



A Limited Liability Holding Company
101 RJ Corman Drive • PO Box 788 • Nicholasville, KY 40340-0788
(859) 881-7521 • Fax: (859) 885-7804 • www.rjcorman.com

10/12/2021

RJ Corman Railroad Company / Carolina Lines is now accepting sealed bids for our 2020 North Carolina Short Line Improvement Program (SIAP) asphalt paving and tie disposal.

Please submit all inquiries and bids to:

Jaylen Slaughter, Funded Projects Manager jaylen.slaughter@rjcorman.com

R.J. Corman Railroad Company / Carolina Lines has received a grant from the North Carolina Department of Transportation (NCDOT) through the Short Line Infrastructure Assistance Program (SIAP).

Sealed Bids due by October 25, 2021, 3:00 PM EST / Reference Project: 2020 NC SIAP

Submit Original Bids in Sealed Envelopes to:

RJ Corman Railroad Company / Carolina Lines

ATTN: Andrea Lisowski PUBLIC BID / CONFIDENTIAL /2020 NC SIAP

1588 Leestown Rd, STE 130-313

Lexington, KY 40511

Public Opening of Bids to be held on October 25, 2021, 4:00 PM EST at 133 Buchanon St, Lexington, KY 40508. All bidders are invited to attend. You may also join by phone at 1-859-212-9115, ID 408 662 243# or you can attend virtually by clicking the link [Click here to join the meeting](#).

R.J. Corman Railroad Company / Carolina Lines invites you to bid on the following items:

Cross Tie Disposal

Location: Chadbourn, NC

- **Removal and disposal of approximately 451 tons of crossties.**
- **Please bid a disposal price per ton and describe the process to be used in disposing of materials.**
- **Anticipated start is February 2022.**
- **All arrangements for proper disposal at a certified facility will be the responsibility of the selected contractor.**
- **Crossties will be located on RJ Corman property but not within the Railroad's Right of Way.**
- **Subcontractor must provide all equipment and labor to properly dispose of ties.**

Asphalt Paving Bid

Various Locations – See List

- **Require pricing PER TON based on list included with invitation – 48 tons.**
- **Require 6"-8" compaction at each crossing in three separate compacted lifts (2 base 2-3 inches each and a surface lift). All lifts compacted with a vibratory roller.**
- **Please include unit pricing as a separate line item for saw cutting, milling and disposal of asphalt.**
- **Must be able to key edge where determined.**
- **Require supplier to provide North Carolina state approved mixes and design criteria for both surface and base mixes.**

- Subcontractor must have North Carolina contractor license.
- Anticipated project start December 2021.
- NCDOT Standard Specifications for Roads and Structures Division 6 – Asphalt Pavements applies.
- The subcontractor must comply with 49 CFR Part 219, Control of Alcohol and Drug Use: Coverage of Maintenance of Way (MOW) and Retrospective Regulatory Review-Based Amendments which become into effect June 12, 2017. Contact Grant Smith with any questions at 859-881-6555 or Grant.smith@rjcorman.com.
- Subcontractors must be FRA Qualified – 49 CFR Part 214, Railroad Workplace Safety.

Traffic Control

Various Locations – See List

- Require pricing PER LOCATION based on crossings per list included with invitation.
- Require supplier to provide North Carolina State approved MOT plans for each public crossing with adequate detours to accompany pricing matrix.
- Require supplier to provide delivery and pickup of signage at designated locations per MOT plans.
- A standard template of two type III barricades and advanced warning signs will suffice for each private crossing.
- Please include pricing for MOT plans as a separate line item from delivery/pickup.
- Anticipated start date December 2021.

Vendor must provide certificate of insurance with the following coverage:

- A. Commercial General Liability coverage at their sole cost and expense with limits of not less than \$2,000,000 in combined single limits for bodily injury and/or property damage per occurrence. Policy should not have any exclusion for work being done within 50' of a railroad track.
- B. Statutory Worker's Compensation and Employers Liability Insurance
- C. Commercial automobile liability insurance with limits of not less than \$500,000 combined single limit for bodily injury and/or property damage per occurrence.
- D. Such policies shall designate RJ Corman Railroad Company/Carolina Lines as an additional insured.

Crossing Locations

| Dot | RR MP | Type | Road Name | County |
|------------|--------------|-------------|------------------|---------------|
| 628644R | 309.77 | Public | Gapway Rd. | Columbus |
| 628640N | 311.25 | Private | Frank Home | Columbus |

The following requirements apply to all items on the invitation:

- Will be required to enter into Subcontract Agreement (Exhibit A)
- Subcontractors shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964 and shall not discriminate against any employee or applicant for employment based on race, religion, color, sex, or national origin.
- The subcontractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or nation origin. Such actions shall include, but not limited to, the following: employment, upgrading, demotion or transfer, recruiting or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.
- All submitted bids need to be signed.
- RJ Corman reserves the right to reject any and all bids.

**Bids due by October 25, 2021 3:00 PM EST / Reference project: 2020 SIAP Tie Disposal
Please hold quotes valid for 90 days**

Exhibit A

SUBCONTRACT AGREEMENT

THIS AGREEMENT made _____, 20__ by and between R.J. CORMAN RAILROAD COMPANY/CAROLINA LINES, LLC ("CONTRACTOR"), with an address of PO Box 788, Nicholasville, KY 40340 and _____ ("SUBCONTRACTOR"), with an address of _____

WHEREAS, CONTRACTOR has entered into a Rail Freight Assistance Agreement ("the "Agreement") with the North Carolina Department of Transportation, to perform, primarily through its own forces, certain rehabilitation and improvements on its right-of-way through the grant of a Short Line Infrastructure Assistance Program (SIAP) Project, _____ (the "Project").

