FY 2027 Kentucky Public Riverport Construction and Maintenance (KPRCM) Projects

Project Guidance and Specifications

By: KENTUCKY TRANSPORTATION CABINET, DEPARTMENT OF HIGHWAYS, DIVISION OF PLANNING

Kentucky Public Riverport Construction and Maintenance (KPRCM) Funds

The Kentucky Public Riverport Construction and Maintenance (KPRCM) Program was established to provide grants for public Riverport authorities to fund construction and maintenance. The program began with funds transferred from the Budget Reserve Trust Fund Account to the Kentucky Transportation Cabinet (KYTC) operating budget to support the KPRCM program. House Bill 900 as amended by Senate Bill 197 designates **$15,100,000.00** from the Budget Reserve Trust Fund Account in Fiscal Year 27 to improve public riverport facilities within Kentucky. This Call for Projects seeks to award the **$15,100,000.00** in FY 27 funds. This guidance establishes the policies and procedures for applicants within the Commonwealth to apply for KPRCM financial assistance from the Cabinet and complete project requirements.

I. Definitions

(1) "Applicant" means an eligible applicant for KPRCM funds as outlined below.

(2) "Cabinet" means the Kentucky Transportation Cabinet (KYTC).

(3) "Application" means the funds application and the required attachments.

(4) "Division" means the Division of Planning in the Cabinet.

(5) "Secretary" means the Secretary of the Cabinet.

(6) "MOA" means the Memorandum of Agreement between the Cabinet and the applicant.

(7) "Available Funds" means Budget Reserve Trust Fund Account funds allocated by the Cabinet from the HB 900/SB 197 appropriation.

(8) "Fund Assistance" means Budget Reserve Trust Fund Account funds allocated by the Cabinet from the HB 900/SB 197 appropriation.

(9) "KPRCM" means Kentucky Public Riverport Construction and Maintenance.

(10) "Grantee" means an applicant who has been allocated KPRCM grant funds.

II. Eligible Applicants

(1) An eligible applicant is a public Riverport Authority within the Commonwealth as established in KRS 65.520.

(2) Applications for KPRCM funds submitted by ineligible applicants shall immediately be rejected by Division staff without consideration and returned to applicant without review.

III. Eligible Projects

(1) Eligible projects as outlined in KRS 174.210(3) shall provide for new construction and major replacement or repair projects, including but not limited to improvement of docks, wharves, equipment, port buildings, storage facilities, roads and railroads to facilitate the flow of commerce through the port, other on-site improvements, and related professional services.

(2) Projects must be within the boundary of the public riverport authority, on facilities or equipment owned or leased by the public riverport authority, or facilities or equipment

that will be owned by the public riverport authority upon completion of the project.

(3) Eligible projects shall not include routine operations, maintenance, or repair activities.

(4) Plans and studies are additional examples of ineligible KPRCM projects.

IV. Eligible Costs

(1) When project work is let to a contractor, KPRCM funds may only be used for work items included in the bid proposal. In these instances, costs incurred by the contractor associated with the approved project.

(2) When the applicant is the primary constructor of the project, allocated funds are only to be used for direct construction and maintenance costs (manpower, materials, and equipment) for the purpose described in the application, MOA Scope of Work, and any pre-approved amendments to the Scope of Work.

(3) Applicants' costs associated with permits and fees, newspaper ads/public notices, design and engineering, land acquisition, right of way and utilities, and environmental services are allowable expenses, but should only make up a small percentage of the overall project budget.

V. Funds Solicitation

(1) Letters of Intent

a. The Division, at the direction of the Secretary, will distribute a call for Letters of Intent (LOI) to apply for KPRCM funds to public riverport authorities as established in KRS 65.520.

b. Applicants interested in requesting KPRCM funds shall respond by the stated two-week deadline via email as directed in the LOI solicitation.

c. Applicants may submit multiple projects in response to the LOI solicitation, but each project must demonstrate independent utility, be a separate emailed LOI, and each project must meet the criteria of **Section III. Eligible Projects.**

d. Each LOI shall include the name of the public riverport authority, estimated amount they will be requesting, and a brief (two to three line) description of the proposed project.

i. Full applications are NOT required at this point and will NOT be accepted.

e. Incomplete LOI submissions or any LOI received after the deadline will be deemed ineligible by Division staff without consideration for KPRCM funds and returned to the applicant.

f. After the LOI submission deadline, Division staff will review all submitted LOIs and determine if proposed projects will exceed the FY 27 appropriation. If funds remain, the Division will issue additional LOI solicitations to all public riverport authorities notifying them of the amount remaining and providing two weeks to submit additional LOIs to exceed the FY 27 appropriation.

