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## CHAPTER 3 – GRANT PREREQUISITES

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62 **Chapter 3, Grant Prerequisites**, addresses the statutory and regulatory requirements that apply to all  
63 projects and must be satisfied prior to the ARP Field Office preparing a grant. It establishes ARP Field  
64 Office and sponsor responsibilities for:

- Project readiness;
- Planning, compliance, environmental, and civil rights prerequisites; and
- Financial and procurement prerequisites.

65 This chapter discusses the grant prerequisites beyond project eligibility and justification, which are  
66 covered in [Chapter 2, Eligibility & Justification](#). For requirements that are specific to one project or  
67 project type, those additional grant prerequisites are covered in the applicable appendix.

### 68 3-1. OVERVIEW

69 Certain requirements must be met before the ARP Field Office can program a grant. The timing of  
70 meeting these requirements may vary, and some requirements may not apply to every grant. Where  
71 statutes and regulations direct the development of separate policy or other supplemental guidance for  
72 implementation, this Chapter will identify the name of the policy or supplemental guidance document  
73 and include a link for reference if available.

### 74 3-2. PROJECT READINESS

75 There are several pre-grant project readiness requirements that must occur before a project can be  
76 programmed for a grant, including:

- 77 ■ Identification of potential projects by the sponsor and the ARP Field Office during the  
78 development of the National Plan of Integrated Airport Systems (NPIAS) and Airports Capital  
79 Improvement Plan (ACIP);
- 80 ■ Coordination between the sponsor and the ARP Field Office; and
- 81 ■ The preliminary project grant application process.

#### 82 3-2.1. PROJECT IDENTIFICATION AND PLANNING

83 Sponsors typically develop 20-year airport development plans and may also engage in other planning  
84 efforts to assist with the development of their capital improvement plan (CIP), which is submitted to the  
85 ARP Field Office. The ARP Field Office uses a sponsor's CIP, as well as other pertinent available  
86 information, to identify projects that meet the applicable eligibility and justification requirements in  
87 [Chapter 2](#).

88 The ARP Field Office uses the sponsor's CIP and other relevant information to create a five-year NPIAS  
89 report outlining the projects that are potentially eligible and justified for AIP funding. The Secretary of  
90 Transportation is required to publish the NPIAS every two years per [49 U.S.C. § 47103](#).

91 The ARP Field Office then creates an ACIP to identify the projects that may be funded over the next three  
92 years. Inclusion of a project in the NPIAS or the ACIP is not a guarantee of funding, nor is the value of the  
93 project considered a final determination by the FAA.

94 Detailed information on the NPIAS and ACIP processes is found in the current version of [FAA Order](#)  
95 [5090.5, Formulation of the National Plan of Integrated Airport Systems \(NPIAS\) and the Airports Capital](#)  
96 [Improvement Plan \(ACIP\)](#).

## 97 3-2.2. COORDINATION BETWEEN SPONSOR AND ARP FIELD OFFICE

98 For planning purposes, the ARP Field Office may inform the sponsor of the likelihood of funding for a  
99 particular project based on eligibility, justification, and whether and when funds might become available.  
100 However, this type of notification does not represent a decision or commitment by the FAA. The sponsor  
101 is solely responsible for deciding whether to initiate any steps that would be required should the FAA be  
102 able to award a grant for the project. Early indication that a project may be considered for funding, as  
103 well as any early actions taken by the sponsor, should not be misconstrued as pre-decisional.

104 The ARP Field Office may also notify the sponsor of the likelihood of receiving Federal funding in the  
105 upcoming ACIP timeline. This notification is not a commitment or guarantee of funds. It is meant to alert  
106 the sponsor that they may initiate actions, with long lead times, to avoid potential delays in the grant  
107 process.

---

### 108 3-2.2.1. PROJECT SCHEDULE CONSIDERATIONS

109 A final key requirement of the early project coordination process is the development of a realistic project  
110 schedule. The sponsor must develop a schedule that ensures the project proceeds in a timely manner by  
111 setting realistic sponsor deadlines for key steps in the grant process, including the prerequisites  
112 discussed in [Section 3.3, Planning, Compliance, Environmental, and Civil Rights Prerequisites](#), and  
113 [Section 3.4, Financial and Procurement Prerequisites](#).

---

### 114 3-2.2.2. PROJECT PHASING AND USABLE UNITS OF WORK

115 When reviewing proposed projects, the ARP Field Office must determine whether the project results in a  
116 complete project, which is also referred to as a usable unit of work. Project grant agreements must result  
117 in a usable unit of work. Partial construction or incomplete acquisition does not result in a complete  
118 project and is therefore not a usable unit of work.

119 The only exception to the usable unit of work requirement is for a phased project. In a phased project,  
120 the ARP Field Office issues a grant for a portion or distinct phase of the physical implementation of a  
121 project.

122 To issue a grant for a phased project, sponsors must work with the ARP Field Office to define a scope of  
123 work that will achieve the milestone, which is the phase being funded. When a usable unit of work must  
124 be phased, each phase must have a clearly defined deliverable that results in a meaningful segment of  
125 the overall usable unit of work. When all phases are complete, the overall development objective will be  
126 fulfilled, resulting in a usable unit of work.

## 127 3-2.3. PRELIMINARY GRANT APPLICATION PROCESS

128 To facilitate project programming and to ensure a project is eligible for AIP funding, the ARP Field Office  
129 may request the sponsor complete a preapplication. Preapplications contain information such as project  
130 description and details, any proposed project phasing, the sponsor's project funding plan, a cost  
131 estimate, proposed project schedule, a project sketch, and applicable environmental determination  
132 documentation.

133 [FAA Form 5100-109, Airport Improvement Program Project Evaluation Review and Development Analysis](#)  
134 (PERADA), is an optional checklist the ARP Field Office may use to confirm that these requirements are  
135 considered before programming a grant. The FAA developed the PERADA as a method to ensure that the  
136 airport sponsor is eligible to accept a grant, that the project is eligible and justified, and that project  
137 costs are allowable (see 49 U.S.C. §§ [47105](#), [47106](#), [47107](#), and [47110](#)). The ARP Field  
138 Office must review the items listed on the PERADA checklist, but use of the checklist itself is  
139 not required. If the ARP Field Office’s PERADA review identifies any items that are not met at the time  
140 of grant programming, this checklist can help the ARP Field Office follow up on the outstanding items at  
141 the appropriate time during the grant process. By issuing the grant, the ARP Field Office confirms  
142 that all the applicable requirements have been or will be met. See [Chapter 4, Grant Management](#)  
143 [Process](#), for additional discussion on the preliminary grant application process and the PERADA. [Section](#)  
144 [4-2.3, Requirements That May Be Delayed](#), outlines the requirements that may be delayed.