WHEREAS, CONTRACTOR desires to contract with SUBCONTRACTOR for SUBCONTRACTOR to provide all equipment, labor, materials, supplies, and supervision to complete a portion of the Project in accordance with the plans, specifications and requirements of the Agreement and more particularly to the Scope of Work set out below.

WHEREAS, SUBCONTRACTOR desires to contract with CONTRACTOR for SUBCONTRACTOR to provide all equipment, labor, materials, supplies, and supervision to complete a portion of the Project in accordance with the plans, specifications and requirements of the Agreement and more particularly to the Scope of Work set out below.

NOW THEREFORE, the parties hereto agree as follows:

1. SCOPE OF WORK:

The Scope of Work (the "Work") to be performed by SUBCONTRACTOR is _____. All Work is to be performed in accordance with the Agreement and CONTRACTOR'S Invitation to Bid (ITB), a copy of which is Exhibit A and is made part of this Agreement.

2. PAYMENT TERMS:

CONTRACTOR shall pay the undisputed portions of each of SUBCONTRACTOR'S invoices with required deliverables within 30 days of receipt of same. All payments will be based upon the applicable unit quantity rates or lump sum amount set out in SUBCONTRACTOR'S Bid made in response to CONTRACTOR'S Invitation to Bid, a copy of which is Exhibit B and is made part of this Agreement, provided, however that the total amount payable under this Agreement shall not exceed the bid.

3. SCHEDULE OF WORK:

_____.

4. WARRANTY:

4.1 CONTRACTOR warrants for the longer of CONTRACTOR'S warranty under the Agreement or a period of one year following the date of acceptance of the Project, that the Work will comply with the requirements set forth in the Agreement and related plans, that all workmanship, fabrication, material, installation and erection will be free from defects, of merchantable quality, and, for materials furnished by SUBCONTRACTOR which the Agreement does not specify by product name and/or manufacturer, suitable for the intended purpose.

4.2 All workmanship, fabrication, material and installation which breaches this warranty will be repaired, replaced or otherwise corrected by SUBCONTRACTOR at the work site or at such location as may be designated by CONTRACTOR without any cost or expense to CONTRACTOR within 30 days from notice to SUBCONTRACTOR of such breach.

5. SAFETY AND REGULATORY COMPLIANCE:

All services provided by SUBCONTRACTOR shall be in compliance with all applicable state and federal laws and regulations. Personal protective equipment, including but not limited to, safety glasses, hardhats, steel toed boots and reflector vests must be worn by all personnel on the Project site as required by said laws and regulations. SUBCONTRACTOR must be FRA Qualified – 49 CFR Part 214, Railroad Workplace Safety.

6. CLEAN UP:

SUBCONTRACTOR shall remove all trash, debris, scrap, packing, shipping and similar materials generated by but not incorporated into the Work each day before leaving the Project site. All such materials not removed within 24 hours following notice to do so is given to SUBCONTRACTOR by CONTRACTOR will be removed by CONTRACTOR at the cost of and charged to SUBCONTRACTOR.

7. INSURANCE:

SUBCONTRACTOR shall maintain the following insurance and shall also be fully compliant with all applicable Workers Compensation requirements:

- i. Worker's Compensation Insurance as required by law.
- ii. Automobile liability insurance in the amount of FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) per occurrence; and
- iii. Commercial General Liability insurance in the amount of TWO MILLION AND NO/100 (\$2,000,000.00) per occurrence, with no exclusion of railroad liability, contractual or otherwise, from its coverage.
- iv. R.J. Corman Railroad Company shall be named as an additional insured.
- v. If SUBCONTRACTOR'S insurance does not have railroad liability coverage a Railroad Protective Liability policy must be purchased with limits of TWO MILLION AND NO/100 (\$2,000,000.00) per occurrence and SIX MILLION AND NO/100 (\$6,000,000.00) aggregate naming R.J. Corman Railroad Company, LLC as the insured.

SUBCONTRACTOR will be required to provide proof of insurance.

8. INDEMNIFICATION:

SUBCONTRACTOR will defend, indemnify and hold harmless CONTRACTOR from and against any and all loss, cost, expense, claim and liability (including but not limited to attorney's fees) resulting from the loss of life or personal injury to any person or loss of or damage to any property arising from, incident to or occurring in connection with the performance of the Work by SUBCONTRACTOR., excepting only such claims as are based in whole or in part on CONTRACTOR'S gross negligence or willful wrongful act or omission.

9. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS:

SUBCONTRACTOR will comply with all applicable federal, state, and local laws in the conduct of the Work. SUBCONTRACTOR is fully and solely responsible for payment of all unemployment compensation, insurance premiums, workers' compensation premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all persons and entities engaged by SUBCONTRACTOR in the performance of the Work.

10. CONTROL OF ALCOHOL AND DRUG USE:

SUBCONTRACTOR shall comply, and shall be fully and solely responsible for compliance by all individuals present on the Project site by or through engagement by SUBCONTRACTOR, with all applicable state and federal statutes and regulations in any manner relating to drug or alcohol use before or during presence on the Project site, including, but not limited to 49 CFR Part 219 including Retrospective Regulatory Review-Based Amendments which came into effect June 12, 2017 and all regulations of similar purpose and import, as then currently enforced and applied. Contact Heidi Caudill with any questions: 859-881-6624.

