

Frequently Asked Questions regarding 2020 Local Road Improvement Program Solicitation

Updated: 2/9/2021

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1. I don't know much about the LRIP program. Where can I find more information?

Please see the following resources for more information on the LRIP program and the 2020 solicitation:

- [Local Road Improvement Program webpage](#)
 - [2020 Application](#)
 - [2020 Solicitation guide](#)
 - [2020 LRIP bond grant agreement](#) (grantees will be required to execute this grant agreement before funds are available)
 - [LRIP Training presentation](#). This provides a good, general overview of the LRIP program.
 - [LRIP information sheet](#)
 - [LRIP legislative history](#)

2. I've heard there are a lot of rules associated with bond funds. Where can I learn more about bond requirements and restrictions?

Minnesota Management and Budget is the authority on state bonding. Numerous resources can be found at the following links:

- [Bonding](#)
- [Capital Projects](#)

3. Why is county sponsorship required for township and small city projects?

Counties can provide expertise and resources that townships and small cities may not have. Counties generally have more experience procuring engineering and design contracts and executing and administering construction contracts. In addition, counties have extensive experience working with MnDOT's district and central office state aid staff and are familiar with processes. Counties may also have experience applying for, securing, and administering grant funds. Finally, counties have an existing mechanism in place that allows state aid to issue project related payments. These mechanisms do not exist for townships and small cities.

It is typical that counties require townships and small cities to hire an engineering consultant to prepare plans and specifications, coordinate with state aid, and provide construction administration and inspection services. This is allowable as long as the consultant has experience working with state aid and developing state aid plans.

From the state's perspective, county sponsorship helps mitigate the risk of bond funds expiring before the project is constructed.

4. \$75 million is available in LRIP funds. How much will go to townships, small cities, state aid cities, and counties, and when can I receive the funds?

MnDOT intends to award LRIP grants to counties, state aid cities, small cities, and townships throughout the state. MnDOT will attempt to award grants with an eye towards geographic equity and agency equity. Final awards by MnDOT district and by agency type will depend on number and quality of applications received.

LRIP funds are paid on a reimbursable basis and require execution of a LRIP grant agreement before funds can be accessed. Following execution of the LRIP grant agreement, the grantee will incur construction expenses, pay the contractor, and then submit a state aid pay request to seek reimbursement. Small city and township grantees will need to work with their county engineer to submit the state aid pay request on their behalf.

5. If my agency is awarded LRIP funds, what other costs might my agency be responsible for?

Items that are eligible for LRIP funds include reasonable elements associated with roadway construction, including basic landscaping and turf establishment.

Landscaping planters, benches, bike racks, decorative fences, ornamental lighting, and other aesthetic treatments above the standard are generally not eligible. Other items that are not eligible include engineering, construction administration and inspection, right of way acquisition, water main, sanitary sewer, and private utility work. Additionally, work on trunk highways, on trunk highway right of way, or on private right of way is not eligible.

Any items that are not eligible for LRIP funds will be the responsibility of the grantee.

6. Can LRIP funds be used on private roads?

No. LRIP funds can only be used on publicly owned and maintained roads. LRIP funds cannot be used on private driveways, private parking lots, or other infrastructure improvements located on privately owned right of way unless the local agency can demonstrate an ownership over that right of way for no less than 125% of the useful life of the improvement. In addition, the right of way that contains bond funded improvements will become “state bond financed property,” as defined in [Minnesota Statute 16A.695](#).

7. Is there an expiration date for the LRIP bond funds?

Yes. The LRIP bond funds are set to expire on December 31, 2024, four full calendar years after the bond funds were appropriated. Accordingly, the LRIP solicitation guide states that projects should be ready for construction in 2021, 2022, or 2023. This creates some float in the schedule in case there are unforeseen delays.

8. How can a low volume township or small city projects compete against larger city or county applications?

MnDOT intends to award LRIP grants to counties, state aid cities, small cities, and townships. In determining LRIP grant awards, MnDOT will consider geographic equity and also equity across the various agency types. Accordingly, township and small city applications will be compared against other township and small city applications; state aid city applications will be compared against other state aid city applications; and county applications will be compared against other county applications.

9. Funding Account questions

a. How can I qualify for funding from the Trunk Highway Account?

Funds from this account are for local road improvements impacted by trunk highway projects. It is **not** intended to be used for improvements or projects on the trunk highway or within the trunk highway corridor right of way that require local cost sharing per MnDOT's Cost Participation Policy. Since LRIP is funded by General Obligation bonds, these funds cannot be used for work on a trunk highway or on trunk highway right of way.

b. How can I qualify for funding from the Routes of Regional Significance fund?

