

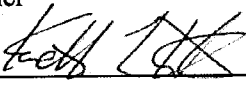
TR 121779-D

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

)	DOCKET NO. TR-
)	
City of Spokane Valley)	PETITION TO MODIFY WARNING
_____)	DEVICES AND INSTALL
Petitioner,)	SIDEWALKS AND AT A HIGHWAY-
)	RAIL GRADE CROSSING
vs.)	
Union Pacific Railroad)	
_____)	
Respondent)	USDOT CROSSING NO.: 662519S
.....)	
)	

The Petitioner asks the Washington Utilities and Transportation Commission to approve installation of sidewalks and modify warning devices at a highway-rail grade crossing.

Section 1 – Petitioner’s Information

_____	City of Spokane Valley
Petitioner	
_____	
Signature	
_____	11707 E Sprague Ave., Suite 106
Street Address	
_____	Spokane Valley, WA 99206
City, State and Zip Code	

Mailing Address, if different than the street address	
_____	Ken Knutson
Contact Person Name	
_____	509-720-5010 / kknutson@spokanevalley.org
Contact Phone Number and E-mail Address	

RECEIVED
 PROJECT MANAGEMENT
 2012 NOV -5 PM 1:33
 STATE OF WASHINGTON
 UTIL AND TRANSPORTATION COMMISSION

Section 2 – Respondent's Information

<u>Union Pacific Railroad</u>
Respondent
<u>1400 Douglas Street</u>
Street Address
<u>Omaha, NE 68179</u>
City, State and Zip Code
<u>9451 Atkinson St., Roseville CA 95747</u>
Mailing Address, if different than the street address
<u>Terrel Anderson</u>
Contact Person Name
<u>916-789-5134; taanders@up.com</u>
Contact Phone Number and E-mail Address

Section 3 – Crossing Location

1. Name of highway/roadway	<u>Pines Rd (SR-27)</u>
2. Name of railroad	<u>Union Pacific Railroad</u>
3. USDOT Crossing No.	<u>662519S</u>
4. Located in the <u>NE</u> 1/4 of the <u>SE</u> 1/4 of Sec. <u>9</u> , Twp. <u>25N</u> , Range <u>44E</u> W.M.	
5. GPS location, if known	<u>47.675 N, 117.237W</u>
6. Railroad mile post (nearest tenth)	<u>9.0</u>
7. City	<u>Spokane Valley</u> <u>Spokane County</u>

Section 4 – Current Crossing Traffic

1. Type of public road at the crossing	<input checked="" type="checkbox"/> State	<input type="checkbox"/> County	<input type="checkbox"/> City
	<input type="checkbox"/> Port	<input type="checkbox"/> State Park	<input type="checkbox"/> Other _____
2. Average daily vehicle traffic over the tracks	_____ 18,000 _____	Vehicle speed limit	_____ 35 MPH _____
3. Trucks (commercial vehicles) are what percent of average daily traffic	_____ 6% _____		
4. Number of school buses over the crossing each day	_____ 10 _____		
5. Name of railroad(s) operating at crossing	_____		
	Union Pacific Railroad		

6. Type of railroad at crossing	<input checked="" type="checkbox"/> Common Carrier	<input type="checkbox"/> Logging	<input type="checkbox"/> Industrial
	<input type="checkbox"/> Passenger	<input type="checkbox"/> Excursion	
7. Type of tracks at crossing	<input checked="" type="checkbox"/> Main Line	<input type="checkbox"/> Siding or Spur	
8. Number of tracks at crossing	_____ 1 _____		
9. Average daily train traffic, freight	_____ 10 _____		
	Authorized freight train speed _____ 49 MPH _____	Operated freight train speed	_____ 49MPH _____
10. Average daily train traffic, passenger	_____ 0 _____		
	Authorized passenger train speed _____ N/A _____	Operated passenger train speed	_____ N/A _____

Section 5 – Current Warning Devices

1. Provide a complete description of the warning devices currently located at the crossing, including signs, gates, lights, train detection circuitry and any other warning devices.

The crossing as currently operating has round advance railroad warning signs (MUTCD

sign number W10-1), overhead and side-mounted flashers, bells and side-mounted

crossing gates. The flashers, bells and gates are connected to an intersection traffic signal

approximately 100 feet south of the crossing and use simultaneous preemption.

Section 6 – Justification

1. Provide the following information:

- a. Provide a description of the type of sidewalks proposed
- b. Provide a detailed description of the changes to the warning devices.
- c. Describe who will maintain the sidewalks.
- d. Attach a proposed diagram or design of the crossing including the sidewalks.

The southbound left turn lane is revised to extend north of the railroad crossing. To accommodate a new gate made necessary by the extended turn lane, the center island is also extended and the existing two southbound lanes are shifted to the west approximately 8 feet at the crossing.

a. The cantilever structure and gate on the west side of Pines will be relocated: the gate cantilever moves approximately 6 feet north , and the gate moves approximately 6 feet south. An additional gate will be added to the center median island for southbound Pines Rd. Simultaneous preemption will operate under the new configuration as well.

b. The current sidewalk on the west side of Pines Road extends to the existing gate and cantilever structure. Following reconfiguration of the gate and cantilever, the sidewalk will be constructed behind the new gate and cantilever locations (away from Pines Rd). The new sidewalk will be 6 feet wide. Only the sidewalk west of Pines will be modified.

c. The City of Spokane Valley will maintain the sidewalks.

d. A diagram of the crossing showing proposed sidewalk is included as Attachment A.

e. A copy of the executed agreement between the parties is included as Attachment B.

Section 7 – Waiver of Hearing by Respondent

Waiver of Hearing

The undersigned represents the Respondent in the petition to install sidewalks and modify the warning devices at the following crossing.

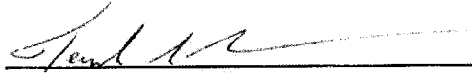
USDOT Crossing No. 662519S

We have investigated the conditions at the crossing. We are satisfied the conditions are the same as described by the Petitioner in this docket. We agree installation of sidewalks and modification to warning devices should be made and consent to a decision by the commission without a hearing.

Dated at Roseville, California, on the 2nd day of
November, 20 12.