11. CONSTRUCTION SUBCONTRACTOR REQUIREMENTS:

It is the policy of the North Carolina Department of Transportation that Minority and Women Businesses Enterprises (MBE/WBE) shall have the maximum opportunity to participate in the performance of Agreements

financed by Non-Federal funds. The Contractor is also encouraged to give every opportunity to allow MBE/WBE participation in Supplemental Agreements.

The MBE/WBE goals for the Rail Freight Assistance Agreement are as follows: 0% MBE, 0% WBE.

Any Agreement entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization MBE/WBE, or as required and defined in G.S. 136-28.4 and the North Carolina Administrative Code (N.C.A.C.) Title 19A Chapter 2, Subchapter D. (See Attachment 1)

12. DISCRIMINATION:

Subcontractors shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964 and shall not discriminate against any employee or applicant for employment based on race, religion, color, sex, or national origin.

13. E-VERIFY

E-Verify is the federal program operated by the United States Department of Homeland Security and other Federal agencies, or any successor or equivalent program, used to verify the work authorization of newly hired employees pursuant to federal law. The Parties warrant that they and any subcontractor performing work under this Agreement: (i) uses E-Verify if required to do so by North Carolina law; and (ii) otherwise complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. A breach of this warranty by any Party will be considered a breach of this Agreement, which entitles the other Parties to terminate this Agreement, without penalty, upon notice to the breaching Party.

13. TERMINATION:

This Agreement may be terminated by either party upon fifteen (15) days written notice of termination in the event of either party's default of the terms of this Agreement.

14. INDEPENDENT CONTRACTOR:

Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture or employment relationship between CONTRACTOR and SUBCONTRACTOR. Neither CONTRACTOR nor SUBCONTRACTOR shall be liable, except as otherwise expressly provided in this Agreement, for any obligations or liabilities incurred by the other. Notwithstanding any other provision in this Agreement, SUBCONTRACTOR is solely responsible for the conduct of its operations and employees and CONTRACTOR shall have no right to control or supervise any of SUBCONTRACTOR'S operations or employees.

15. CHANGES:

Changes to the Work shall be made only by written Change Order, executed by both CONTRACTOR and SUBCONTRACTOR, and any change in SUBCONTRACTOR'S compensation by reason of any change in the Work shall be as stated in the Change Order directing that change.

16. BINDING EFFECT:

This Agreement shall insure to the benefit of and be binding upon the parties hereto and their respective successors, assigns and personal representatives.

17. SEVERABILITY:

If any provision of this Agreement is invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

18. LIENS

SUBCONTRACTOR shall promptly pay all further SUBCONTRACTORS, and CONTRACTOR may require proof of such payment and/or lien waivers as a condition of making any payment which would otherwise be payable to SUBCONTRACTOR under this Agreement. At CONTRACTOR'S option, CONTRACTOR may pay any of SUBCONTRACTOR'S further SUBCONTRACTORS who remain unpaid and deduct the amount of any such payment(s) from any payments which would otherwise be payable to SUBCONTRACTOR under this Agreement.

19. PROJECT RECORDS

SUBCONTRACTOR will permit CONTRACTOR and any state or federal agency providing funding for the Project to inspect all work, materials, payrolls, and other data and records with regard to the Project and to audit all books, records, and accounts pertaining to the Project including books, documents, papers, accounting records, and such other evidence either in hard copy or electronic form as may be appropriate to substantiate costs incurred under this Agreement. Further, SUBCONTRACTOR shall make such materials available at its office at all reasonable times during the Agreement period, and for three (3) years respectively or until all audit exceptions have been resolved, whichever is longer, from the date of final payment under this project specific Agreement, for inspection and audit by any such agency SUBCONTRACTOR shall permit any such agency full access to the Project site at all times during which SUBCONTRACTOR has access to the site.

20. GOVERNING LAW:

The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State in which the Project is located and by all federal laws and regulations applicable to the Work or the performance of the same.

IN WITNESS OF WHICH, the parties hereto have executed this Agreement as of the date first set forth above.

Witness:

R.J. CORMAN RAILROAD COMPANY/CAROLINA
LINES, LLC

By: _____

Title: _____

Date: _____

Witness:

[NAME OF SUBCONTRACTOR]

By: _____

Title: _____

Date: _____

Exhibit B

MINORITY BUSINESS ENTERPRISE AND WOMEN BUSINESS ENTERPRISE (RAILROAD):
(10-16-07) (Rev. 5-21-13) 102-15(J) SP1 G68

Description

The purpose of this Special Provision is to carry out the North Carolina Department of Transportation's policy of ensuring nondiscrimination in the award and administration of contracts financed in whole or in part with State funds.

Definitions

Additional MBE/WBE Subcontractors - Any MBE/WBE submitted at the time of bid that will not be used to meet either the MBE or WBE goal. No submittal of a Letter of Intent is required.

Committed MBE/WBE Subcontractor - Any MBE/WBE submitted at the time of bid that is being used to meet either the MBE or WBE goal by submission of a Letter of Intent. Or any MBE or WBE used as a replacement for a previously committed MBE or WBE firm.

Contract Goals Requirement - The approved MBE and WBE participation at time of award, but not greater than the advertised contract goals for each.

Goal Confirmation Letter - Written documentation from the RR to the bidder confirming the Contractor's approved, committed MBE and WBE participation along with a listing of the committed MBE and WBE firms.

Railroad (RR) - The entity letting the contract for the construction of the Project funded by the RFA Agreement.