The Routes of Regional Significance is by far the most common type of project that is submitted for consideration of LRIP funding. MnDOT recognizes that regional significance for a township or small city road may be very different than regional significance for a state aid city or county road. In determining awards, we will consider geographic equity and also equity across the various agency types.

The key for townships and small cities and other applicants seeking funds from the Routes of Regional Significance account, is that the project must meet the definition of a Route of Regional Significance. Section D2 in the solicitation guide and application deal with Routes of Regional Significance. The solicitation guide states that at least one box must be checked to be considered regionally significant (see bullets below), but the applicant should also use the narrative spaces in D2 to further describe why the road is regionally significant. If the project clears the bar for being considered regionally significant, township and small city applications will be compared against other township and small city applications; state aid city applications will be compared against other state aid city applications; and county applications will be compared against other county applications.

Six Checkboxes to demonstrate regional significance

Farm to market route

- Part of an economic development plan
- Provides capacity or congestion relief to a parallel trunk highway system or county road
- Part of a 10-ton route network
- Connect to regional tourist destination
- Is a connection to the regional system, trunk highway, or a county road

c. [How can I qualify for funding from the Rural Road Safety account?](#)

The Rural Road Safety Account is intended for projects on County State Aid Highways (CSAH) primarily to reduce traffic crashes, deaths, injuries, and property damages. Funds from this account are eligible for use on CSAHs only. The applicant will need to demonstrate the safety deficiency that the project is intended to address, reference the county road safety plan, and the discuss the safety focus area(s) that the proposed project will address.

10. [More than one road qualify as a Route of Regional Significance in my jurisdiction. Should I submit one application or two?](#)

If the two or more different roads, when combined, serve a single regionally significant purpose, they should be submitted together as a single application. For example, let's say that 100th Street travels north, veers to the east along 3rd Ave, and continues north as 105th Street. In this case if the 100th Street to 3rd Ave to 105th Street routes serves as a regionally significant north-south connection, this should be submitted as a single application. However, if the multiple roads serve different regional purposes and/or different users, they should be submitted as separate applications. For example, if 100th Street travels north-south and it intersections 1st Avenue that travels east-west, those should be submitted as separate applications.

In either case, the roads in question would need to meet the definition of being Regionally Significant to be considered for funding.

11. [Are there any special considerations for projects on a border road between multiple agencies or for a contiguous route that includes multiple roads?](#)

For border roads with half of the road owned by one agency and half by a different agency, both agencies with an ownership interest must support the application. If a road changes jurisdiction – for example, the road is owned by the city within the city limits but owned by the county or township outside the city limits – all agencies with an ownership interest must support the application. In either case, one application should be submitted by whichever agency would lead the project. If LRIP bond financed improvements will ultimately be owned by multiple agencies, each agency will need to execute a grant agreement prior to construction.

If the road serves a single regionally significant purpose and/or would benefit the same users, the \$1.25 million cap would apply regardless of how many agencies have partial ownership of the road. If the roads serve different regional purposes and/or would benefit different users, separate applications should be submitted.

12. Does State Aid have a template resolution of support for the submitting agency?

We do not have a standard template. However, local agencies can consider the following in creating a customized resolution.

Include WHEREAS statements that describe some or all of the following:

- \$75 million in LRIP funding is available, with a cap of \$1.25 million for each project
- Acknowledgement that LRIP funds can be used on reasonable elements associated with roadway construction and that other costs, including but not limited to: consultant engineering and inspection, utility construction, as well as construction costs above the LRIP award will need to have alternate funding sources
- The roadway name, project limits, and transportation deficiencies
- How the project will address the deficiencies
- Average daily traffic, safety history and statistics, functional classification
- Previous planning efforts on the corridor
- Why the road is considered a route of regional significance, or why it is eligible for the rural road safety account or the trunk highway account
- Which parties and number of users that will benefit from the project
- Whether the project will benefit multiple agencies
- Whether the project will include multi-modal or non-motorized components
- The construction cost estimate and planned year of construction
- Whether and which type of other funding sources have been secured
- For small cities and townships, discuss coordination efforts with the county
- Any other information that the local agency deems relevant

THEREFORE BE IT RESOLVED THAT:

1. The town board, city council, or county board supports the construction or reconstruction project, and agrees to maintain such improvements
2. The town board, city council, or county board supports submittal of the LRIP application
3. The township, city, or county provides assurance that the township, city, or county will pay all costs associated with the project beyond the LRIP grant award
4. In the case of small cities and townships, that the town board or city council seeks the support by resolution of the county to act as project sponsor for the project should the township or small city be awarded LRIP funds, and that such sponsorship shall include the following responsibilities:

