



Request for Applications

FY2024 INDUSTRIAL RAIL ACCESS PROGRAM (IRAP)

Funded by the

Commonwealth of Massachusetts

Massachusetts Department of Transportation

Administered by

MassDOT Rail and Transit Division

Gina Fiandaca

MassDOT Secretary & CEO

ISSUE DATE: May 1, 2023

APPLICATIONS DUE: June 1, 2023 @ 5:00 p.m.

INQUIRIES: James Eng, Deputy Rail Administrator
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I. INTRODUCTION

The Massachusetts Department of Transportation (MassDOT) Industrial Rail Access Program (IRAP) is a competitive grant program created by the Massachusetts State Legislature in 2012. IRAP is a public/private partnership program that provides financial assistance to eligible applicants who are prepared to invest in rail improvement projects connected to the Massachusetts freight rail transportation network and focused on increasing or improving rail transportation to Massachusetts shippers. Awards have been made through the program to a mix of freight railroads, shippers, receivers, and municipalities looking to create, reinstate or expand the shipment of goods by freight rail.

IRAP is a competitive grant funding program. MassDOT can make IRAP funding available to support the execution of IRAP projects in state fiscal year 2024. The number of FY2024 IRAP projects that will be provided financial support depends on factors such as the number and quality of applications received, the strength of the industry/railroad business commitments, and the anticipated public benefits and economic outcomes of projects upon project completion. Project implementation readiness and a planned grant spending completion that aligns with the state fiscal year will also be an important consideration in project awards.

MassDOT reserves the right to ask applicants for supplemental information and written clarifications on certain aspects of their applications. The execution of any award agreement is contingent upon the continued validity of the representations made in the application. MassDOT typically will conduct pre-award and post-award site visits to verify conditions associated with the proposed IRAP-funded improvements. The pre-award visits and the associated inquiries may encompass a review of environmental conditions within the project limits and discussion of any potential or unresolved real property requirements.

MassDOT will also require program grantees to provide documentation supporting the public benefits achieved after project completion compared to the projected public benefits included in the application. The documentation may vary depending upon the type of public benefit but will be required within 2 years of project completion to remain eligible for future IRAP grants.

II. PURPOSE OF FUNDS

The purpose of this solicitation is to provide funding for projects that increase access to rail freight service and preserve or stimulate economic development through the generation of new or expanded rail service. Successful IRAP projects will generate public benefits by facilitating economic growth and new job creation, assisting in retaining industry partners and associated jobs, and supporting the adequacy and efficiency of the freight rail service. IRAP was established to address the following overarching economic goals:

- (1) Increase access to freight rail services and reduce truck traffic.
- (2) Stimulate economic development, retain, and grow Massachusetts corporations, retain manufacturing jobs, and create new jobs through increased efficiency, production capacity and improved distribution logistics.

Questions concerning the FY2024 IRAP application process and submission requirements should be directed to James Eng, Deputy Rail Administrator at 857-368-8963 or James.Eng@dot.state.ma.us

III. ELIGIBLE APPLICANTS

Host municipalities and their economic development corporations, freight railroads operating in the Commonwealth, and rail shippers/receivers engaged in commercial ventures in the Commonwealth are eligible to apply for IRAP funding assistance. Applicants must demonstrate that they possess the administrative and management capacity to manage the proposed IRAP infrastructure improvement project and to comply with project invoicing and reporting requirements. Applicants will be required to conduct an open and competitive procurement process to identify the lowest cost qualified vendors to supply project materials and construction services, and must include Disadvantaged Business Enterprises within the process, whenever available. Applicants are encouraged to carefully review the Commonwealth Terms and Conditions found under Section VIII of this package, MassDOT Contracting Requirements. Grantees will need to agree to and sign this document as part of the IRAP agreement process.