145 The remainder of this chapter details grant prerequisites by category.

### 3-3. PLANNING, COMPLIANCE, ENVIRONMENTAL, AND CIVIL RIGHTS PREREQUISITES

146 This subsection outlines prerequisites related to project planning requirements or compliance  
147 requirements associated with grant assurances. See [Grant Assurances \(Obligations\)](#) for the current  
148 sponsor grant assurances.  
149

#### 3-3.1. PLANNING PREREQUISITES

150 The prerequisites in this subsection relate to project planning requirements.

---

##### 3-3.1.1. PROJECT ON AIRPORT PROPERTY WITH GOOD TITLE

153 Per [49 U.S.C. 47106](#), a grant cannot be issued unless the FAA is satisfied that the sponsor, a public  
154 agency, or the government holds good title to the areas of the airport used or intended to be used for  
155 the landing, taking off, or surface maneuvering of aircraft, or that good title will be acquired. This  
156 statutory requirement is incorporated into grant agreements through airport sponsor assurance 4, Good  
157 Title.

158 Good title evidence, per FAA policy, is obtained through an Exhibit A Property Inventory Map. The ARP  
159 Field Office must have a current FAA-accepted Exhibit A on file prior to issuing a grant at the airport  
160 because it is contractually referenced in the grant agreement. If the airport is a first-time sponsor or if its  
161 Exhibit A is not up to date, the ARP Field Office must require the sponsor submit an Exhibit A.

162 The ARP Field Office may request the sponsor provide additional evidence of good title by providing the  
163 sponsor’s attorney’s certification that good title has been acquired. The sponsor’s attorney may rely  
164 upon title insurance (title company commitment of insurance of marketable title), title abstract, or an  
165 attorney’s certificate of title.

166 To issue a grant where good title to the airport operating areas (AOA) is not yet in place, but is being  
167 acquired, FAA policy requires that the acquisition of good title must be in process.

168 Also, per FAA policy, a sponsor can meet the good title requirement by leasing from another public  
169 agency that holds good title; however, the lease term must match or exceed the useful life of the project.  
170 A lease from a private entity does not provide good title.

171 There are limited exceptions to the requirement that a project be located upon airport property, as  
172 detailed in the applicable appendices.

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173 3-3.1.2. PROJECT ON AIRPORT LAYOUT PLAN (ALP)

174 Per [49 U.S.C. § 47107](#), the sponsor must maintain a current, unconditionally approved airport layout plan  
175 (ALP) to receive a grant. The FAA-approved ALP on file with the ARP Field Office must reflect current and  
176 proposed conditions at the airport. An AIP project must be depicted on the current FAA-approved ALP,  
177 when applicable. This statutory requirement is incorporated into grant agreements through airport  
178 [sponsor assurance 29, Airport Layout Plan](#).

179 This statutory provision also prohibits the sponsor from altering the airport unless the ARP Field Office  
180 has determined the project will not adversely affect the safety, utility, and efficiency of the airport,  
181 subject to [49 U.S.C. § 47107](#).

182 For projects not shown on the current FAA-approved ALP that are expected to have a significant impact  
183 on aeronautical or airport operations, the ARP Field Office must advise the sponsor to complete an ALP  
184 update for FAA review and approval.

185 For projects not shown on the current FAA-approved ALP that are not expected to have a significant  
186 impact on aeronautical or airport operations, the ARP Field Office may allow the sponsor to revise its  
187 ALP by submitting an aeronautical study. If the aeronautical study does not result in an objection from  
188 the FAA, the ARP Field Office may accept the ALP revision by issuing a letter to the sponsor that includes  
189 a reference of the aeronautical study determination number in the approval letter. If the aeronautical  
190 study results in an objection from the FAA, then the sponsor must revise the scope of the project as  
191 necessary to address the objection and submit another aeronautical study. The ARP Field Office must  
192 not program the grant until an acceptable aeronautical study is complete. In addition, the ARP Field  
193 Office must then require the sponsor to submit a revised ALP as a condition of closing the grant.

194 The methods presented under this section do not preclude or satisfy the sponsor's requirement to  
195 conduct an environmental review of the project.

---

196 3-3.1.3. COMMUNITY CONSULTATION

197 Several statutory provisions require the sponsor to conduct outreach before pursuing Federal funding for  
198 a project. This outreach includes consultation with airport users and intergovernmental review. Sponsors  
199 must also be aware of state laws that require consultation, as a public agency cannot apply for a project  
200 grant in violation of a state law, per [49 U.S.C. § 47106](#).

---

201 3-3.1.3.1. CONSULTATION WITH AIRPORT USERS

202 Sponsors must consult with airport users that will be affected by a project, per [49 U.S.C. § 47105](#) and  
203 incorporated into the grant agreement through airport [sponsor assurance 8, Consultation with Users](#).  
204 This consultation process does not require airport users to provide input or to agree with the proposal.  
205 The sponsor's airport user consultation process must meet the following requirements:

- 206     ▪ Affected parties must be given a reasonable opportunity to provide input on proposals for  
207     airport development;
- 208     ▪ The consultation must occur before the sponsor submits a grant application for the project.  
209     Consultation is part of a planning effort, so separate pre-grant consultation is not required;
- 210     ▪ The consultation must include all project considerations that impact:
  - 211         ○ The sponsor's decision to proceed with the project, and
  - 212         ○ Users' charges or operations; and

- 213       ▪ The consultation must cover the general nature of the development proposed, its estimated  
214       cost, and its estimated start and end dates.

215 For additional information on consultation as part of a planning effort, see [Appendix K, Planning](#).

---

### 216 3-3.1.3.2. INTERGOVERNMENTAL REVIEW

217 A project must be consistent with the plans of public agencies for the development of the area  
218 surrounding the airport in order for the FAA to approve a grant application. This is consistent with [49](#)  
219 [U.S.C. § 47106](#) and airport [sponsor assurance 6, Consistency with Local Plans. FAA Order 1200.21,](#)  
220 [Intergovernmental Review of FAA Programs and Activities](#), outlines critical intergovernmental review  
221 requirements for Federally funded projects.

222 Sponsors must coordinate the following types of projects through their appropriate state contact:

- 223       ▪ Projects that significantly affect state or local governments beyond airport boundaries;  
224       ▪ Projects specifically requested under a state’s review process; and  
225       ▪ Projects at a Medium or Large hub airport that involve the siting of an airport location, a new  
226       runway, or a major runway extension. For these projects, [49 U.S.C. § 47106](#) requires the sponsor  
227       to provide a copy of the proposed ALP amendment and associated master plan upon request by  
228       the relevant metropolitan planning organization (MPO).

229 The sponsor cannot submit a grant application or accept a grant agreement for the project before this  
230 coordination is complete.

231 If interagency review was completed in the environmental or planning stage of a project, it typically will  
232 not need to be repeated during the implementation stage unless:

- 233       ▪ The scope of work has changed;  
234       ▪ Substantial new information has become available; or  
235       ▪ Significant time has passed.

## 236 3-3.2. COMPLIANCE PREREQUISITES

237 The prerequisites in this subsection are all related to a project’s compliance with grant assurances.

---

### 238 3-3.2.1. PAVEMENT MAINTENANCE MANAGEMENT PROGRAM

239 The ARP Field Office cannot approve a grant application for a project to replace or reconstruct pavement  
240 unless the sponsor has provided such assurances or certifications as the FAA determines appropriate  
241 that the airport has implemented an effective pavement maintenance-management program. This is  
242 required by [49 U.S.C. § 47105](#) and incorporated into grant agreements through airport [sponsor](#)  
243 [assurance 11, Pavement Preventative Maintenance-Management](#). The sponsor is also required to  
244 provide such reports on pavement condition and pavement management programs as the FAA  
245 determines may be useful. For more information on pavement management programs, see [Advisory](#)  
246 [Circular \(AC\) 150/5380, Airport Pavement Management Program \(PMP\)](#).