(2) Call for Project Applications

a. Once the Division has ensured that all the LOIs submitted would exceed the FY 27 appropriation, ONLY the public riverport authorities that submitted LOIs will receive a call for project application notification to submit full applications for each of their intended projects.

b. Applicants must complete and submit a TC 59-113 *Kentucky Public Riverport*

Construction and Maintenance (KPRCM) Application (Link) for each project and provide all required supporting documentation stated in the call for project notification and in **Section VII. Application for Financial Assistance**

c. The call for project application notification will include the application deadline, email address to submit applications, and the Cabinet web address where the relevant documentation can be obtained, including: application, guidance document, and requisite affidavits.

d. Applicants must complete and submit the application and provide all required supporting documentation for consideration by the deadline stated in the call for project application notification.

e. Incomplete applications or any application received after the deadline will be deemed ineligible by Division staff without consideration for KPRCM funds and returned to the applicant.

f. Applicants should not apply for KPRCM funding without firm project scopes, firm project schedules, and firm project quotes/estimates.

VI. Project Funding

(1) Any project work done before the Notice to Proceed shall not be reimbursed with allocated funds.

(2) Grantees are responsible for any costs in excess of the allocated amount necessary for completion of the approved Scope of Work and any authorized or unauthorized changes to the project.

(3) Following award approval by the Secretary, the Division will prepare MOAs for the awarded projects.

(4) The Cabinet at its discretion may rescind the funds allocation under any one of the following circumstances:

- Grantee does not agree to the terms of the MOA within three (3) months of the notice of award;
- Grantee does not begin KPRCM the project within six (6) months of the notice of award;
- Grantee is in default under the terms of the MOA for any KPRCM project;
- Budget Reserve Trust Fund Account funds appropriated in HB 900/SB 197 are rescinded or reduced through Legislative action or Executive Order.

VII. Application for Financial Assistance

(1) An eligible applicant shall complete the requisite TC 59-113 *Kentucky Public Riverport Construction and Maintenance (KPRCM) Application* (Link) and provide each of the following pieces of supporting documentation:

a. A detailed Statement of Work for the project;

i. The Statement of Work is a detailed narrative describing how the project will improve riverport facilities and infrastructure to capture the economic and trade potential offered by water transportation.

ii. The Statement of Work provided in the application will be included in the MOA for the project as an attachment.

b. A detailed Scope of Work for the project;

i. The Scope of Work is a text and table-based document that should include:

- The exact work that must be done
- Quantities of materials involved.
- Summary of Estimated Costs (by phase and in whole)
  - "Estimated costs" refers only to eligible reimbursement costs as outlined in **Section IV**. **Eligible Costs**

ii. The Scope of Work provided in the application will be included in the MOA for the project as an attachment.

c. Purchase quote or cost estimate for the project.

i. Equipment Purchases: a price quote on letterhead from the Original Equipment Manufacturer.

(1) Applicants should understand that the vendor who provided the price quote may not be the vendor ultimately selected in the competitive purchasing process.

ii. Infrastructure Projects: an engineer's estimate by project phase with line-item materials, quantities, and labor estimates.

d. A detailed <u>Project Schedule/Timeline</u>;

i. The project schedule/timeline specifies each phase of the work to be done and the length of time each phase will last. This should be done in Gantt chart format and should be done by day, week, or month depending on the nature of the project. Specific dates are not required.

ii. The project schedule/timeline provided in the application will be included in the MOA for the project as an attachment.

e. Maps, Aerial Photos, Drawings, and Photographs clearly depicting the project location in appropriate scale, as needed.

i. Photos are not required for dredging projects.

f. Engineering plans, schematics, details, drawings of the proposed project, as needed.

g. Copies of all correspondence or evidence of consultation with all interested state and federal agencies, if applicable. This includes, but is not limited to, the US Army Corps of Engineers (Section 10 and 404 permits), Kentucky Division of Water (Section 401 permits), Fish and Wildlife (regarding threatened and endangered species), and the US Coast Guard.

i. Copies of applicable permits must be supplied to the Division before the Notice to Proceed will be issued by the Division.

h. Required Annual Affidavit for Bidders, Offerors and Contractors from the applicant.

(2) **Completed applications and all required attachments must be combined and submitted electronically in a single PDF format. PDF copies shall be sent via email as directed in the call for project applications. Emailed applications shall be received by the Division by the deadline indicated in the call for applications. It is the sole responsibility of the applicant to ensure delivery of electronic applications to the Division prior to the application deadline.**

(3) Each project requires a separate application and must demonstrate independent utility.

(4) Incomplete applications, applications missing any of the required supplemental documents, or applications received after the deadline, will be deemed ineligible by

Division staff without consideration for KPRCM funds and returned to the applicant.