IV. ELIGIBLE PROJECT ACTIVITIES

MassDOT is seeking to support rail infrastructure access improvement projects designed to serve the rail freight shipping needs of one or more employers in the Commonwealth that will result in public benefits associated with the preservation or increased access to, or volume of, freight rail shipments. Examples of eligible projects include, but are not limited to:

- The construction/rehabilitation of industrial park rail spurs and the establishment or re-establishment of active employer rail sidings supported by a strong, documented commitment from the servicing freight railroad operator. **A railroad service commitment letter must be included with application** indicating that the railroad has participated in the project's design and is authorized, capable, and willing to service the project upon completion.
- The creation of new industry rail sidings and the rehabilitation of inactive sidings to increase the productivity of existing Commonwealth freight rail shippers such that additional jobs can be supported.
- Facility improvement projects to re-establish, improve and expand the receiving and shipping capacity of goods by freight rail, combined with environmental safety handling precautions.
- Installation of Locomotive Shore Connection Systems that support the efficiency of freight rail operations and improve air quality. Eligible costs for such projects can include the purchase and installation of equipment required for power delivery directly related to the new equipment, such as electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.

IRAP funds may be used for engineering/design services, environmental permitting and limited right-of-way acquisition needed to ready a project for construction, however, these pre-construction funding requests must be explained and justified as part of a sequential and realistic project development strategy that meets the IRAP requirements. While awards can fund engineering and other preparatory steps, MassDOT cannot authorize projects to advertise for construction bids unless and until the project:

- (i) has been fully designed in accordance with industry standards¹ such that construction bid documents are ready for advertisement;
- (ii) the project has secured all required federal, state, and local environmental permits; and
- (iii) has been determined to have a secure right-of-way prior to construction activities. A formal plan showing where the project will be constructed and ownership and title must be verified prior to the award.

Project elements addressing safety and reduction of project related environmental impacts can be eligible if they contribute to achieving the purpose of the IRAP Program.

IRAP funds CANNOT be used for state-of-good repair projects or rail maintenance and equipment projects unrelated to establishing freight rail access to current or operational-ready industry partners. In addition, the use of IRAP funding is strictly prohibited from supporting freight railroad or industry customer/partner operating costs. Any misuse of program funds, whether intentional or inadvertent, even if corrected after discovery, is justification for MassDOT, at its sole discretion, to disallow associated identified costs, terminate the IRAP contract for cause, pursue repayment and/or establish a multi-year applicant ineligibility status for future IRAP funding solicitations.

Project expenses incurred prior to the effective MassDOT grant agreement start date and associated MassDOT-issued Notice to Proceed (NTP) can NOT be reimbursed with IRAP funds.

Attributes of Eligible Projects

20 Year Useful Life -As state bond funds are used to support the IRAP program, the construction improvements must be designed to have an estimated 20-year useful life in order to justify MassDOT funding participation in IRAP projects.

Independent Utility - IRAP applicants must demonstrate that the proposed project will have independent utility upon completion. A project is considered to have independent utility if, upon completion, it will provide tangible and measurable freight shipment and productivity/economic benefits, even if no additional investments are made or are required to be made in advance. Projects for which viability is in any way contingent upon the approval of another funded or unfunded project will not be eligible. Applications that fail to provide information on the stand-alone benefits of the project will not be considered for funding.

Project Readiness - Project readiness and the timetable for spending are important factors in MassDOT's evaluation of applications. Projects should demonstrate that they are ready to advance into construction during the state fiscal year. Projects that require more than one year of pre-construction activities should demonstrate their readiness to initiate the project and how they can make continual progress on project development throughout the year. Review of applications will include a focus on the readiness of the project including progress on project

¹ MassDOT requires that all engineering services and inspections be performed according to: 1) the standards outlined in the American Railway Engineering and Maintenance-of-Way Association's (AREMA) Manual for Railway Engineering (MRE), and; 2) the engineering standards established by the American Society of Civil Engineers (ASCE).