Terral Anderson

Printed name of Respondent



Signature of Respondent's Representative

Manager Industry and Public Projects

Title

917 789 5134 taanders@up.com

Phone number and e-mail address

9451 Atkinson St

Roseville, CA. 95747

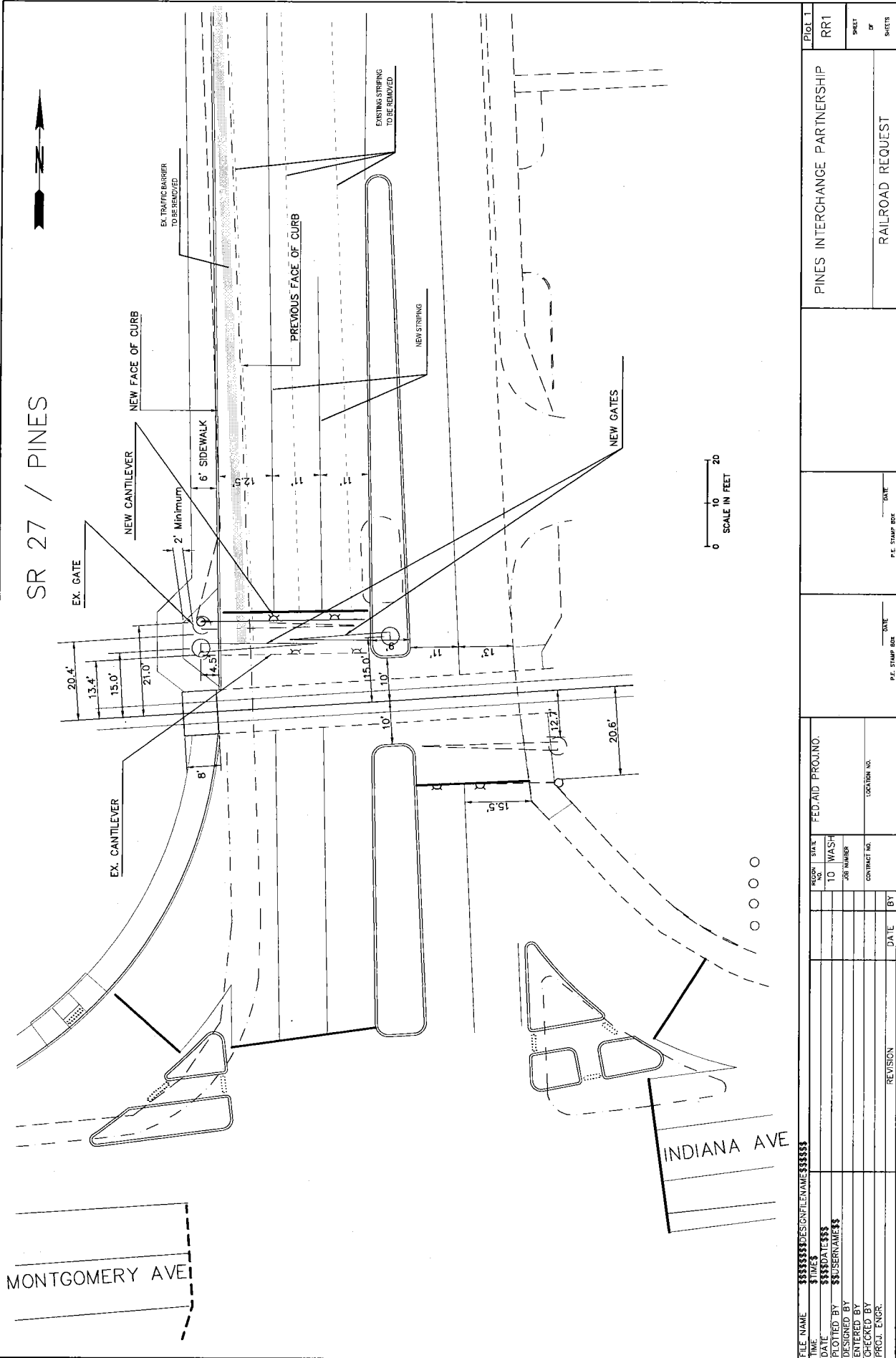
Mailing address

ATTACHMENT

A

Sidewalk Modifications

SR 27 / PINES



FILE NAME	33333333DESIGNFILENAME333333	REVISION	DATE	BY
DATE	3/10/2013			
DESIGNED BY	33333333			
DESIGNED BY	33333333			
CHECKED BY				
CHECKED BY				
PROJ. ENGR.				
REGION NO.	10	STATE	WASH	
JOB NUMBER		CONTRACT NO.		
LOCATION NO.				
FED AID PROJ. NO.				
P.E. STAMP BOX				
P.E. STAMP BOX				
PINES INTERCHANGE PARTNERSHIP				
RAILROAD REQUEST				
RR1				
SHEET OF SHEETS				

ATTACHMENT

B

Executed Agreement



UPRR Folder No.: 717-64
UPRR Audit No. SI813

SUPPLEMENTAL AGREEMENT
(EXISTING PUBLIC ROAD CROSSING IMPROVEMENT)

THIS SUPPLEMENTAL AGREEMENT is made as of the 4th day of May, 2012, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, ("Railroad") and the CITY OF SPOKANE VALLEY, a municipal corporation of the State of Washington with a mailing address at 11707 East Sprague Avenue, Suite 106, Spokane Valley, Washington 99206 ("City").

RECITALS:

By instrument dated June 30, 1977, the Spokane International Railroad Company and the County of Spokane entered into an agreement (the "Original Agreement"), identified in the records of the Railroad as Folder No. 717-64, Audit No. SI813, covering the construction, use, maintenance and repair of the Pines Road at-grade public road crossing (the "Road Crossing"), DOT No. 662-519S, at Railroad's Mile Post 8.91 on its Spokane Subdivision, in Spokane County, near Spokane, Washington in the location shown on the Railroad Location Print marked **Exhibit A**, attached hereto and hereby made a part hereof.

The Railroad named herein is successor in interest to the Spokane International Railroad Company and the City is the successor in interest to the County of Spokane for the Original Agreement.

In 2011 the City undertook, as its project, certain work in the area of the Road Crossing, including the widening of the west side of Pines Road to accommodate three southbound vehicle traffic lanes and the widening of a median island. Additional aspects of the project include work performed or to be performed by the Railroad in the area of the Road Crossing (signal modifications and improvements), as well as work yet to be performed by the City in the area of the Road Crossing (extension of the sidewalk along the west side of Pines Road). The combined work of the City and the Railroad is hereinafter referred to as the "Project." The Road Crossing, as improved, is hereinafter the "Roadway" and where the Roadway crosses the Railroad's property is the "Crossing Area."

AGREEMENT:

NOW THEREFORE, in consideration of the premises and of the promises and conditions hereinafter set forth, the parties hereto agree as follows:

SECTION 1.

The exhibits below are attached hereto and hereby made a part hereof:

Exhibit A	Railroad Location Print
Exhibit B	Railroad's Signal Material Estimate with Schematic of Signal Work
Exhibit C	Railroad Form of Contractor's Right of Entry Agreement
Exhibit D	Currently Applicable Additives

SECTION 2.

The Railroad, at City's expense, shall furnish labor, material, equipment, and supervision for the following elements of the Project, *i.e.*:

- Relocating and upgrading of the crossing gates and cantilevers, replacing and relocating the existing signal house, and replacing crossing signals;
- Engineering necessary to complete the above, and
- Flagging necessary to complete the above and any City work on railroad right-of-way or within 25 feet of the railroad tracks.

SECTION 3.

A. The work to be performed by the Railroad, at the City's sole cost and expense, is described in the Railroad's Signal Material Estimate dated November 2, 2011, in the amount of \$236,542, marked **Exhibit B**, attached hereto and hereby made a part hereof (the "Estimate").

B. The Railroad, if it so elects, may recalculate and update the Estimate submitted to the City in the event construction is not commenced on the portion of the Project located on the Railroad's property within six (6) months from the date of the Estimate.

C. All flagging or other protective services costs incurred by the Railroad are to be paid by the City or the Contractor as determined by the Railroad and the City. If it is determined that the Railroad will be billing the Contractor directly for such costs, the City agrees that it will pay the Railroad for any flagging costs that have not been paid by any Contractor within thirty (30) days of the Contractor's receipt of billing.

