## How to Apply for FY18 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grants

August 8, 2018

## Objective

- Provide guidance to applicants on how to compete for CRISI grants
  - ► Grant Program Information
  - Notices of Funding Opportunity
  - ► How to Apply and Application Content
    - ► Tips for Preparing Benefit-Cost Analysis
  - ▶ Key Takeaways

## Grant Program Information

#### **Purpose of Program**

To fund projects that improve the safety, efficiency, and/or reliability of intercity passenger and freight rail systems

#### **Federal Funding**

- **\$318,430,337** 
  - \$35.5M for initiation/restoration capital projects
  - ► At least 25% for rural area projects

#### **Federal Share**

- ► Maximum: 80%
- ► Statutory Preference: 50% or less

#### **Application Due Date**

September 17, 2018 at 5 PM EDT

#### **Eligible Applicants**

- ► State Entities
- ▶ Public Agencies or Publicly Chartered Authorities
- ▶ Local Governments
- Amtrak or other Intercity Passenger Rail Carrier
- ► Class II or III railroads
- ► Any Rail Carrier or equipment manufacturer in partnership with at least one state entity, public agency, and/or local government
- ► The Transportation Research Board
- A University transportation center engaged in rail-related research
- ► A non-profit labor organization

#### **Eligible Projects**

- Wide Range of Rail Capital Projects
  - Congestion mitigation
  - Ridership growth facilitation
  - ▶ Enhancements to multimodal connections
  - Improvements to short-line or regional railroad infrastructure
- Railroad Safety Technology Non PTC
- Track, Station and Equipment Improvements for Intercity Passenger Rail
- Grade Crossing Improvements
- Rail Line Relocation and Improvement
- Regional, State, Corridor Planning and Environmental Analyses
- Safety Programs and Institutes
- Research, Workforce Development, and Training NEW for FY18

#### **Application Requirements**

- Identify private sector, state, and/or local funding
- Provide benefit-cost analysis
- FY18 applications can apply for more than one track per project – NEW for FY18
- Applications should still identify which tracks applications falls under:
  - (1) Planning (regional, state, corridor planning; not projectspecific)
  - ► (2) PE/NEPA
  - ▶ (3) Final Design/Construction
  - ▶ (4) Research, Safety Programs, & Institutes

#### **Evaluation Criteria**

#### Technical Merit:

- Project readiness
- Private sector participation
- Consistent with DOT Planning guidance and documents

#### Project Benefits:

- Effects on system performance, safety, competitiveness, reliability, trip or transit time, and resilience
- ► Integration with other modes
- Ability to meet existing or anticipated demand

#### **Selection Criteria**

- Preference for higher matching funds from multiple sources, maximized net benefits, and private sector participation
- Key departmental objectives
  - Supporting Economic Vitality
  - Leveraging Federal Funding
  - Preparing for Future Operations/Maintenance Costs More Explicitly Defined for FY18
  - ▶ Innovative Approaches
  - Accountability

#### **Funding Restrictions**

- Pre-award costs incurred prior to selection, without an FRA NEPA determination, and without prior-FRA written approval are unallowable costs.
- ► FRA is prohibited under 49 U.S.C. 24405(f) from providing CRISI grants for commuter rail passenger transportation.

## Key Differences from FY17 CRISI & FY18 CRISI PTC

- PTC only eligible for Intercity Passenger Rail and Class II/III Railroad projects; Commuter Rail and Class I Railroad PTC projects not eligible
- Research, workforce development, and training projects are eligible
- Applications can include multiple phases of a project in a single application (Planning, PE/NEPA, FD/Construction)
- Greater emphasis on lifecycle asset management principles
- Applicants may resubmit FY17 CRISI and FY18 CRISI PTC applications for consideration – indicate whether application has changed since previous submission

# Notices of Funding Opportunity (NOFOs)

#### What is a NOFO?

- A NOFO:
  - Announces the grant opportunity
  - Contains details about the application requirements and procedures to request Federal funding for eligible projects

#### Where do I start?

Check the FRA Website Page on Discretionary Competitive Grant Programs at:

https://www.fra.dot.gov/Page/P0997



Click on the link to access the NOFO.

