

Bureau of Rail Freight, Ports and Waterways Project Management Policy

SECTION 1 - GENERAL

A. Applicability

It is understood and agreed that, unless otherwise indicated in writing in an executed Rail Grant Project Agreement, the specifications hereinafter set forth apply to and become part of all Rail Grant Projects so as to assist the Department in the development and construction of Rail improvement projects and any parts thereof as provided by law.

B. Definitions

- **Bridge Rehabilitation/Construction** – As used here, “bridge rehabilitation/construction” refers to bridge modifications/repairs associated with bridges, culverts, pipes, or other structures that are property of the grantee or the railroad that conducts common carrier freight railroad operations over said structures and where no government agency or private entity can stake claim to said property. Work activities performed on storm water management structures (i.e., manholes, junction boxes, pipes utilized to convey storm water runoff, etc.) are not considered bridge rehabilitation/construction. All Bridge Modification(s) (49 CFR 237.5) and Bridge Repair(s) (49 CFR 237.5) work in which a bridge (as defined in 49 CFR 237.5) encroaches the right of way (and/or crosses vertically) of any state owned facility (including but not limited to local/state highways, rail trails, etc.) must be performed by a registered Pennsylvania Professional Engineer(s) (P.E.).
- **Project Management Services** – As used here, “Project Management Services” refers to a contractual party (consultant/engineer) providing one or more of the services listed below:
 1. Initiation
 2. Planning and Design
 3. Executing
 4. Monitoring and Controlling
 5. Completion

These services must be undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value to a rail freight grantee’s project. These services must also adhere to the regulations, policies, and guidelines as set forth by the governing Federal, State and Local agencies. Project Management services will be provided by an individual, and/or partnership, and/or corporation, or joint venture.

- **Current Alignment** – As used here, “current alignment” refers to the location of an existing railroad track used for the purposes of hauling freight. The location of the track includes but is not limited to the elevation profile, percent grade (\pm), and degree of curvature of the line.

- **Loading/Unloading Equipment** – As used here, “loading/unloading equipment” refers to the installation of new, or to the rehabilitation of existing, fixed assets used solely for the purpose of loading/unloading rail freight rolling stock materials either to transload the material to other means of hauling/transport or to deliver the material for direct fabrication processes.
- **Other** – As used here, “other” will refer to items which do not directly fall under the predetermined classifications listed above. Whether or not such items meet the overall goals and objectives of the Bureau’s rail freight grant programs will be determined on an item-by-item basis.
- **Right-of-Way (acquisition)** – As used here, “Right-of-Way” defines what can be purchased in relation to railroad right-of-way under the RTAP program. The Bureau will allow up to 50% of the grant award to be used to acquire right-of-way in “fee simple”. “Right-of-way”, as defined by the Bureau, is all real estate located beneath and between all tracks present and (to allow adequate clearance for construction equipment, emergency repair/derailment work, maintenance, etc.) extending out horizontally: 1) at a 90 degree angle to and for a distance of 25 feet from the center line of the outermost track(s) in a direction away from the other track(s) present (if more than one track present) or; 2) at 90 degree angles both to the left and to the right of track center line for a distance of 25 feet from the track center line (if single track only) on a rail line(s), siding(s), or spur(s). Each individual case will be reviewed by the Bureau Director or Deputy Secretary to determine if other land acquisition uses will be permitted.
- **Track Construction** – As used here, “track construction” refers to work to install new railroad track infrastructure that will facilitate new rail freight service in locations where no such infrastructure or service exists. “Track construction” also includes such work as described above performed on right-of-way: 1) over which railroad operations had at one time been conducted but from which the track structure itself has been removed; or, 2) that has not been used for at least ten (10) years. All track construction will conform to Federal Railroad Administration (FRA) Class I (minimum) track standards. This work is referred to as “capital project” in the Rail Freight Preservation and Improvement Act (P.L. 584, No. 119).
- **Track Rehabilitation** – As used here, “rehabilitation” refers to work the nature of which falls between routine maintenance, such as tie replacement, and new track construction. Such work will be categorized as repair, minor construction, or a combination of the two and will involve work to restore existing lines of railroad track, in their existing alignments, to minimum FRA Class I (minimum) track standards. This work is referred to as “accelerated maintenance” in the Rail Freight Preservation and Improvement Act (P.L. 584, No. 119).
- **Rail Grant Project** – As used here, “Rail Grant Project” indicates all said work described in the project specifications and in the executed grant agreement.

