation is provided.)*

28a. New Direct Jobs	28b. Direct Jobs Retained	28c. Permanent, full-time jobs at present	28d. Average Hourly Wage	28e. Employee benefits as a % of hourly wage rate

Construction workforce

29. Estimate the full-time positions that will be supplied by contractors to complete rail project _____
30. Estimate the full-time positions that will be supplied through force account to complete rail project _____

31. Attach the following additional exhibits to this application. Each exhibit may not exceed one page in length.

Exhibit B – Map and/or sketch showing location and planned development or improvement.

Exhibit C – Proposed timeline for completion of the rail project assuming a May 15 project award (see attached information on federal requirements).

Exhibit D – Proposed rail project budget (may use form found at <http://iowarail.com/assistance/rrlqp.htm>)

CERTIFICATION

To the best of my knowledge and belief, all information included in this application is true and accurate, including the commitment of all physical and financial resources. This application has been duly authorized by the applicant(s). I understand these certifications bind the participating applicant(s) to assume responsibility that additional funds are committed, and to ensure maintenance of any new or improved rail facilities.

I hereby certify, under penalty of perjury, that any award of American Recovery and Reinvestment Act (ARRA) funds; any subsequent letting of contracts for design, construction, reconstruction, improvement or maintenance; or the furnishing of materials therefore; shall not involve direct or indirect interest, prohibited by Iowa Code Section 15A.2, 362.5, or 331.342, of any state, county, or city official, elective or appointive. Any award of ARRA funding or any letting of a contract in violation of the foregoing provisions shall invalidate the award of ARRA funding and authorize a complete recovery of any funds previously disbursed.

I understand that the requirements of ARRA funding are stringent and I hereby certify that all the requirements for contracting, reporting, and other requirements will be followed. Contract documents must be prepared by the award recipient to meet all DOT requirements for letting by January 20, 2010 at award recipient expense. I further understand that a decision on awards will not be available until May 12, 2009, and that immediately thereafter a mandatory meeting for award recipients will be called to familiarize recipients with the contracting requirements.

I understand that, although this information is sufficient to secure a commitment of funds, a firm contract between the applicant and the Department is required prior to the authorization of funds.

Representing the _____

Signed:

Signature in Ink

Date Signed

Typed Name and Title

Typed Date

Attested:

Signature in Ink

Date Signed

Typed Name and Title

Typed Date