



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: Program Guidance Letter 87-1

Date: 05 MAR 1987

From: Manager, Grants-in-Aid Division, APP-500

Reply to
Attn. of:

To: PGL Distribution List

The following PGL's are cancelled upon receipt of Change 3 of Order 5100.38, AIP Handbook:

<u>PGL</u>	<u>Reason for Cancellation</u>
85-1.1	Change 3, Par 311h.
85-1.3	Change 3, Par 1304b.
85-1.4	Self-cancel
85-1.5	Change 3, Par 23.
86-1.1	Change 3, Par 500.
86-2.1	Change 3, Par 1011.
86-3.2	Change 3, Par 413.
86-4.5	Change 3, Par 413.
86-5.1	Change 3, Par 543.
86-6.2	Self-cancel
86-6.3	Change 3, Appendix 1
86-7.1	Self-cancel
86-7.3	Change 3, Appendix 2
86-7.4	Self-cancel

87-1.1 New Letter of Credit Issued by the Office of Accounting - Jack Cathell (267-8826).

FAA Order 2700.33, Letter of Credit - Treasury Financial Communications System (LOC-TFCS) dated August 27, 1986, has been sent to regional and central accounting offices. FAA Order 2700.29, Letter of Credit - FRB System, dated June 23, 1983, is cancelled. Due to printing restrictions, the new order will be printed and distributed through routine agency channels during fiscal year 1987. The new order continues the Airport District Office and/or regional Airports Division as the FAA contact for programs under airport grant legislation. Forms and copies of the new order can be obtained from the Regional Accounting Offices. The new system provides timely accounting and reporting information not readily available under the Letter of Credit - Federal Reserve Bank System (FRB).

87-1.2 Owner Removal Contracts - The Davis-Bacon Act and MBE - Ben Castellano (267-8822).

AC 150/5100-6, Labor Requirements Under the AIP, has been revised and distributed to those on the AC 150 series mailing list. The format has been changed significantly but the content is basically the same. The major change deals with owner removal contracts, i.e. moving power lines, gas lines, etc. The revised AC (150/5100-6D) states that the Davis-Bacon wage rates are applicable to the construction work performed either by the employees of the owner or by the employees of any contractor the owner hires. This change was required by the Department of Labor.

Also, the Office of Chief Counsel recently issued an opinion concerning owner removal contracts and the MBE program. If the owner of a facility removes or relocates the facility because of a grant related project and is reimbursed with grant funds, this is considered a contract and the owner is the prime or general contractor. If there are subcontracting opportunities, there should be both overall goals and contract goals, as appropriate to the MBE program.

87-1.3 MBE Leasing Principles - Ben Castellano (267-8822).

The Offices of Civil Rights, Chief Counsel and Airports Planning and Programming coordinated on preparing a document titled, "Guidance on Leasing - Principles and Standards." This document was sent out to regional counsels and civil rights offices. While compliance is not under your direct responsibility, we are sending copies to the regional Airports Divisions for information.

87-1.4 Landing Facilities Under the AIP - Ben Castellano (267-8822).

ILS - The House report on the Appropriation bill for 1987 contained language that FAA shall provide up to \$5 million for instrument landing systems (including approach lighting systems). APP, in concert with other appropriate parts of the Agency, is designing criteria for selecting the locations that will be funded with this money. Please hold any preapplications/applications you receive until further notice. You may advise sponsors that the selection will be made at the national headquarters level with regional input.

MLS - The MLS program is moving along slowly and surely. The non-Federal specification differs from the F&E specification and AIP projects for MLS are expected to cost about \$250,000 to \$350,000 each. There are still questions to be decided such as the minimum lighting facilities to be required, etc. Like the ILS, any preapplications/applications received should be held until further notice.

87-1.5 Sales Tax Exemption - George Conley, ASW-650 (FTS-734-5650).

The OKC-ADO recently cooperated in the development of a procedure which resulted in the reduction of construction costs in Oklahoma by approximately two percent. A municipality may appoint a contractor as "agent" of the city for purposes of constructing the project. Acting as "agent," the contractor purchases the necessary materials, which are not subject to sales tax. While in some states all public work may already be excluded from the sales tax, other states may allow exemptions as in Oklahoma. We thought we'd pass this idea on to the regions as a potential cost savings under the AIP.