All procured engineering services will be performed by a registered Professional Engineer (P.E.).

design, permitting, and required right-of-way and the ability to secure project material that requires long-lead times. (See Application Requirements section on Project Readiness for details).

Project Funding – MassDOT will provide a maximum of 60% of project costs. The MassDOT IRAP share may not exceed \$700,000. The share of non-IRAP funding proposed in the funding plan will be taken into account during application evaluation.

V. APPLICATION REQUIREMENTS

FY2024 MassDOT IRAP applications must include all the information requested in this section.

1. Application Cover Sheet (See Attachment A)

Respondents must complete the provided IRAP Application Cover Sheet included as Attachment A. It must be signed and dated by the authorized company or municipal signatory.

2. Project Narrative

A project narrative following the Section A through F format sequence below is required for the proponent's application to be considered for funding consideration. The project narrative should not exceed 6 single-spaced pages in 12-point font. NOTE: While the italicized narrative section instructions/requirements below do not need to be incorporated within the narrative page limit, MassDOT requires that all requested information be provided. Section page recommendations may be exceeded as needed as long as the overall narrative page limit is not exceeded. The application coversheet or Attachments A, B, C, D and E are not counted as part of the 6-page limit.

A. Project Need Statement - *Include a clear and concise statement of the industry transportation logistics problem/product distribution issue(s) that the proposed IRAP funding request will address and alleviate. (Recommended space allowance 1 page).*

B. Project Description - *Describe the proposed IRAP project solution to address the needs outlined in Section A. Specifically discuss:*

- *What rail infrastructure and/or company shipping/receiving capital improvements will be constructed under the IRAP funding request.*
- *Whether new jobs will be created/supported because of the IRAP project improvements including the number and types of jobs.*
- *Explain all elements of the project work scope and describe the project limits.*
- *Describe how related right-of-way approvals and environmental permits have been or will be obtained.*
- *Explain how and by whom the requested improvements are planned to be procured and constructed.*
- *Include a discussion of the proponent's experience with similar capital improvement projects, as well as the financial management capacity, procurement procedures and construction oversight systems that will be in place to ensure the success for the proposed project.*

- *Identify the proposed Project Manager, responsible for overall management of the project activities, and the Contract Administrator, responsible for the timely processing of the contract, project progress reports, and project invoices.*

(Recommended space allowance 2 pages).

C. Project Readiness – *Demonstrate that the project is “ready to go.” The timeline for project spending is an essential part of any grant. If a project is ready to go, it will normally be completed within 12 months of award and therefore demonstrate a schedule for project completion prior to June 30, 2024. MassDOT will evaluate each project schedule for readiness and how well the project has addressed typical project readiness risk factors.*

In support of the Project Readiness evaluation the following information should be described.

- **Project Right of Way** – *Describe the limits of work of the project identifying whether all work is on property owned by the applicant (by full ownership or easement) or if licenses/agreements are required. If licenses /agreements are required, identify the status of those rights.*
- **Project Design** – *Describe the level of design of the project and the schedule for design completion.*
- **Environmental/Permits** – *Describe any federal, state, and local permits (environmental or other required permits) that are necessary for construction of the project, including the status of the permitting efforts and the planned schedule for any outstanding permits or environmental clearances.*
- **Railroad Access/Agreement** – *Describe involvement of the servicing railroad in the project development process, including (as applicable) design review, railroad property access, switch agreements, construction, and railroad flagging protection. Note that in addition to the description of railroad involvement of project development as a part of project readiness, the application must include a Railroad Service Commitment Letter (see Section 6).*
- **Assessment of Neighborhood Impacts** – *Provide a description of the neighborhood that surrounds the Project site, the impacts to the neighborhood from the on-going operation of the Project (including noise/vibration), and the impacts to the neighborhood during the construction phase. Identify any mitigation or minimization efforts that have been integrated into the Project.*
- **Third Party Coordination** – *Describe required actions and the planned time frame of any third-party project stakeholders required to advance the project. This may include utility relocations, roadway / municipal improvements, or coordination with abutting properties. Application must also identify and include description of any third party real estate rights that are required to complete project. Documentation identifying the applicant has already secured all real estate and access rights is preferred.*
- **Procurement** – *Describe anticipated procurements (equipment, material, and/or labor) necessary for the project and the planned schedule for those efforts. Any long lead materials must be identified and schedule for delivery must be formalized.*
- **Project Funding Plan** – *Describe the amount and source of funding for the non-MassDOT share of the project funding plan. This should include a description of the*

