

**South Dakota Department of Transportation
Request for Proposal
Project SD2019-01**

Title: Comprehensive State Rail Plan and Rail Investment Guide for South Dakota

Problem Description: To be eligible for federal assistance for local rail projects, each state must develop, maintain, and administer a federally approved state rail plan. Federal regulations embodied in 49 USC Chapter 227 and 49 CFR Part 266 provide detailed guidance on the preparation, coordination, format, content, and federal review of state rail plans.

In addition to satisfying federal requirements, the South Dakota Department of Transportation (SDDOT) seeks to inform, validate, and justify its investment and management decisions on private and state-owned rail lines. The State of South Dakota leases state-owned lines to private operators and funds and provides federal grants and state grants and loans for maintenance and capital improvements on private and state-owned lines. Decision-makers must ensure that the public investment in rail provides appropriate return to the state's citizens as well as producers, shippers, and carriers.

SDDOT needs practical, sustainable methods to:

- maintain a current inventory of assets
- describe and quantify the physical and operational value of assets
- assess current asset condition and predict future condition
- identify current and future needs for maintenance, rehabilitation, improvements, and expansion
- estimate life cycle costs of assets with and without improvements
- assess impacts of potential investments on other transportation modes
- describe and quantify the values of public, private, and user benefits of potential investments
- maximize benefits achievable with funding available from state, federal, and other sources
- secure revenue to appropriately balance asset needs and user benefits
- develop an overall strategy for funding, financing, investment, and the divestment of state-owned railroad that best serves the transportation and economic needs of the state

These needs may be best met by a complementary set of two mutually consistent documents—a State Rail Plan that meets the requirements of the Federal Railroad Administration and a South Dakota Rail Investment Guide that enables objective and equitable investment analysis and decisions.

Importance: This work is needed to satisfy eligibility requirements for federal funding and to guide critical decisions affecting management and investment in state- and privately-owned rail assets in South Dakota.

Urgency: Update of the State Rail Plan^{1,2}, which was last updated in 2014, is needed immediately to qualify South Dakota for federal rail assistance.

Objectives:

- 1) Develop a comprehensive state rail plan that fully meets the requirements of 49 USC Chapter 227 and 49 CFR Part 266.
- 2) Develop a South Dakota Rail Investment Guide that describes and demonstrates a practical but comprehensive strategy for managing investments in South Dakota's state-owned rail lines.

¹ South Dakota State Rail Plan Volume 1 – Executive Summary, South Dakota Department of Transportation, September 2014, http://www.sddot.com/transportation/railroads/railplan/DR2_Vol1_SDDOT_StateRIPln.pdf

² South Dakota State Rail Plan Volume 2 – Technical Report, South Dakota Department of Transportation, September 2014, http://www.sddot.com/transportation/railroads/railplan/DR2_Vol2_SDDOT_StateRIPln.pdf.

Tasks:

- 1) Meet with the project’s technical panel to review the project scope and work plan.
- 2) Interview select staff and stakeholders to regarding the status and needs of rail transportation in South Dakota.
- 3) Compile and analyze information available from SDDOT and other sources regarding the status and needs of rail transportation in South Dakota.
- 4) Develop a richly annotated outline of a State Rail Plan that will meet the requirements of the Federal Railroad Administration and the State of South Dakota.
- 5) Design a comprehensive outreach program to solicit input on rail operations, concerns, and needs from stakeholders including rail officials, carriers, producers, shippers, economic interests, and government agencies.
- 6) Prepare, submit, and present for approval of the project’s technical panel a technical memorandum documenting the results of tasks 2-5.
- 7) Conduct the approved stakeholder outreach program and summarize findings.
- 8) Prepare a draft State Rail Plan that will meet the requirements of the Federal Railroad Administration and the State of South Dakota.
- 9) Prepare a richly annotated outline of a South Dakota Rail Investment Guide.
- 10) Prepare, submit, and present for approval of the project’s technical panel a technical memorandum documenting the results of tasks 7-9.
- 11) Revise the draft State Rail Plan in response to comments received from the project’s technical panel to fully meet the requirements of the Federal Railroad Administration and the State of South Dakota.
- 12) Prepare, submit, and present for approval of the project’s technical panel a draft South Dakota Rail Investment Guide.
- 13) Revise the draft South Dakota Rail Investment Guide in response to comments received from the project’s technical panel
- 14) In conformance with *Guidelines for Performing Research for the South Dakota Department of Transportation*, prepare a final report summarizing the research methodology, findings, conclusions, and recommendations.
- 15) Make an executive presentation to the South Dakota Railroad Board at the conclusion of the project.