- Be the fiscal agent on behalf of the community and have funds flow from MnDOT to the county to the contractor
- Request SAP/SP number for the project
- Ensure the project meets milestones and dates
- Assist local agency in execution of a grant agreement
- Develop, review and/or approve the plan
- Submit plan, engineers estimate, and proposal to the DSAE
- Advertise, let, and award the project
- Submit pay requests to State Aid
- Communicate progress and updates with the DSAEs and State Aid Programs Engineer
- Ensure that the project receives adequate supervision and inspection
- Assist with project close out

13. Does State Aid have a template resolution of support for the sponsoring county?

We do not have a standard template. However, local agencies can consider the following in creating a customized resolution agreeing to act as project sponsor.

Include WHEREAS statements that describe some or all of the following:

- \$75 million in LRIP funding is available, with a cap of \$1.25 million for each project
- Non-state aid cities and townships must have a county sponsor
- City or township has requested county sponsorship for this project by Resolution XX-XX
- The roadway name and project limits, and the small city or township that is responsible
- Discuss coordination efforts with the city or township
- The city or township understands that it will be responsible for all costs not covered by LRIP including but not limited to consultant engineering, right of way acquisition, construction administration and inspection, utility construction, as well as construction costs above the LRIP award
- The city or township has agreed to maintain such improvements for the lifetime of the improvements.
- Any other information that the county deems relevant

THEREFORE BE IT RESOLVED THAT:

1. the county agrees to act as project sponsor for the project should the township or small city be awarded LRIP funds, and that such sponsorship shall include the following responsibilities:
 - Be the fiscal agent on behalf of the community and have funds flow from MnDOT to the county to the contractor
 - Request SAP/SP number for the project
 - Ensure the project meets milestones and dates
 - Assist local agency in execution of a grant agreement

- Develop, review and/or approve the plan
- Submit plan, engineers estimate, and proposal to the DSAE
- Advertise, let, and award the project
- Submit pay requests to State Aid
- Communicate progress and updates with the DSAEs and State Aid Programs Engineer
- Ensure that the project receives adequate supervision and inspection
- Assist with project close out

14. I have a project schedule for 2021 construction. The solicitation guide states that projects that will be awarded and/or under construction before award notification are not eligible for funding under this solicitation. When will awards be announced?

In a typical year, a bonding bill would have been enacted in the May or June timeframe, with the solicitation closing and awards announced towards the beginning of the following year. This timeline usually works well with project development and bidding. But in this case, the bonding bill was enacted in October 2020, so we are significantly behind schedule compared to a more typical year.

We anticipate announcing awards in May, 2021, but it could be later depending on the number of application we receive. Projects that are schedule for 2021 construction are eligible for LRIP funding under this solicitation. However, the project should not be awarded or under construction prior to award announcements. We realize this may put agencies with some good 2021 projects in a difficult position, particularly given that we do not have hard award announcement date.

If a local agency chooses to submit an LRIP application for a 2021 project, there are some things the local agency should consider:

1. The potential that LRIP awards are not announced in May, which could impact the local agency's ability to deliver the project under the timeframe it was planning. It would be unfortunate if a local agency were to delay a project in hopes of receiving LRIP funds, only to not be selected.
2. If a project is identified for an LRIP award, but it is later determined that the project was awarded or under construction before the award announcement, funds would be withdrawn and awarded to a different project.
3. Plans will have had to have been developed with state aid review (whether on a state aid route or not), and have the plans and engineer's estimate developed to identify LRIP eligible and non-LRIP eligible items. The process for developing and having state aid review an LRIP funded project is different than a run of the mill state aid project. So there would need to be some extra effort beyond a standard state aid plan, with no guarantee that the local agency would receive LRIP funds. If you intend to apply for LRIP funds, you should be in touch with your district state aid engineer (DSAE) now to discuss plan development and review requirements. DSAE contact information can be found [here](#).

If the local agency chooses to submit one or more LRIP applications that fit in this category, make sure to be clear in Section E.3. as to the status of design and intent for the impending award and start of construction.

15. Would a system wide project be eligible, such as county-wide culvert replacement or mill and overlays on a grid of roads?

A series of safety improvements on different County State Aid Highways would be eligible under the Rural Road Safety Account. But a jurisdiction-wide culvert replacement, mill and overlay on a grid or unrelated system of roads, or other multi-location projects would not be eligible. Under the Routes of Regional Significance, the intent is to fund single regionally important roadway projects.

16. Can agency staff construct the project, and if so, can LRIP funds be used to pay for staff time?

No. The project must be advertised and awarded to a contractor, consistent with [Minnesota Statute 471.345](#) Subdivision 3. This applies to all LRIP funded projects, even if the total contract amount is less than \$175,000.

