

# **Metro State Aid Payment Guide**

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Updated October 2020

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# First Partial State Aid Payment Request

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The Initial State Aid Payment request is submitted after the award of a contract. Payment at this time is 95% of the state aid eligible construction items, 95% of Right-of-Way appraisal costs or 100% of actual purchase price with proof of payment, and 100% of Engineering costs up to a cap of 25% of the state aid eligible construction costs.

**Exception:** Projects funded by State Transportation Bonds, such as bridge bonds, local road improvement bonds, special legislative bonds, etc., are paid as a reimbursement only. Submittal of a payment request at this time will just record the project in our cost accounting system. (If the project is tied to a federal project, the state bond funds will be paid through the DCP payment request. )

## **NOTE:**

Construction Plan must be approved by the Metro District State Aid Engineer before bids are opened. A variance to the State Aid Rules requiring plan approval before bid opening will be required if bids are opened before plan approval.

R/W Plan must be approved by the Metro District State Aid Engineer before any R/W payment will be made to local agency.

Force Account must be approved by the Metro District State Aid Engineer before any Force Account payments will be made.

# Subsequent Partial State Aid Payment Requests

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This payment request is used for in-between payments after the First Payment Request costs have been paid, but before the contract is ready to be finalized and final payment made. The contractor's partial pay voucher must be signed by the local agency engineer.

Common situations for its use include multiple right-of-way payments, State Transportation Bond fund reimbursement, major increases in contract costs due to changed contract conditions, significant increases in engineering costs, and yearly allotments for landscaping projects

# Final State Aid Payment Request

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This payment request is to finalize the project. Once this request has been processed, the project is closed and archived.

# First Partial State Aid Payment Request Checklist

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\_\_\_\_\_ **State Aid Payment Request:** Signed by City/County Engineer or Assistant Engineer or designated Consultant Engineer.

\_\_\_\_\_ **Abstract of Bids:** A listing of all the bidders showing line items pricing and grand total.

\_\_\_\_\_ **Bid Award Information submitted by electronic file to SALT. See attachment for details.**

\_\_\_\_\_ **Distribution of Costs:** A spreadsheet showing the split between state-aid eligible item, storm sewer items, landscaping items, and non-participating items. Also, split between SAP's if there is more than one. If project contains only one SAP and is 100% state-aid eligible, no spreadsheet is needed.

\_\_\_\_\_ **Right of Way Documentation:** If there are any Right-of-Way costs, please submit a Right-of-Way Certificate showing actual expenditures. This Certificate must show the following: parcel number, price paid, person/business paid, and proof of payment (copy of check, electronic transfer number, etc.). Legal costs, title fees and other administrative costs can be lumped together and shown on one line—you retain the documentation for audit purposes.

\_\_\_\_\_ **Engineering Costs:** It is no longer necessary to submit engineering invoices for these costs. By signing the form, you are certifying that the amount requested does not exceed the actual cost. Engineering cost reimbursement will not exceed 25% of state aid eligible items.

\_\_\_\_\_ **Force Account Costs** –should have an executed Force Account on file. Payment is 95% of the Schedule of Costs shown on the Force Account. If this has not been completed, please send in request for Force Account with payment request.

## Subsequent Partial State Aid Payment Requests Checklist

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- \_\_\_\_\_ **State Aid Payment Request:** Signed by City/County Engineer or Assistant Engineer or designated Consultant Engineer.
  
- \_\_\_\_\_ **Copy of Partial Payment Voucher to Contractor:** Shows to date quantities and amounts actually paid out to contractor. Voucher needs to be signed by contractor and local agency engineer.
  
- \_\_\_\_\_ **Distribution of Costs:** A spreadsheet showing the split between state-aid eligible item, storm sewer items, landscaping items, and non-participating items. Also, split between SAP's if there is more than one. If project contains only one SAP and is 100% state-aid eligible, no spreadsheet is needed.
  