87-1.6 Use of Brand Name in Sponsor Specifications - Ben Castellano (267-8822).

This is a reminder to all field offices that, in contract specifications, the sponsor may not call for a brand name if an FAA specification exists for that type of equipment. If there is no FAA specification, the sponsor may specify "brand name or equal" if it is impractical or uneconomical to make a clear and accurate description of the technical requirements. The "brand name or equal" is used as a means to define the performance or other salient requirements of a procurement.

87-1.7 AWOS - Ben Castellano (267-8822).

We recently received word that Handar's visibility sensor has been approved for operational use in its AWOS equipment. As a result, there is now an AWOS 2 on the market.

87-1.8 Visual Glideslope Indicator Systems - Ben Castellano (267-8822).

FAA policy for funding visual glideslope indicators has been revised, allowing AIP eligibility of systems other than papi at noncertificated airports. AAS-200 is developing a new generic specification which will include both single and multiple unit systems, either one of which will meet the minimum functional requirements. The sponsor may use the generic specification "as-is" and allow the bidder to bid either type of system in which case the Federal grant share will be based on the lowest responsible and responsive bid. If the sponsor preselects a single-unit or a multiple-unit system in the IFB, the Federal grant share will be based on a price established by AAS-200, as determined from historical cost data and periodically updated, or the low bid, whichever is lower. This process is analogous to the pricing system established for the runway friction tester. A revised paragraph 541d of Order 5100.38 is attached and will be in effect as soon as the new specification is issued. It will be incorporated in the next handbook change. Applications for visual glideslope indicator systems may be accepted but should be held until the new specification is issued.



Lowell H. Johnson

5100.38 CHG

e. Service roads necessary to provide access for maintenance purposes to the eligible AIP navigational aid are also eligible.

541. VISUAL NAVIGATIONAL AIDS.

a. On runways with a Category I precision approach procedure, a MALSR (medium intensity approach lighting system with runway alignment indicator lights) may be funded.

b. On runways that have or plan to have a straight-in nonprecision approach procedure, a MALS (medium intensity approach lighting system), a MALSF (medium intensity approach lighting system with sequence flashers), and an ODALS (omni-directional approach lighting system) are eligible provided that the lighting systems will result in a reduction in minimums.

c. Runway end identification lights are eligible for runways not equipped with an approach lighting system.

d. Visual glideslope indicator systems are eligible as follows:

(1) Part 139 Certificated Airports. The precision approach path indicator (papi) is the only visual glideslope system eligible for funding at Part 139 certificated airports.

(2) Other Airports. Any visual glideslope indicator meeting standard specification (AC 150/) is eligible at other than Part 139 certificated airports. If the standard specification with no modification is incorporated into the IFB, the sponsor will be required to accept the system with the lowest responsive and responsible bid price. If the sponsor decides to modify the standard specification to specify a single unit system or a multiple unit system, FAA's participation will be limited to a set price based on historical cost of meeting the FAA specification with no modification or the low bid, whichever is less. The sponsor will be responsible for paying the difference between the bid price of the unit and the prorated share of this set price, which will be periodically reviewed and changed as necessary.

542. ELECTRONIC NAVIGATIONAL AIDS.

a. ILS. Partial or full ILS will not be installed under AIP. However, adding a glide slope to an existing ILS would be considered a special circumstance and determined on a case-by-case basis by ARP-1.

b. MLS. Requests for Microwave Landing Systems will be cleared through APP-510.

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c. Other. The installation of the following electronic navaid systems is eligible if the airport will meet the establishment criteria in Order 7031.2 within five years:

- (1) DME. Distance Measuring Equipment;
- (2) TVOR. Terminal Very High Frequency Omni Directional Radio Range;

(3) NDB. Nondirectional Beacon. NDBs will be eligible if there is no other existing navigational aid which will provide a nonprecision instrument approach to the airport or if the NDB will provide lower instrument minimums. However, NDBs should not be installed with AIP assistance if NDB frequency will be reassigned to another facility in the National Airspace System within five years.

Canceled

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