



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009  
TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY  
“TIGER”  
DISCRETIONARY GRANT APPLICATION

**Tower 55 At-Grade Improvement Project**



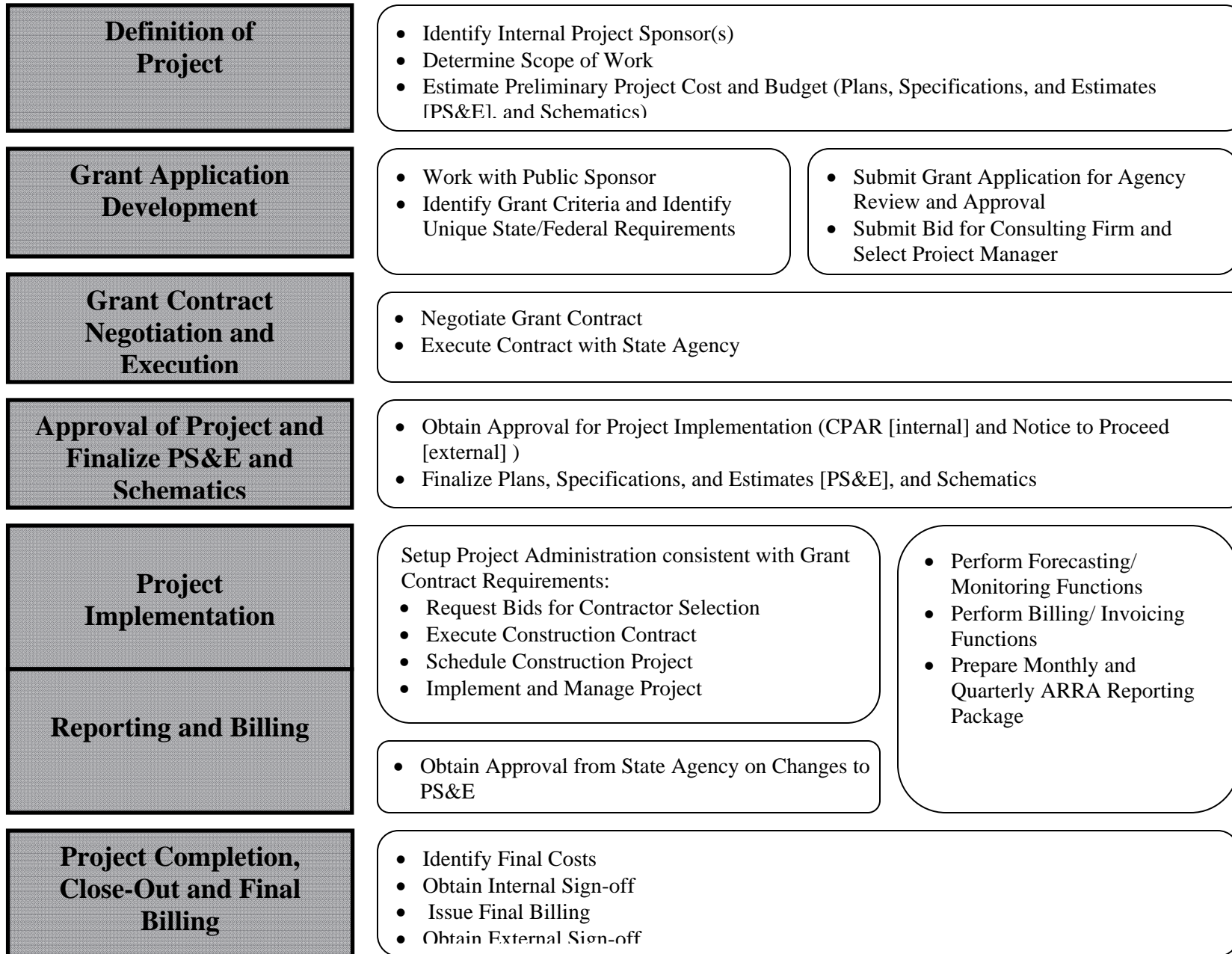
**APPENDIX B: Project Management Plan**

Website: [www.bnsf.com/communities/govtaffairs/tower55/intro.pdf](http://www.bnsf.com/communities/govtaffairs/tower55/intro.pdf)



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# Business Process Framework for ARRA Funded Projects



**Documentation, Self Monitoring and Auditing Activities**

**Monthly & Quarterly Reporting**

**ARRA Ongoing Compliance Activities**

**Records Retention**

**OBJECTIVE****PROCESS/PROJECT CONTROLS****Definition of Project****Identify Internal Project Sponsor(s) and Determine Scope of Work**

- a. Internal BNSF - A project need is identified by a sponsoring department. A high level idea is brought to Service Design, Regional Vice President Operations (RVP) and potentially Strategic Studies (if involves BNSF dollars) to confirm if the need will be satisfied by the proposed project and if the project conforms to the goals and requirements of ARRA.
- b. External BNSF Customer – A third party may bring a proposed new service or a suggestion for improving service to the Project Sponsor. The high level idea is brought to Service Design, Regional Vice President Operations (RVP) and potentially Strategic Studies (if involves BNSF dollars) to confirm if the need will be satisfied by the proposed project and if the project conforms to the goals and requirements of ARRA.