SECTION 2 – PROJECT SCOPE

A. Development

The following is a description of the general steps in the grant process for a typical RFAP/RTAP grant program. The information presented here, while not exhaustive, illustrates the standard procedures and identifies the Bureau staff (in parenthesis) involved with a typical RFAP/RTAP grant. **The grantee's responsibilities are listed in bold type.** Once a candidate is selected, the typical steps are as follows:

1. Funding Approval Letter (Bureau Director – unless otherwise noted)
2. Develop Project Folder (Asst. Grant Manager)
3. **Identify and submit necessary permits (if required)**
4. Obtain Permits (Project Engineer - if required)
5. **Submit Bid Package/Material RFQ for Bureau review**
6. Bid Package/Material RFQ review (Chief/Project Engineer) – 15 days
 1. Surety Bonds (Bid, Payment, Maintenance, and Performance)
 2. General conditions (Liability Insurance, flagging, permits, etc.)(see Appendix's 1 and 2)
 3. Technical Specifications
 - i. Drawings
 - ii. Special Provisions
 - iii. Appendix 3, 4, and 5 (also available on Bureau website)
7. **Submit bid(s) and request for approval of apparent low bidder.**
8. Bid(s) Review (Chief/Project Engineer) – 15 days
 1. Lowest responsible/responsive bidder information checked for compliance against advertised bid package
 2. A Contractor Responsibility Program (CRP) check will be performed on all contractors/subcontractors and material vendors
 3. Develop Low Bid Approval Letter
 4. Create Project Progress Report in MPMS
 5. Create Milestone Dates in MPMS
 6. Notify Grants Manager that project is ready for agreement
 7. Verify dotGrants project status
9. Agreement (Grants Manager unless noted) – 45 days
 1. Develop agreement attachments (w/Project Engineer)
 2. Office of Chief Council review and signature
 3. Comptroller review
 4. Agreement sent to Grantee for signature
 5. LATS (Legal Agreement Tracking System) entry
 6. Legal agreement executed in dotGrants
 7. Grant awarded

10. **Print and sign hard copy of grant agreement (found in dotGrants)**
11. **Print and initial/date all attachments**
12. **Electronically accept grant**
13. **Mail hard copy of grant agreement and all attachments to Bureau**
14. Change Order Procedures (Chief/Project Engineer)
 - a. Formal request from Grantee or hired consultant/engineer
 - b. Review change order for compliance
 - c. Notify grantee or hired consultant/engineer of approval/rejection
 - d. Update progress reports in dotGrants/MPMS (if necessary)

For an estimated timeline of the application process, see the Bureau's Grant Program Policy.

B. Construction

No construction activities or ordering of materials will commence until after a low bid award (for project and/or materials) has been received from the Bureau in conjunction with an executed agreement or approved letter of non-prejudice.

The Bureau follows accepted railroad practices as specified in the most current FRA and AREMA manuals. To ensure consistency in construction practices between railroad projects when contract/construction guidance is not provided within the above referenced publications, the Bureau relies on the Department's Bureau of Construction and Materials (BOCM) Publication 408.

Construction of railroad projects is typically performed by either contractor forces or grantee/railroad forces.

Contractor Forces

Typical pre-construction protocol will be followed when the railroad construction project is being performed by contractor forces. All labor pertaining to these projects is subject to the Pennsylvania State prevailing wage rates that are current at time of bid package submission. These projects require the following:

1. Total project costs greater than \$5,000 will be competitively bid. Total project costs greater than \$200,000 will be publically advertised for two weeks in a newspaper of general circulation (see Appendix 5).
2. Grantee must obtain three or more bids (contractor/material) from Commonwealth Contractors with valid CVMU (PA Vendor ID).
3. Bids will be publicly opened and read aloud at a date, time, and place designated in the invitation to bid. The Grantee will review the bids for completeness and forward (along with their recommendation) the bid of the lowest responsive and responsible bidder to the Bureau for review (see Appendix 5).
4. Grantee will forward all remaining bids received to the Bureau for review.

Grantee/Railroad Forces

Typical pre-construction protocol will be followed when: 1) the operating railroad or grantee is performing his own work; 2) the operating railroad is performing the work for another grantee, or; 3) a wholly owned affiliate of the operating railroad is performing the work. All labor pertaining to these projects is not subject to Pennsylvania State prevailing wage rates. These projects require soliciting Request for Quote(s) (RFQ) for materials and involve the following:

1. Grantee will submit to the Bureau, for review, a cost estimate detailing all labor, material, and equipment costs necessary for the progression of the project.
2. Total material costs greater than \$5,000 will be competitively bid. Total material costs greater than \$200,000 will be publically advertised for two weeks in a newspaper of general circulation (see Appendix 5).
3. Grantee/Railroad must obtain three or more bids for material costs from Commonwealth Contractors with valid CVMU (PA Vendor ID).
4. Material bids will be publicly opened and read aloud at a date, time, and place designated in the invitation to bid. The Grantee/Railroad will review the bids for completeness and forward (along with their recommendation) the bid of the lowest responsive and responsible bidder to the Bureau for review (see Appendix 5).
5. Grantee/Railroad will forward all remaining bids received to the Bureau for review.