approvals received or required for the use of the identified non-IRAP funds, and the source of project funding if project costs exceed current estimates.

- Community Coordination – To the degree applicable for the project, describe any actions or activities that have been undertaken to coordinate with local community groups and/or regulatory commissions, or to coordinate with abutters. A letter of support for the project from the City or Town must be submitted with the application.

Projects that cannot demonstrate a schedule for project completion prior to June 30, 2024 should provide additional detail regarding the steps and timing necessary for project completion and how project readiness risk factors (identified above) have been addressed. Additional project detail to support the description of Project Readiness is welcome in application attachments but is not required.

In addition, documentation regarding the servicing freight railroad's ability and willingness to service the project is a critical requirement that should be discussed in this section. Letters of operational commitments from the servicing freight railroad(s) are **REQUIRED** and should be included in Section IX. Required Attachments (**Recommended space allowance 2 pages**).

E. Anticipated Project Public Benefits Discuss the expected IRAP project public benefits. The description of project benefits should clearly describe both the existing condition and the anticipated condition upon project completion, For example the number of railcars in 2022 (before the project) and the number of railcars in 2024 (after the project). Examples of project public benefits include:

- increased reliability and frequency of rail shipping services,
- increased freight rail shipment volumes,
- reduced roadway congestion contributions,
- job retention or creation,
- environmental/energy benefits,
- community benefits, especially for any communities or populations that have faced or are facing environmental justice concerns and/or health disparities, or
- quantifiable economic benefits directly applicable to project completion.

Include any other benefits that are unique to the specific project and not covered above.

All projects will be required to provide documentation supporting actual project benefits achieved after completion of the project. Project benefit documentation will be required within 2 years of project completion. Example information may include documentation of newly hired employees resulting from rail project or documentation of new or additional rail cars served by the project. Failure to submit documentation is justification for MassDOT, at its sole discretion, to establish a multi-year applicant ineligibility status for future IRAP funding solicitations.

Anticipated Project Benefits section should include a description and schedule of the documents to be provided to MassDOT that will support the project's actual benefits. (Recommended space allowance: 1 page).

3. Schedule of Project Activities and Estimated Timelines (see Attachment B.)

Complete the schedule of project activities form provided as Attachment B and insert the completed form as Narrative Attachment B. of the completed application package. The schedule, at a minimum, should include pre-construction milestones for completion of project design, permitting requirements and right -of-way due diligence investigations. The schedule of activities should also reflect readiness activities in process or completed to date and the anticipated sequencing of project tasks and milestones with estimated completion timeframes, while outlining all remaining implementation activities and timeframes to demonstrate an understanding of the required project implementation steps and identifying the responsible project staff/partners who will be entrusted with completion of same by the established timeframes. PROJECT SCHEDULES SHOULD NOT ASSUME NOTICE TO PROCEED FROM MASSDOT PRIOR TO AUGUST 1, 2023.

All applicants are reminded that the spending schedule is essential information that directly impacts MassDOT's ability to make awards and fulfill commitments to grantees. A high degree of accuracy is expected. If a project fails to spend the state funds within the state fiscal year specified in the application (which ends June 30th) and no satisfactory request for an extension of time is provided to MassDOT, MassDOT reserves the right to suspend the award.