VIII. Application Prioritization & Decision

(1) Following the application deadline, the Division will collect the completed applications and provide them to the Water Transportation Advisory Board (WTAB) for review. The Division will facilitate a WTAB meeting, open to the public, to discuss the projects, review projects for eligibility, score eligible projects, and develop a list of recommended projects for the Secretary.

a. Eligible applications will be scored by the WTAB following the ranking system outlined in **Appendix A. KPRCM Scoring Matrix and Project Evaluation Framework**

(2) The list of recommended projects will be sent by the Division to the Secretary for final review, approval, and fund allocation. The decision of the Secretary is final.

IX. Allocation of Funds

(1) After the Secretary determines final allocations for the KPRCM projects, the Division shall announce the allocations to applicants in writing.

(2) Fund allocation amounts cannot be increased after the decision has been made by the Secretary. Applicants are responsible for any costs in excess of allocated amounts that are necessary for completion of the approved Scope of Work and any authorized or unauthorized changes to the project.

X. Execution of Performance Agreements

(1) After an applicant has been allocated funds, the applicant and the Cabinet shall execute an MOA. The Division shall draft the MOA with the Statement of Work, Scope of Work, and Project Schedule/Timeline provided with the application included in the MOA as attachments.

(2) Work should not begin until after the MOA is signed by the Secretary <u>and</u> a Notice to Proceed has been issued by the Division. **Any project work done before the Notice to Proceed shall not be paid for with allocated funds.**

a. In extreme circumstances, the Grantee can petition the Division in writing (email is sufficient) outlining the dire need to begin project work before the MOA is executed and/or NTP issued. Division decisions on these requests are final.

(3) The Cabinet will only execute an agreement with the KPRCM applicant. No three-party agreements will be made. Applicants are free to enter into agreements with other parties that may be providing additional funding, materials or services as part of the project, but the Cabinet will not be a signatory to these agreements.

(4) Grantees may request extensions of time, changes to the Scope of Work, or amendments to the MOA; such requests must be in written form (email is sufficient) and must be supplied to the Division for pre-approval.

a. Funds not under contract by <u>June 30, 2027</u>, cannot be carried forward into the next fiscal year and will be lost.

XI. Project Initiation and Commencement

(1) After the MOA has been executed, several milestones must be completed, as applicable.

(2) <u>Milestone 1</u>: The Division and the Grantee shall conduct a joint project review meeting

(conference call or on-site) for the project.

a. Joint Project Review discussion items may include, but are not limited to:
- Required permits
- KYTC Pre-Qualification (Link)
  - Work Items Sampling or Certifications
  - Prequalified Contractors/Subcontractors
- KYTC List of Approved Materials (Link)
- Request for Qualifications/Request for Proposals, as applicable
- Maintenance of traffic plan, as applicable
- Force account or contract labor
- Requirements for obtaining quotes or bids in accordance with KRS 45A (Link)
- Determination of appropriate bid format, being unit price, lump sum, or other eligible format, as applicable
- Applicable affidavits for Grantee's and contractors include but may not be limited to:
  - Required Annual Affidavit for Bidders, Offerors, and Contractors
  - Required Affidavit for Bidders Claiming Resident Bidder Status Required Affidavit for Bidders Claiming Qualified Bidder Status
  - Required Affidavit Regarding Subcontractors
  - Required Affidavit Regarding Illegal Immigrants

(3) Milestone 2**:** The Division may issue the Notice to Proceed after the Grantee submits, **and the Division has approved** the following documents:

a. Copy of all required permits, as applicable

b. Copy of the Request for Quotes or Bid Packet, as applicable.

c. Copy of the draft advertisement, as applicable

d. Copy of the advertisement plan, as applicable

(4) Milestone 3**:** The Division may release grant funds when the Grantee submits the following documents:

a. Copy of the published advertisement, as applicable.

b. Copy of the winning quote or bid, as applicable.

c. Copy of all quotes/bid tabulation sheets including the unsuccessful quote(s)/bid(s), as applicable.

d. Copy of all signed required affidavits by contractor and subcontractors, as applicable.

e. Certification that all contractors/subcontractors identified in the winning bid packet are KYTC Prequalified, as applicable.

XII. Bid Proposals / Bid Packets

(1) In all aspects of the bid process, Grantees must follow KRS 45A and all other applicable state laws and regulations.

(2) Procurement thresholds for total project costs for construction projects are as follows:

a. \$0-\$20,000 purchase with one quote;

b. \$20,001-\$40,000 applicant shall obtain three quotes and select lowest qualified;

c. \$40,001 and up shall advertise for a minimum of seven (7) days.

d. The project may not be divided to adjust requirements for obtaining quotes or bids.

(3) The Grantee is expected to prepare a Request for Qualifications (RFQ), Request for Proposals (RFP), Bid Packet (BP), or similar document describing the project on which the contractors/subcontractors will make their proposal (bid, quote, etc.). The Grantee is also responsible for the advertisement, opening of quotes/bids, selection of/contracting for construction services, and materials purchases.