For RTAP/RFAP projects, the grantee/railroad may request a change order(s) after the agreement has been executed. The scope of work and/or costs associated with a change order cannot exceed the approved state share low bid award amount (for an RFAP project) or the approved line item in the capital budget act (for an RTAP project). The grantee/railroad must provide a written request listing the reason for such change.

Under no circumstances will a RFAP/RTAP grantee/railroad be permitted to change the scope of work or request addendum(s) after bid opening and prior to execution of the grant agreement.

If the contractor cannot honor a bid offer until the estimated start of construction indicated in the approved bid package, the Grantee/Railroad will re-advertise the Bureau approved bid package in accordance with the Bureau's competitive bidding requirements (see Appendix 5).

Construction of all projects will conform to the approved scope of work and specifications. All work will conform to the Bureau's Trackwork Inspection Criteria (Appendix 3).

C. Final Inspection

The grantee/railroad will contact the Bureau's project engineer when project construction is complete and ready for final inspection. This inspection will verify whether or not all work has been completed in accordance with the approved bid package (and/or change orders). The grantee/railroad (or a representative thereof) will be present during the inspection and agrees to sign a final inspection report which will be prepared by the Bureau prior to the site visit. Any deficiencies and/or workmanship not in accordance with the approved project bid package (including FRA/AREMA specifications) will be noted by the Bureau. The grantee/railroad will correct said deficiencies within 90 days of final inspection and will notify the Bureau when noted deficiencies have been corrected. The Bureau will not release retainage owed to the grantee/railroad until such noted deficiencies have been corrected to the satisfaction of the Bureau.

D. Reimbursements

Contractor Forces

Payment requests will be limited to monthly submissions. Project invoices will be uploaded via dotGrants or mailed, and must accurately agree with all said work as described in the approved bid package and as indicated on attachments of the agreement. Invoices indicating items of work which were not approved by the Bureau will be rejected. Invoices indicating quantities which exceed the approved quantity in the bid package will be rejected unless prior approval was granted by the Bureau. Invoices will be dated on or after the date of an executed agreement or letter of non-prejudice. Invoices indicating completed project work and/or material order/ship dated prior to the date of an executed agreement or letter of non-prejudice will be rejected (see Grant Program Policy).

Grantee/Railroad Forces

In addition to the above, the Grantee/Railroad will submit to the Bureau for reimbursement:

- a. Documentation indicating labor rates, hours, and dates worked for each employee on the project.
- b. Material invoices for procured materials.
- c. Current Equipment Watch Blue Book for Railroad Equipment rental rates for Grantee/Railroad owned (non-modified) equipment. Modified equipment will be reimbursed based on non-modified OEM equipment rates.
- d. Current Blue Book Building and Construction Network rental rates for Grantee/Railroad owned (non-modified) equipment not listed in Item C above.
- e. Rental invoices for rented equipment.

SECTION 3 – SERVICES

A. Project Management

- Project Management Services – The provision of guidance to the grantee on any of the services listed below:
 - 1) Initiation
 - a) The initiating processes determine the nature and scope of the project
 - 2) Planning and Design
 - a) Project planning generally consists of:
 - i) Determining how to plan (e.g. by level of detail);
 - ii) Developing the scope of work;
 - iii) Selecting the planning team;
 - iv) Identifying deliverables and creating the work breakdown structure;
 - v) Identifying the activities needed to complete those deliverables and networking the activities in their logical sequence;
 - vi) Estimating the resource requirements for the activities;
 - vii) Estimating time and cost for activities;
 - viii) Developing the schedule;
 - ix) Developing the budget;
 - x) Risk planning;
 - xi) Gaining formal approval to begin work.
 - 3) Executing
 - a) Executing consists of the processes used to complete the work defined in the project plan to accomplish the project's requirements.
 - b) Execution process involves coordinating people and resources, as well as integrating and performing the activities of the project in accordance with the project management plan.
 - c) The deliverables are produced as outputs from the processes performed as defined in the project management plan and other frameworks that might be applicable to the type of project at hand.
 - 4) Monitoring and Controlling
 - a) Monitoring and controlling consists of those processes performed to observe project execution so that potential problems can be identified in a timely manner and corrective action can be taken, when necessary, to control the execution of the project.
 - b) Monitoring and controlling includes:
 - i) Measuring the ongoing project activities (*where we are*);
 - ii) Monitoring the project variables (cost, effort, scope, etc.) against the project management plan and the project performance baseline (*where we should be*);
 - iii) Identify corrective actions to address issues and risks properly (*How can we get on track again*);

- 5) Completion
 - a) Completion includes the formal acceptance of the project and the ending thereof.
 - b) This phase consists of:
 - i) **Project close:** Finalize all activities to formally close the project or a project phase.
 - ii) **Contract closure:** Complete and settle each contract (including the resolution of any open items) and close each contract applicable to the project or project phase.

Signature: _____ Date: _____