---

### 247 3-3.2.2. BUY AMERICAN REQUIREMENTS

248 The Buy American Preferences under [49 U.S.C. § 50101](#) require that all steel and manufactured goods  
249 used in AIP-funded projects be produced in the United States. When accepting AIP funding, sponsors

250 must certify that all steel and manufactured products used on any portion of the Federally-funded  
251 project are produced in the United States and are of 100 percent U.S. materials. See [Buy American](#)  
252 [Preference Requirements](#) for more information.

---

### 253 3-3.2.3. COMPETITION PLANS

254 Large and Medium hub airports at which one or two air carriers control more than 50% of the passenger  
255 boardings must submit a Competition Plan prior to receipt of a grant, per [49 U.S.C. § 47106](#). The intent  
256 of this plan is for the airport to demonstrate how it will accommodate new entrant access and expansion  
257 by incumbent carriers. After submittal of an airport's initial Competition Plan, the airport will be required  
258 to submit Competition Plan Updates if certain triggers are met.

259 It is FAA policy that a grant cannot be issued to a sponsor from the time the Competition Plan or the  
260 Competition Plan Update is submitted to the FAA for final review until the FAA reviews and accepts the  
261 sponsor's Competition Plan or Competition Plan Update. When there is a specific and urgent  
262 justification, the ARP Field Office, in coordination with ARP Headquarters, may approve the issuance of a  
263 grant based on a conditional approval if the grant agreement includes a special condition that prohibits  
264 drawdown of the grant funds until the conditions of the Competition Plan's acceptance have been  
265 fulfilled to the FAA's satisfaction. See [Competition Plan Covered Airports](#) for more information on these  
266 requirements.

---

### 267 3-3.2.4. FAA POLICIES, STANDARDS, AND SPECIFICATIONS

268 Per [49 U.S.C. § 47105](#), any project seeking grant funding must comply with standards that the FAA  
269 prescribes or approves, including standards for site location, airport layout, site preparation, paving,  
270 lighting, and safety of takeoff and approach procedures. Similarly, airport [sponsor assurance 34, Policies,](#)  
271 [Standards, and Specifications](#), requires airport sponsors to carry out any project funded by an AIP grant  
272 in accordance with FAA-approved policies, standards, and specifications.

---

#### 273 3-3.2.4.1. REQUIRED FAA STANDARDS AND SPECIFICATIONS

274 Projects must be planned, designed, and constructed in accordance with current FAA standards and  
275 specifications, unless the ARP Field Office has approved a modification of standards (MOS) for the  
276 specific non-standard condition (NSC). Required FAA standards include airport design, construction and  
277 equipment standards, and specifications. There are specific required standards that are not subject to  
278 an MOS, such as runway safety areas (RSAs) and obstacle free zones (OFZs).

279 Airport development requires ensuring the safety of approaches per [49 U.S.C. § 47105](#). If the ARP Field  
280 Office determines that the rehabilitation, reconstruction, construction, expansion, or extension or any  
281 section of a runway will not be usable due to unsafe approaches (*e.g.*, cannot be mitigated with a  
282 displaced threshold or increase in approach minima) using the latest version of [AC 150/5300-13, Airport](#)  
283 [Design](#), then the project cannot be funded.

284 If an FAA standard changes while a project is in progress, the project must meet the standards that were  
285 current when the project design began. If construction does not take place within two years of the  
286 beginning of design, the design must be updated to meet new standards prior to construction. If the  
287 original design was AIP-funded and an update to the design is required, the cost to update the design is  
288 not eligible for reimbursement. If the original design was not AIP-funded, the sponsor may request  
289 funding for the cost to update the design.

---

#### 290 3-3.2.4.2. MODIFICATIONS OF STANDARDS (MOS) OR SPECIFICATIONS

291 Sponsors must use FAA-published specifications for specific terms as written, with no changes from the  
292 specifications, except where explicitly allowed in the specification. The sponsor must obtain an MOS  
293 approval for any change that is not specifically allowed to ensure an acceptable level of safety, capacity,  
294 efficiency, utility, or access. The FAA's review ensures the proposed NSC will not unduly limit  
295 competition, eliminate FAA-approved vendors, compromise statutory or regulatory requirements, or  
296 negatively impact the project.

297 For AIP funding purposes, some modifications to FAA standards will not be considered because they  
298 violate [2 CFR Part 200](#) or deviate from FAA design standards, such as MOS for cost saving only without  
299 regard to level of performance and safety, standardization of equipment type, local preference, and  
300 airfield lighting circuits that are not 6.6 amperes per current FAA standards. The ARP Field Office and ARP  
301 Headquarters must not approve such requests for AIP-funded projects. However, in the event of a pre-  
302 existing nonstandard airfield configuration, AIP funds may only be used to rehabilitate or reconstruct the  
303 affected airfield element if the FAA has formally approved an MOS or the airfield element is brought up  
304 to standards.

305 For more information on MOS, see [FAA Order 5300.1, Modifications to Agency Airport Design,  
306 Construction, and Equipment Standards](#).

---

#### 307 3-3.2.4.3. PROJECTS EXCEEDING FAA STANDARDS

308 It is FAA policy that if a project meets FAA standards, the public need has been fully met. The ARP Field  
309 Office must not fund a project exceeding FAA standards except in the limited circumstances where all of  
310 the following apply:

- 311     ▪ The project is eligible;
- 312     ▪ The sponsor has demonstrated a continuing need for the existing facility or equipment, either  
313       based on existing aeronautical activity or use or to accommodate the aircraft of a current tenant  
314       based at the airport; and
- 315     ▪ The ARP Field Office has determined the added cost is reasonable compared to the benefit  
316       being obtained. The ARP Field Office may request a lifecycle cost analysis, [benefit cost analysis](#)  
317       (BCA), or other applicable analysis to support this determination.

318 Proactive improvements to sustain operations and permit resumption of operations following natural  
319 disasters per [49 U.S.C. § 47102](#) are also deemed justified by ARP Headquarters, even when exceeding  
320 design standards. A common example of this type of improvement is a larger diameter drainage system  
321 needed to drain excess rain that exceeds normal design standards.

322 Using the procurement process to determine costs of work exceeding standards is not allowed. General  
323 procurement standards, prescribed in [2 CFR Part 200](#), state that sponsors must avoid the acquisition of  
324 unnecessary or duplicative items. Per FAA policy, sponsors must also obtain written ARP Field Office  
325 concurrence before designing or bidding AIP-funded projects that will include work exceeding FAA  
326 standards.