### Where is the CRISI NOFO?

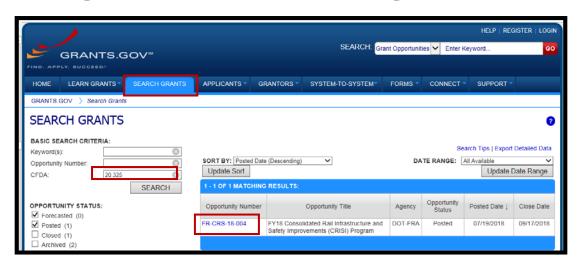


# What information is in a NOFO?

- Program summary
- ► Key Dates
- Addresses
- ► FRA Contact Information
- ▶ Table of Contents
  - ► Program Description
  - ► Federal Award Information
  - ► Eligibility Information
  - Application and Submission Information
  - ► Application Review Information
  - ► Federal Award Administration Information
  - ► Federal Awarding Agency Contacts

# Where I find "how to apply" information?

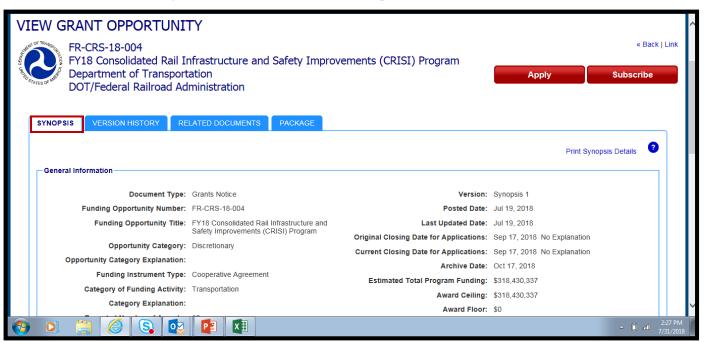
► Search grants on Grants.gov



Click on the Opportunity Number to see the Synopsis

## What is the Synopsis?

Summary information about the grant opportunity in Grants.gov



# Application Content

### How do I apply?

- Obtain a Dun and Bradstreet number (DUNS)
- Register early in the Federal government's System for Award Management (SAM)
- For Grants.gov, complete an Authorized Organization Representative profile and create a username and password
- Submit an application addressing all requirements outlined in the NOFO

# What do I include in my application?

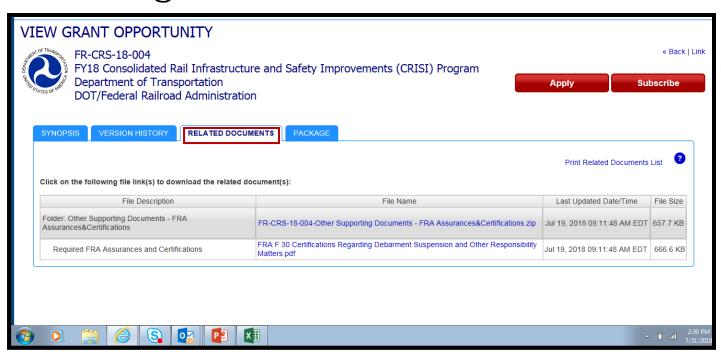
- Required Documents
  - ► Project Narrative
  - Statement of Work
  - Project Development Supporting Documentation
  - ▶ Benefit- Cost Analysis
  - Other required documents, such as NEPA documentation and Planning documents

### What forms are required?

- SF424 (Application for Federal Assistance)
- ► Either: SF 424A or 424C- Budget info for Non-Construction OR Construction
- ► Either: SF 424B or 424D Assurances for Non-Construction OR for Construction
- FRA's Additional Assurances and Certifications
- ►SF LLL: Disclosure of Lobbying Activities

# Where is the FRA's Additional Assurances and Certifications?

See the Related Documents in Grants.gov



# What do I include in the Project Narrative?

- Cover page
- ▶ Brief summary of the project
  - Project components, where it is located, and projected outcome
- Project funding information
- Applicant eligibility
- Project eligibility
- Detailed project description
- ▶ Project location/map
- Project implementation and management
- ► Evaluation and selection criteria
- ► Project readiness

# What table should I include on the Cover Page?

Project Title						
Applicant						
Project Track	1,2,3 and/or 4					
Will this project contribute to the Restoration or Initiation of Intercity Passenger Rail Service?	Yes/no					
Was a Federal grant application previously submitted for this project?	Yes/no					
If yes, state the name of the Federal grant program and title of the project in the previous application.	Federal Grant Program:					
previous application.	Project Title:					
If applicable, what stage of NEPA is the project in (e.g., EA, Tier 1 NEPA, Tier 2 NEPA, or CE)?	NEPA stage:					
Is this a Rural Project? What percentage of the project cost is based in a Rural	Yes/no					
Area?	Percentage of total project cost:					
City(ies), State(s) where the project is located						
Urbanized Area where the project is located						
Population of Urbanized Area						
Is the project currently programmed in the:	Yes/no					
State rail plan, State Freight Plan, TIP, STIP, MPO Long Range Transportation Plan, State Long Range Transportation Plan?	(If yes, please specify in which plans the project is currently programmed)					

# How do I organize the Project Narrative?

- Be sure that the Project Narrative headings and corresponding information are exactly as specified in the NOFO
- The Project Narrative should clearly provide details about the FRA Federal funding requested project
- The Project Narrative must sufficiently address the evaluation and selection criteria to be a competitive application

# What is a Statement of Work (SOW)?

- Addresses the scope, schedule, and budget for the proposed project as if it was selected for award
- A Sample SOW Template is located at:

https://www.fra.dot.gov/eLib/Details/L18661.