- \_\_\_\_\_ **Right of Way Documentation:** If there are any Right-of-Way costs, please submit a Right-of-Way Certificate showing actual expenditures. This Certificate must show the following: parcel number, price paid, person/business paid, and proof of payment (copy of check, electronic transfer number, etc.). Legal costs, title fees and other administrative costs can be lumped together and shown on one line—you retain the documentation for audit purposes.
  
- \_\_\_\_\_ **Supplemental Agreements/Work and Change Orders:** Include all Supplemental Agreements, Work Orders and Change Orders.
  
- \_\_\_\_\_ **Engineering Costs:** It is no longer necessary to submit engineering invoices for these costs. By signing the form, you are certifying that the amount requested does not exceed the actual cost. Engineering cost reimbursement will not exceed 25% of state aid eligible items.
  
- \_\_\_\_\_ **Force Account Costs** Partial invoices or schedule of prices for work done by local forces, or materials supplied to contractors.

# Final State Aid Payment Request Checklist

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- \_\_\_\_\_ **State Aid Payment Request:** Signed by City/County Engineer or Assistant Engineer or designated Consultant Engineer.
  
- \_\_\_\_\_ **If not previously submitted with Initial payment request:** Bid Abstract and Bid Award Information submitted by electronic file to SALT. See attachment for details.
  
- \_\_\_\_\_ **Copy of Final Payment Voucher to Contractor:** Shows to date quantities and amounts actually paid out to contractor.
  
- \_\_\_\_\_ **Distribution of Costs:** A spreadsheet showing the split between state-aid eligible item, storm sewer items, landscaping items, and non-participating items. Also, split between SAP's if there is more than one. If project contains only one SAP and is 100% state-aid eligible, no spreadsheet is needed.
  
- \_\_\_\_\_ **Right of Way Documentation:** If there are any Right-of-Way costs, please submit a Right-of-Way Certificate showing actual expenditures. This Certificate must show the following: parcel number, price paid, person/business paid, and proof of payment (copy of check, electronic transfer number, etc.). Legal costs, title fees and other administrative costs can be lumped together and shown on one line—you retain the documentation for audit purposes.
  
- \_\_\_\_\_ **Supplemental Agreements/Work and Change Orders:** Include all Supplemental Agreements, Work Orders and Change Orders.
  
- \_\_\_\_\_ **Engineering Costs:** It is no longer necessary to submit engineering invoices for these costs. By signing the form, you are certifying that the amount requested does not exceed the actual cost. Engineering cost reimbursement will not exceed 25% of state aid eligible items.
  
- \_\_\_\_\_ **Force Account Costs** Final invoices or schedule of prices for work done by local forces, or materials supplied to contractors.

## Special Bond Funds Payment Requests

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Projects using State Transportation Bonds such as Bridge or special legislative programs like Local Road Improvement Program.

State Transportation bond funds are “reimbursement” only funds unlike state aid funds which can be paid out before the project is started. Bond funds can only be paid up to the actual expenditure of participating costs as shown on a partial or final contractor payment voucher. Voucher must be signed by contractor and local agency engineer.

These projects need all the same documentation shown on previous checklists in addition to:

\_\_\_\_\_ **Abstract of Bids** on Bridge Bond funded projects sent in early so Bridge Bond grant amount can be determined by State Aid Finance. Bridge items should be highlighted.

\_\_\_\_\_ **Bond Grant Agreement.** City must complete and fully execute agreement per instruction on letter received from State after award of the project. This agreement will include a local agency resolution which states the exact amount of the bond granted to the project and states that the local agency will return any bond funds not used on the project and fund any excess costs.

## State Aid Bonds--Payment Requests

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If local agency sells “Local Agency” bonds to finance construction projects, a State Aid Payment request is required to apply state aid eligible costs against the bond.

# Eligible Right-of-Way Costs

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**RULES:**     **8820.0400 Local Highway and Street Departments**  
              **8820.1500 Construction Funds**  
              **8820-3100 General State Aid Limitations**

## Specifically Stated Eligible Items

### 1. COST OF LANDS AND PROPERTIES REQUIRED FOR RIGHT OF WAY

This includes permanent right of way and permanent or temporary easements.