And no, LRIP funds cannot be used for agency staff costs.

17. How will projects be scored and compared against each other?

In scoring the applications, we will consider all of those elements identified on the application, some of which include:

- The degree to which a roadway is regionally significant. In general, roadways that are more regionally significant will score higher.
- The number of people that will be benefited by the project. Generally, the more people benefited by the project, the higher the score. For example, a regionally significant roadway reconstruction project for a road with 2,000 average vehicles per day would benefit the 2,000 daily users 365 days per year. Whereas, a standalone culvert improvement project on a similar regionally significant road with 2,000 average vehicles per day to prevent overtopping associated with localized flooding, would benefit the 2,000 daily users perhaps 5-10 days per year. The first example project would provide greater cumulative benefit when compared to the second project.
- The critical nature of the transportation deficiency that would be eliminated by the project.
- Project readiness. Bond funds are set to expire on December 31, 2024, so we want to fund projects that have a high degree of certainty of being constructed in 2021, 2022, or 2023, with little controversy or potential for the project to be delayed or abandoned.

18. Do I need to hire a consultant to develop the LRIP application?

No. While many engineering consultants do provide this as a service, applicants are not required to hire an engineering consultant to develop the LRIP application.

However, we do require that the cost estimate submitted in Section G of the application is based in planning and engineering principles. Having a good, accurate cost estimate is in everybody's best interest. For example, the construction cost estimate from the application will be a major factor in determining the grant award. For applicants that are selected for LRIP funding, if the engineering plans and specifications later show that costs are above the amount identified for a grant, the grantee will be responsible for paying all costs above the LRIP grant award.

19. Are bridge replacement projects eligible for the LRIP program?

No. Bridge replacement projects are not eligible for LRIP. The local bridge replacement program (LBRP) provides funding to reconstruct and rehabilitate deficient bridges. And there is a separate program to replace deficient township bridges. However, structures that are less than 10 feet in length are not considered bridges and are not eligible for the LBRP program. Replacement of these structures would be an eligible use of LRIP funds.

More information can be found on the LBRP and the town bridge program at:

<http://www.dot.state.mn.us/stateaid/local-bridge-replacement-program.html>

20. We have a regionally significant route that follows multiple roads. Would this situation be eligible for LRIP funds?

Yes. If the multiple roads, when combined, serve a single regionally significant purpose, the multiple roads should be submitted as a single LRIP application. For example, if 100th Street travels north, veers to the right and travels east along 10th Avenue, and then veers to the left and continues north as 105th Street, this should be submitted as a single project. But if the two roads serve different regional purposes and/or different users, they should be submitted as two separate applications. For example, if 100th Street traveled north-south and 1st Avenue travels east-west, those should be submitted as separate applications.

21. What roles are required of counties that are sponsoring township and small city applications?

The solicitation guide states that the sponsor's tasks include, but are not necessarily limited to the following items:

- Be the fiscal agent on behalf of the community and have funds flow from MnDOT to the county to the contractor
- Request SAP/SP number for the project
- Ensure the project meets milestones and dates
- Assist local agency in execution of a grant agreement
- Develop, review and/or approve the plan
- Submit plan, engineers estimate, and proposal to the DSAE

- Advertise, let, and award the project
- Submit pay requests to State Aid
- Communicate progress and updates with the DSAEs and State Aid Programs Engineer
- Ensure that the project receives adequate supervision and inspection
- Assist with project close out

However, there is no expectation that the county would design, inspect, and construct the project with in-house staff or hire and pay a consultant with county funds. In many cases, counties require that townships and small cities hire a consulting engineer to provide these services. State Aid is open to this type of arrangement as long as the selected consultant has experience working with state aid, developing state aid plans, and administering and inspecting construction projects, and such State Aid experience should be a prerequisite in the request for proposals (RFP). In this case, the county would assist the township or small city with development of the RFP and selection a qualified consultant. We would also ask that the county act as a technical resource for the consultant and review the plans before they are submitted to the district state aid engineer.

Since many townships and small cities have very limited experience advertising, letting, and administering construction contracts, State Aid requires that the county hold the construction contract. If the township or small city hires a qualified consultant as described above, the consultant can provide inspection and much of the day to day construction administration.

In all cases, the county will be required to request the State Aid Project (SAP) number and submit state aid pay requests during construction. It is acceptable for the consultant to develop draft pay requests for the county's review and submittal.

22. To whom should letters of support be addressed?

Letters of support should be addressed to the applicant. The applicant will attach letters of support to the LRIP application.