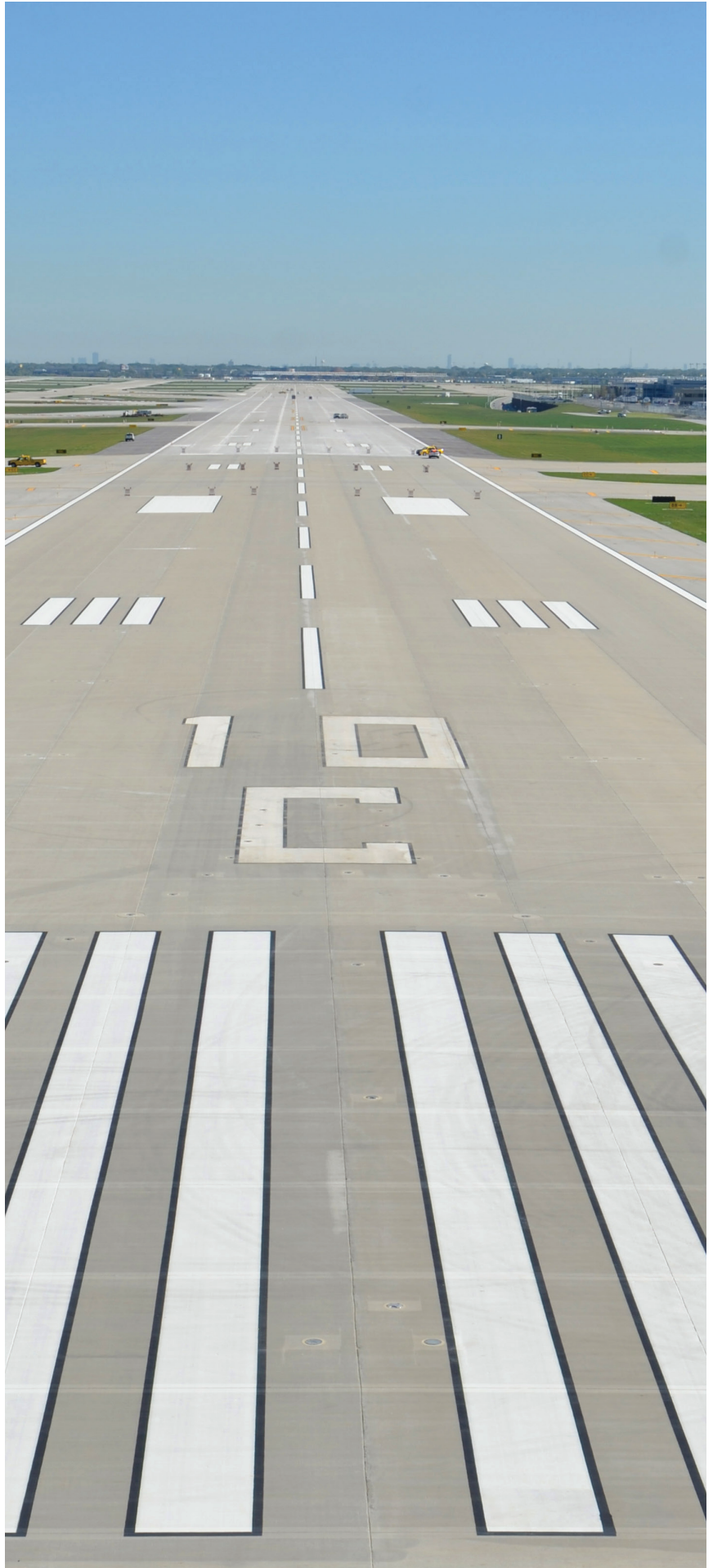


Reimbursable Agreements and Airport Improvement Programs: Threading the Needle of FAA Requirements

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Abstract

Airport improvement projects (AIP) often need to establish a Reimbursable Agreement (RA) to allow reimbursements to the Federal Aviation Administration (FAA) when the airport's project sponsor needs to reimburse the FAA and its divisions for providing services to develop and perform the work associated with the FAA facilities at airports.

An RA is a document that allows for improvements/installations/modifications to FAA owned/maintained facilities (FAA facilities), either during the course of an AIP project or as a stand-alone project. These RAs can vary in size and complexity depending on the fees and time associated with the work that is done on these FAA facilities, and the fees associated with the RA and the time required to develop and process the RA is directly related to that size and complexity. Regardless of whether you have been involved with the establishment of an RA or whether it's been a while since you have established one, the task can be daunting because of the time it can take to develop and process that RA before the project can truly progress. A streamlined, efficient process for RAs is presented within.

The Components of a Reimbursable Agreement

The RA is a contractual agreement between Federal Aviation Administration and a project sponsor, an airport owner commonly (for example, Los Angeles World Airports is the owner of Los Angeles Airport and Van Nuys Airport).