**Estimate Preliminary Project Cost and Budget  
(Plans and Specifications & Engineering (PS&E), Estimations, Schematics)**

- c. Engineering Services develops preliminary project estimates, design, and permitting and it is reviewed by the department manager implementing the project.

- ✓ Plans and Schematics - Once a conceptual project is identified, Engineering Services develops a schematic and conceptual estimate. The affected departments review and sign the drawing as acceptable. (If a third party is involved in developing the schematic, the appropriate department will also sign the drawing.)
- ✓ Overhead Rates – Engineering Services incorporates the overhead rates into the estimates. Overhead rates are determined by Finance/Overhead Rates team through an annual study. Government additive rates are updated annually by the Finance/Overhead Rates team and reviewed/audited periodically by PwC and FHWA, at least every two years.
- ✓ Contingencies - Engineering Services determines appropriate level of contingencies and incorporates into the estimates based on the level of commitment that BNSF will be asked to make and based on how far along BNSF is in the project.
- ✓ Project Administration - The project sponsor considers the project administration cost.

- d. Strategic Studies reviews project assumptions for projects requiring BNSF dollars which includes ROIC.

OBJECTIVE	PROCESS/PROJECT CONTROLS
<b>Grant Application Development</b>	<b>Work with Public Sponsor</b>
	a. The Project Sponsor (ie. Network Development or Passenger Operations), supported by Engineering Services and Law work with Government agencies to identify viable grants based on the criteria in the grant application and the perceived benefits of the project.
	<b>Identify Grant Criteria and Unique State/Federal Requirements</b>
	b. Internally, the Project Sponsor works with Engineering Services, Service Design and Law to identify grant criteria and unique State/Federal requirements. Project Sponsor determines if any assurances in grant application will pose any compliance problems.
	c. <u>Permitting</u> – The Engineering firm submits and manages the process of obtaining the appropriate environmental permits for the project. Engineering Services identifies if there are any issues with the permitting to determine appropriate timelines for the grant request. If there are any challenges or delays to the permitting, the project could be reduced to a track 2 or track 3 project (which provides additional time).
	<b>Submit Grant Application for Agency Review and Approval</b>
	d. The Project Sponsor, Engineering, Service Design, in some instances Marketing, coordinate with Government Affairs dept. the review and scope of work in anticipation of submittal to Executive Team (CEO and direct reports) for review and approval.
	e. Engineering Services submits preliminary estimates to Project Sponsor in order to prepare the grant application.
	f. Strategic Studies reviews the grant application if there is a BNSF capital contribution.
	g. Network Development reviews the scope of work with the Executive Team for approval. Once approval is received by the Executive Team, the Project Sponsor provides a Letter of Endorsement to the Government Agency.
	h. Project Sponsor submits the grant application to the Government Agency for review and approval.
	<b>Submit Bid for Consulting firm and Train Project Manager</b>
i. Engineering Services works with Strategic Sourcing to submit a bid for a consulting firm to support in completing the grant application. Strategic Sourcing utilizes a checklist of items required in the RFP, which highlight, among other things, the specific ARRA reporting requirements of the consulting firm.	
j. The Project Sponsor and Engineering Services identify the Project Manager/Construction Manager for the project.	

OBJECTIVE	PROCESS/PROJECT CONTROLS
<b>Grant Contract Negotiation and Execution</b>	<b>Negotiate Grant Provisions</b>
	<p>Appropriate personnel negotiate the grant agreement.</p>
	<b>Obtain Approval for Project Implementation (CPAR)</b>
	<p>Project sponsor ensures BNSF agrees to commit necessary resources for the project before the contract is executed.</p>
	<b>Execute Contract with Government Agency</b>
	<ol style="list-style-type: none"> <li>a. The Law department executes a contract with the Government Agency.</li> <li>b. A signed copy of the agreement is distributed</li> <li>c. The grant contract is filed with Corporate Support.</li> </ol>