(4) The Grantee is required to use KYTC Prequalified Contractors (Link) for all KYTC Work Items (Link) on the project. If a contractor/subcontractor is not on the KYTC List of Prequalified Contractors, the Grantee must contact the Cabinet Division of Construction Procurement to verify prequalification status.

a. **It is the Grantees responsibility to ensure all contractors and subcontractors are KYTC Prequalified. Work by contractors or subcontractors not on KYTC Prequalified list are not eligible expenses and shall not be paid for with allocated funds.**

(5) If no KYTC Work Items (Link) exist for any project component, Grantee should use the following process:

a. Issue the RFQ.

b. Review the RFQ submissions and rank the three most qualified firms in order of their qualifications.

c. These three qualified firms shall then provide a Proposal.

(6) The RFQ/RFP/BP, or similar document developed by the Grantee should include the following components:

a. Information regarding requirements that could cause a proposal or bid to be ineligible.

b. Detailed selection criteria must be outlined. Criteria used to score a bid may include price and delivery, references, previous experience, etc. Points assigned to each criterion during review must also be clearly outlined.

c. Applicable affidavits for contractors/subcontractors shall be included for interested contractors/subcontractors to complete as part of their quote or bid including:

i. Required Affidavit for Bidders, Offerors, and Contractors (Link)

ii. Required Affidavit Regarding Subcontractors (Link)

iii. Required Affidavit Regarding Illegal Immigrants (Link)

iv. Required Affidavit for Qualified Bidder Status, as applicable (Link)

v. Required Affidavit for Resident Bidder Status, as applicable (Link)

d. Reference to KYTC's Standard Specifications for Roadway and Bridge Construction ("Spec Book") (Link). This is true even if the project is not for the building of Roadways or Bridges. The Spec Book contains procedures and requirements that apply to all infrastructure projects. Any special provisions, project notes, or deadlines indicating a deviation from the standards contained in the Spec Book or containing requirements not discussed in the Spec Book must also be included in the BP.

e. KYTC Work Items required on the project, if applicable (Link)

f. Requirement that the bidder is a KYTC Prequalified Contractor and description of how bidder could become KYTC Prequalified Contractor, if applicable. (Link)

g. Shall require the listing of every contractor and subcontractor to be utilized on the project, if applicable. Contractors and subcontractors not listed on submitted bids are not reimbursable.

h. Requirement to use KYTC Approved Materials, if applicable. (Link)

(7) The Division MUST review and approve RFQ/RFP/BP prior to advertisement of bid.

(8) Copies of the winning proposal and either the unsuccessful proposals or the Bid Tabulation Sheet, as appropriate, must be supplied to the Division.

(9) The winning bid selection MUST first be approved by the Division. The reason for the rejection of any or all bids or any variance from the outlined selection criteria must be thoroughly documented.

XIII. Advertisements

(1) Grantee shall develop the advertisement for their RFQ/RFP/BP AND an advertisement plan detailing how the RFQ/RFP/BP will be publicized. The advertisement plan should outline all methods to publicize the RFQ/Bid Packet (local paper, magazines, trade journals, websites, social media, etc.).

(2) The advertisement developed by the Grantee shall include the requirements that bidders must be a Prequalified Contractor with the Transportation Cabinet and use KYTC Approved Materials, if applicable.

(3) The advertisement plan and the advertisement developed by the Grantee MUST be reviewed and approved by the Division before posting.

(4) Advertisement of the bidding opportunity must be published in a newspaper of general circulation in the region where the activity for which bids are submitted will be conducted to make sure solicitation is open to anyone who could perform the work.

(5) The approved RFQ/RFP/BP must be posted in local paper a minimum of 7 days before posted bid opening. Any revisions or clarifications of RFQ/RFP/BP require delaying bid opening 7 days from the last issued revision/clarification.

(6) The approved RFQ/RFP/BP for construction projects utilizing KYTC Prequalified Contractors can be posted on the Cabinet's Division of Construction Procurement website in an effort to publicize project (Link). However, posting on the Construction Procurement website does not satisfy KRS 45A requirement to post in a local paper.

(7) The approved RFQ/RFP/BP can also be posted on Grantees own website or in applicable trade journals, but these sources do not satisfy the KRS 45A requirement to post in a local paper.

(8) During the time the bid is advertised, up until the time the bids are announced, the Grantee may accept sealed bids but must not open them until the close of the advertising period.

(9) If a contractor/subcontractor or subcontractor needs to be changed after a bid has been awarded, written approval must be given by Grantee who must verify new contractors/subcontractors are KYTC Prequalified, as applicable. Grantee must also notify the Division in writing of the change.