The RA provides the mechanism through which project sponsors are to reimburse the FAA for providing a number of services required during the development and performance of the work associated with the FAA facilities. The RA defines the scope of services and schedule of work that the FAA and the project sponsor/consultant, and establishes the fees for the various services the FAA will perform. Services the FAA can provide include, but are not limited to:

- Administration of the RA – from commencement to closeout.
- Number and types of facilities to be addressed during the airport project.
- Environmental Assessment/Impact for the anticipated FAA facility work.
- Technical analysis, site selection.
- Design support / review process.
- Equipment specifications.
- Equipment upgrades, if opportunistic.
- Construction inspection activities.
- Installation and Testing.
- Flight inspection procedures (flight checks).

Reimbursable agreements can also be established where the FAA does not own or operate a NAVAID installation. On a recent project, a new MALS-F was installed on a runway approach as part of the project. FAA did not participate in the design or construction of this facility, as the facility was not authorized for installation under FAA ownership/maintenance. The project sponsor was responsible for the installation of the facility and has assumed responsibility for its maintenance. Prior to opening, however, the system was required to be flight inspected, thus making it necessary for a Reimbursable Agreement to cover the scope of services, anticipated schedule, and costs of the flight check.

There are different types of RAs. A full RA might cover engineering, construction or engineering/construction. A limited RA might provide for the engineering (design review and construction oversight) associated with a smaller FAA facility project. Some RAs cover the work associated with a Preliminary Design Review (PDRA). Finally, there are Small Scale Reimbursable Agreements that might include design review, cable relocation, special event, or travel.

The RA typically addresses one of the following conditions in the development/execution of the project:

1. Relocation, replacement, or modification of an FAA-owned/maintained facilities because of an airport's improvement and/or project.
2. Impairment of technical and operational characteristics of an FAA facility.
3. Need for FAA Engineering Services Involvement.
4. Need for FAA flight inspection after the work with the facility is complete, or even after the facility is merely powered down for a given period of time.
5. Potential necessary calibration when there is grading work within the critical areas of the glide slopes and localizers. In these cases, there may be no work related to particular FAA facility or no power interruption.

The RA will include the following.

- Scope of work
- Work schedule associated with FAA facilities
- Fees for the FAA's various services

Work Schedule

The schedule for the work associated with the FAA facilities is also included in the Reimbursable Agreement. Some of the typical schedule milestones in a Reimbursable Agreement include the following.

- Project initialization.
- Reimbursable Agreement setup – Development, Finalization of agreement, FAA authorization of agreement.
- Initial Design completion by airport project sponsor.
- Review time by FAA.
- 90 percent design completion by airport project sponsor.
- 100 percent design completion by airport project sponsor.
- Review time by FAA.
- Construction schedule (including FAA construction inspection work).
- Final FAA construction inspection.
- Flight check.

Reimbursable Agreements can vary on size and complexity. The time required to develop and process the RA through the FAA departments can take a relatively quick one to two months for a short and simple RA. However, the time required to develop and process a RA that has a complex schedule and many parts may take upwards of seven to nine months to develop and process. Regardless of the type and size of the RA being developed, adequate time needs to be allocated in the project schedule for the development, processing, and approval of the RA.

For example, an RA for a recent runway reconstruction project that involved approach lighting systems, Precision Approach Path Indicators, and de-energization/re-energization of an instrument landing system took approximately six months to develop and process.



FAA Facilities Navigational Aids

The FAA facilities routinely involved in the RA process are airports' navigational aids (NAVAIDs). These NAVAIDs include, but are not limited to, such facilities as Precision Approach Path Indicators (PAPIs), Visual Approach Slope Indicators (VASIs), and/or other FAA facilities affected by airport improvements (including, but not limited to, underground duct bank, cables for power, communications and fiber optic cables). RAs can also include approach lighting systems (ALS).

Phases of a Reimbursable Agreement

A typical RA has the following six phases:

1. Project initiation
2. Development phase
3. Finalization of reimbursable agreement
4. FAA processing of project authorization
5. Project commencement
6. Project closeout

Project Initiation

In this first phase, the sponsor coordinates with the FAA Airports Division and Technical Operations personnel, as well as the FAA ATO NAS Planning and Integration Team to discuss any impacts to FAA facilities. A discovery meeting with the FAA project manager and FAA ATO personnel is then held to discuss these impacts. For larger projects, the meeting should be held on site. Smaller projects can be handled with a conference call.



Development Phase

In this second phase the team defines the scope of work, reviews the project time line and identifies conflicts in that timeline, identifies equipment and material requirements, and develops the initial cost estimates. Once these tasks are accomplished, the team then prepares the draft RA, the sponsor reviews it, and the FAA Airports office reviews this draft for AIP eligibility and programming.

Finalizing the Reimbursable Agreement, Authorizing the Project, and Beginning the Project

After the reviews of the draft RA are complete, the RA goes through its third, fourth, and fifth phase. The FAA puts the RA through its final review through its legal, logistics, financial, and other departments as needed. Once the FAA Contracting Officer processes the RA, this final agreement is submitted to the sponsor to review, sign, and execute, and then returns the executed agreement to the FAA Contracting Officer, who then requests an advance payment from the sponsor. The remittance of this advance payment signals the FAA to authorize the project.