D. The City agrees to reimburse the Railroad for one hundred percent (100%) of all actual costs incurred by the Railroad in connection with the Project including, but not limited to, actual costs of preliminary engineering review, construction inspection, procurement of materials, equipment rental, manpower and deliveries to the job site and all of the Railroad's then-current normal and customary additives (which shall include direct and indirect overhead costs) associated therewith. The Currently Applicable Additives in effect as of the date hereof are attached as **Exhibit D** hereto.

SECTION 4.

A. The City shall have the right to monitor the work undertaken by the Railroad pursuant to Section 3. As to that portion of the Project not undertaken by the Railroad, the City, at its expense, to the extent it has not already done so, shall prepare, or cause to be prepared by others,

detailed plans and specifications and submit such plans and specifications to the Railroad's Assistant Vice President Engineering – Design, or his authorized representative, for review and approval. The plans and specifications shall include all Roadway layout specifications, cross sections and elevations, associated drainage, and other appurtenances.

B. The Railroad shall bill the City according to the Railroad's standard and customary practices and shall provide the Railroad's standard and customary documentation to support such billing. The City shall have the right to audit the Railroad's billing and documentation for the Project.

C. The final one hundred percent (100%) completed plans that are approved in writing by the Railroad's Assistant Vice President Engineering – Design, or his authorized representative, are hereinafter referred to as the "Plans." The Plans are hereby made a part of this Agreement by reference.

D. No changes in the Plans shall be made unless the Railroad has consented to such changes in writing.

E. Notwithstanding the Railroad's approval of the Plans, the Railroad shall not be responsible for the permitting, design, details or construction of the Roadway.

SECTION 5.

After the Railroad completes the signal modifications and improvements, the City shall complete the installation of its improvements to Pines Road by extending the sidewalk on the west side of Pines Road pursuant to the plans previously approved by the Railroad. The City shall require its contractor(s) to execute the Railroad's standard and current form of Contractor's Right of Entry Agreement attached hereto as **Exhibit C**. City acknowledges receipt of a copy of the Contractor's Right of Entry Agreement and understanding of its terms, provisions, and requirements, and will inform its contractor(s) of the need to execute the Agreement. Under no circumstances will the City's contractor(s) be allowed onto the Railroad's premises without first executing the Contractor's Right of Entry Agreement.

SECTION 6.

Fiber optic cable systems may be buried on the Railroad's property. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. City or its contractor(s) shall telephone the Railroad during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Friday, except holidays) at 1-800-336-9193 (also a 24-hour number, 7 day number for emergency calls) to determine if fiber optic cable is buried anywhere on the Railroad's premises to be used by the City or its contractor(s). If it is, City or its contractor(s) will telephone the telecommunications company(ies) involved, arrange for a cable locator, and make arrangements for relocation or other protection of the fiber optic cable prior to beginning any work on the Railroad's premises.

SECTION 7.

The City, for itself and for its successors and assigns, hereby waives any right of assessment against the Railroad, as an adjacent property owner, for any and all improvements made under this agreement.

SECTION 8.

Covenants herein shall inure to or bind each party's successors and assigns; provided, no right of the City shall be transferred or assigned, either voluntarily or involuntarily, except by express prior written consent of the Railroad.

SECTION 9.

The City shall, when returning this agreement to the Railroad (signed), cause same to be accompanied by such Order, Resolution, or Ordinance of the governing body of the City, passed and approved as by law prescribed, and duly certified, evidencing the authority of the person executing this agreement on behalf of the City with the power so to do, and which also will certify that funds have been appropriated and are available for the payment of any sums herein agreed to be paid by City.

SECTION 10.

Upon execution and delivery of this Agreement, the City shall pay to the Railroad an administrative handling charge of **ONE THOUSAND DOLLARS (\$1,000.00)**.

SECTION 11.

This agreement is supplemental to the Original Agreement, as herein amended, and nothing herein contained shall be construed as amending or modifying the same except as herein specifically provided.

SECTION 12. **SPECIAL PROVISIONS PERTAINING TO AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.**

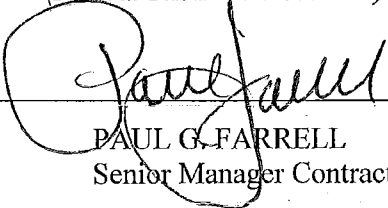
If the City will be receiving American Recovery and Reinvestment Act ("ARRA") funding for the Project, the City agrees that it is responsible in performing and completing all ARRA reporting documents for the Project. The City confirms and acknowledges that Section 1512 of the ARRA provisions applies only to a "recipient" receiving ARRA funding directly from the federal government and, therefore, (i) the ARRA reporting requirements are the responsibility of the City and not of the Railroad and (ii) the City shall not delegate any ARRA reporting responsibilities to the Railroad. The City also confirms and acknowledges that (i) the Railroad shall provide to the City the Railroad's standard and customary billing for expenses incurred by the Railroad for the Project including the Railroad's standard and customary documentation to support such billing and (ii) such standard and customary billing and documentation from the Railroad provides the information needed by the City to perform and complete the ARRA reporting documents.



including the Railroad's standard and customary documentation to support such billing and (ii) such standard and customary billing and documentation from the Railroad provides the information needed by the City to perform and complete the ARRA reporting documents.

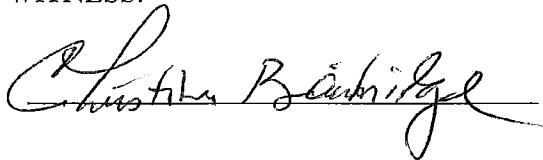
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed as of the day and year first hereinabove written.

UNION PACIFIC RAILROAD COMPANY
(Federal Tax ID #94-6001323)

By: 
PAUL G. FARRELL
Senior Manager Contracts

WITNESS:

CITY OF SPOKANE VALLEY



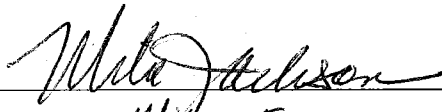
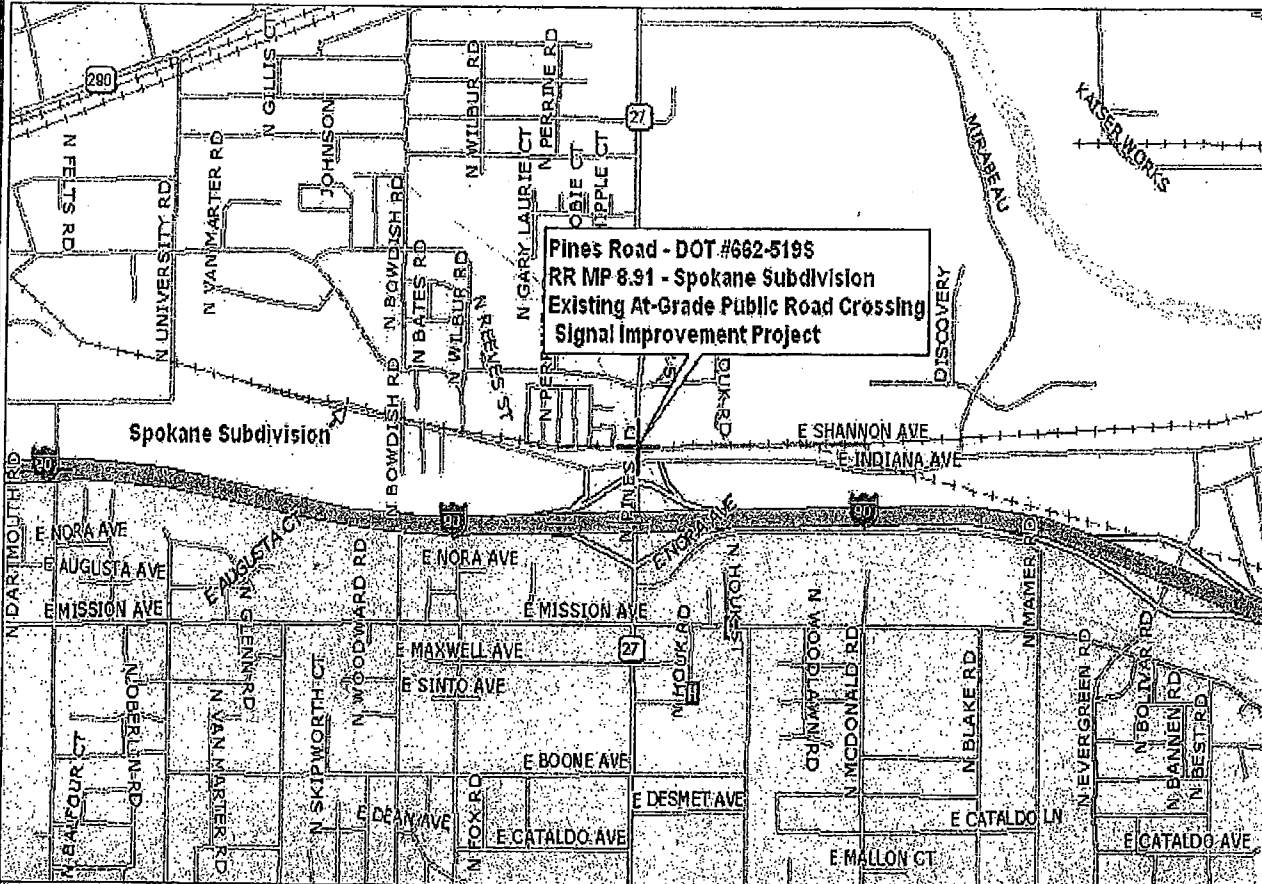
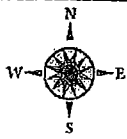
x 
Printed Name: Mike Jackson
Title: City Manager

EXHIBIT A

To Supplemental Agreement
(Existing Public Road Crossing Improvement)

Cover Sheet for the
Railroad Location Print

RAILROAD LOCATION PRINT OF AN EXISTING AT-GRADE PUBLIC ROAD CROSSING SIGNAL IMPROVEMENT PROJECT



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www.delorme.com



Data Zoom 13-0

RAILROAD WORK TO BE PERFORMED:

1. Install automatic flashing light crossing signals with gates and upgrade cantilevers and LED lights.
2. Engineering Design review & Flagging.

EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY

• SPOKANE SUBDIVISION
MILE POST 8.91
GPS: N 47° 40.5515', W 117° 14.3948'
SPOKANE VALLEY, SPOKANE CO., WA.

To accompany a Supplemental Agreement with the
CITY OF SPOKANE VALLEY
covering an existing at-grade public
road crossing signal improvement project.

Folder No. 717-64

Date: August 12, 2011

WARNING

IN ALL OCCASIONS, U.P. COMMUNICATIONS DEPARTMENT MUST BE CONTACTED IN ADVANCE
OF ANY WORK TO DETERMINE EXISTENCE AND LOCATION OF FIBER OPTIC CABLE.
PHONE: 1-(800) 336-9193

EXHIBIT B

To Supplemental Agreement
(Existing Public Road Crossing Improvement)

Cover Sheet for the
Railroad's Signal Material Estimate

DATE: 2011-11-02

ESTIMATE OF MATERIAL AND FORCE ACCOUNT WORK
 BY THE
 UNION PACIFIC RAILROAD

THIS ESTIMATE GOOD FOR 6 MONTHS EXPIRATION DATE IS :2012-05-02

DESCRIPTION OF WORK:

INSTALL AUTOMATIC FLASHING LIGHT CROSSING SIGNALS WITH GATE AND UPGRADE
 CANTILEVER WITH LED LIGHTS AT SPOKANE, WA PINES RD. M.P. 8.95
 ON THE SPOKANE SUBDIVISION DOT# 6625198
 WORK TO BE PERFORMED BY RAILROAD WITH EXPENSE AS BELOW:
 SIGNAL - FEDERAL/STATE - 100%
 ESTIMATED USING FEDERAL ADDITIVES WITH INDIRECT AND
 OVERHEAD CONSTRUCTION COST'S - 167.76%

PID: 60427 AWO: 85613 MP, SUBDIV: 8.95, SPOKANE
 SERVICE UNIT: 18 CITY: SPOKANE STATE: WA

DESCRIPTION	QTY	UNIT	LABOR	MATERIAL	RECOLL	UPRR	TOTAL
ENGINEERING WORK							
ENGINEERING			5956		5956		5956
LABOR ADDITIVE 167.76%			17997		17997		17997
SIG-HWY XNG			4821		4821		4821
TOTAL ENGINEERING			28774		28774		28774
SIGNAL WORK							
BILL PREP			900		900		900
CANTILEVER FND. REMOVAL				5000	5000		5000
CONTRACT				2579	2579		2579
FLAGGING				10000	10000		10000
LABOR ADDITIVE 167.76%			73790		73790		73790
MATL STORE EXPENSE				4	4		4
METER SERVICE				5000	5000		5000
MCN STOCK GATE ASSEM.				8000	8000		8000
PERSONAL EXPENSES				23190	23190		23190
ROCK/GRAVEL/FILL				3000	3000		3000
SALES TAX				1031	1031		1031
SIGNAL	43086		25790		68876		68876
TRANSP/IB/OB/RCLN CONTR				6397	6397		6397
ENVIRONMENTAL-PERMITS				1	1		1
TOTAL SIGNAL			117776	89992	207768		207768
LABOR/MATERIAL EXPENSE			146550	89992			
RECOLLECTIBLE/UPRR EXPENSE					236542	0	
ESTIMATED PROJECT COST							236542

THE ABOVE FIGURES ARE ESTIMATES ONLY AND SUBJECT TO FLUCTUATION. IN THE EVENT OF AN INCREASE OR DECREASE IN THE COST OR QUANTITY OF MATERIAL OR LABOR REQUIRED, UPRR WILL BILL FOR ACTUAL CONSTRUCTION COSTS AT THE CURRENT EFFECTIVE RATE.