- A. Payment for land and land improvements taken or damaged by taking.
- B. Owner's appraisal fees
  - a. Up to the maximum limits allowed by state statutes. (117.036 Subd. 2. (B))
- C. Appraisal costs to the local road authority
  - a. For consultant services
  - b. Local agency staff for market research and document presentation
- D. Title Issues
  - a. Costs to bring abstract up to date for reasons of CURRENT purchase., but not to correct or update missing data or transactions.
- E. Filing Fee, record deed or mortgage satisfaction (unpaid balance of mortgage principle)
- F. State Deed Tax

### 2. RELOCATION AND MOVING COSTS

- A. Residential Owner/Occupant -- Total Acquisition
- B. Utility       Payment to utility companies for utility relocation required by construction.
  - a. If the utility is on the land being purchased.
  - b. If the utility is on the existing right of way by permit, the utility company is required to move its' facility without reimbursement or payment.
- C. Railroad     Payment to Railroad companies for facility relocation required by construction.
  - a. If the railroad is on the land being purchased.
  - b. If the railroad is on the existing right of way by permit, the railroad is required to move its' facility without reimbursement or payment.
- D. Demolition Expenses

### 3. DAMAGES TO OTHER LANDS IF JUSTIFIED

- A. Clean up contaminated site.
  - a. Bill to owner and reimbursement is to go to the State Aid Account.

## Eligible Right-of-Way Costs continued

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### 4. TITLE SEARCHES

- a. For consultant services.
- b. Local agency staff for document research and document preparation.

### 5. CONDEMNATION COSTS

- a. Trial Expenses  
Not to include staff Attorney's fees.

### Specifically NOT Eligible:

- Abstract Updating—for property owners to clear issues
- After the Fact needs on Trunk Highway Projects
- Permits
- Taxes

### Eligible for Preliminary Engineering but NOT Right of Way

- Archaeological Digs
- Staking of Right of Way
- Investigation of Contaminated Site

# Certification of Municipal State-Aid Street System

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A Certification of a Municipal/County State Aid Street System may occur when a City or County certifies to the Commissioner of Transportation that its state-aid routes are improved to state-aid standards or have no other needs beyond additional surfacing or shouldering needs as identified in the State-Aid Needs Report. This authority exists under MN Rules 8820.1800, subpart 2, which reads in part:

When the county board or governing body of an urban municipality desires to use a part of its state-aid allocation on local roads or streets not on an approved state-aid system, it shall certify to the commissioner that its state-aid routes are improved to state-aid standards or are in an adequate condition that does not have needs other than additional surfacing or shouldering needs identified in its respective state-aid needs report.

To certify a system, the following items must be completed:

- To initiate this certification, please submit a certification request addressed to:

Metro State Aid Engineer  
Minnesota Department of Transportation  
1500 West County Road B2  
Roseville, MN 55113

- Upon receipt of this request, Mn/DOT staff will schedule an inspection of all City or County state-aid routes. This process may take several weeks depending on staff workload at the time of request. In addition, no winter inspections will be done if snow and ice cover curbs and roadways.
- Upon Mn/DOT State-Aid staff concurring with the City/County that the state-aid system is complete, the City/County will be issued a Certification good for a period of two years. Mn/DOT staff will randomly review the City MSAS or County CSAH system on a biannual basis and evaluate whether to continue certification of the system.
- The random review will focus on roadway maintenance and traffic control appurtenances (signs, striping, load posting restrictions, parking restrictions, etc.). The random review may also be triggered by complaints by the general public.
- Any system revisions will be reviewed and may be cause for loss of certification. Loss of certification will end the use of funds under MN Rules 8820.1800, subpart 2, until remedied.