The FAA Contracting Officer then establishes the project authorization, and the FAA ATO then applies the resources to the project, according to its responsibilities outlined in the executed RA.

Project Closeout

Finally (sixth phase), once the FAA ATO completes the work, the sponsor should send a letter to the FAA ATO NAS Planning and Integration team requesting that the project be closed and that any remaining funds from the advance payment be returned. At this point, the sponsor may need to complete and submit an automated clearinghouse form to the FAA Accounting Office to facilitate the processing of the refund.

Challenges and Mitigation in the RA Process

Initiation Stage

Every process has its own challenges, and the RA process is no different. During the project initiation, some common challenges involve confusion regarding the scope, schedule, and the financial extent of the RA. To mitigate the potential for these “project stoppers,” it is important to not only have a discovery meeting to explore these issues, but it is imperative to maintain and ease the channels of communication between the sponsor and the FAA.

Fundamental to project initiation is establishment of the goals of the effort and expectations of those involved (each parties’ role, responsibility and action items). Management of the RA process is not one that happens without intentional and skillful management.

Development Stage

The development phase is also not without its challenges. Environmental clearances that the FAA needs to perform will add cost and time to the RA development. To help prevent these challenges, a detailed scope of the sponsor’s project, list of FAA facilities that will be affected, anticipated design schedule, and construction schedule should be provided. In addition, any environment information that relates to the project should be provided to the FAA so that they can determine the environmental clearances they will need. Again, it is important to remain in frequent communication with the FAA personnel responsible for developing the RA documents.

RA Finalization

Though it may seem that you are nearing the end during the finalization of the RA, this phase also has its challenges. The agreements may be lengthy, and the FAA may delay developing the RA documents. Again, the skill and persistence of a project manager needed who will drive all parties to meet the schedule by maintaining communications across all parties cannot be understated.

In these cases, bring in some experts. Rather than wrangling with legal language, let the sponsor’s attorneys deal with the language structure of the agreement. The consultant is the one who should focus on the scope of work and the schedule of the design and/or construction work. As always, frequent communication with FAA personnel responsible for the development of RA documents is key to successful completion of this process.

AIRPORTS AND CONSULTANTS ALIKE HAVE FOUND THAT THE RA PROCESS CAN BE ONE THAT IS MUTUALLY FAVORABLE TO ALL PARTIES – SPONSOR AS WELL AS THE FAA. IT IS IMPORTANT TO ALWAYS WORK TOWARD COMMON GOALS AND IN PARTNERSHIP WITH THE FAA TO SUCCESSFULLY SEE AN RA THROUGH TO COMPLETION.

The FAA’s processing of the project authorization does not mean you and your project will not have additional challenges. It is still possible there will be delays in obtaining the project authorization. Again, make sure to facilitate good communication between the sponsor and the FAA. Be prompt in delivering and executing the documents and payment to the FAA. Finally, monitor the progress of each document’s delivery and execution.

Even beginning the project itself can encounter a few RA roadblocks. You may find that there are delays in securing FAA construction inspection personnel on the project site, or that there are delays in the flight check operations when the project opens.

Communication, communication, communication: contact the FAA early regarding the FAA inspector’s schedule and when FAA work is going to be performed. Contact the FAA inspection personnel, whether the inspector is in-house or a consultant. Make sure you communicate early and constantly with FAA flight-check personnel regarding the opening of the project and the flight-check requirements.

Project Close-Out

Finally, the project is about to close...but then there are potential challenges that can plague the process even at this point. Obtaining the project closeout documents can be delayed, as well as getting available monies returned to the project sponsor. To prevent these roadblocks, make sure to provide “record drawings” to the FAA in a timely manner, and obtain the close-out letter from the FAA and give it to the sponsor.

Summary

Reimbursable Agreements are needed when adjustments or installation of FAA-owned/ maintained facilities will occur during an airport's project. RAs typically cover the relocation, replacement, or modification of an FAA-owned/ maintained facilities (FAA facilities) due to airport's improvement and/or project. RAs can also address the impairment of technical and operational characteristics of an FAA facility. Finally, an RA may be required when there is a need for FAA Engineering Services Involvement.

The four basic types of RAs (Full, Limited, Preliminary Design Review Agreement, and Small-Scale) cover a wide variety of FAA facilities. RAs address costs and responsibilities of various FAA groups and project sponsors, and they cover the scope, schedule, and costs associated with work associated with FAA facilities. There are several phases associated with Reimbursable Agreements.

- Potential challenges can have an adverse effect upon progress or execution of RAs. Mitigation strategies that are available to assist project sponsors with smooth progression through RAs include, but are not limited to the following.
- During the RA establishment and development process, maintain communications with the FAA personnel working with the development of the Reimbursable Agreement.
- Detail project scopes and schedules assist with the development of Reimbursable Agreements.
- Staying on top of development and delivery schedules helps to avoid delays.
- Sponsors should obtain legal advice to deal with language and structure of the agreement.
- During construction, maintain communications with construction inspection and flight check management personnel to avoid delays in inspections and flight checks.
- Open and constant communication between FAA groups and sponsors helps to avoid delays and provide for an effective agreement.





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