

AIR TAP Briefings

A publication of the Airport Technical Assistance Program of the Center for Transportation Studies at the University of Minnesota

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FAA updates requirements for AIP grant management

The Federal Aviation Administration recently changed several requirements for Airport Improvement Program (AIP) grant management. These changes apply to new and future grants starting in fiscal year 2007; grants issued in previous years are not subject to these requirements. This *Briefings* article will summarize the key changes and direct airport owners, managers, and consultants to the FAA Web site for complete information about the new guidelines.

Overview

The FAA issued Program Guidance Letter (PGL) 07-01, *Revised and Updated*

Requirements for Airport Improvement Program (AIP) Grant Management, in January 2007 in response to an Office of Inspector General audit and findings related to the FAA's administration of the AIP. These changes will affect how grant recipients manage their grants and abide by reporting requirements during both the life of the grant and at the grant's closeout.

The FAA audit recommended developing a risk-based approach to monitoring grant activity in the AIP and standardizing grant management documentation by implementing a standardized filing system across the country. These two items are

addressed in more detail in PGL 07-01, which can be found on the FAA's Web site at www.faa.gov/airports_airtraffic/airports/aip/guidance_letters.

Three levels of risk are identified to rank each sponsor, and the rank determines the level of grant oversight and documentation needed. Each airport sponsor will be assigned a risk ranking—Nominal, Moderate, or Elevated—based on specific criteria such as past performance, size of annual grant, and other considerations. The higher the rank, the more oversight and documentation required.

The Nominal Risk classification is the

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Table 1. Documentation required for all Minnesota AIP projects beginning in grant year 2007

NOMINAL RISK Required Documentation	Development or Equipment Acquisition Grants		Land Grants	Planning Grants
	Grants under \$300K	Grants \$300K and over	All grant amounts	All grant amounts
Standard Form 424 and attachments	✓	✓	✓	✓
Consultant agreements (include with grant application) Note: Send two copies to Mn/DOT.	✓	✓	✓	✓
Closeout report	✓	✓	✓	✓
Final Standard Form 271, prepared by consultant or state (include in closeout report)	✓	✓	✓	✓
Final invoice (include in closeout report)	✓	✓	✓	✓
For construction projects, include pre-construction photos with grant application and post-construction photos in closeout report. Note: Send two copies of pre-construction photos to Mn/DOT.	✓	✓		
For equipment projects, include photos, vehicle identification number, and delivery date in closeout report.	✓	✓		
Environmental documentation (not needed for planning or equipment projects)	✓	✓	✓	
Bid tabs and engineer's estimate (include with the grant application). Note: Send two copies to Mn/DOT.		✓		
Sponsor quarterly performance reports. E-mail completed reports quarterly to the FAA ADO (9-AGL-600-MSPADO-9@faa.gov) and to the regional engineer at Mn/DOT.		✓		✓
FAA approval letter for change order/supplemental agreement if it results in a grant amendment		✓		
Summary of change orders/project costs (paragraph 1220f of FAA Order 5100.38C; include in closeout report)	✓	✓		
Seven copies of the construction safety plan submitted to the FAA and one copy to Mn/DOT 90 days before advertising for bids. Note: Not needed for equipment-only grants.	✓	✓		
Construction management program (for paving projects in excess of \$250,000). Note: Send two copies to Mn/DOT.		Grant will contain a special condition if this is needed		
Final planning reports. Note: Follow established processes.				✓
Updated Exhibit A map. Note: Send two copies to Mn/DOT.			✓	
Updated land inventory map. Note: Send two copies to Mn/DOT.			✓	

baseline level for airport sponsors. At this time, all airport sponsors in Minnesota are ranked a Nominal Risk. The next level of risk—Moderate—applies to airport sponsors that either have annual total grants exceeding \$20 million or have a documented record of deviation from appropriate grant management processes and documentation. The third level of risk—Elevated—requires the most extensive level of grant oversight and documentation. This rating can be given for blatant or reckless violation of a grant agreement.

To help airport sponsors, consultants, and states comply with the new requirements, the Minneapolis Airports District Office (MSP-ADO) developed a matrix (Table 1) outlining what documentation is needed for a variety of grant types. This matrix was developed for airport sponsors with a Nominal Risk ranking. As noted earlier, these requirements apply only to new and future grants starting in fiscal year 2007 and not to grants issued in previous years.

The FAA is specifically interested in highlighting two specific changes:

1. **A sponsor quarterly performance report is now required.** Details are given in paragraph 1221c of FAA Order 5100.38C, *Airport Improvement Program Handbook*. This requirement applies to construction, equipment, and planning grants exceeding \$300,000. Grant recipients are required to send this report via e-mail to the FAA ADO (9-AGL-600-MSPADO-9@faa.gov) each quarter for the life of the grant.
2. **Pre- and post-construction photos are now required for all construction projects regardless of size.** Pre-construction photos are to be submitted with a grant application. The number of photos should be limited to a few general photos of the construction area. The FAA will accept digital photos sent through e-mail. Post-construction photos are to be submitted with the final closeout report.

Quarterly performance report contents

Federal Regulation 49 CFR Part 18.40 addresses monitoring and reporting requirements for grantees. Grant recipients are responsible for managing the day-to-day operations of grant activities to ensure compliance with applicable federal requirements. They must also submit a performance report for each fiscal quarter that, at a minimum, includes the following items:

1. A comparison of proposed objectives to actual accomplishments for the reporting period. (Outline baseline scheduling, revised schedule, and actual completion date.)
2. Reasons for any slippage or lack of accomplishment in a given area.
3. Impacts on other AIP-funded projects. (State “no impacts” and/or list potential impacts.)
4. Impacts to passenger facility charge (PFC), facilities and equipment (F&E), or owner-funded projects. (State “no impacts” and/or list potential impacts.)
5. Identification and explanation of any anticipated cost overruns. (Provide a summary of additional costs, change orders, etc.)

The tracked accomplishments will vary according to the type of project. Following are recommended task items for three types of projects: design-only, construction/equipment, and planning.

Design-only project task items:

- Completed grant agreement
- Notice-to-Proceed to architectural or engineering firm
- Submittal of final plans and specifications
- Submittal of design grant closeout (SF-271, invoices)

Construction/equipment project task items:

- Completed grant agreement
- Notice-to-Proceed to contractor
- Substantial completion
- Final acceptance
- Submittal of grant closeout documentation

Planning project task items:

- Completed grant agreement
- Approval of critical design aircraft/forecast
- Review of completed documents
- Final signed documents
- Submitted grant closeout documentation

For grants containing multiple tasks such as planning and construction, grantees should submit quarterly performance reports for each task. Electronic versions of a standardized quarterly performance report can be obtained from the MSP-ADO or the Mn/DOT Office of Aeronautics’ Web site (www.dot.state.mn.us/aero).

Don't miss the Fall Forum!

It's not too late to register for this year's AirTAP Fall Forum, taking place October 16–17 at Breezy Point Conference Center near Brainerd, Minn. The two-day event will feature small-group discussions, hands-on demonstrations, and sessions on airport administration and maintenance topics that invite your participation. Specific topics this year include image-making for your airport, fuel handling and storage, planning challenges and solutions, wildlife and turf maintenance, and more.

Event brochures were mailed in August. To view a complete schedule of the event, download a brochure, read session descriptions, or register online, please visit the AirTAP Web site at www.airtap.umn.edu. Or contact Mindy Carlson at 612-625-1813 or carlson@cts.umn.edu for further information.

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