# Request for Local Roads Payment

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Requests for payment will follow the usual payment procedures for state aid projects with the addition of a Resolution authorizing use of state aid funds for local projects

## Sample Resolution for Local Roads

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### RESOLUTION NO. 98-145

#### RESOLUTION REQUESTING MUNICIPAL STATE AID SYSTEM CONSTRUCTION FUNDS FOR OTHER LOCAL USES

**WHEREAS** the City of Towering Pines receives Municipal State Aid System (MSAS) funds for construction and maintaining 20% of its City streets, and

**WHEREAS** 20.05 MSAS miles are currently authorized, and

**WHEREAS** 20.02 MSAS streets have been built or resurfaced since 1988, and

**WHEREAS** the City currently has 95.78 municipal streets that require maintenance and upgrade, and

**WHEREAS** the majority of these streets have insufficient strength and poor surface drainage, and

**WHEREAS** it is proposed to systematically install concrete curb and gutters for improved surface water drainage and additional strength to the streets for traffic survivability, and

**WHEREAS** the City State Aid routes are improved to State Aid standards and are in an adequate condition that they do not have needs other than additional resurfacing, and

**WHEREAS** it is authorized by MN Rules 8820.1800 to use part of the MSAS construction appropriation of our City's State Aid allocation on local streets not on the approved State Aid system, and

**WHEREAS** the City proposes to install a new water line and rebuild the street in the process, and

**WHEREAS** it is proposed to use a portion of the City's population allocation funds to upgrade the local street, to wit: Rowan Circle and Yosemite Drive, and

**WHEREAS** the City indemnifies saves and holds harmless the State of Minnesota and its agents and employees from claims, demands, actions, or causes of action arising out of or by reason or matter related to constructing the local street as designed, and

**WHEREAS** the City further agrees to defend at its sole cost any claims arising as a result of constructing the local street, and

**WHEREAS** the final approval of the State Aid for Local Transportation Division is therefore given.

**NOW THEREFORE BE IT RESOLVED** that the City of Towering Pines, Vermillion County, Minnesota, requests the release of MSAS construction funds for the upgrade and reconstruction City municipal streets, to wit: Rowan Circle and Yosemite Drive.

# Submittal of Electronic Bid Award Information

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Effective May 6, 2008

Due to additional reporting requirements and streamlining, effective with this mailing, SALT is requiring the Awarded Bid for ALL State Aid Projects (SAP's) be submitted electronically in spreadsheet format. (Excel, not pdf)

This eliminates the requirement for submitting the Awarded Bid with your State Aid Payment request. However, an awarded bid must be submitted to SALT for all SAP's whether you intend to request state aid funds or not. Future state aid payments will not be processed until an electronic Awarded Bid is received.

Awarded bids should be emailed to [Saltprojectfiles.dot@state.mn.us](mailto:Saltprojectfiles.dot@state.mn.us). Spreadsheets must not contain macros and file size must be less than 5 mb. PDF files or other formats are not acceptable. If Bond Funds are used, send Awarded Bid to [sharon.lemay@state.mn.us](mailto:sharon.lemay@state.mn.us)

Your DSAE may also require you to submit an Abstract of Bids. Check with your DSAE. If this is a requirement, you can either submit the Abstract along with your state aid payment request or submit it electronically along with the Awarded Bid. The abstract can be in pdf.

Page 12 contains file naming conventions. Please submit your electronic documents using these naming conventions (project# and name). At this time, only the Awarded Bid is required to be submitted electronically, but we encourage you to send other documents referenced on this list.

# WEB RESOURCES

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**Download payment request here—use website for each new request as these are revised from time to time:**

Look for this link under General Forms: [Payment Request Form \(with formulas\) \(Excel Format\)](http://www.dot.state.mn.us/safinance/formsandresolutions.html) at <http://www.dot.state.mn.us/safinance/formsandresolutions.html>

**State Aid Finance Website: Access account information, download forms, etc.**

<http://www.dot.state.mn.us/safinance/>

**State Aid for Local Transportation Website**

<http://www.dot.state.mn.us/stateaid/>

**Metro State Aid Website**

<http://www.dot.state.mn.us/metro/stateaid/home.html>

**Metro Payment Website**

<http://www.dot.state.mn.us/metro/stateaid/sapaylink.html>