Manufacturer - A firm that operates or maintains a factory or establishment that produces on the premises, the materials or supplies obtained by the Contractor.

MBE Goal - A portion of the total contract, expressed as a percentage that is to be performed by committed MBE subcontractor(s).

Minority Business Enterprise (MBE) - A firm certified as a Disadvantaged Minority-Owned Business Enterprise through the North Carolina Unified Certification Program.

Regular Dealer - A firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of the contract are bought, kept in stock, and regularly sold to the public in the usual course of business. A regular dealer engages in, as its principal business and in its own name, the purchase and sale or lease of the products in question. A regular dealer in such bulk items as steel, cement, gravel, stone, and petroleum products need not keep such products in stock, if it owns and operates distribution equipment for the products. Brokers and packagers are not regarded as manufacturers or regular dealers within the meaning of this section.

North Carolina Unified Certification Program (NCUCP) - A program that provides comprehensive services and information to applicants for MBE/WBE certification. The MBE/WBE program follows

the same regulations as the federal Disadvantaged Business Enterprise (DBE) program in accordance with 49 CFR Part 26.

Standard Specifications - The general term comprising all directions, provisions, and requirements contained or referred to in the *North Carolina Department of Transportation Standard Specifications for Roads and Structures* and any subsequent revisions or additions to such book.

United States Department of Transportation (USDOT) - Federal agency responsible for issuing regulations (49 CFR Part 26) and official guidance for the DBE program.

WBE Goal - A portion of the total contract, expressed as a percentage that is to be performed by committed WBE subcontractor(s).

Women Business Enterprise (WBE) - A firm certified as a Disadvantaged Women-Owned Business Enterprise through the North Carolina Unified Certification Program.

Forms and Websites Referenced in this Provision

Payment Tracking System - On-line system in which the Contractor enters the payments made to MBE and WBE subcontractors who have performed work on the Project.
<https://apps.dot.state.nc.us/Vendor/PaymentTracking/>

DBE-IS Subcontractor Payment Information - Form for reporting the payments made to all MBE/WBE firms working on the Project. This form is for paper bid Projects only.
<http://www.ncdot.org/doh/forms/files/DBE-IS.xls>

RF-1 MBE/WBE Replacement Request Form - Form for replacing a committed MBE or WBE.
<http://connect.ncdot.gov/Projects/construction/Construction%20Forms/DBE%20MBE%20WBE%20Replacement%20Request%20Form.pdf>

SAF Subcontract Approval Form - Form required for approval to sublet the contract.
<http://connect.ncdot.gov/Projects/construction/Construction%20Forms/Subcontract%20Approval%20Form%20Rev.%202012.zip>

JC-1 Joint Check Notification Form - Form and procedures for joint check notification. The form acts as a written joint check agreement among the parties providing full and prompt disclosure of the expected use of joint checks.
<http://connect.ncdot.gov/Projects/construction/Construction%20Forms/Joint%20Check%20Notification%20Form.pdf>

Letter of Intent - Form signed by the Contractor and the MBE/WBE subcontractor, manufacturer or regular dealer that affirms that a portion of said contract is going to be performed by the signed MBE/WBE for the amount listed at the time of bid.
<http://connect.ncdot.gov/letting/LetCentral/Letter%20of%20Intent%20to%20Perform%20as%20a%20Subcontractor.pdf>

Listing of MBE and WBE Subcontractors Form - Form for entering MBE/WBE subcontractors on a Project that will meet this MBE and WBE goals. This form is for paper bids only.
[http://connect.ncdot.gov/municipalities/Bid%20Proposals%20for%20LGA%20Content/09%20MBE-WBE%20Subcontractors%20\(State\).doc](http://connect.ncdot.gov/municipalities/Bid%20Proposals%20for%20LGA%20Content/09%20MBE-WBE%20Subcontractors%20(State).doc)

Subcontractor Quote Comparison Sheet - Spreadsheet for showing all subcontractor quotes in the work areas where MBEs and WBEs quoted on the Project. This sheet is submitted with good faith effort packages.

<http://connect.ncdot.gov/business/SmallBusiness/Documents/DBE%20Subcontractor%20Quote%20Comparison%20Example.xls>

MBE and WBE Goal (to be set out in Project Addendum substantially in the form of this paragraph)

The following goals for participation by Minority Business Enterprises and Women Business Enterprises are established for this contract:

(A) Minority Business Enterprises: **0 %**

- (1) *If the MBE goal is more than zero*, the Contractor shall exercise all necessary and reasonable steps to ensure that MBEs participate in at least the percent of the contract as set forth above as the MBE goal.
- (2) *If the MBE goal is zero*, the Contractor shall make an effort to recruit and use MBEs during the performance of the contract. Any MBE participation obtained shall be reported to the Railroad.

(B) Women Business Enterprises: **0 %**

- (1) *If the WBE goal is more than zero*, the Contractor shall exercise all necessary and reasonable steps to ensure that WBEs participate in at least the percent of the contract as set forth above as the WBE goal.
- (2) *If the WBE goal is zero*, the Contractor shall make an effort to recruit and use WBEs during the performance of the contract. Any WBE participation obtained shall be reported to the Railroad.

Directory of Transportation Firms (Directory)

Real-time information is available about firms doing business with the NCDOT and firms that are certified through NCUCP in the Directory of Transportation Firms. Only firms identified in the Directory as MBE and WBE certified shall be used to meet the MBE and WBE goals respectively. The Directory can be found at the following link.

<https://partner.ncdot.gov/ VendorDirectory/default.html>

The listing of an individual firm in the directory shall not be construed as an endorsement of the firm's capability to perform certain work.