OBJECTIVE	PROCESS/PROJECT CONTROLS
<b>Project Implementation</b>	<p><b><i>Set-up Project Administration Consistent with Grant Contract Requirements:</i></b></p>
	<p style="text-align: center;"><b>Request Bids for Contractor Selection</b></p>
	<p>a. Strategic Sourcing provides assistance to Engineering Services on preparation of RFP for the contractor selection including specific ARRA bid requirements and contract provisions.</p> <p>b. Strategic Sourcing ensures appropriate flow-down provisions are included in an ARRA funded bid. The following are some additional processes around specific ARRA requirements that may apply:</p> <p><b>Materials Qualification (Buy American Certification):</b></p> <p><b>Certify Wages (Davis Bacon)</b></p> <ul style="list-style-type: none"> <li>• The contractor’s contract requires compliance of the Davis Bacon wage rate requirements, where applicable.</li> </ul>
	<p style="text-align: center;"><b>Execute Construction Contract</b></p>
	<p>c. Engineering Services selects the contractor and executes the contract.</p> <p>d. The Law department will provide training/guidelines to the Project Manager/Construction Manager, Project Engineer and other project team members, highlighting specific ARRA requirements.</p>
	<p style="text-align: center;"><b>Schedule Construction Project</b></p>
	<p>e. Engineering Services schedules the construction project based on permitting, operational constraints, manpower availability and material deliveries.</p> <p>f. The Project Engineer coordinates with the Roadmaster, Signal Supervisor and contractor to schedule appropriate timelines.</p> <p>g. The Project Engineer coordinates with the Division Engineer on the manpower schedule/availability for the construction project.</p>
<p style="text-align: center;"><b>Implement and Manage Project</b></p>	
<p>h. Project Manager manages project in accordance with BNSF management practices. This includes monitoring the contractor’s budget and percent complete status of the project. The Project Engineer has oversight responsibilities over the Project Manager and project.</p> <p>i. The Project Engineer and Project Manager meet at appropriate intervals to discuss project status, confirm issues, identify potential delays, and discuss status of ARRA reporting requirements.</p> <p>j. The Contractor posts the appropriate signs at the construction site.</p> <p>k. The Project Manager/Construction manager monitors compliance.</p>	
	<p style="text-align: center;"><b>Obtain Approval from Government Agency on Changes to PS&amp;E</b></p>
	<p>l. If there is <u>any</u> impact to cost, schedule or function, the Project Engineer <b><u>must seek internal approval</u></b> through an amended CPAR for cost and scope (return to page 7 for process).</p>

**OBJECTIVE**

**PROCESS/PROJECT CONTROLS**

**Reporting and Billing**

**Perform Billing/Invoicing Functions**

- a. Billing ensures contract, Sales Order & Overheads are properly set up.
- b. Billing ensures material, Labor and other charges (AP, work train, use tax) are correct for each WBS and that we have supporting documentation.
- c. The Project Manager/Construction Manager sends any changes to the proforma desk copy (invoice) back to the Billing group.
- d. The Billing group makes appropriate updates in the system and creates the actual invoice which is sent to the responsible party.

**Prepare and Submit Monthly Government Reporting**

- a. Project Manager/Construction Manager collects contractor/subcontractor labor and payroll information and completes applicable state employment report.
- b. Project Manager forwards that information to Billing on the 1st working day of every month.
- c. Appropriate BNSF personnel collect all information required for ARRA reporting.
- d. When necessary, the Billing Group enters the appropriate information into the Federal website by the 10<sup>th</sup>.
- e. AP may stop payment if contractor/subcontractor information is not in compliance with reporting requirements.

**Prepare and Submit Quarterly ARRA Reporting Package**

- a. Responsible BNSF party provides the information to the Billing team by the 5<sup>th</sup>. The core project information should be provided as soon as it's available for early input into the Federal website.
- b. Billing sets up the quarterly template with the project information in the Federal website for the Prime / Sub-recipient based on the ARRA Reporting Requirements checklist by the 10<sup>th</sup>.

OBJECTIVE	PROCESS/PROJECT CONTROLS
<b>Project Completion, Close-out and Final Billing</b>	<b>Identify Final Costs</b>
	<ul style="list-style-type: none"> <li>a. Engineering utilizes a closeout template to finalize the project.</li> <li>b. Finance/Billing performs a reconciliation on billable projects that are 100% complete to ensure that all charges have been captured in both the GL and billable accounting systems.</li> </ul>
	<b>Obtain Internal Sign-off</b>
	<ul style="list-style-type: none"> <li>c. Project Manager obtains sign-off on completion of project from appropriate parties.</li> </ul>
	<b>Issue Final Billing and Communicate Completion of Project</b>
	<ul style="list-style-type: none"> <li>d. Once the reconciliation has been completed, Billing issues a final bill to the appropriate party.</li> <li>e. Engineering communicates to the Government Agency that the project is complete.</li> </ul>
<b>Obtain External Sign-off</b>	
<ul style="list-style-type: none"> <li>f. External sign-off is obtained in accordance with the grant agreement.</li> </ul>	



**OBJECTIVE**

**PROCESS/PROJECT CONTROLS**

**Records  
Consolidation for  
Retention**

**Send Records to Corporate Support**

All records listed in the Records Retention checklist must be sent to Corporate Support for appropriate handling.