STATEWIDE AVIATION GRANT PROGRAM

AIP ELIGIBLE PROJECTS

Guide for Grant Sponsors

MDOT MARYLAND DEPARTMENT OF TRANSPORTATION
MARYLAND AVIATION ADMINISTRATION

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Effective: June 2022

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*** GENERAL ***

Maryland Department of Transportation Maryland Aviation Administration's (MDOT MAA) Statewide Aviation Grant Program offers financial assistance to licensed public-use airports receiving eligible funds through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) or similar federal program. MDOT MAA grant program is structured to provide half of the local share of an federally-eligible project.

This guide has been assembled to provide Airport Owner (Sponsor) with an easy-to-read description of the financial assistance available under the Statewide Aviation Grant Program. This guide also provides important information regarding eligibility requirements, application procedures, reimbursement procedures and Sponsor responsibilities.

Aviation grant funds are made available through the MDOT Consolidated Transportation Program (CTP) at https://mdot.maryland.gov/tso/pages/Index.aspx?PageId=27. Appropriation for an individual airport project will be administered by MDOT MAA's Office of Regional Aviation Assistance (ORAA). Funding is limited to half the Sponsor's share of an AIP eligible project. MDOT MAA may issue interim program policy memorandums to supplement this guidance.

The MDOT MAA grant agreement is separate from the agreement between Sponsor and FAA. However, the Sponsor must coordinate every phase of the airport's development plan and communicate with MDOT MAA on all AIP eligible grant projects. Failure of the Sponsor to communicate and coordinate with MDOT MAA will jeopardize current and/or future State funds.

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*** PROJECT PLANNING ***

1. Sponsors must coordinate future project needs with MDOT MAA at the same time as coordination with FAA. Multi-phase projects require greater planning effort from Sponsor to ensure maximum State funding assistance can be programmed. Late coordination with MDOT MAA jeopardizes funding available.

2. Sponsors are required to include MDOT MAA in Airport Capital Improvement Program (ACIP) development. MDOT MAA recommends showing all capital improvement projects at your airport, including Federal, State-only and Local-only funded type of projects. A comprehensive ACIP allows MDOT MAA to consider funding assistance for various projects. Updates to the ACIP, outside the normal annual update cycle, shall be forwarded to MDOT MAA.

   ACIP should include at a minimum: State fiscal year, project title, total cost, Sponsor, Federal and State dollar share and percentage of total cost. For each project, a separate detail project description is required. MDOT MAA requirements and timetable for ACIP will be commensurate with Federal ACIP requirements.

3. Grant eligibility of various project costs need to be determined <u>in advance of</u> grant application. Sponsor should proactively exercise their authority to review and negotiate fees. Airport Cooperative Research Program Report 87, *Procuring and Managing Professional Services for Airports*, complements FAA Advisory Circular 150/5100-14E (or its recent revision) in the Sponsor's management of engineering services.

   a. Architectural/Engineering (A/E) services and fees require MDOT MAA review and consent <u>prior to</u> grant application. Provide scope, fee summary, hourly rates as well as fee schedule in Sponsor submission to MDOT MAA. Delayed submission will delay MDOT MAA review.

      i. Project Administration (PA) fees are capped at 12% of the total A/E service fee (including A/E subs, fixed fee, overhead and profit).
         1. If PA fees exceed 12% of total A/E fee, then the total A/E fee will not be MDOT MAA grant eligible. Sponsor must reduce grant request accordingly.

      ii. Profit for A/E services are capped at:
         1. 15% of total labor fee for construction administration; and
         2. 10% of total labor fee for design, planning, environmental or land acquisition services.
         3. Total labor includes fully loaded or audited overhead rates.
         4. Profit calculations on fixed expenses (travel, per diem, printing, mailings, etc.) is not MDOT MAA grant eligible.
         5. Profit calculations on subconsultant cost (also known as mark-up) is not MDOT MAA grant eligible.

6. If profit exceed (1) or (2) and/or includes a mark-up, then the **total** A/E fee will not be MDOT MAA grant eligible.

b. All document reviews and approvals must be completed prior to grant application. Sponsors should coordinate and communicate early in the process to avoid delays and/or loss of funding.

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*** APPLICATION PROCEDURES ***

1. A formal application for an MDOT MAA grant, in parallel to an AIP grant, is required.

    a. Submit application via email to ORAA Director.

    b. Submit as a single .PDF file not to exceed 10 pages.

2. State grant application must be submitted at same time as FAA grant application is submitted.

3. Sponsor should include the following information in the electronic application package:

    a. Cover letter with project description and benefits to be derived; i.e., what the airport wants to do, why the airport wants to do it, proposed timeline and benefits for the airport and community.

    b. Project schedule (including major milestones).

    c. Exhibit(s) of project work area(s), drawing(s), and/or photos.

    d. Grant amount requested (include both total dollar amount and the percentage of total requested.

    e. Copy of FAA AIP grant application.

4. After Sponsor signs FAA grant offer, 1 copy of signed FAA grant offer must be forwarded to MAA via email as a .PDF file attachment.