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

RAILROAD: UPRR CO.
LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
DEPARTMENT: ENGINEERING SERVICES

SERVICE UNIT: 18

PROJ NO: 60427
A.W.O. NO: 85613
W.O. NO:
B.I. NO: 08EN10
STATE: WA
VAL SEC: 4501

INSTALL AUTOMATIC FLASHING LIGHT CROSSING SIGNALS WITH GATE AND UPGRADE
CANTILEVER WITH LED LIGHTS AT SPOKANE, WA PINES RD. M.P. 8.95
ON THE SPOKANE SUBDIVISION DOT# 662519S
WORK TO BE PERFORMED BY RAILROAD WITH EXPENSE AS BELOW:
SIGNAL - FEDERAL/STATE - 100%

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
 DEPARTMENT: ENGINEERING SERVICES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.Y. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

 SCOPE OF WORK

PROJECT NUMBER	VAL. SEC	STATE	M. P. FROM	M. P. TO	SEGMENT	JOINT FACILITY
60427	4501	WA	8.95	8.95	5880	

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
 DEPARTMENT: ENGINEERING SERVICES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.I. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

 LABOR PLAN

GANG TYPE	GANG TYPE DESCRIPTION	GANG NUMBER NBR IN GANG	WORK CODE	WORK DESCRIPTION	GANG DAYS ALLOWED	DIRECT LABOR \$
SIG005	SIGNAL 5 MAY G	0 5	34007	SIG-HWY XNG	2.00	2123.00
				SUB-TOTAL	2.00	2123.00
SIG005	5 PERSON FOR S	0 5	34004	SIG-HWY XNG	38.59	40963.29
				TOTAL		43,086.29

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
 DEPARTMENT: ENGINEERING SERVICES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.I. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

----- STOCK MATERIAL PLAN -----

ITEM NUMBER	ITEM DESCRIPTION	UNIT COST	QTY	UM	DIRECT MATL \$
09011240	CABLE TIE, NYLON 1 1/8" MAX. DIA.	0.02	200	EA	4
09011980	CABLE TIE, NYLON 3 1/2" MAX. DIA.	0.18	20	EA	4
09014950	CIRCUIT BRKR, 120/240V 20A 2 POLE	14.64	1	EA	15
09015690	CIRCUIT BREAKER, 120/240V 30A AC	5.97	1	EA	6
09054360	RELAY, GEN. PURPOSE 120V. TAB 856	5.24	1	EA	5
09057650	SOCKET, P-B 27E122 TAB 836A & 856	2.17	1	EA	2
09065700	TAPE, ELECTRICAL PLASTIC	3.75	2	RL	8
09066900	TERMINAL, SPADE, 10-12 WIRE, #8 STUD	0.17	10	EA	2
09137100	TERM. LOG 3/16 CABLE-1/4 POST 2412	0.55	30	EA	17
09215100	33466 TERMINAL, RING TONGUE AMP	0.19	44	EA	8
09224750	216-107 TERMINAL, FERRULE, FOR #10	0.05	20	EA	1
09224800	216-104 TERMINAL, FERRULE, W	0.02	50	EA	1
09260350	TERMINAL, #16-14 #8 SPADE	0.07	35	EA	2
09261420	321524-1 TERMINAL, TEST 16-22 A	1.79	4	EA	7
09261570	321527-1 TERMINAL, TEST	1.72	15	EA	26
09401140	ADAPTER, 4 INCH CARLON PLASTIC	2.95	2	EA	6
09409820	BUSHING, 4" PLASTIC, INSULATING	0.82	2	EA	2
09424920	CONDUIT, 4", PVC, TYPE 40	1.90	150	LF	285
09467930	LOCKNUT, 4 INCH, GALVANIZED	5.76	2	EA	12
09844170	GROUND ROD, 5/8 INCH X 8 FEET	8.95	12	EA	107
09846750	GRND. ROD CONN. 4WAY ONESHOT.	5.20	12	EA	62
09908640	WIRE, #6 AWG 1 COND. COPPER, SOLID	0.48	300	LF	144
09912400	WIRE #6 AWG 2 CND 500' RL. TK WIRE	1.26	500	LF	630
09913200	WIRE, #6, 5 COND 500' ROLL SHIELDED	4.00	1000	LF	4000
09915610	WIRE #6 AWG 1 COND COPPER, STRAN	0.77	220	LF	169
09930550	WIRE #10 AWG 1 COND COPPER, STRAN	0.74	700	LF	168
09932310	WIRE #10 AWG 1 COND COPPER, TWIST	0.55	250	LF	138
09946100	WIRE #14, 7 CND 500' ROLL SHIELDE	1.63	500	LF	815
09960090	WIRE #16 AWG 1 COND COPPER, STRAN	0.10	300	LF	30
09976180	WIRE, #22, TW. PR. BELDEN #8761	0.13	20	LF	3
13547870	SHEET METAL SCREW, #10 X 1 INCH	3.50	1	BX	4
13552450	SHEET METAL SCREW, #12 X 3/4"	2.10	2	BX	4
13553150	SHEET METAL SCREW #12 X 1"	3.05	2	BX	6
17061400	PADLOCK, SIGNAL, WITHOUT KEY, AMERIC	15.10	9	EA	136
28033210	CARTON, 39 1/8"L X 23 1/4"W X 17	6.23	1	EA	6
28033230	CARTON, 47 3/8"L X 39 1/2"W X 18"	12.07	1	EA	12
28041880	PALLET, 48 X 40 INCH 2/WAY	9.89	2	EA	20
35040020	PLASTER OF PARIS, #DAP 10308	3.01	4	BX	12
39340220	SIGN, HIGHWAY CROSSING, STANDARD	50.00	2	EA	100
52001370	SURGE PROTECTOR SP20-2A TAB 585	71.28	2	EA	143

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
 DEPARTMENT: ENGINEERING SERVICES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.I. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

52003630	POWER CABLE, CABIN TO GENERATOR -	105.49	1 EA	105
52005700	BOND WIRE, 7 STRANDS 100 LF. ROLL	0.87	250 LF	218
52016830	WIRE DUCT, 2X3	8.68	11 EA	95
52016940	WIRE DUCT, 3X3	10.23	1 EA	10
52017510	WIRE DUCT COVER 2"X6'	1.88	11 EA	21
52017620	WIRE DUCT COVER 3"X6'	2.78	1 EA	3
52019530	ENCLOSURE, SHUNT, FOLE MOUNTED, 24X2	181.77	3 EA	545
52019560	EQUALIZER, H.D. TAB 583	9.31	13 EA	121
52019720	FOUNDATION, CANT, PRECAST 4 BOLT	3082.06	1 EA	3082
52021550	FOUNDATION, 4', STEEL, FOR FLSHR/GAT	328.32	2 EA	657
52025270	HOUSE, 6X6, W/TIB, W/CLIMATE CONT	7996.68	1 EA	7997
52027350	CLIP BOARD - FOR SIGNAL PRINTS	8.02	1 EA	8
52027430	STEP BOX	16.32	1 EA	16
52028420	LIGHTNING ARRESTOR, CLR-COMM TAB 3	7.00	59 EA	413
52029780	LIGHTNING ARR, HD TAB 582 W/O BASE	10.03	4 EA	40
52030010	LIGHTNING ARRESTOR CONN. STRIP	6.32	4 EA	25
52042650	POST, MOUNTING, FOR SHUNT HOUSING	19.50	6 EA	117
52068650	TERMINAL, #6 - 5 WIRE - RING TYPE	0.16	55 EA	9
52070010	TERMINAL, #12-10 WIRE, RING TONGUE	0.22	300 EA	66
52071600	TERMINAL, #20-16 WIRE, RING TONGUE	0.09	150 EA	14
52072280	TERMINAL BLOCK, SIGNAL 2 POST BAK	4.44	23 EA	102
52072740	TERMINL BLOCK, SIGNAL 12 POST 6 UN	15.85	1 EA	16
52072960	TERMINAL BLOCK, SIGNAL 12 POST	15.35	12 EA	184
52074570	TEST LINK, 1" CENTER TO CENTER	1.53	22 EA	34
52074580	TEST LINK, 2-3/8" CENTER TO CENTE	1.89	1 EA	2
52079550	WIRE TAG, PLASTIC - WHITE	0.14	100 EA	14
52079560	MARKING PEN(FOR WHITE TAG)	1.95	1 EA	2
52109370	GATE ARM, ADJ. 16-32'	428.34	1 EA	428
52122140	HIGH WIND BRACKET 5"OR 4"	65.69	1 EA	66
52126300	LED LGHT RTRET KIT 12" UP260T12/W	93.03	20 EA	1861
52136470	SHEAR PIN, SK-1000-1	5.50	1 EA	6
52258500	MULTIFREQ. NBS 267-560 TAB641A HAR	522.99	1 EA	523
52258590	NBS, TAB 641, 62775-1543	392.78	2 EA	786
52263600	SURGE ARRESTOR, METER LCOP.	30.87	1 EA	31
52745830	RELAY, TAB 884, NEUTRAL, A62-277	299.20	1 EA	299
52773800	RELAY BRACKET. HOLDS 2 B1 RELAYS.	81.98	1 EA	82
52776370	RELAY PLUGBOARD, GRS B1, TAB 900	30.67	1 EA	31
52777970	FLAG TERMINAL, FOR GRS, 14-10	2.17	15 EA	33
52778110	FLAG TERMINAL, FOR CRS, 20-16	1.58	15 EA	24
52779280	RELAY TEST TERM, GRS B1	6.42	1 EA	6
53311490	EXTRACTOR FOR "B" TERMINALS P3-308	9.11	1 EA	9
53311510	TEST NUT WRENCH. GRS #P3-320	33.01	1 EA	33
53648010	INSULATING CAP & SHIELD ASSY.	2.34	4 EA	9
53903460	EPD 120/240TOPL SURGE PROTECTOR	276.21	1 EA	276
53954500	180429-000 BOOTLEG KIT	50.58	5 EA	253