XIV. Equipment/Materials Purchases

(1) If KPRCM funds are for purchasing equipment/materials for which a master agreement is in place, Grantee can utilize master agreement in place of RFP/RFQ/BP and advertisement process. Grantee can contact Cabinet's Division of Equipment for assistance with statewide equipment master agreements. (Link)

(2) Procurement thresholds for total project costs for equipment purchases not utilizing a master agreement are as follows:

a. $0-$10,000 purchase with one quote;
b. $10,001-$20,000 applicant shall obtain three quotes and select lowest qualified;
c. $20,001 and up shall prepare RFP/RFQ/BP and advertise as outlined above.
d. The project may not be divided to adjust requirements for obtaining quotes or bids.

(3) Affidavits are not required of the vendors for equipment/materials purchases. The only affidavit required is the Required Annual Affidavit for Bidders, Offerors, and Contractors from the Grantee.

(4) The requirement for use of KYTC Prequalified contractors or for KYTC approval of bidders does not apply to equipment/materials purchases.

(5) If a master agreement cannot be utilized for an equipment purchase, the RFQ/RFP/BP developed does not need to include requirements for Spec Book Standards (Section XII(6)d), KYTC Work Items (Section XII(6)e), KYTC Prequalified Contractors (Section XII(6)f), or KYTC Approved Materials (Section XII(6)h).

(6) The RFP/RFQ/BP, advertisement plan, and advertisement developed by the Grantee for an Equipment Purchase MUST all be reviewed and approved by the Division before posting.

(7) The winning bid selection MUST first be approved by the Division. The reason for the rejection of any or all bids or any variance from the outlined selection criteria must be thoroughly documented.

XV. Federal Procurement

(1) KPRCM funds that are to be used as part of or in coordination with a federally funded project do not have to go through a separate RFP/RFQ/BP process and can rely on the federal procurement process provided it is in compliance with KRS 45A. Documentation of the federal procurement process must be provided to the Division. This includes projects affiliated with Corp of Engineers funded dredging.

(2) The requirement to utilize KYTC Prequalified contractors does not apply to projects utilizing the above referenced federal procurement process.

(3) In order to coordinate timelines for allocated funds that are connected to a federal project, the Grantee can petition the Division in writing (email is sufficient) outlining the dire need to begin project work before the MOA is executed and/or NTP issued. Division decisions on these requests are final.

XVI. Construction Standards

(1) All project work shall be in accordance with all applicable state, federal, and association design and construction criteria and recommended practices for the type of work undertaken, including but not limited to:

a. KYTC Standard Specifications for Road and Bridge Construction, edition 2019 (with Supp Spec July 2019) as revised (Link)
b. KYTC Highway Design Manual (Link)
c. KYTC Standard Drawings (Link)
d. KYTC Drainage Manual (Link)
e. American Railway Engineering and Maintenance of Way Association (AREMA) Manual for Railway Engineering (MRE), current edition (Link)
f. American Association of State Highway Transportation Officials' (AASHTO) Policy

on Geometric Design of Highways and Streets (Link)

g. Manual on Uniform Traffic Control Devices (MUTCD) (Link)

(2) KPRCM projects that involve rail construction or rail rehab shall also follow standards, specifications, details, and procedures in the current Kentucky Rail Crossing Improvement (KRCI) guidance document, as applicable. (Link)

XVII. Force Account

(1) In rare circumstances, Grantee may have reason to request to be allowed to use its own employees to construct a portion of its project, known as "force account." Grantee must demonstrate that this is a more cost-effective alternative.

(2) To utilize "force account" the Grantee must submit a written request to the Division identifying the reason or reasons why force account for the project is considered cost effective.

(3) The Division will review force account requests and return a Public Interest Finding approving or disapproving the use of force account to Grantee. Any approved decision to use local forces should be described in any RFQ/RFP/BP, or similar document describing the project on which the contractors would make their proposal (bid, quote, etc.).

(4) When the Grantee utilizes force account for any portion of the project, allocated funds are only to be used for direct construction and maintenance costs (manpower, materials, and equipment) for the purpose described in the application, MOA Scope of Work, and any pre-approved amendments to the Scope of Work.

XVIII. Project Documentation & Updates

(1) The Grantee is required to keep an organized file for the project. The Grantee is expected to maintain paper copies and electronic copies of all documents related to the project, where possible.

(2) The Cabinet shall have access to any books, documents, papers, records, or other evidence (including emails and other forms of documentation), which are directly pertinent to the project for the purpose of audit or program review, as referenced in the MOA. All checks, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the project shall be clearly identified, readily accessible, and to the extent feasible, kept separate and apart from all other such documents for Cabinet viewing.