# What do I include in the SOW?

- Organize the scope of work for the project into discrete tasks
  - Be clear regarding the work to be done in each task
- Align tasks with proposed deliverable, schedule and budget line items
- Use the FRA Standard Cost Categories as a way to organize a SOW and Budget
  - ► <a href="https://www.fra.dot.gov/Elib/Document/16">https://www.fra.dot.gov/Elib/Document/16</a>
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#### CRISI BCA Outline

- Specify your base case, Specify your alternate case, Specify your timeline;
- Show how alt case will result in specific effects (project benefits);
- Break down effect magnitudes as small as possible;
- Assign values to the effects using DOT guidance;
- Sum the costs and benefits separately;
- 6. Discount;
- Calculate Results.

### BCA: Scope of Analysis

- The base case should reflect the status quo, the world as it exists today. See Pg. 7
- The alternate case is the proposed project;
  - Avoided costs of alternatives not taken are NOT benefits. See Pg. 25
- The Timeline should be appropriate for the proposed project: See Pg. 9
  - Should match the useful life of the project, but not longer than 30 yrs.
  - Projects with UL longer than 30 yrs will have residual value; calculate with straight line depreciation.

### BCA: Scope of Analysis

- ONLY the differences between the base case and alt case should be examined.
- ►These changes should reflect reality:
  - Shippers will not truck product 2000 miles when another freight station is only 30 miles away.
  - Railroads will impose speed/weight restrictions before shutting down totally.
  - Passengers will divert to nearby stations (if available) rather than driving the full distance.

#### **BCA: Benefits & Costs**

- The <u>marginal</u> effects of the alt case are the project benefits. See Pg. 7
  - Can include undesirable consequences, which should be shown as negative \$'s.
- The total cost of constructing the project as well as operating and maintaining it for the full timeline are the project costs:
  - Reductions to O&M costs should be regarded as project <u>benefits</u>. See Pg. 23
  - Residual value for remaining useful life is also a benefit (and not subtracted from costs).

### BCA: Development

- Macro scale effects should be broken down into the smallest possible elements.
- Replacing a bridge might result in:
  - Removal of slow orders, improving travel speed (Travel time savings)
  - Reduce diversion and congestion on nearby track (Travel time savings)
  - Reduced wait time at the approaches (Travel time savings and emissions)
  - Decreased delays at nearby sidings and yards (Travel time savings and emissions)

#### **BCA: Modal Diversion**

- Modal diversion is a <u>marginal</u> choice; only count marginal benefits.
- New/induced users value the service less than existing users. See Pg. 16
- Rail diversion to truck could involve:
  - Increased pavement & bridge damage
  - Increased harmful emissions
  - Increased congestion on highways
  - Decreased safety
  - Lost revenues and increased shipper costs are transfers, not benefits.
  - For passenger rail, avoided VOC and fares are transfers, not benefits. See Pg. 24

### BCA: Monetizing Benefits

- Recommended Values are in Appendix A (Pg. 28):
  - ► For an injury of unknown severity, use the value of KABCO "U".
  - Commuting to and from work is considered "personal <u>local</u>" travel, even if it is between municipalities.
  - ► "High Speed" Rail means over 125 mph; currently only exists on Amtrak's NEC.
  - VOC savings will generally not apply to rail projects.

### **BCA**: Calculations

Calendar Year	Project Year	lue of Travel ne Savings	Emissions Savings		Total Benefits		Discounted Benefits at 7%		Construction Costs		O&M Costs		Total Costs		Discounted Costs at 7%		NPV at 7%	
2017	0	\$ -	\$	-	\$	-	\$	-	\$	38,500	\$	-	\$	38,500	\$	38,500	\$	(38,500)
2018	1	\$ -	\$	-	\$	-	\$	-	\$	15,500	\$	-	\$	15,500	\$	14,486	\$	(14,486)
2019	2	\$ 23,342	\$	1,428	\$	24,770	\$	21,635	\$	-	\$	150	\$	150	\$	131	\$	21,504
2020	3	\$ 24,570	\$	1,562	\$	26,132	\$	21,331	\$	-	\$	150	\$	150	\$	122	\$	21,209
2021	4	\$ 25,061	\$	1,703	\$	26,764	\$	20,418	\$	-	\$	150	\$	150	\$	114	\$	20,304
2022	5	\$ 26,781	\$	1,841	\$	28,622	\$	20,407	\$	-	\$	150	\$	150	\$	107	\$	20,300
	Total	\$ 99,754	\$	6,534	\$	106,288	\$	83,792	\$	54,000	\$	600	\$	54,600	\$	53,461	\$	30,331