Listing of MBE/WBE Subcontractors

At the time of bid, bidders shall submit all MBE and WBE participation that they anticipate using during the life of the contract. Only those identified to meet the MBE goal and the WBE goal will be considered committed, even though the listing shall include both committed MBE/WBE subcontractors and additional MBE/WBE subcontractors. Any additional MBE/WBE subcontractor participation submitted at the time of bid will be used toward overall

race-neutral goals. Only those firms with current MBE and WBE certification at the time of bid opening will be acceptable for listing in the bidder's submittal of MBE and WBE participation. The Contractor shall indicate the following required information:

Blank forms will not be deemed to represent zero participation. Bids submitted that do not have MBE and WBE participation indicated on the appropriate form will not be read publicly during the opening of bids. The Railroad will not consider these bids for award and the proposal will be rejected.

- (A) *If either the MBE or WBE goal is more than zero,*
- (1) Bidders, at the time the bid proposal is submitted, shall submit a listing of MBE/WBE participation, including the names and addresses on *Listing of MBE and WBE Subcontractors* contained elsewhere in the contract documents in order for the bid to be considered responsive. Bidders shall indicate the total dollar value of the MBE and WBE participation for the contract.
 - (2) If bidders have no MBE or WBE participation, they shall indicate this on the *Listing of MBE and WBE Subcontractors* by entering the word "None" or the number "0." This form shall be completed in its entirety.
 - (3) The bidder shall be responsible for ensuring that the MBE/WBE is certified at the time of bid by checking the Directory of Transportation Firms. If the firm is not certified at the time of the bid-letting, that MBE's or WBE's participation will not count towards achieving the corresponding goal.
- (B) *If either the MBE or WBE goal is zero,* bidders, at the time the bid proposal is submitted, shall enter the word "None"; or the number "0"; or if there is participation, add the value on the *Listing of MBE and WBE Subcontractors* contained elsewhere in the contract documents.

MBE or WBE Prime Contractor

When a certified MBE or WBE firm bids on a contract that contains MBE and WBE goals, the firm is responsible for meeting the goals or making good faith efforts to meet the goals, just like any other bidder. In most cases, an MBE or WBE bidder on a contract will meet one of the goals by virtue of the work it performs on the contract with its own forces. However, all the work that is performed by the MBE or WBE bidder and any other similarly certified subcontractors will count toward the goal. The MBE or WBE bidder shall list itself along with any MBE or WBE subcontractors, if any, in order to receive credit toward the goals.

For example, on a proposed contract, the WBE goal is 10%, and the MBE goal is 8%. A WBE bidder puts in a bid where they will perform 40% of the contract work and have a WBE subcontractor which will perform another 5% of the work. Together the two WBE firms submit on the *Listing of MBE and WBE Subcontractors* a value of 45% of the contract which fulfills the WBE goal. The 8% MBE goal shall be obtained through MBE participation with MBE certified subcontractors or documented through a good faith effort. It should be noted that you cannot combine the two goals to meet an overall value. The two goals shall remain separate.

MBE/WBE prime contractors shall also follow Sections A or B listed under *Listing of MBE/WBE Subcontractors* just as a non-MBE/WBE bidder would.

Written Documentation – Letter of Intent

The bidder shall submit written documentation for each MBE/WBE that will be used to meet the MBE and WBE goals of the contract, indicating the bidder's commitment to use the MBE/WBE in the contract. This documentation shall be submitted on the NCDOT's form titled *Letter of Intent*.

The documentation shall be received in the office of the NCDOT, Rail Division, no later than 12:00 noon of the sixth calendar day following opening of bids, unless the sixth day falls on Saturday, Sunday or an official state holiday. In that situation, it is due in the office of the NCDOT, Rail Division, no later than 12:00 noon on the next official state business day.

If the bidder fails to submit the Letter of Intent from each committed MBE and WBE to be used toward the MBE and WBE goals, or if the form is incomplete (i.e. both signatures are not present), the MBE/WBE participation will not count toward meeting the MBE/WBE goal. If the lack of this participation drops the commitment below either the MBE or WBE goal, the Contractor shall submit evidence of good faith efforts for the goal not met, completed in its entirety, to the NCDOT, Rail Division, no later than 12:00 noon of the eighth calendar day following opening of bids, unless the eighth day falls on Saturday, Sunday or an official state holiday. In that situation, it is due in the office of the NCDOT, Rail Division, no later than 12:00 noon on the next official state business day.

Submission of Good Faith Effort

If the bidder fails to meet or exceed either the MBE or the WBE goal, the apparent lowest responsive bidder shall submit to the Railroad documentation of adequate good faith efforts made to reach that specific goal(s).

One complete set of this information shall be received in the office of the NCDOT, Rail Division, no later than 12:00 noon of the sixth calendar day following opening of bids, unless the sixth day falls on Saturday, Sunday or an official state holiday. In that situation, it is due in the office of the NCDOT, Rail Division, no later than 12:00 noon on the next official state business day.

Note: Where the information submitted includes repetitious solicitation letters, it will be acceptable to submit a representative letter along with a distribution list of the firms that were solicited. Documentation of MBE/WBE quotations shall be a part of the good faith effort submittal. This documentation may include written subcontractor quotations, telephone log notations of verbal quotations, or other types of quotation documentation.

Consideration of Good Faith Effort for Projects with MBE/WBE Goals More Than Zero

Adequate good faith efforts mean that the bidder took all necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE participation. Adequate good faith efforts also mean that the bidder actively and aggressively sought MBE/WBE participation. Mere *pro forma* efforts are not considered good faith efforts.