(3) Project documentation must include, but may not be limited to, copies of the following:

- Proof of fund disbursement
  - This must be in the form of a copy of all checks (front and back) or a record of EFT payment, indicating the funds have been transferred from the Grantee to the contractor or appropriate entity, as required.
- Invoices
  - Paid invoices should be formatted & itemized as defined in the RFQ/RFP/BP, or similar document and must appropriately reference the applicable proof of fund disbursement. This includes invoices from contractors, suppliers, etc.
- RFQ/RFP/BP, and/or newspaper ad, as applicable.
- Winning proposal and either the unsuccessful proposals or the Bid Tabulation

Sheet

- Signed required affidavits: Grantee and contractors, as applicable.
- Record of request and approval for time extension, if applicable.
- Record of request and approval for changes to agreed upon Scope of Work.
- Dredge Scans are required if project involves dredging.

(4) Public financing requires transparency and documentation. Be advised that all documentation regarding funded projects will reside in paper and electronic files at the Cabinet and will be subject to open records requests or audits.

(5) The Grantee shall submit monthly progress status updates in the form of an email to the Division detailing the status of the project, including the following, as applicable: the project work completed, work pending, photos of the project, and estimated completion date. The status updates begin the month after notification MOA has been executed and are due monthly until the project is complete (construction and administrative requirements).

(6) Failure of the applicant to communicate the project work timeline with the Division as outlined in **Section XVIII (5)** and **Section XX (1)** or elsewhere in this guidance document will result in a delay in release of funds.

XIX. Project Accounting & Funds Release

(1) After the MOA is executed and applicable guidelines outlined in this document including procurement are met, the Cabinet may provide up-front grant money up to the amount of the award.

(2) The Grantee shall only use the grant money for allowable costs and not for any expenditures made by the Grantee prior to the effective date of the MOA or before the Notice to Proceed has been issued.

(3) Upon completion of the procurement process, and upon providing the Division copies of the advertisement used, final version of the bid packet, all submitted bids (winning and non-winning), and a bid tabulation sheet, Grantee may request a release of grant funds.

a. The Division will delay or withhold release of grant funds until the Grantee submits the required documentation.

(4) If the project is being procured in phases, the request for release of grant funds can only cover the portion of the project that has gone through the procurement process.

(5) HB 900 grant funds disbursed shall be kept in a separate, dedicated bank account apart from all other operations and capital project financial accounts.

a. HB 900 funds CANNOT be placed into the same bank account used for HB 1 or any other Cabinet grant program.

XX. Project Closeout

(1) Within 10 business days after construction of the project is complete, the Grantee should notify the Division in writing via email and include the expected timeline for final documentation of completion including photographs of the completed project, as applicable.

(2) The Division shall conduct a closeout site inspection prior to approving the final invoice. The Division shall verify during the closeout site inspection that all items in the Scope of

Work have been completed as outlined. Only then can the project begin closeout.

a. For equipment purchases, dredging projects, or safety reasons, the Division may determine at its discretion that a closeout site inspection is unnecessary and rely on the provided documentation.

(3) Grantees shall provide the Division with copies of all invoices and proof of payments of all project expenses. Expense documentation provided shall meet or exceed the total award amount to demonstrate that all the released grant funds have been spent.

(4) If the Grantee fails to adequately document that all released grant funds have been expended on allowable project expenditures, or if the project has not been completed as outlined in the MOA, upon notification by the Division the Grantee shall immediately repay the Commonwealth.

XXI. Leftover Funds

(1) Funds not under contract by June 30, 2027, cannot be carried forward into the next fiscal year and will be lost.

(2) As no carryover authority exists beyond FY 27, the Cabinet is required to ensure all funds are under contract by the June 30, 2027, deadline.

(3) Any projects not making substantial progress toward completion as of **<u>March 1, 2027</u>**, are subject to having their agreement canceled and their allocation redistributed by the Cabinet.

(4) Any of the FY 27 appropriated funds not allocated or any remaining balances as of **<u>March 1, 2027</u>**, are subject to redistribution by the Cabinet.

XXII. Redistribution

(1) Unallocated funds, remaining balances of completed KPRCM projects, or allocations to projects that have been canceled for lack of progress, shall be redistributed at the Secretary's discretion to public riverport authorities for existing and developing riverports.

(2) Upon approval of the Secretary, the Division will initiate the process of redistribution following the process outlined in **Section V. Funds Solicitation**.

(3) Eligible applicants shall submit applications for the funds available for redistribution following the process outlined in **Section VII. Application for Financial Assistance.**

a. <u>Applicants who have had a prior KPRCM project canceled for lack of progress are not eligible to apply for available redistribution funds.</u>

(4) Applications will be reviewed as outlined in **Section VIII. Application Prioritization & Decision**. Applications that meet the criteria and demonstrate the ability to quickly execute an agreement for the project before June 30, 2027, will be prioritized highest for allocation.

(5) Projects awarded redistributed funds will follow the contracting and execution process outlined in this Guidance Document.