327 The ARP Field Office can allow the sponsor to pay for the cost to exceed FAA standards.

---

#### 328 3-3.2.4.4. APPROVAL AND USE OF STATE STANDARDS

329 Per [49 U.S.C. § 47105](#), a sponsor may request to use state standards in lieu of FAA standards, except  
330 standards for safety of approaches, for nonprimary airport development. Per [49 U.S.C. § 47114](#), a  
331 sponsor may also request to use state highway construction and material specifications for full strength  
332 airfield pavement construction at a nonprimary airport serving aircraft that does not exceed 60,000

333 pounds gross weight. The requirements for these two uses of state standards are different and are  
334 discussed in detail in [AC 150/5100-13, Development of State Aviation Standards for Airport Pavement](#)  
335 [Construction](#). Under both scenarios, the ARP Field Office must approve the use of state standards for a  
336 project prior to the project being programmed for a grant, and the sponsor's request for use of the MOS  
337 must comply with all requirements contained in [AC 150/5100-13](#).

338 In order to use state specifications for airfield pavements currently serving aircraft less than 60,000  
339 pounds gross weight, the ARP Field Office must determine that safety will not be negatively affected and  
340 that the life of the pavement, with necessary maintenance and upkeep, will not be shorter than it would  
341 be if constructed using FAA standards. For funding purposes, AIP can only be used to fund the life  
342 required by the FAA standards, which is 20 years. See [Appendix B, Aircraft Operational Surfaces](#), for  
343 more information on the requirements for the use of state standards on AOS projects.

---

#### 344 3-3.2.4.5. PROJECTS WITH NO FAA STANDARD

345 Some eligible projects have no corresponding FAA standards, procedures, policy, plans, or specifications.  
346 In some cases, the FAA has specifically adopted the standards of another Federal agency or an industry  
347 group. The ARP Field Office must coordinate with ARP Headquarters for assistance on project eligibility  
348 and to obtain the applicable FAA standards and requirements for the project.

---

#### 349 3-3.2.4.6. PLANS AND SPECIFICATIONS REVIEW

350 Sponsors must prepare plans and specifications to meet FAA standards, as well as an engineer's report  
351 that contains design computations, selections of design materials and equipment and proposed  
352 modifications to standards, related project work elements, and supporting data. The ARP Field Office  
353 cannot fund a project it has determined does not meet FAA standards.

354 The ARP Field Office must follow the latest version of the [FAA Review of Construction Plans and](#)  
355 [Specifications for AIP Funded Projects memorandum](#) when reviewing plans and specifications. The ARP  
356 Field Office's review of a sponsor's plans or specifications does not relieve the sponsor of its  
357 responsibility to fully comply with AIP requirements and does not represent approval of the plans or  
358 specifications.

359 Sponsor certification of plans and specifications does not relieve the sponsor from obtaining prior FAA  
360 approval for modifications to standards or from notifying the ARP Field Office of any limitations to  
361 project completion.

---

#### 362 3-3.2.4.7. ELIGIBILITY DIFFERENCES BETWEEN THE AIP HANDBOOK AND ADVISORY CIRCULARS

363 ACs provide guidance on a wide range of subjects, including airport design, construction, facilities, and  
364 supporting systems. However, ACs do not address the eligibility of costs for AIP reimbursement.

365 This Order interprets the AIP statute as it relates to project eligibility and provides detailed criteria for  
366 determining whether costs incurred during an airport project are allowable and justified.

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#### 367 3-3.2.4.8. CONSTRUCTION SAFETY AND PHASING PLAN (CSPP)

368 A construction safety and phasing plan (CSPP) is required to ensure safe airport operations during  
369 construction activities and must be consistent with applicable FAA safety requirements. The current  
370 version of [AC 150/5370-2, Operational Safety on Airports During Construction](#), outlines when a sponsor  
371 is required to submit a CSPP and includes guidance for developing and implementing CSPPs. The ARP  
372 Field Office must review and approve or disapprove all required CSPPs in writing. This responsibility  
373 cannot be delegated and is not covered by sponsor certification.

374 3-3.2.4.9. SAFETY RISK MANAGEMENT  
 375 When applicable, the ARP Field Office must participate in safety risk management (SRM) activities  
 376 associated with AIP projects in accordance with the current version of [FAA Order 5200.11, FAA Airports](#)  
 377 [\(ARP\) Safety Management System \(SMS\)](#).  
 378 Participation ensures that safety risks associated with the project are appropriately identified and  
 379 mitigated prior to implementation.

380 3-3.3. ENVIRONMENTAL PREREQUISITES

381 Per [49 U.S.C. § 47106](#), any airport project funded with AIP requires an environmental analysis (EA) or  
 382 environmental impact statement (EIS) and an environmental finding such as a categorical exclusion  
 383 (CatEX), finding of no significant impact (FONSI), or a record of decision (ROD) prior to initial grant  
 384 programming.  
 385 The requirements for environmental analysis and findings are included in the current version of [FAA](#)  
 386 [Order 1050.1, FAA National Environmental Policy Act Implementing Procedures](#). Grant justification  
 387 criteria are distinct from the environmental finding.

388 3-3.4. CIVIL RIGHTS PREREQUISITES

389 Sponsors receiving AIP funding must follow all applicable civil rights requirements and must work  
 390 directly with the [FAA Office of Civil Rights \(ACR\)](#) to ensure that the requirements have been met. Sponsor  
 391 civil rights requirements are included in [Table 3-3.1](#). Sponsor Civil Rights Requirements.  
 392

393 **TABLE 3-3.1. SPONSOR CIVIL RIGHTS REQUIREMENTS**

Civil Rights Requirements	Relevant Statutory and Regulatory Citations and Grant Assurances
<b>Disadvantaged Business Enterprise (DBE) Program</b> – A sponsor must have a DBE program if it will award \$250,000 in AIP funding during a Federal fiscal year	<ul style="list-style-type: none"> <li>▪ <a href="#">49 U.S.C. § 47113*</a></li> <li>▪ <a href="#">49 CFR Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs</a></li> <li>▪ <a href="#">Airport sponsor assurances 1, General Federal Requirements, and 37, Disadvantaged Business Enterprises</a></li> <li>▪ <a href="#">Planning agency sponsors assurances 1, Responsibility and Authority of the Sponsor, and 12, Disadvantaged Business Enterprises</a></li> <li>▪ <a href="#">Non-airport sponsors undertaking noise compatibility program projects assurances 1, General Federal Requirements, and 21, Disadvantaged Business Enterprises</a></li> </ul>
<b>Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program</b> – All primary airports are required to have an ACDBE program	<ul style="list-style-type: none"> <li>▪ <a href="#">49 U.S.C. § 47107(e)</a></li> <li>▪ <a href="#">49 CFR Part 23, Participation of Disadvantaged Business Enterprise in Airport Concessions</a></li> <li>▪ <a href="#">Airport sponsor assurances 1, General Federal Requirements, and 37, Disadvantaged Business Enterprises</a></li> </ul>