Calendar Year	Project Year	lue of Travel ne Savings	Emissions Savings		Total Benefits		Discounted Benefits at 7%		Construction Costs		O&M Costs		otal osts	counted	NF	V at 7%
2017	0	\$ -	\$ -	\$	-	\$	-	\$	38,500	\$	-	\$	38,500	\$ 38,500	\$	(38,500)
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#### Add Benefits and Costs Separately

Calendar Year	Project Year	lue of Travel ne Savings			Total Benefits		Discounted Benefits at 7%		Construction Costs		&M osts	Total Costs		scounted	NPV at 7%		
2017	0	\$ -	\$ -	\$	-	\$	-	\$	38,500	\$	-	\$	38,500	\$ 38,500	\$	(38,500)	
2018	1	\$ -	\$ -	\$	-	\$	-	\$	15,500	\$	-	\$	15,500	\$ 14,486	\$	(14,486)	
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	Total	\$ 99,754	\$ 6,534	\$	106,288	\$	83,792	\$	54,000	\$	600	\$	54,600	\$ 53,461	\$	30,331	

Total \$ / 1.07<sup>Project Year</sup>

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	Total	\$ 99,754	\$ 6,534	\$	106,288	\$	83,792	\$	54,000	\$	600	\$	54,600	\$	53,461	\$	30,331	

Discounted Benefits – Discounted Costs = \$NPV

Calendar Year	Project Year	lue of Travel ne Savings			Total Benefits		Discounted Benefits at 7%				O&M Costs				Total Costs		Discounted Costs at 7%		NPV at 7%		
2017	0	\$ -	\$ -	\$	-	\$	-	\$	38,500	\$	-	\$	38,500	\$	38,500	\$	(38,500)				
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# Discounted Benefits / Discounted Costs = BCR

- Document your assumptions in as much detail as possible.
- Explain how the project will lead to the expected outcomes.
- ► Work from the bottom up.

- If the project has separate elements, report benefits and costs of each sub-project separately.
- If your BCA includes modal diversion, include YOUR mix of commodities and traffic volumes.

Include an unlocked Excel spreadsheet that clearly shows your calculations and discounting.

- Follow USDOT BCA guidance (the most recent version can be found <a href="https://www.here">here</a>.)
- Refer to the <u>BCA FAQs</u> for some rail specific examples of how to apply the BCA Guidance

GradeDEC link:

https://www.fra.dot.gov/Page/P0337

► Grade DEC documentation:

https://www.fra.dot.gov/eLib/Details/L03761

#### **Environmental Reviews**

- Are triggered by a Federal Action
- Interact with the planning process
- Can help with good decisionmaking
- Required by National Environmental Policy Act (NEPA)

## Types of Environmental Reviews

- ►EIS / ROD: Environmental Impact Statement
- ►EA / FONSI: Environmental Assessment
- ►CE: Categorical Exclusion
- ► Tiered Environmental Documents

#### **Environmental Readiness**

- Document NEPA completion or review underway
  - Date of actual or anticipated completion and related milestones
  - Website link to documents
- See additional FRA NEPA compliance information at:

https://www.fra.dot.gov/eLib/Details/L05286

- Read the NOFO carefully
- Determine what a "successful" project will look like
- Register in SAM and Grants.gov early
- Apply early enough to meet the application deadline
- When applying through Grants.gov, use the "Track My Application" function
- Use the checklist with the application requirements in the NOFO as you complete your application

- Check to see that all budget figures match corresponding figures on the forms, cover sheet, SOW, and in the Project Narrative
  - Numbers in columns and rows should add up properly in budget tables
- Address all of the evaluation and selection criteria on which you will be rated
  - By clearly and directly responding to the criteria, your application will be easier to read and evaluate. Don't bury key points!
- Name key partners, indicate in-place agreements, and include letters of support

- Align your strategies, activities, staffing, and other application content
- For grade crossing improvement projects, include grade crossing numbers
- Only include project costs expected to be incurred after selection of the grant

### Thank you!

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