XXIII. Cabinet Office of Audits

(1) Upon completion of the project, the Cabinet Office of Audits may perform an audit of the KPRCM program to determine whether a selected grantee complied with the provisions of the KPRCM Guidance Document, the MOA, and government procurement procedures.

(2) The Cabinet shall have access to any documents, paper or electronic, which are directly pertinent to the project for the purpose of audit or program review, as referenced in the MOA.

(3) If the post project audit determines the applicant failed to follow applicable state laws, the requirements in the KPRCM Guidance Document, or in the MOA, the grantee shall immediately reimburse the Commonwealth for unallowable expenditures.

(4) Negative findings in post award audits and incidents of repayment for unallowable expenditures will be considered when evaluating and prioritizing the grantee's future state grant funding applications.

Appendix A: KPRCM Scoring Matrix and Project Evaluation Framework

Criticality & Transportation Impact — up to 30 Points

Evaluates the project's impact on riverport operations and Kentucky's multimodal freight network. Project is urgent to the riverport's current operation and, if unfunded, the riverport will experience significant loss in jobs or throughput volume and/or efficiency.

Considerations:

- Critical to maintain daily port operations or moves port forward.
- Increases ports freight capacity.
- Improved marine/highway/rail connectivity.
- Supply chain significance.
- Regional or statewide transportation impact.
- Support for critical industries.
- Reduction in bottlenecks or congestion.

Example Indicators

- Annual tonnage added or retained
- Number of barge, truck, or rail movements affected
- Reduction in vessel delays
- Increased storage capacity
- Increase in operating days
- Reduction in truck queuing
- New multimodal connections
- Percentage increase in throughput

Scoring Guidance

Score	Guidance
25–30	Project is essential to maintaining or significantly improving port operations. Demonstrates substantial increases in freight capacity, multimodal connectivity, or operational efficiency. Addresses major bottlenecks, supports critical industries, and provides clear regional or statewide transportation benefits. Quantifiable performance measures are well documented.
18–24	Project provides meaningful operational improvements or moderate increases in capacity and efficiency. Improves freight movement or connectivity with documented benefits to port users and the regional transportation network.
10–17	Project provides limited operational improvements or addresses localized needs with modest transportation benefits. Documentation of impacts is moderate or incomplete.
0–9	Project demonstrates minimal transportation benefit, lacks measurable outcomes, or has limited relevance to port operations or Kentucky's freight network.

Economic Development Impact — up to 15 Points

Evaluates the project's ability to support economic growth, jobs, industry, and private investment.

Considerations:

- Jobs retained (not only created)
- Private investment leveraged.
- Industrial recruitment potential.
- Support for Kentucky-based manufacturing, agriculture, energy, logistics, or export industries.
- Regional economic impact.
- Tax base expansion
- Export growth

Example Indicators

- Capital investment.
- Jobs supported.
- New industrial users.
- Site readiness improvements.
- Direct jobs
- Indirect jobs
- Acres of industrial property activated
- Estimated economic output

Scoring Guidance

Score	Guidance
13–15	Project supports significant job creation or retention, leverages substantial private investment, enhances industrial competitiveness, or attracts new business activity with documented regional economic benefits.
9–12	Project supports moderate employment, investment, or industrial growth with measurable economic benefits.
5–8	Project provides limited economic development benefits or supports existing activity without significant expansion.
0–4	Economic impacts are minimal, speculative, or not adequately documented.

Safety, Resiliency & System Preservation — up to 15 Points

Evaluates the project’s ability to improve safety, preserve infrastructure, and improve resiliency.

Considerations:

Safety

- Worker safety
- Public safety
- Hazard reduction

Resiliency

- Flood protection
- Emergency response
- Climate/weather resilience

Asset Preservation

- Dock rehabilitation
- Bulkhead repair
- Dredging
- Structural improvements
- Life extension of infrastructure

Example Indicators

- Prevents operational failure.
- Improves resiliency during flooding.
- Corrects deficient infrastructure.

Scoring Guidance

Score	Guidance
13–15	Project substantially improves safety, preserves critical infrastructure, or significantly enhances resiliency against flooding, structural failure, or operational disruptions. Prevents major asset deterioration or operational failure.
9–12	Project addresses important maintenance, safety, or resiliency needs with measurable long-term benefits.
5–8	Project provides modest safety or preservation improvements affecting a limited portion of operations.
0–4	Limited safety or preservation benefits or insufficient documentation of need.

Applicant Performance History — up to 10 Points

Evaluates applicants' history of performance on Cabinet funded grant programs based upon feedback provided by Division of Planning staff.