FORM 30-1

PAGE 06 MORE

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

PROJ NO: 60427

A.W.O. NO: 85613

W.O. NO:

B.I. NO: 08EN10

STATE: WA

VAL SEC: 4501

RAILROAD: UPRR CO.

LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.

DEPARTMENT: ENGINEERING SERVICES

TOTAL

25,794

WORK ORDER AUTHORIZATION-DETAIL OF ESTIMATED EXPENDITURES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.I. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUE.
 DEPARTMENT: ENGINEERING SERVICES

JOB NO.	ACCT NO.	DESCRIPTION	QTY	UM	UNIT COST	LABOR	MATERIAL	TOTAL P.I.	CHRGABLE O.E.	TO OTHER
		VAL SEC: 4501								
		*** NON JOINT FACILITY ***								
		** MAIN LINE **								
1	709	ENGINEERING				59561				
		SIG-HWY XNG W/C 34001				48211				
		LABOR ADDITIVE 167.76%				179971				
		JOB TOTAL				287741				1709-0021-00010 28774
6	027	SIGNAL					257901			
		SIG-HWY XNG W/C 34004	192	MD		409631				
		BILL PREP				9001				
		PERSONAL EXPENSES					231901			
		ROCK/GRAVEL/FILL					30001			
		CANTILEVER FND. REMOVAL					50001			
		FLAGGING					100001			
		NON STOCK GATE ASSEM.					80001			
		METER SERVICE					50001			
		TRANSP/IB/OB/RCLW CONTR					63971			
		CONTRACT					25791			
		MATL STORE EXPENSE					41			
		SALES TAX					10311			
		LABOR ADDITIVE 167.76%				702291				
		JOB TOTAL				1120921	899911			1709-0021-00010 202083
8	709	FEDERAL/STATE								
		SIGNAL								
		SIG-HWY XNG W/C 34007	10	MD		21231				
		LABOR ADDITIVE 167.76%				35611				
		JOB TOTAL				56841				1709-0021-00010 5684
799	709	ENVIRONMENTAL-PERMITS					11			
		JOB TOTAL					11			1709-0021-00010 1

FORM 30-2
 WORK ORDER AUTHORITY-DETAIL OF ESTIMATED CREDITS

PAGE 10 LAST

RAILROAD: UPRR CO.
 LOCATION: SPOKANE, WA, PINES ROAD, SPOKANE SUB.
 DEPARTMENT: ENGINEERING SERVICES

PROJ NO: 60427
 A.W.O. NO: 85613
 W.O. NO:
 B.I. NO: 08EN10
 STATE: WA
 VAL SEC: 4501

JOB NO.	ACCT NO.	DESCRIPTION	SALVAGE		LEDGER VALUE
1		VAL SEC: 4501	1	1	1
1		** MAIN LINE **	1	1	1
900		RET. SIGNAL			

=====

ESTIMATED CREDIT TO 'RESERVE FOR ROAD PROPERTY TO BE RETIRED AND REPLACED'	\$	_____
ESTIMATED CREDIT TO 'RESERVE PROPERTY RETIRED AND NOT TO BE REPLACED'	\$	_____
ESTIMATED CREDIT TO 'EQUIPMENT RETIRED'	\$	_____
ESTIMATED CREDIT TO	\$	_____

=====

ESTIMATED BY: ESRV241 CID#: 223253 000

DATE: 11-02-2011 APPROVED BY: APPROVED BY:

**AREMA UNIT STATEMENT OF RAILROAD HIGHWAY GRADE CROSSING SIGNALS
ESTIMATED MAINTENANCE COSTS**



FOR

PID #60427

BY THE UNION PACIFIC RAILROAD

STREET PINES RD.
 TOWN SPOKANE, WA.
 MILEPOST 8.95
 SUBDIVISION SPOKANE
 AAR/DOT NO. 662519S
 WORK ORDER# 85613

DESCRIPTION	UNIT VALUE	QUANTITY	UNITS
NON-CODED TRK. CIRCUIT, (Standalone AFTAC or Ring 10)	2	0	0
SUPERIMPOSED CIRCUIT(AFTAC) / DETECTION LOOP	2	0	0
HIGHWAY GRADE CROSSING SIGNAL (ONE PAIR OF FLASHING LIGHTS)	2	1	2
ADDITIONAL PAIR OF LIGHTS	1	1	1
GATE MECHANISM, AUTOMATIC WITH ARM UP TO 26 FT	8	1	8
GATE MECHANISM, AUTOMATIC WITH ARM OVER 26 FT	10	0	0
GCP/HXP (Constant warning device, per track circuit)	15	1	15
EXIT GATE MANAGEMENT SYSTEM RACK*	10	0	0
MOVEMENT DETECTOR (PMD)	6	0	0
MOVEMENT DETECTOR (STANDBY UNIT)	3	0	0
RADIO DATA LINK, PER UNIT	1	0	0
PREEMPTION CIRCUIT	2	0	0
DATA RECORDER	1	0	0
REMOTE MONITORING DEVICE*	2	1	2
BONDED RAIL JOINTS (per mile, each rail, single bonded)	1	0	0
BATTERY AND CHARGER (per set)	1	2	2

TOTAL UNIT COUNT **30**

PAVEMENT RESTORATION COSTS **(Actual)**

Annual Maintenance Cost at \$170/Unit **\$5,100**

*UP supplied Unit Value

EXHIBIT C

To Supplemental Agreement
(Existing Public Road Crossing Improvement)