The Railroad will consider the quality, quantity, and intensity of the different kinds of efforts a bidder has made. Listed below are examples of the types of actions a bidder will take in making a good faith effort to meet the goals and are not intended to be exclusive or exhaustive, nor is it intended to be a mandatory checklist.

- (A) Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising, written notices, use of verifiable electronic means through the use of the NCDOT Directory of Transportation Firms) the interest of all certified MBEs/WBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within at least 10 days prior to bid opening to allow the MBEs/WBEs to respond to the solicitation. Solicitation shall provide the opportunity to MBEs/WBEs within the Division and surrounding Divisions where the Project is located. The bidder must determine with certainty if the MBEs/WBEs are interested by taking appropriate steps to follow up initial solicitations.
- (B) Selecting portions of the work to be performed by MBEs/WBEs in order to increase the likelihood that the MBE and WBE goals will be achieved.
 - (1) Where appropriate, break out contract work items into economically feasible units to facilitate MBE/WBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.
 - (2) Negotiate with subcontractors to assume part of the responsibility to meet the contract MBE/WBE goals when the work to be sublet includes potential for MBE/WBE participation (2nd and 3rd tier subcontractors).
- (C) Providing interested MBEs/WBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- (D) Negotiating in good faith with interested MBEs/WBEs.
 - (1) It is the bidder's responsibility to make a portion of the work available to MBE/WBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available MBE/WBE subcontractors and suppliers, so as to facilitate MBE/WBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of MBEs/WBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for MBEs/WBEs to perform the work.
 - (2) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including MBE/WBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using MBEs/WBEs is not in itself sufficient reason for a bidder's failure to meet the contract MBE or WBE goals, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Bidding contractors are not, however, required to accept higher quotes from MBEs/WBEs if the price difference is excessive or unreasonable.
- (E) Not rejecting MBEs/WBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The bidder's standing within its industry,

membership in specific groups, organizations, or associates and political or social affiliations (for example, union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the bidder's efforts to meet the Project goal.

- (F) Making efforts to assist interested MBEs/WBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or bidder.
- (G) Making efforts to assist interested MBEs/WBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
- (H) Effectively using the services of available minority/women community organizations; minority/women contractors' groups; Federal, State, and local minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of MBEs/WBEs. Contact within 7 days from the bid opening NCDOT's Business Development Manager in the Business Opportunity and Work Force Development Unit to give notification of the bidder's inability to get MBE or WBE quotes.
- (I) Any other evidence that the bidder submits which shows that the bidder has made reasonably good faith efforts to meet the MBE and WBE goal.

In addition, the Railroad may take into account the following:

- (1) Whether the bidder's documentation reflects a clear and realistic plan for achieving the MBE and WBE goals.
- (2) The bidders' past performance in meeting the MBE and WBE goals.
- (3) The performance of other bidders in meeting the MBE and WBE goals. For example, when the apparent successful bidder fails to meet the goals, but others meet it, you may reasonably raise the question of whether, with additional reasonable efforts the apparent successful bidder could have met the goals. If the apparent successful bidder fails to meet the MBE and WBE goals but meets or exceeds the average MBE and WBE participation obtained by other bidders, the Railroad may view this, in conjunction with other factors, as evidence of the apparent successful bidder having made a good faith effort.

If the Railroad does not award the contract to the apparent lowest responsive bidder, the Railroad reserves the right to award the contract to the next lowest responsive bidder that can satisfy to the Railroad that the MBE and WBE goals can be met or that an adequate good faith effort has been made to meet the MBE and WBE goals.

Non-Good Faith Appeal

The NCDOT, Rail Division, will notify the contractor verbally and in writing of non-good faith. A contractor may appeal a determination of non-good faith made by the Goal Compliance Committee. If a contractor wishes to appeal the determination made by the Committee, they shall provide written notification to the NCDOT, Rail Division. The appeal shall be made within 2 business days of notification of the determination of non-good faith.

Counting MBE/WBE Participation Toward Meeting MBE/WBE Goals

(A) Participation

The total dollar value of the participation by a committed MBE/WBE will be counted toward the contract goal requirements. The total dollar value of participation by a committed MBE/WBE will be based upon the value of work actually performed by the MBE/WBE and the actual payments to MBE/WBE firms by the Contractor.

(B) Joint Checks

Prior notification of joint check use shall be required when counting MBE/WBE participation for services or purchases that involves the use of a joint check. Notification shall be through submission of Form JC-1 (*Joint Check Notification Form*) and the use of joint checks shall be in accordance with the NCDOT's Joint Check Procedures.

(C) Subcontracts (Non-Trucking)

An MBE/WBE may enter into subcontracts. Work that an MBE subcontracts to another MBE firm may be counted toward the MBE contract goal requirement. The same holds for work that a WBE subcontracts to another WBE firm. Work that an MBE subcontracts to a non-MBE firm does not count toward the MBE contract goal requirement. Again, the same holds true for the work that a WBE subcontracts to a non-WBE firm. If an MBE or WBE contractor or subcontractor subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of standard industry practices, it shall be presumed that the MBE or WBE is not performing a commercially useful function. The MBE/WBE may present evidence to rebut this presumption to the Railroad. The Railroad's decision on the rebuttal of this presumption may be subject to review by the Office of Inspector General, NCDOT.