4. Budget and Budget Narrative - See Attachment C

Complete the provided Budget/Budget Narrative form provided as Attachment C and insert the completed form as Narrative Attachment C of the application package submitted to MassDOT. Estimated project costs for materials and identified construction components should be detailed along with the justification and explanation of how budgeted costs were derived. Applicants are reminded that the maximum MassDOT IRAP grant contribution for a proposed project cannot exceed \$700,000 and that the MassDOT IRAP award cannot be more than 60 percent (60%) of the total project cost.

5. Project Locus Maps, Railroad Valuation Maps, Track Plans & Right of Way Maps

Provide maps clearly indicating the location of the project (include municipality, surrounding and adjacent roads, and project parcels). Where railroad valuation plans, track plans, or right of way mapping are available and appropriate, include as part of attachment. Plan should identify any access rights or easements that are required or have been secured for the project.

6. Railroad Service Commitment Letter and Stakeholder Letters of Support

A railroad service commitment letter must be included with each application indicating that the servicing railroad has participated in or has reviewed the project's design (either concept design or design plans) and is authorized, capable and willing to service the project upon completion.

Letters of project support from the businesses that will be impacted by the improvement (including an indication of their level of commitment), the host municipality, and /or other relevant government or private entities supportive of the project are recommended but not required.

VI. EVALUATION CRITERIA

MassDOT will evaluate each application to determine the extent to which the proposed IRAP project meets and/or exceeds the following criteria:

- Project will improve freight rail transportation in Massachusetts and support the Commonwealth of Massachusetts's State Rail Plan, transportation, land use, economic development, and environmental policies.
- Project readiness is clearly demonstrated including identification of any pre-construction actions already advanced (i.e., designed, permitted, and with necessary agreements) and information provided clearly indicates ability to meet proposed schedule.
- Project application identifies significant public benefits in terms of increased rail volumes, congestion mitigation/air quality benefits and the growth of goods movement in the Commonwealth by freight rail.
- Project will address the needs and concerns of affected communities or any communities or populations that have faced or are facing environmental justice concerns and/or health disparities.
- Project application identifies significant public benefits in terms of industry retention and expansion and stimulating economic development. Actual Project Benefits will be supported by relevant and timely documentation.
- Supporting documentation reflects a strong servicing commitment by the host railroad, support for the project extends to locally elected officials, abutters, and local economic and community development entities.
- Project funding request and budget are determined to be reasonable and complete and reflect strong private sector funding support as demonstrated by the match provided, which may be more than the 40% private sector funding minimum share.

MassDOT will complete the initial review of project applications within thirty (30) days of the close of the application submittal period. The deadline for submitting applications by e-mail or other means is Thursday June 1, 2023 at 5:00 p.m. Late-filed applications may be considered at MassDOT's sole discretion. Due to current building entrance restrictions, no hand-delivered applications will be accepted. Applications e-mailed will be acknowledged by the date and time applications are delivered electronically.

MassDOT Rail and Transit Division staff will conduct the application review in conjunction with the Executive Office Housing and Economic Development. Other staff (e.g., Highway Division, Railroad consultants or Massachusetts Bay Transportation Authority) may be asked to participate in the review process. MassDOT reserves the right to ask applicants for written clarifications on certain aspects of their applications requiring explanation during the evaluation of projects. MassDOT reserves the right to fund only a portion of a project determined to be scalable.

VII. MASSDOT CONTRACTING REQUIREMENTS

Successful IRAP applicants who at the time of award are not set up to contract with the Commonwealth will need to submit the following forms after the grant award notice as part of the MassDOT contracting process. These forms will be processed at the Massachusetts Comptroller's Office and a vendor code will be issued to allow the applicant entity to contract with MassDOT for the IRAP improvement project. The forms below are included for information only. They should be reviewed but not submitted as part of your IRAP application.