Cover Sheet for the Form of
Contractor's Right of Entry Agreement



January 6, 2011

UPRR Folder No.: 717-64

To the Contractor:

Before Union Pacific Railroad Company can permit you to perform work on its property for signal improvements to the existing Pines Road at-grade public road crossing, it will be necessary for you to complete and execute two originals of the enclosed Contractor's Right of Entry Agreement. Please:

1. Fill in the complete legal name of the contractor in the space provided on Page 1 of the Contractor's Right of Entry Agreement. If a corporation, give the state of incorporation. If a partnership, give the names of all partners.
2. Fill in the date construction will begin and be completed in Article 5, Paragraph A.
3. Fill in the name of the contractor in the space provided in the signature block at the end of the Contractor's Right of Entry Agreement. If the contractor is a corporation, the person signing on its behalf must be an elected corporate officer.
4. Execute and return all copies of the Contractor's Right of Entry Agreement together with your Certificate of Insurance as required in Exhibit B, in the attached, self-addressed envelope.
5. Include a check made payable to the Union Pacific Railroad Company in the amount of **\$500.00**. If you require formal billing, you may consider this letter as a formal bill. In compliance with the Internal Revenue Services' new policy regarding their Form 1099, I certify that 94-6001323 is the Railroad Company's correct Federal Taxpayer Identification Number and that Union Pacific Railroad Company is doing business as a corporation.

Under Exhibit B of the enclosed Contractor's Right of Entry Agreement, you are required to procure Railroad Protective Liability Insurance (RPLI) for the duration of this project. As a service to you, Union Pacific is making this coverage available to you. If you decide that acquiring this coverage from the Railroad is of benefit to you, please contact Mr. Mike McGrade of Marsh USA @ 800-729-7001, e-mail: william.j.smith@marsh.com.

This agreement will not be accepted by the Railroad Company until you have returned all of the following to the undersigned at Union Pacific Railroad Company:

1. Executed, unaltered duplicate original counterparts of the Contractor's Right of Entry Agreement;
2. Your check in the amount of \$500.00 to pay the required balance due of the required Contractor's Right of Entry fee. (The Folder Number and the name "Paul G. Farrell" should be written on the check to insure proper credit). If you require formal billing, you may consider this letter as a formal bill;
3. Copies of all of your up-to-date General Liability, Auto Liability & Workman's Compensation Insurance Certificates (*yours and all contractors*'), naming Union Pacific Railroad Company as additional insured;

Real Estate Department
UNION PACIFIC RAILROAD COMPANY
1400 Douglas Street, MS 1690
Omaha, Nebraska 68179-1690
fax: 402.601.0340



4. Copy of your up-to-date Railroad Protective Liability Insurance Certificate (*yours and all contractors*'), naming Union Pacific Railroad Company as additional insured.

**RETURN ALL OF THESE REQUIRED ITEMS TOGETHER IN ONE ENVELOPE.
DO NOT MAIL ANY ITEM SEPARATELY.**

If you have any questions concerning this agreement, please contact me as noted below. Have a safe day!

Sincerely,

Paul G. Farrell

Senior Manager Contracts
Phone: (402) 544-8620
e-mail: pgfarrell@up.com

Real Estate Department
UNION PACIFIC RAILROAD COMPANY
1400 Douglas Street, MS 1690
Omaha, Nebraska 68179-1690
fax: 402.501.0340

UPRR Folder No.: 717-64
UPRR Audit No.: SI813

CONTRACTOR'S RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT is made and entered into as of the _____ day of _____, 200____, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation ("Railroad"); and

(NAME OF CONTRACTOR)
a _____ corporation ("Contractor").
(State of Corporation)

RECITALS:

Contractor has been hired by the *City of Spokane Valley* to perform work relating to signal improvements to the existing Pines Road at-grade public road crossing (the "work"), with all or a portion of such work to be performed on property of Railroad in the vicinity of the Railroad's Mile Post 8.95 on the Railroad's Spokane Subdivision in Spokane Valley, Spokane County, Washington, as such location is in the general location shown on the Railroad Location Print marked **Exhibit A**, attached hereto and hereby made a part hereof, which work is the subject of a contract dated _____ between Railroad and the City of Spokane Valley.
(Date of Contract)

~~The Railroad is willing to permit the Contractor to perform the work described above at the location described above subject to the terms and conditions contained in this Agreement~~

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between Railroad and Contractor, as follows:

ARTICLE 1 - DEFINITION OF CONTRACTOR.

For purposes of this Agreement, all references in this agreement to Contractor shall include Contractor's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority.

ARTICLE 2 - RIGHT GRANTED; PURPOSE.

Railroad hereby grants to Contractor the right, during the term hereinafter stated and upon and subject to each and all of the terms, provisions and conditions herein contained, to enter upon and have ingress to and egress from the property described in the Recitals for the purpose of performing the work described in the Recitals above. The right herein granted to Contractor is limited to those

portions of Railroad's property specifically described herein, or as designated by the Railroad Representative named in Article 4.

ARTICLE 3 - TERMS AND CONDITIONS CONTAINED IN EXHIBITS B, C & D.

The terms and conditions contained in **Exhibit B**, **Exhibit C** and **Exhibit D**, attached hereto, are hereby made a part of this Agreement.

ARTICLE 4 - ALL EXPENSES TO BE BORNE BY CONTRACTOR; RAILROAD REPRESENTATIVE.

- A. Contractor shall bear any and all costs and expenses associated with any work performed by Contractor, or any costs or expenses incurred by Railroad relating to this Agreement.
- B. Contractor shall coordinate all of its work with the following Railroad representative or his or her duly authorized representative (the "Railroad Representative"):

Jacob Allen
Manager Track Maintenance
Union Pacific Railroad Company
4315 East Sprague Avenue
Spokane, WA 99212
Phone: 509-536-5233
Fax: 402-501-1937
Cell: 541-525-5681

Curt Douglas
Manager Signal Maintenance
Union Pacific Railroad Company
1150 Jefferson Avenue
LaGrande, OR 97850
Phone: 541-962-2245
Fax: 541-962-2260
Cell: 541-501-0736

- C. Contractor, at its own expense, shall adequately police and supervise all work to be performed by Contractor and shall ensure that such work is performed in a safe manner as set forth in Section 7 of **Exhibit B**. The responsibility of Contractor for safe conduct and adequate policing and supervision of Contractor's work shall not be lessened or otherwise affected by Railroad's approval of plans and specifications involving the work, or by Railroad's collaboration in performance of any work, or by the presence at the work site of a Railroad Representative, or by compliance by Contractor with any requests or recommendations made by Railroad Representative.

ARTICLE 5 - TERM; TERMINATION.

- A. The grant of right herein made to Contractor shall commence on the date of this Agreement, and continue until _____, unless sooner terminated as herein provided, or
(Expiration Date)
at such time as Contractor has completed its work on Railroad's property, whichever is earlier. Contractor agrees to notify the Railroad Representative in writing when it has completed its work on Railroad's property.
- B. This Agreement may be terminated by either party on ten (10) days written notice to the other party.

ARTICLE 6 - CERTIFICATE OF INSURANCE.