5. Upon receipt of fully executed FAA grant offer, MDOT MAA will initiate the State Grant Agreement for approval. A fully executed FAA grant offer is one that has secured signatures from responsible officials of both FAA and Sponsor.

6. MDOT MAA will utilize the DocuSign platform for electronic review and signature. See Appendix B. Steps in the MDOT MAA grant approval process include:

    a. Grant agreement circulated through MDOT MAA for draft coordination and approval;

    b. Grant agreement sent to Sponsor via DocuSign for review and signature;

    c. Grant agreement sent to MDOT MAA leadership and MDOT Secretary for final signatures;

7. Distribution and announcement of the signed grant:

     a.   Upon full execution, Sponsor will receive an email notification from ORAA. Email will include .PDF copy of executed grant agreement. Hard copy will not be sent. Sponsor may make additional copies at your discretion.

     b.   A grant project manager will be assigned by ORAA.

     c.   A separate formal grant award announcement letter from MDOT Secretary will follow.

8. Sponsor should plan 2 months from submittal of clean application to final signatures. NTP should be planned accordingly.

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*** GRANT COORDINATION ***

1.   Grant agreement terms require Sponsor to provide project correspondences. Ensure all correspondences (letters, reports, drawings, change orders, etc.) from Sponsor or Sponsor's representative includes the appropriate MDOT MAA grant number.

2.   Project meetings and/or updates shall be coordinated in advance with the MDOT MAA. Allow 3 weeks for meeting coordination due to variable demands on ORAA staff.

3.   If the Sponsor has an executed FAA AIP grant offer but not the State grant agreement and elects to issue a Notice to Proceed (NTP) then Sponsor must be prepared to absorb all local share costs.

        Once the State grant agreement is signed, MDOT MAA will release funds commensurate to this guidance and MDOT MAA policy.

        If the state grant agreement is not signed, MDOT MAA has no obligation to the Sponsor for incurred costs.

4.   Project change orders:

        a.   In accordance with MDOT MAA grant agreement terms, Sponsor is required to inform MDOT MAA of any changes to project scope, cost or schedule.

        b.   Coordinate through assigned ORAA grant project manager for contract change order review and approval.

5.   Grant Overrun

        a.   A formal grant addendum is needed to receive State funds over the original grant agreement. Sponsor must provide the same level of detail and supporting information as in the original grant request application.

        b.   State grant addendum will only be considered upon Sponsor's receipt of FAA grant amendment.

        c.   State grant addendum requires the signatures of original grant agreement parties.

        d.   State share for eligible grant overrun costs are not guaranteed and subject to fiscal appropriation limits.

        e.   State share of eligible overrun cost less than $2,000 will not be considered.

6.   Grant Close-out

     a.   Sponsor shall submit a final project report commensurate to FAA grant close out requirements. The report should account for all funds received and expended. Include the MDOT MAA grant number on report cover.

     b.   Sponsor shall refund MDOT MAA over payment amount if an over payment is identified in the final report.

     c.   Upon receipt of FAA grant close-out letter, Sponsor should forward same to MDOT MAA with request to close out respective MDOT MAA grant.

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*** PAYMENT PROCEDURES ***

1. Upon receipt of final signatures on MDOT MAA grant agreement, MDOT MAA will authorize release of State funds equal to the full amount of the grant agreement.

2. See grant close out section of this guidance for Sponsor responsibility if actual project costs are less then payment received from MDOT MAA.

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*** ACCOUNTING AND AUDIT REQUIREMENTS ***

1.   In accordance with grant terms, Sponsor must establish and maintain an adequate accounting record for each grant project. MDOT MAA may request these records to verify the eligibility of all incurred costs charged against the grant.

2.   The Sponsor shall retain documentary evidence such as invoices and cost estimates which support all reimbursement requests charged to State funds for a period of five years following the final grant payment.

3.   Sponsor shall permit an authorized representative of the State of Maryland access to any of Sponsor's records and documents that are pertinent to the grant.

4.   Sponsor will benefit from accurate and transparent record keeping. Audit exceptions may trigger additional requirements to Sponsor for future grant requests. In severe audit exceptions are discovered, MDOT MAA retains discretion to cancel separate open grants.

5.   If in doubt of any project and/or cost eligibility, please communicate with MDOT MAA early in the project effort.

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Appendix A

DocuSign Process

E-Signature Procedures for MAA Grants

(effective 2020-06-15)

Grant agreements will be sent to the Official authorized to sign the grant on behalf of the Airport Sponsor. Electronic signature will be requested via email from DocuSign (on behalf of the MDOT MAA Office of Regional Aviation Assistance). A DocuSign account <u>is not</u> required to review or sign documents.