Commonwealth Terms and Conditions

<https://www.mass.gov/doc/commtermsconditionspdf/download>

Contractor Authorized Signatory Listing (CASL)

<https://www.mass.gov/doc/casl-formpdf/download>

Mass Form W-9

<https://www.mass.gov/media/1096166/download>

Electronic Funds Transfer Sign Up Form

<https://www.mass.gov/doc/electronic-funds-transfer-sign-up-form-0/download>

Applicants awarded IRAP project funding under this solicitation will enter into cost reimbursement contracts with MassDOT. Applicants therefore must understand that they need to incur project expenses upfront and invoice MassDOT for reimbursement based on documentation of project expenses paid. Timely invoicing of expenses incurred, along with corresponding progress reports are essential to the effective management of the IRAP initiative and documentation of desired outcomes and will be strictly enforced.

MassDOT will provide interested applicants with the IRAP Grant Agreement for review and information at the time an IRAP award is made. The grant agreement further clarifies the contractual relationship between MassDOT and the IRAP grantee and establishes certain controlling provisions with respect to the operation and administration of the awarded IRAP rail access improvement project. The Grant Agreement outlines IRAP contractor expectations including open and competitive procurement requirements for any project expenses over \$5,000, details invoicing and reporting requirements and further explains MassDOT's inspection process for acceptance of the work and verification that the 40% minimum stipulated private sector matching funds were in fact expended on the project.

In addition to the grant agreement specific to each IRAP grantee, the MassDOT contract will include the standard Commonwealth Terms and Conditions, the finalized project work scope, budget, and project schedule as may be modified during contracting deliberations. **Applicants are advised that an awardee's IRAP award is contingent on its submittal to MassDOT of a properly executed IRAP Agreement within three (3) months of the applicant's award notice. Failure to timely submit a properly executed IRAP Agreement within this time frame may result in the forfeiture of the award.**

VIII. INVOICING/REPORTING/ WORK INSPECTIONS

Project invoicing and narrative progress reports shall be prepared in a format prescribed by MassDOT, and submitted monthly, within fifteen (15) days of the month's end, or in accordance with an alternative progress payment schedule that may be negotiated for certain projects, if applicable.

All invoice reimbursement requests will include documentation of actual costs incurred, including names, hours, and rates of pay for labor charges, paid construction sub-contractor and vendor invoices, and other approved costs and documented expenses. All invoices will include documentation that MassDOT's IRAP contractor has paid all invoices for which reimbursement is sought. Only those categories of expenses expressly identified as reimbursable in the final approved project or detailed on an approved Alternative Progress Payment Schedule will be eligible for reimbursement.

All reimbursement requests must include a project narrative progress report comparing progress and expenditures made against the project schedule and approved project budget. Variances between the scheduled milestones and resulting in budgeted expenditure variances must be discussed in the monthly progress report and actions must be identified to ensure that the project is adequately funded and will be completed on schedule. Failure to satisfy this requirement constitutes non-performance and repeated expenditure and progress reporting deficiencies may result in forfeiture of remaining grant funds.

MassDOT will reimburse the IRAP grantees upon submission of payment requests. MassDOT may make interim and final inspections of work progress and quality prior to the approval of payment requests. Final payment will be issued once MassDOT's field engineer has made a final inspection and signed off on the project as complete.

The total of invoice payments by MassDOT on the project will not exceed the agreed upon percentage and dollar amount of MassDOT participation in the project. Cost overruns and extra work orders are the responsibility of the IRAP grantee.

REQUIRED ATTACHMENTS

- A. Application Cover Pages - (include as the first 2 pages of your application package followed by the 5-page narrative response and Attachments B - E below.)**
- B. Proposed Project Schedule and Estimated Timelines**
- C. Budget/Budget Narrative**
- D. Project Locus Maps, Railroad Valuation Maps, Track Plans & Right of Way Maps**
- E. Railroad Service Commitment Letter and Stakeholder Letters of Support**