(D) Joint Venture

When an MBE or WBE performs as a participant in a joint venture, the Contractor may count toward its contract goal requirement a portion of the total value of participation with the MBE or WBE in the joint venture, that portion of the total dollar value being a distinct clearly defined portion of work that the MBE or WBE performs with its forces.

(E) Suppliers

A contractor may count toward its MBE or WBE requirement 60 percent of its expenditures for materials and supplies required to complete the contract and obtained from an MBE or WBE regular dealer and 100 percent of such expenditures from a MBE or WBE manufacturer.

(F) Manufacturers and Regular Dealers

A contractor may count toward its MBE or WBE requirement the following expenditures to MBE/WBE firms that are not manufacturers or regular dealers:

- (1) The fees or commissions charged by an MBE/WBE firm for providing a *bona fide* service, such as professional, technical, consultant, or managerial services, or for

providing bonds or insurance specifically required for the performance of a DOT-assisted contract, provided the fees or commissions are determined to be reasonable and not excessive as compared with fees and commissions customarily allowed for similar services.

- (2) With respect to materials or supplies purchased from a MBE/WBE, which is neither a manufacturer nor a regular dealer, count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site (but not the cost of the materials and supplies themselves), provided the fees are determined to be reasonable and not excessive as compared with fees customarily allowed for similar services.

Commercially Useful Function

(A) MBE/WBE Utilization

The Contractor may count toward its contract goal requirement only expenditures to MBEs and WBEs that perform a commercially useful function in the work of a contract. An MBE/WBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the MBE/WBE shall also be responsible with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material and installing (where applicable) and paying for the material itself. To determine whether an MBE/WBE is performing a commercially useful function, the Railroad will evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the MBE/WBE credit claimed for its performance of the work, and any other relevant factors.

(B) MBE/WBE Utilization in Trucking

The following factors will be used to determine if an MBE or WBE trucking firm is performing a commercially useful function.

- (1) The MBE/WBE shall be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract, and there shall not be a contrived arrangement for the purpose of meeting the MBE or WBE goal.
- (2) The MBE/WBE shall itself own and operate at least one fully licensed, insured, and operational truck used on the contract.
- (3) The MBE/WBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.
- (4) The MBE may subcontract the work to another MBE firm, including an owner-operator who is certified as an MBE. The same holds true that a WBE may subcontract the work to another WBE firm, including an owner-operator who is certified as a WBE. When this occurs, the MBE or WBE who subcontracts work

receives credit for the total value of the transportation services the subcontracted MBE or WBE provides on the contract. It should be noted that every effort shall be made by MBE and WBE contractors to subcontract to the same certification (i.e., MBEs to MBEs and WBEs to WBEs), in order to fulfill the goal requirement. This, however, may not always be possible due to the limitation of firms in the area. If the MBE or WBE firm shows a good faith effort has been made to reach out to similarly certified transportation service providers and there is no interest or availability, and they can get assistance from other certified providers, the NCDOT, Rail Division, will not hold the prime liable for meeting the goal.

- (5) The MBE/WBE may also subcontract the work to a non-MBE/WBE firm, including from an owner-operator. The MBE/WBE who subcontracts the work to a non-MBE/WBE is entitled to credit for the total value of transportation services provided by the non-MBE/WBE subcontractor not to exceed the value of transportation services provided by MBE/WBE-owned trucks on the contract. Additional participation by non-MBE/WBE subcontractors receives credit only for the fee or commission it receives as a result of the subcontract arrangement. The value of services performed under subcontract agreements between the MBE/WBE and the Contractor will not count towards the MBE/WBE contract requirement.
- (6) An MBE/WBE may lease truck(s) from an established equipment leasing business open to the general public. The lease must indicate that the MBE/WBE has exclusive use of and control over the truck. This requirement does not preclude the leased truck from working for others during the term of the lease with the consent of the MBE/WBE, so long as the lease gives the MBE/WBE absolute priority for use of the leased truck. This type of lease may count toward the MBE/WBE's credit as long as the driver is under the MBE/WBE's payroll.
- (7) Subcontracted/leased trucks shall display clearly on the dashboard the name of the MBE/WBE that they are subcontracted/leased to and their own company name if it is not identified on the truck itself. Magnetic door signs are not permitted.

MBE/WBE Replacement

When a Contractor has relied on a commitment to an MBE or WBE firm (or an approved substitute MBE or WBE firm) to meet all or part of a contract goal requirement, the contractor shall not terminate the MBE/WBE for convenience. This includes, but is not limited to, instances in which the Contractor seeks to perform the work of the terminated subcontractor with another MBE/WBE subcontractor, a non-MBE/WBE subcontractor, or with the Contractor's own forces or those of an affiliate. An MBE/WBE may only be terminated after receiving the written approval of the NCDOT, Rail Division, based upon a finding of good cause for the termination.

All requests for replacement of a committed MBE/WBE firm shall be submitted to the NCDOT, Rail Division, for approval on Form RF-1 (*Replacement Request*). If the Contractor fails to follow this procedure, the Contractor may be disqualified from further bidding for a period of up to 6 months.

The Contractor shall comply with the following for replacement of a committed MBE/WBE:

(A) Performance Related Replacement

When a committed MBE is terminated for good cause as stated above, an additional MBE that was submitted at the time of bid may be used to fulfill the MBE commitment. The same holds true if a committed WBE is terminated for good cause, an additional WBE that was submitted at the time of bid may be used to fulfill the WBE goal. A good faith effort will only be required for removing a committed MBE/WBE if there were no additional MBEs/WBEs submitted at the time of bid to cover the same amount of work as the MBE/WBE that was terminated.