1. Review the DocuSign email. Open the email and review the message from the sender. Click **REVIEW DOCUMENT** to begin the signing process.
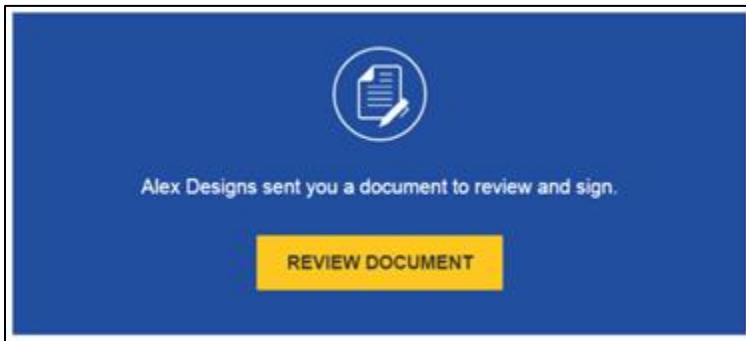
2. Agree to sign electronically: Review the consumer disclosure and select the checkbox **I agree to use Electronic Records and Signatures**. Click **CONTINUE** to begin the signing process.

3. Start the signing process: Click the **START** tag on the left to begin the signing process. You are taken to the first tag requiring your action.
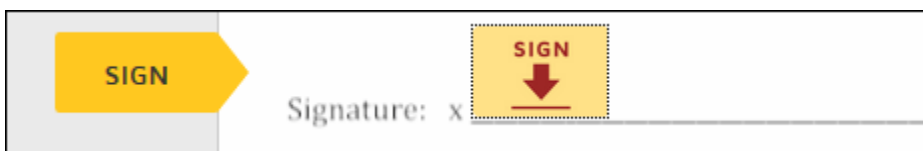
Click the **SIGN** tag. You are asked to Adopt Your Signature.

4. Verify your name: Verify that your name and initials are correct. If not, change them as needed.

5. Adopt a signature.

6. Click **ADOPT AND SIGN** to adopt and save your signature information and return to the document.

7. Confirm signing: When you finish clicking all signature tags in the document, confirm signing by clicking **FINISH.** A message appears stating that you have completed your document. You can now download a PDF copy or print a copy of the document. The MDOT MAA will receive an email with the signed document attached for final execution.

Any questions on the DocuSign e-signature process, please contact:
MDOT MAA Office of Regional Aviation Assistance
Ashish J. Solanki, A.A.E
Director
410.859.7064
443.996.1060 (cell)
asolanki@bwiairport.com

Appendix B

Bridge Grant – A Funding Alternative

Bridge Grant – A Funding Alternative

What: The following guidance is intended to complement the current MDOT MAA grant program guidance for AIP-eligible grants. The "bridge-grant" funding solution is designed to assist an eligible Sponsor that has an eligible federal project. However, due to funding limits at FAA, that respective project is programmed in a future year. By utilizing the bridge grant solution, Sponsor may utilize available State funds to complete the project today and seek FAA reimbursement tomorrow. The benefits for an airport are having a project completed in a quicker time and improve services to the flying public.

Who: Airport Sponsor in good standing with MDOT MAA and eligible to receive both MDOT MAA and FAA grants.

When: State fiscal year, subject to funding appropriations for MDOT MAA. Project completion is required within same FY.

Why: MDOT MAA understands a Sponsor may be ready to execute an eligible project but due to federal limits, federal funds may not be available until several years in the future. This delay could cause project cost increases as well as delays to the overall airport improvement plans. One alternative to the federal timetable is to utilize the MDOT MAA grant program to forward fund the federal share of an eligible project. Upon receipt of the Federal grant in a future year, the forward-funded federal portion would be returned to MDOT MAA. The bridge grant agreement will stipulate all terms.

How: Airport Sponsor shall coordinate, in advance, with both MDOT MAA and FAA on intent to utilize MDOT MAA Bridge Grant funding solution for an eligible project. Sponsor will be required to submit MDOT MAA grant request consistent to existing grant request procedures. In addition, Sponsor should obtain confirmation from FAA stating the project is eligible for future FAA grant funding.

Eligible Projects: Land acquisition services (appraisals, surveys);
Land acquisition (easements, fee simple);
Architectural/Engineering services.

Grant Terms: In addition to the grant terms in the standard MDOT MAA grant agreement, the bridge grant will require:
- Scope of Work (SOW), schedule and cost review and concurrence by MDOT MAA & FAA.
- Bridge grant terms will provide for 95% MDOT MAA grant.
- The state funds will be on a reimbursement basis. Sponsor should have adequate funds to pay for the project up front.
- Upon project completion, a final grant report should summarize the SOW completed, cost expended and reimbursed.
- SOW and all grant administrative steps (through close-out) should be completed prior to state fiscal year end in which bridge grant was issued.

- Upon receipt of FAA grant offer and subsequent FAA reimbursement of eligible costs, Sponsor shall refund MDOT MAA the FAA share consistent to bridge grant terms.
- Any costs deemed not eligible by FAA but paid by MDOT MAA under the bridge grant, will be due back to MDOT MAA from Sponsor upon receipt of FAA eligibility determination.
- Due to future FAA funding uncertainty, MDOT MAA bridge grant will not impose a timetable to refund federal share. MDOT MAA recognizes the need to be flexible. However, the Sponsor will be obligated to refund federal funds upon receipt.
- If Sponsor decides not to pursue development plan after completion of the bridge grant and/or has not received federal funds, Sponsor will be required to return the respective federal portion as defined in the bridge grant terms.