Civil Rights Requirements	Relevant Statutory and Regulatory Citations and Grant Assurances
<p><b>Americans with Disabilities Act (ADA)</b></p>	<ul style="list-style-type: none"> <li>▪ <a href="#">49 U.S.C. §§ 47107 and 47123</a></li> <li>▪ <a href="#">Titles II &amp; III, Section 504 of the Rehabilitation Act of 1973</a></li> <li>▪ <a href="#">49 CFR Parts 27, Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance</a></li> <li>▪ <a href="#">49 CFR Part 37, Transportation Services for Individuals with Disabilities (ADA)</a></li> <li>▪ <a href="#">49 CFR Part 38, Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles</a></li> <li>▪ <a href="#">28 CFR Parts 35, Nondiscrimination on the Basis of Disability in State and Local Government Services</a></li> <li>▪ <a href="#">28 CFR Part 36, Nondiscrimination on the Basis of Disability by Public Accommodations and In Commercial Facilities</a></li> <li>▪ <a href="#">Airport sponsor assurances 1, General Federal Requirements, and 30, Civil Rights</a></li> <li>▪ <a href="#">Planning agency sponsors assurances 1, Responsibility and Authority of the Sponsor, and 8, Civil Rights</a></li> <li>▪ <a href="#">Non-airport sponsors undertaking noise compatibility program projects assurances 1, General Federal Requirements and 16, Civil Rights</a></li> </ul>
<p><b>Air Carrier Access Act of 1986 (ACAA)</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">14 CFR Part 382, Nondiscrimination on the Basis of Disability in Air Travel</a></li> </ul>
<p><b>Title VI of Civil Rights Act of 1964</b> – Related sponsor assurances are also binding on subrecipients, subgrantees, contractors, successors, transferees, and / or assignees</p>	<ul style="list-style-type: none"> <li>▪ <a href="#">42 U.S.C. § 2000d, et seq.</a></li> <li>▪ <a href="#">49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964</a></li> <li>▪ <a href="#">Airport sponsor assurances 1, General Federal Requirements, and 30, Civil Rights</a></li> <li>▪ <a href="#">Planning agency sponsors assurances 1, Responsibility and Authority of the Sponsor and 8, Civil Rights</a></li> <li>▪ <a href="#">Non-airport sponsors undertaking noise compatibility program projects assurances 1, General Federal Requirements, and 16, Civil Rights</a></li> </ul>

394 \* [Per 49 U.S.C. § 47113\(f\)](#), the FAA may provide AIP funding to a sponsor to develop, conduct, and  
395 administer training programs and assistance programs in connection with any AIP-funded project subject  
396 to [49 CFR Part 26](#) for small business concerns to achieve proficiency to compete on an equal basis for  
397 contracts and subcontracts related to such projects.

## 398 3-4. FINANCIAL AND PROCUREMENT PREREQUISITES

399 This subsection outlines prerequisites that are related to project financial prerequisites or project  
400 procurement requirements.

### 401 3-4.1. FINANCIAL PREREQUISITES

402 Per [49 U.S.C. § 47106](#), the FAA cannot program a grant unless the sponsor has demonstrated it has  
403 sufficient funding available to cover the project costs that will not be paid by the FAA. In addition, [49](#)  
404 [U.S.C. § 47110](#) states that a project cost is allowable to the extent it is reasonable in amount.

405 To address these statutory requirements, the ARP Field Office must review the sponsor’s funding plan for  
406 the project to confirm that the sponsor has funding available to complete the project and that proposed  
407 costs are reasonable. See [Chapter 2](#) for further discussion on cost reasonableness, including  
408 requirements for costs not to be in another Federal grant and for costs to be within the maximum  
409 Federal cost in the grant agreement.

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#### 410 3-4.1.1. INCENTIVE PAYMENTS

411 Per [49 U.S.C. § 47110](#), incentive payments are allowable project costs if they are incurred in carrying out  
412 an AIP-funded project and will be provided to a contractor upon early completion of a project, if:

- 413     ▪ The payment does not exceed the lesser of five percent of the initial construction contract  
414       amount at the time of award or \$1,000,000;
- 415     ▪ The level of contractor’s control of, or access to, the worksite necessary to shorten the duration  
416       of the project does not negatively impact the airport’s operation;
- 417     ▪ The contract specifies application of the incentive structure in the event of unforeseeable, non-  
418       weather delays beyond the contractor’s control;
- 419     ▪ The contract ensures that the airport operator maintains responsibility for the safety, efficiency,  
420       and capacity of the airport during the execution of the grant agreement; and
- 421     ▪ The FAA determines the use of an incentive payment is likely to increase airport capacity or  
422       efficiency or to result in cost savings as a result of shortening the project’s duration.

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#### 423 3-4.1.2. ECONOMIC PRICE ADJUSTMENTS

424 Per [49 U.S.C. § 47108](#), the ARP Field Office may incorporate a provision in a grant agreement under  
425 which the FAA agrees to pay more than the maximum amount otherwise specified in the agreement if  
426 commodity or labor prices have increased since the grant agreement was executed. Provision inclusion  
427 must also ensure that the FAA realizes any financial benefit associated with a decrease in material or  
428 labor costs for the project.

429 Price adjustments for commodities or labor must be properly justified and cannot increase the amount  
430 for the grant by more than 15 percent. Price adjustments for commodities must be tied to acceptable  
431 industry analysis of economic trends of affected construction material, and price adjustments for labor

432 must be tied to published changes in Davis-Bacon Act prevailing wage rates. The adjustments are not  
433 intended to cover changes in price that are caused by a change in quoted price of a supplier, or changes  
434 in labor rates due to regular events such as annual raises or new hires. The sponsor's proposal to the ARP  
435 Field Office must include:

- 436 • A justification for using economic price adjustment for the project;
- 437 • Bid items affected and formulas for adjustment;
- 438 • Indexes to be used;
- 439 • A schedule and process for review and approval of adjustments; and
- 440 • A financial plan to cover increases that exceed the grant amendment limit of 15%.

441 Price adjustments for:

- 442 • Commodities are limited to raw construction materials and do not apply to complete items that  
443 may be purchased and installed by a contractor;
- 444 • Materials due to changes in economic conditions must be supported by an acceptable industry  
445 analysis of economic trends of the affected construction material; and
- 446 • Labor will be governed by changes in published Davis-Bacon Act prevailing wage rates at the time of  
447 grant execution versus Davis-Bacon Act wage rates at the time of construction.

448 The ARP Field Office must review and accept or reject a request to include an economic price adjustment  
449 provision prior to issuing the grant. If accepted, the grant agreement will include the economic price  
450 adjustment special conditions. When price adjustment provisions are included in the sponsor's contract  
451 documents, the sponsor will insert language into its Contract General Provisions to allow a contractor to  
452 submit a request for change in Item Unit Price due to economic changes. The contractor must initiate  
453 any proposal for a change in an item unit price prior to the sponsor making final payment for any item.

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#### 454 3-4.1.3. PROJECT COMPLETION PREREQUISITES

455 Per [49 U.S.C. § 47106](#), the ARP Field Office can only issue a grant if it is satisfied that the project will be  
456 completed without unreasonable delay. Therefore, if the ARP Field Office is aware of circumstances that  
457 will unreasonably delay project completion, such as runway closure timing issues that have not been  
458 worked out with air carriers, the ARP Field Office cannot issue the grant.

459 In addition, prior to issuing a grant, FAA policy to implement [49 U.S.C. § 47106](#) requires that the ARP  
460 Field Office must identify:

- 461 ▪ Any open grants to the sponsor that are more than four years old, and
- 462 ▪ Any open grants to the sponsor that have not had a payment request for 18 months or more.