Potential Implementation: If successful, this research will produce a State Rail Plan that can be reviewed and approved by USDOT to qualify South Dakota for federal rail assistance. Further, the research will produce a Rail Investment Guide that the State Railroad Board and the South Dakota Department of Transportation can adopt and use to guide rail investment, funding and financing policies, procedures, and decisions in the future.

Sponsor Involvement: SDDOT will provide access to available records and data and will participate in interviews and meetings needed to support the study.

Recommendation: Open competitive research **Explain:** This topic requires expertise and skills that may lie beyond SDDOT and South Dakota universities.

Technical Panel:

| | | | |
|------------------|-------------------------|------------------------|-------------------------|
| Jack Dokken..... | Air, Rail, & Transit | Ben Orsbon..... | Office of the Secretary |
| Dave Huft..... | Research | Aaron Scheibe | Office of the Governor |
| Joel Jundt | Office of the Secretary | External Members | TBD |

Available Funding: \$700,000

Anticipated Start Date: August 1, 2019

Funding: State Rail Fund

Duration: 18 months

Terms of Payment: Payment for research services will be made upon SDDOT's acceptance of key project deliverables. For this study, percentages of total project cost will be paid upon satisfactory completion of the following tasks:

| Task | % of Total Cost |
|-----------|-----------------|
| 6 | 15% |
| 10 | 20% |
| 11 | 10% |
| 12 | 25% |
| 13 | 10% |
| All Tasks | 20% |
| Total | 100% |

General Information: The South Dakota Department of Transportation solicits proposals from colleges, universities, research institutes, foundations, consultants, federal, state, and local agencies, and others with demonstrated capability and experience in the subject area.

The South Dakota Department of Transportation provides services without regard to race, color, gender, religion, national origin, age or disability, according to the provisions contained in South Dakota Codified Law (SDCL) 20-13, Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, as amended, the Americans With Disabilities Act of 1990 and Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, 1994. Any person who has questions concerning this policy or who believes he or she has been discriminated against should contact the Department's Civil Rights Office at (605)773-3540.

Proposals must remain valid for at least 120 days after the submission deadline. All submitted proposals become the property of the South Dakota Department of Transportation. SDDOT has the right to use all information presented in any proposal, unless it is specifically annotated as being proprietary. SDDOT considers all information contained in proposals to be privileged and reserves the right to maintain its confidentiality. South Dakota state statute requires the winning proposal, with proprietary information redacted, to be posted online along with the corresponding contractual agreement.

SDDOT reserves the right to reject any and all proposals submitted. SDDOT may negotiate with a selected proposer to address specific weaknesses in the selected proposal prior to contract award.

SDDOT is not responsible for any costs, including proposal preparation, incurred by researchers prior to execution of a contract.

Proposal Deadline: Proposals are due to the SDDOT Office of Air, Rail and Transit by 5:00 pm on Friday, May 31, 2018. This deadline is firm. Extensions will not be granted.

Proposers may submit six (6) hard copies of the proposal to:

Jack Dokken
 South Dakota Department of Transportation
 Office of Air, Rail, & Transit
 700 East Broadway Avenue
 Pierre, South Dakota 57501-2586

Alternatively, proposers may submit proposals electronically:

- Electronic proposals must be submitted as an e-mail attachment in Portable Document Format (PDF) not exceeding 12MB.
- The e-mail must be addressed to both jack.dokken@state.sd.us and dave.huft@state.sd.us.
- Proposers should send the e-mail using “Delivery Receipt” and “Read Receipt” options to verify successful delivery.

Proposal Guidelines: Proposals must fulfill the requirements listed in the document entitled *RESEARCH PROPOSAL PREPARATION, SUBMISSION, AND EVALUATION* and dated March 23, 2018.

Proposal Evaluation: Proposals will be evaluated by SDDOT Research staff and a technical panel knowledgeable in the problem area. Selection will be made in consideration of criteria listed in *RESEARCH PROPOSAL PREPARATION, SUBMISSION, AND EVALUATION*.

Proposers will be notified of the results of the selection no later than July 15, 2019.

Project Management: Jack Dokken is responsible for management of this project and can be reached at (605) 773-7045 or jack.dokken@state.sd.us to answer inquiries.

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