If a replacement MBE/WBE is not found that can perform at least the same amount of work as the terminated MBE/WBE, the Contractor shall submit a good faith effort documenting the steps taken. Such documentation shall include, but not be limited to, the following:

- (1) Copies of written notification to MBEs/WBEs that their interest is solicited in contracting the work defaulted by the previous MBE/WBE or in subcontracting other items of work in the contract.
- (2) Efforts to negotiate with MBEs/WBEs for specific sub bids including, at a minimum:
 - (a) The names, addresses, and telephone numbers of MBEs/WBEs who were contacted.
 - (b) A description of the information provided to MBEs/WBEs regarding the plans and specifications for portions of the work to be performed.
- (3) A list of reasons why MBE/WBE quotes were not accepted.
- (4) Efforts made to assist the MBEs/WBEs contacted, if needed, in obtaining bonding or insurance required by the Contractor.

(B) Decertification Replacement

- (1) When a committed MBE/WBE is decertified by NCDOT after the SAF (*Subcontract Approval Form*) has been received by the Railroad, the Railroad will not require the Contractor to solicit replacement MBE/WBE participation equal to the remaining work to be performed by the decertified firm. The participation equal to the remaining work performed by the decertified firm will count toward the contract goal requirement.
- (2) When a committed MBE/WBE is decertified prior to the Railroad receiving the SAF (*Subcontract Approval Form*) for the named MBE/WBE firm, the Contractor shall take all necessary and reasonable steps to replace the MBE/WBE subcontractor with another similarly certified MBE/WBE subcontractor to perform at least the same amount of work to meet the MBE/WBE goal requirement. If an MBE/WBE firm is not found to do the same amount of work, a good faith effort must be submitted to the NCDOT, Rail Division (see A herein for required documentation).

Changes in the Work

When the NCDOT, Rail Division, makes changes that result in the reduction or elimination of work to be performed by a committed MBE/WBE, the Contractor will not be required to seek additional participation. When the NCDOT, Rail Division, makes changes that result in additional work to be performed by an MBE/WBE based upon the Contractor's commitment, the MBE/WBE shall participate in additional work to the same extent as the MBE/WBE participated in the original contract work.

When the NCDOT, Rail Division, makes changes that result in extra work, which has more than a minimal impact on the contract amount, the Contractor shall seek additional participation by MBEs/WBEs unless otherwise approved by the NCDOT, Rail Division.

When the NCDOT, Rail Division, makes changes that result in an alteration of plans or details of construction, and a portion or all of the work had been expected to be performed by a committed MBE/WBE, the Contractor shall seek participation by MBEs/WBEs unless otherwise approved by the NCDOT, Rail Division.

When the Contractor requests changes in the work that result in the reduction or elimination of work that the Contractor committed to be performed by an MBE/WBE, the Contractor shall seek additional participation by MBEs/WBEs equal to the reduced MBE/WBE participation caused by the changes.

Reports and Documentation

A SAF (*Subcontract Approval Form*) shall be submitted for all work which is to be performed by an MBE/WBE subcontractor. The Railroad reserves the right to require copies of actual subcontract agreements involving MBE/WBE subcontractors.

When using transportation services to meet the contract commitment, the Contractor shall submit a proposed trucking plan in addition to the SAF. The plan shall be submitted prior to beginning construction on the Project. The plan shall include the names of all trucking firms proposed for use, their certification type(s), the number of trucks owned by the firm, as well as the individual truck identification numbers, and the line item(s) being performed.

Within 30 calendar days of entering into an agreement with an MBE/WBE for materials, supplies or services, not otherwise documented by the SAF as specified above, the Contractor shall furnish the NCDOT, Rail Division, a copy of the agreement. The documentation shall also indicate the percentage (60% or 100%) of expenditures claimed for MBE/WBE credit.

Reporting Minority and Women Business Enterprise Participation

The Contractor shall provide the NCDOT, Rail Division, with an accounting of payments made to all MBE and WBE firms, including material suppliers and contractors at all levels (prime, subcontractor, or second tier subcontractor). This accounting shall be furnished to the NCDOT, Rail Division, for any given month by the end of the following month. Failure to submit this information accordingly may result in the following action:

- (A) Withholding of money due in the next partial pay estimate; or
- (B) Removal of an approved contractor from the prequalified bidders' list or the removal of

other entities from the approved subcontractors list. (RR may add to, change or delete this section.)

While each contractor (prime, subcontractor, 2nd tier subcontractor) is responsible for accurate accounting of payments to MBEs/WBEs, it shall be the prime contractor's responsibility to report all monthly and final payment information in the correct reporting manner.

Failure on the part of the Contractor to submit the required information in the time frame specified may result in the disqualification of that contractor and any affiliate companies from further bidding until the required information is submitted.

Failure on the part of any subcontractor to submit the required information in the time frame specified may result in the disqualification of that contractor and any affiliate companies from being approved for further work on future Projects until the required information is submitted.

Contractors reporting transportation services provided by non-MBE/WBE lessees shall evaluate the value of services provided during the month of the reporting period only.

At any time, the NCDOT, Rail Division, can request written verification of subcontractor payments.

The Contractor shall report the accounting of payments on the NCDOT's DBE-IS (*Subcontractor Payment Information*) with each invoice. Invoices will not be processed for payment until the DBE-IS is received.

Failure to Meet Contract Requirements

Failure to meet contract requirements in accordance with Sub article 102-15(J) of the *2012 Standard Specifications* may be cause to disqualify the Contractor.