463 If the ARP Field Office identifies any grants issued to the sponsor that fall into either of the above  
464 categories, the ARP Field Office must coordinate with the sponsor to determine the reason for which  
465 these grants remain open and the sponsor's plans to complete and close out the grants. A history of old  
466 and/or inactive grants may be an indicator that the sponsor may not be able to comply with the statute.

#### 467 3-4.2. PROCUREMENT PREREQUISITES

468 Sponsors must comply with applicable procurement requirements to be eligible to receive a grant,  
469 including relevant provisions of [2 CFR Part 200](#). [Title 2 CFR Part 200](#) includes uniform procurement

470 standards for Federal financial assistance funding and prescribes general procurement methods for  
471 project actions such as construction, equipment purchases, and selection for professional services.  
472 Failure to meet procurement requirements can result in the ARP Field Office determining that a normally  
473 allowable cost is unallowable.

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#### 474 3-4.2.1. PROCUREMENT PROCESS REVIEW REQUIREMENTS

475 In certain circumstances, per [2 CFR Part 200](#), the ARP Field Office is required to review the sponsor's  
476 procurement process. Additional information on when this review is required is available at [Procurement](#)  
477 [and Contracting Under AIP](#). Otherwise, [2 CFR Part 200](#) allows the ARP Field Office to accept sponsor  
478 certification, included in the grant assurances signed by the sponsor, that the sponsor is following [2 CFR](#)  
479 [Part 200](#). However, the ARP Field Office may choose to review the sponsor's procurement  
480 documentation and systems and technical specifications, including plans and specifications, engineer's  
481 report, and any other items within the procurement package, at any time during the grant process.

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#### 482 3-4.2.2. PRE-PROCUREMENT REVIEW

483 Per [2 CFR Part 200](#), sponsors must notify the ARP Field Office when any of the following situations exist,  
484 and the procurement is expected to exceed the simplified acquisition threshold (SAT):

- 485     ▪ The procurement is to be awarded without competition or only one bid or offer is received in  
486     response to a solicitation;
- 487     ▪ The procurement specifies a brand name product; or
- 488     ▪ The procurement is to be awarded to other than the apparent low bidder under a sealed bid  
489     procurement.

490 In addition, the sponsor must also notify the ARP Field Office when its procurement procedures or  
491 operation fail to comply with [2 CFR Part 200's](#) procurement standards, even when the procurement is  
492 not expected to exceed the SAT. When these situations arise, after the sponsor makes the required  
493 notification, the ARP Field Office may choose to conduct a pre-procurement review or to accept sponsor  
494 certification.

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#### 495 3-4.2.3. NONCOMPETITIVE PROCUREMENT PROCESSES

496 Sponsors may only use a noncompetitive procurement process for the limited circumstances outlined in  
497 [2 CFR Part 200, Subpart D](#). Per FAA policy, the ARP Field Office must not issue a grant including  
498 noncompetitive proposals unless it has reviewed the proposals and concurred that [2 CFR Part 200](#)  
499 requirements have been met.

500 Additional information on special noncompetitive proposal situations and their associated requirements  
501 is included in 2 CFR Part 200 guidance.

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#### 502 3-4.2.4. CONTRACTS CONTAINING INELIGIBLE OR NON-AIP FUNDED WORK

503 It is FAA policy that a sponsor must not combine ineligible work and/or non-AIP funded work within the  
504 same contract unless the sponsor provides a compelling reason documenting that it is in the Federal  
505 Government's best interest.

506 The FAA does not consider the fact that including ineligible or non-AIP funded work is at no additional  
507 cost to the Federal Government to be a benefit to the Federal Government. The below scenarios would  
508 be considered in the Federal Government's best interest:

- 509       ▪ Including ineligible and/or non-AIP work will result in an overall reduction in the number of  
510       construction workers and vehicles on the airfield, thereby reducing the potential risk of runway  
511       incursions;
- 512       ▪ Including ineligible and/or non-AIP work will result in the runway being closed for construction  
513       for a significantly shorter duration, thereby maintaining system capacity;
- 514       ▪ Including a significant amount of non-AIP pavement will reduce the overall unit cost of the  
515       pavement, thereby reducing the AIP project costs; or
- 516       ▪ Including the ineligible portion of a hydrant fueling system in an AIP-funded apron project that  
517       includes hydrant fueling pits will allow a functioning fueling system to be completed.

518 The ARP Field Office must concur with the sponsor’s request to combine eligible and ineligible work in  
519 writing. In addition to determining that including the work is in the best interest of the Federal  
520 Government, the ARP Field Office must also determine:

- 521       ▪ This inclusion will not result in an increase to the cost of the AIP-funded work and
- 522       ▪ The cost of ineligible or non-AIP funded work can be easily identified and separated from the  
523       AIP funded work so that the ARP Field Office can determine Federal participation. If there is no  
524       way to feasibly separate the AIP-funded work, the ARP Field Office can prorate the work to  
525       determine Federal participation.

526 If including the ineligible or non-AIP funded work in the contract will reduce the field of potential  
527 bidders, this may reduce competition and affect the cost, as discussed in greater detail below.

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#### 528 3-4.2.5. CONTRACTS CONTAINING REQUIREMENTS THAT MAY REDUCE THE NUMBER OF 529 POTENTIAL BIDDERS

530 Per [2 CFR Part 200, Subpart D](#), sponsor solicitations of AIP-funded projects must be conducted in a  
531 manner that provides full and open competition and cannot unduly restrict competition. A sponsor  
532 cannot include requirements that reduce the number of potential bidders unless the sponsor provides a  
533 compelling reason for those requirements to the ARP Field Office. The ARP Field Office must provide  
534 written concurrence with the sponsor’s request.

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#### 535 3-4.2.6. CONSULTANT CONTRACTS (QUALIFICATIONS-BASED WITH NEGOTIATED PRICE)

536 Per [49 U.S.C. § 47107](#), the ARP Field Office may only approve a grant application if it receives assurances  
537 that each contract and subcontract for program management, construction management, planning  
538 studies, feasibility studies, architectural services, preliminary engineering, design, engineering,  
539 surveying, mapping, and related services will be awarded in the same way that a contract for  
540 architectural and engineering services is negotiated under the Brooks Act ([40 U.S.C. Chapter 11](#)) or an  
541 equivalent qualifications-based requirement prescribed for or by the sponsor. This requirement is  
542 applicable to all AIP-funded projects, including a project phase that is not using AIP funds, if another  
543 phrase of the project will use AIP funding.

544 Under the Brooks Act selection procedures, the offeror cannot provide, and the sponsor cannot use,  
545 price information when the sponsor ranks the offerors. The FAA has interpreted this to mean that  
546 offerors cannot provide any price information before the sponsor determines the most qualified offeror.  
547 The sponsor must then negotiate a fair and reasonable price or go to the next qualified offeror. See  
548 [Chapter 2, Section 2-6.3.6, Costs Must Be Reasonable](#), for additional information.

549 The sponsor’s procurement process for procuring consultant contracts must comply with [2 CFR Part 200](#)  
550 and [AC 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant](#)  
551 [Projects](#). If the sponsor submits the associated sponsor certification, the ARP Field Office does not have  
552 to review the procurement of these types of proposals. However, if the sponsor is proposing to deviate  
553 from the sponsor procurement requirements in [2 CFR Part 200](#) and [AC 150/5100-14](#), the ARP Field Office  
554 cannot issue the grant unless it has reviewed the contract and concurs with the deviations.