Considerations:

- Successful completion of prior projects
- On-time submission of grant agreements/amendments.
- Timeliness of fund distributions
- Awarded grant funds have been fully utilized in past 5 years.
- Awarded grant funds have not been lost/surrendered in past 5 years.
- Adherence to State Budget Office requirements for grant programs (monthly updates, grant funds in dedicated account, etc.).
- Audit findings (if applicable)

Scoring Guidance

Score	Guidance
9–10	Applicant has consistently administered previous Cabinet grants successfully, met reporting requirements, utilized grant funds effectively, and completed projects on schedule with no significant compliance issues.
6–8	Applicant has generally satisfactory performance with only minor administrative or reporting issues that were resolved promptly.
3–5	Applicant has experienced multiple administrative, reporting, or project delivery issues that affected grant performance.
0–2	Applicant has significant compliance issues, surrendered grant funds, failed to complete previous projects, or has insufficient performance history.

Project Readiness & Deliverability — up to 10 Points

Evaluates the likelihood the project can proceed efficiently and successfully.

Considerations:

- Engineering/design completed (if applicable).
- Environmental review and permitting completed or underway (if applicable).
- Site control secured (if applicable).
- Equipment specifications finalized and procurement strategy established (for equipment purchases).
- Procurement readiness (e.g., bid documents, vendor quotes, purchasing plan).
- Matching funds committed (if applicable).
- Realistic schedule and budget.

Example Scoring Guidance

- Construction projects with completed design, required permits, and site control score highest.
- Equipment procurement projects with finalized specifications, procurement plans, and implementation readiness also score highest.
- Projects in early planning or with significant outstanding approvals score lower

Scoring Guidance

Score	**Guidance**
9–10	Project is implementation-ready. For construction projects, engineering/design is complete or substantially complete, required permits are obtained or nearing completion, and site control is secured. For equipment procurement projects, equipment specifications are finalized, procurement can begin promptly, and installation or deployment planning is complete. Budget and schedule are realistic, and any required matching funds are committed.
6–8	Project is substantially developed with most planning complete. Minor design, permitting, procurement, or administrative activities remain before implementation or equipment acquisition can begin.
3–5	Project is in preliminary planning or design. Significant work remains, such as completing engineering, developing equipment specifications, securing permits or site control, identifying funding, or establishing a procurement strategy.
0–2	Project is conceptual with significant uncertainty regarding scope, design, equipment selection, permitting, procurement, budget, schedule, or overall implementation.

Financial Leverage & Partnership — up to 10 Points

Evaluates whether the project leverages outside investment or partnerships.

Considerations:

- Federal grant leverage.
- Local contributions.
- Private investment.
- Public-private partnerships.
- Multi-agency coordination.

Scoring Guidance

Score	Guidance
9–10	Project demonstrates substantial financial leverage through committed federal, local, or private funding and strong partnerships among multiple organizations or agencies.
6–8	Project includes moderate outside funding or meaningful partnerships supporting project implementation.
3–5	Project includes limited financial leverage or partnership participation.
0–2	Project relies almost entirely on requested grant funds with little or no demonstrated partnership or leveraged investment.

Strategic Importance to Kentucky — up to 10 Points

Evaluates the project's broader statewide transportation and economic significance.

Considerations:

- Geographic diversity.
- Support for rural economies.
- Alignment with statewide priorities.
- Connection to statewide economic development goals.
- Support for critical supply chains.

Example Indicators

- Supports Kentucky manufacturing
- Supports agriculture
- Supports energy production
- Supports defense logistics
- Supports export markets
- Improves freight resiliency
- Expands multimodal freight network
- Advances statewide freight plan priorities

Scoring Guidance

Score	Guidance
9–10	Project provides significant statewide transportation or economic benefits, supports critical Kentucky industries, strengthens freight supply chains, advances statewide transportation priorities, or addresses important geographic needs.
6–8	Project provides meaningful regional benefits and supports Kentucky's transportation or economic development objectives.
3–5	Project primarily benefits a local area with limited broader statewide significance.
0–2	Project has minimal connection to statewide transportation or economic priorities.

Developing Riverport Opportunity Bonus — up to 5 Points

Optional category recognizing emerging or developing riverports with long-term strategic potential.

Purpose:

- Avoid excluding smaller or developing ports.
- Encourage long-term growth opportunities.
- Recognize strategic future investments.

Considerations:

- Emerging freight opportunity;
- Geographic gap coverage/ Serves an underserved region
- Supports future industrial development
- Catalytic infrastructure investment.
- Enables new commodities

Scoring Guidance

Score	Guidance
5	Project represents a transformative investment for an emerging or developing riverport with strong long-term growth potential, addresses a geographic service gap, or enables significant future freight or economic development opportunities.
3–4	Project supports meaningful long-term growth opportunities or expands capabilities at a developing riverport.
1–2	Project provides limited future development potential or modest support for an emerging riverport.
0	Applicant is an established riverport or the project does not demonstrate significant long-term development potential.