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#### 555 3-4.2.7. ALTERNATIVE PROJECT DELIVERY CONTRACTS

556 Per [49 U.S.C. § 47142](#), the FAA may authorize the use of a covered project delivery contract method  
557 using a selection process permitted under applicable state or local law if the following requirements are  
558 met:

- 559     ▪ The grant application is approved using FAA-established criteria;
- 560     ▪ The covered project delivery contract is in an FAA-approved form;
- 561     ▪ The contract will be executed pursuant to competitive procedures and contains a schematic  
562 design adequate to approve the grant;
- 563     ▪ The use of a covered project delivery contract is projected to be cost-effective and expedite the  
564 project;
- 565     ▪ There will be no conflict of interest; and
- 566     ▪ The selection process will be as open, fair, and objective as the competitive bid system, and at  
567 least three or more bids will be submitted for each project under the selection process.

568 Alternative project delivery contract methods are defined in [49 U.S.C. § 47142](#) and include but are not  
569 limited to design-build, progressive design-build, and construction manager at risk (CMAR). These  
570 project delivery methods are typically procured using a competitive proposals method.

571 The ARP Field Office must concur with the sponsor’s use of a covered project delivery contract method  
572 for an AIP-funded project. The ARP Field Office must be satisfied that the proposed project presents  
573 unique complexities that make it incompatible with the sealed bids method preferred in [2 CFR Part 200](#).  
574 The ARP Field Office must also verify that the sponsor’s procurement meets the requirements of [2 CFR](#)  
575 [Part 200](#).

576 [AC 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects](#),  
577 provides additional information on alternative project delivery procurement processes.

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#### 578 3-4.2.8. FEDERAL CONTRACT PROVISIONS

579 Per [2 CFR Part 200](#), the sponsor must incorporate AIP-required contract clauses and provisions in any  
580 contracts for AIP grants. These provisions are developed to comply with statutory and regulatory  
581 requirements. See the FAA’s [Federal contract provisions website](#) for current requirements.

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#### 582 3-4.2.9. BID ALTERNATES AND ADDITIVES

583 Bid alternates afford sponsors some flexibility in procurement by separating additional work or higher  
584 quality materials from the base bid. Sponsors may include bid alternates that fit within their budget after  
585 receiving bids; however, if a sponsor intends to include bid alternates in a procurement, the ARP Field  
586 Office may review the bid package to ensure the sponsor has clearly established how the award will be  
587 made. The ARP Field Office may instead opt to accept sponsor certification.

588 Bidding of both asphalt and concrete options is an example of the use of bid alternates. A sponsor may  
589 design and bid both asphalt and concrete alternatives for a project under contract, but normally only the  
590 design costs of the selected option may be paid with AIP funds. Design costs of the non-selected option  
591 are limited to the lesser of:

- 592 • The difference in the bid schedule amounts between the selected and non-selected low bidders,  
593 and
- 594 • The non-selected option design costs.

595 The design contract must clearly delineate the design costs of the two alternatives. However, if the  
596 lifecycle analysis selection of the pavement structure is conducted at the conceptual 30 percent design  
597 stage, these funding restrictions on design do not apply.

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#### 598 3-4.2.10. BID PROTESTS AND APPEALS

599 Per [2 CFR Part 200](#), the sponsor is responsible for handling bid complaints and protests. The ARP Field  
600 Office will not substitute its judgment for that of the sponsor unless the bid complaint or protest is  
601 primarily a Federal concern. Federal concerns include violation of Federal law or regulations, such as  
602 allegations that the sponsor modified project specifications or solicitation packages to include a  
603 sponsor's preference. Modification of specifications without receiving an FAA MOS is also a Federal  
604 concern.

605 The ARP Field Office must take the following steps relating to bid protests and appeals:

- 606 ▪ **If Protest is Sent Directly to the FAA by the Protester:** The FAA must:
  - 607 ○ Send a copy of the protest to the sponsor per FAA policy;
  - 608 ○ Notify the protester that the protest has been forwarded to the sponsor, and the protester  
609 must deal directly with the sponsor; and
  - 610 ○ Request the sponsor send a copy of its protest procedures to the ARP Field Office.
- 611 ▪ **If Protest is Sent to the FAA by the Sponsor:** The sponsor must timely submit the bid protests  
612 and a copy of its protest procedures to the ARP Field Office.
- 613 ▪ **Initial ARP Field Office Action:** After receipt of a bid protest and the sponsor's protest  
614 procedures, the ARP Field Office's initial review responsibility is limited to a cursory review of  
615 the protest to determine if there is a Federal concern and to establish that the sponsor has  
616 protest procedures in place.
- 617 ▪ **If Protest is a Federal Concern:** Additional steps when a bid protest is a Federal concern include:
  - 618 ○ The ARP Field Office must notify the sponsor and request the sponsor immediately send a  
619 copy of its proposed resolution;
  - 620 ○ The sponsor must send the ARP Field Office a copy of the as-bid specifications and the  
621 complete solicitation package, detailing where changes to the FAA standard specification  
622 have been made and which aspects of the solicitation are being protested;
  - 623 ○ If the bid protest involves another FAA line of business, such as the FAA's Office of Civil  
624 Rights, the ARP Field Office must forward all documentation regarding the protest to the  
625 affected office. The ARP Field Office must notify the sponsor of the transfer and that the  
626 ARP Field Office will not issue AIP funding until the issue is resolved.

- 627 ○ If the ARP Field Office determines the protest was a result of improper modification of the  
628 specifications or an otherwise defective solicitation package, the ARP Field Office must  
629 notify the sponsor that additional costs incurred fixing the package and soliciting the project  
630 are not eligible for reimbursement.
- 631 ▪ **Cancelation of Prior Approval or Sponsor Certification:** The receipt of a bid protest  
632 automatically cancels the ARP Field Office’s approval of the plans and specifications or  
633 acceptance of the sponsor’s certification.
- 634 ▪ **AIP Funding Restrictions Pending Resolution:** The ARP Field Office cannot issue AIP funding  
635 until it has received the sponsor’s written notification of how the issue was resolved and is  
636 satisfied the sponsor resolved the issue and correctly addressed any Federal concerns. By issuing  
637 the associated grant, the ARP Field Office documents its determination that the bid protest has  
638 been resolved.
- 639 ▪ **Protester Appeals:** Per [2 CFR Part 200](#), a protester may pursue a protest with a Federal agency  
640 after exhausting all administrative remedies with the sponsor. The ARP Field Office has the  
641 option to respond to the protester but is not required to do so.

642 The ARP Field Office must not issue AIP funding until it is satisfied the sponsor resolved the bid  
643 complaint or protest and correctly addressed any Federal concerns. This same guidance is applicable if a  
644 protest or appeal is made after the contract is awarded. In that case, the sponsor must not request  
645 payments for the disputed costs until the protest or appeal is resolved.

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#### 646 3-4.2.11. FORCE ACCOUNT WORK

647 Sponsor force account work is planning, engineering, or construction work performed by the sponsor’s  
648 employees without the benefit of a construction or consultant contract obtained through the normal  
649 procurement rules in [2 CFR Part 200](#). Force account work is allowable per [2 CFR Part 200](#).

650 Per FAA policy, the sponsor must submit a written request to use force account work, and the ARP Field  
651 Office must approve that request in advance of the grant offer. It is in the sponsor’s best interest to  
652 obtain ARP Field Office approval prior to the sponsor commencing the force account work to confirm  
653 that it is allowable.

654 The sponsor’s written request to use force account work must include the following information:

- 655 ▪ **Project Scope:** Adequate details about the work to be performed using the force account;
- 656 ▪ **Reason for Force Account:** Rationale for completing the work by force account rather than by  
657 contract, clearly showing that the benefits, including the benefits to the Federal government of  
658 using the force account, override the Federal policy of competitive bidding or negotiated  
659 contracts;
- 660 ▪ **Personnel Qualifications:** Information on the ability of sponsor’s personnel to perform the force  
661 account work;
- 662 ▪ **Detailed Cost Estimate:** Estimate including wage rates, non-salary expenses, indirect costs, and  
663 a comparison of costs between the sponsor’s force account and normal procurement methods;
- 664 ▪ **Sponsor’s Resources:** Information on the sponsor’s resources (labor, material, equipment, and  
665 financing) and workload as they affect the sponsor’s capacity to do the work, date by which the  
666 work will be complete, or dates within which the work will take place in order to confirm that

667 enough funds are available to the sponsor to carry payrolls and any necessary purchases of  
 668 materials and rental equipment; and

- 669     ▪ **Cost Analysis:** Sponsor-prepared cost analysis per [2 CFR Part 200](#) which the ARP Field Office can  
 670 use to determine if costs are reasonable.

671 If the ARP Field Office approves the use of force account work, the sponsor must provide detailed  
 672 documentation of all force account costs, as outlined in [Table 3-4.1](#). Sponsor Force Account  
 673 Documentation Requirements.

674 **TABLE 3-4.1. SPONSOR FORCE ACCOUNT DOCUMENTATION REQUIREMENTS**

Force Account Category	Sponsor Documentation Requirements
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Sponsors must submit timesheets or a suitable comparable report from an automated payroll accounting system to the ARP Field Office to support salaries and wages. Timesheets must properly document all of the hours worked by the sponsors' employees, whether they were on the AIP project or not.</li> <li>▪ Sponsors must base their charges upon actual payroll information documented under their agency's generally accepted practice.</li> <li>▪ Payroll information must be reviewed and approved by the sponsor's responsible official.</li> <li>▪ Expenses must be directly related to the AIP project.</li> <li>▪ Arbitrary or prorated costs are not allowable.</li> </ul>
<b>Equipment</b>	<ul style="list-style-type: none"> <li>▪ It is recommended that sponsors use the U.S. Army Corps of Engineers Construction Equipment Ownership and Operating Expense Schedule (<a href="#">EP-1110-1-8</a>) to determine equipment rates.</li> <li>▪ Purchase price of equipment bought by the sponsor for use on a force account project is not allowable, only the calculated rental and operating rate.</li> </ul>
<b>Supplies and Material</b>	<ul style="list-style-type: none"> <li>▪ All supplies and material must follow the procurement requirements in <a href="#">2 CFR Part 200</a>, and sponsors must keep records documenting these costs.</li> </ul>

675 **3-4.2.12. VALUE ENGINEERING**

676 Per [2 CFR Part 200](#), sponsors are encouraged to use value engineering. Value engineering is defined as  
 677 the systematic application of recognized techniques that identify the function of a project or service and  
 678 provide the best function reliably at the lowest overall cost.

679 Per FAA policy, new primary airports are required to use value engineering. Further, the ARP Field Office  
 680 may require sponsors to use value engineering for unusually complex projects of greater than average  
 681 costs.

682 The ARP Field Office must concur in writing with the use of and scope of services for the value  
683 engineering prior to the work commencing. Significant advance preparation may be necessary to comply  
684 with [AC 150/5300-15, Use of Value Engineering for Engineering and Design of Airport Grant Projects](#).

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#### 685 3-4.2.13. CONTRACT OR TASK ORDER EXTENSIONS

686 The sponsor must follow specific requirements to extend a contract for construction or consultant  
687 services.

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##### 688 3-4.2.13.1. CONTRACT OR TASK ORDER EXTENSIONS FOR CONSTRUCTION SERVICES

689 Per FAA policy, a sponsor cannot extend a contract or task order for construction services beyond a one-  
690 year duration without readvertising the contract unless the ARP Field Office concurs with the action. The  
691 sponsor must provide compelling justification, and the ARP Field Office must agree that the economic  
692 conditions, wage rates, and project costs have remained unchanged.

693 Per FAA policy, the ARP Field Office cannot concur with more than four extensions to the same task  
694 order.

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##### 695 3-4.2.13.2. CONTRACT OR TASK ORDER EXTENSIONS FOR CONSULTANT SERVICES

696 Per FAA policy, a sponsor cannot extend a contract or task order for consultant services beyond a total  
697 overall contract duration of more than five years without readvertising the contract. This policy was  
698 established to ensure that competition is not unduly restricted. The ARP Field Office must provide its  
699 written approval should the sponsor wish to add additional projects or services to the contract.

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#### 700 3-4.2.14. SUSPENSION AND DEBARMENT

701 Suspension and debarment are actions that a Federal agency takes to prohibit a certain person or  
702 company from bidding on projects, receiving contracts or grants, or participating in Federally-funded  
703 contracts or grants. If a Federal agency suspends or debars a person or company, that suspension or  
704 debarment extends to all Federal programs and procurements.

705 The FAA, sponsors, subrecipients, and subcontractors are prohibited from awarding a grant, subgrant, or  
706 subcontract to any company or individual that is suspended or debarred. Furthermore, individuals  
707 defined as principals in [2 CFR Part 180](#) who are suspended or debarred cannot act as a principal within  
708 the airport sponsor, subrecipient, or subcontractor for the related award.

709 If the Federal government suspends or debars a person or company that is working on an AIP-funded  
710 project, the sponsor must follow the procedures in [2 CFR Part 180](#) and [2 CFR Part 1200](#). If the sponsor  
711 becomes aware that a person or company working on an AIP contract might fall under one of the  
712 categories listed in [2 CFR § 180.335](#), the sponsor must pursue its own contractual remedies and may  
713 contact the ARP Field Office to share this information. Finally, if the sponsor has suspended or debarred  
714 a person or company, it must notify the ARP Field Office.

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#### 715 3-4.2.15. PROJECT LABOR AGREEMENTS (PLA)

716 A project labor agreement (PLA) is a pre-hire, collective bargaining agreement with one or more labor  
717 organizations that establishes the terms and conditions of employment for a specific construction  
718 project. When a sponsor proposes to use a PLA, a sponsor requires contractors or subcontractors  
719 engaged in construction on a project to agree to negotiate or become a party to a PLA with one or more  
720 appropriate labor organizations for that project.

721 The FAA must review any proposed PLA prior to its use to ensure compliance with current statutory and  
722 Federal requirements.

DRAFT