- A. Before commencing any work, Contractor will provide Railroad with the (i) insurance binders, policies, certificates and endorsements set forth in **Exhibit C** of this Agreement, and (ii) the insurance endorsements obtained by each subcontractor as required under Section 12 of **Exhibit B** of this Agreement.
- B. All insurance correspondence, binders, policies, certificates and endorsements shall be sent to:

*Union Pacific Railroad Company
Real Estate Department
1400 Douglas Street, MS 1690
Omaha, NE 68179-1690
UPRR Folder No.: 717-64*

ARTICLE 7 - DISMISSAL OF CONTRACTOR'S EMPLOYEE.

At the request of Railroad, Contractor shall remove from Railroad's property any employee of Contractor who fails to conform to the instructions of the Railroad Representative in connection with the work on Railroad's property, and any right of Contractor shall be suspended until such removal has occurred. Contractor shall indemnify Railroad against any claims arising from the removal of any such employee from Railroad's property.

ARTICLE 8 - ADMINISTRATIVE FEE.

Upon the execution and delivery of this Agreement, Contractor shall pay to Railroad **FIVE HUNDRED DOLLARS (\$500.00)** as reimbursement for clerical, administrative and handling expenses in connection with the processing of this Agreement.

ARTICLE 9 - CROSSINGS.

No additional vehicular crossings (including temporary haul roads) or pedestrian crossings over Railroad's trackage shall be installed or used by Contractor without the prior written permission of Railroad.

ARTICLE 10 - EXPLOSIVES.

Explosives or other highly flammable substances shall not be stored on Railroad's property without the prior written approval of Railroad.



IN WITNESS WHEREOF, the parties hereto have duly executed this agreement in duplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY
(Federal Tax ID #94-6001323)

By: _____
PAUL G. FARRELL
Senior Manager Contracts

(Name of Contractor)

By _____

Title: _____

EXHIBIT D

To Supplemental Agreement
(Existing Public Road Crossing Improvement)

Cover Sheet for the
Current Applicable Additives



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF ROADS

John L. Crnig, Director

1500 Highway 2 • PO Box 94759 • Lincoln NE 68509-4759
Phone (402) 471-6567 • FAX (402) 479-1325 • www.dor.state.ne.us

December 27, 2007

To: All State Transportation Agencies with Union Pacific Railroad Company (UPRR) Trackage

Subject: FHWA Approval of Union Pacific Railroad Company January 1, 2004 Additive Rates

On December 26, 2007, FHWA approved Union Pacific Railroad Company's 2004 Billing Rates for Labor Surcharges, Overhead and Indirect Construction Costs, Equipment Costs and Force Account Insurance. Union Pacific has been notified of the approval and has been requested to update their billing procedures to reflect these new rates.

FHWA's approval was based upon a review performed by the Nebraska Dept. of Roads. Copies of the review, Report No. 2008-12, and FHWA's December 26, 2007, approval letter are included with this transmittal. You will find the approved rate schedules in PART II of the report. *Please pass this information on to the appropriate administrative and rail agreement officials within your agency.*

All State Transportation agencies are expected to reimburse the Railroad for the Labor Surcharge cost components (Section 1 in Schedules A and B). The Overhead and Indirect Construction Costs (Section 2 in Schedules A and B), are allowable under 23 CFR 140.907, but your Agency is not required to reimburse the Railroad for these cost components. *Since reimbursement of these costs is voluntary, we ask that you inform Union Pacific of your intentions and identify which, if any, cost components you will reimburse.*

New, for 2004, was the addition of Equipment Additive rates, in lieu of billing direct hours/miles of use. These rates are only applicable for labor performed by personnel within the Maintenance of Way - Agreement labor cost pool. For work that involves signal or flagging labor, the Vehicles, only rate should be used. For work that involves track labor, the Vehicles, Machines & Work Equipment rate should be used.

Also, a change was made in the Transportation Department's TE&Y - Road labor group. Occupational training labor costs were moved out of the Labor Surcharge - Other Benefits line and moved into the Supporting Costs - Transportation Department Specific - Employee Safety/Training line.

If you have any questions, please contact me at 402-479-4558, or Al Sand at 402-479-4403.

Jim Dietsch, Highway Audit Manager
Controller Division - Audit Section
Nebraska Dept. of Roads
PO Box 94759
Lincoln, NE 68509-4759

SHA Distribution:

- | | | | | |
|----------------|---------------|---------------|--------------|----------------|
| 1. Arizona | 2. Arkansas | 3. California | 4. Colorado | 5. Idaho |
| 6. Illinois | 7. Iowa | 8. Kansas | 9. Louisiana | 10. Minnesota |
| 11. Missouri | 12. Montana | 13. Nebraska | 14. Nevada | 15. New Mexico |
| 16. Oklahoma | 17. Oregon | 18. Tennessee | 19. Texas | 20. Utah |
| 21. Washington | 22. Wisconsin | 23. Wyoming | | |

Copy: Union Pacific Railroad
Nebraska Division FHWA - Lincoln

Attachments: NOOR Review Report No. 2008-12
December 26, 2007, FHWA Approval Letter



US Department
of Transportation
Federal Highway
Administration

100 Centennial Mall North, Room 220
Lincoln, NE 68508-3851
Nebraska.FHWA@FHWA.DOT.GOV

December 26, 2007

In Reply Refer To:
HAD-NE

NEBRASKA DIVISION FHWA

Mr. Jim Dietsch
Highway Audit Manager
Nebraska Department of Roads
PO Box 94759
Lincoln, NE 68509-4759

Dear Mr. Dietsch,

Your letter of October 3, 2007 requests, in accordance with 23 CFR 140.906(b)(1)(iv), Federal Highway Administration (FHWA) review and approval of Union Pacific Railroad Company Labor Additive Rates effective as of January 1, 2004. The request is supported by Nebraska Department of Roads (NDOR) Review Report No. 2008-12.

A review of the attached report has been completed. FHWA finds the review and labor additive rates acceptable and approves their use effective January 1, 2004. FHWA is requesting a copy of the NDOR approval notification letter when it is sent to Union Pacific Railroad Company for our files.

In conjunction with your notification to the twenty-three State Transportation Departments listed in your letter, we will forward copies of the review and appropriate correspondence to the FHWA Division Financial Manager in each state.

Please contact me at (402) 437-5966 if you have any questions.

Sincerely yours,

Richard L. Kuzelka
Transportation Finance Manager



**BUCKLE UP
AMERICA**

REVIEW OF

UNION PACIFIC RAILROAD COMPANY
1400 DOUGLAS STREET
OMAHA, NEBRASKA 68179

ADDITIVE RATES FOR
LABOR SURCHARGES
OVERHEAD and INDIRECT CONSTRUCTION COSTS
FORCE ACCOUNT INSURANCE, and
EQUIPMENT COSTS

This report is prepared for use of Nebraska Department of Roads administration officials. Final determinations establishing the official position of the Nebraska Department of Roads on the matters reported herein are made by these officials.

Date Issued: October 3, 2007

Nebraska Department of Roads
Controller Division - Audit Section
Report No. 2008-12

Approved: James A. Dietsch
James A. Dietsch
Highway Audit Manager

PART I - SCOPE AND OPINION

A. Scope of Review

We have reviewed the January 1, 2004 additive rates for Labor Surcharges, Overhead and Indirect Construction Costs, Force Account Insurance, and Equipment Costs of the Union Pacific Railroad Company (UPRR). The rates were based on 2004 calendar year costs and are the responsibility of the UPRR. Our responsibilities were to provide reasonable assurances that the rate methodology was reasonable, that cost components and labor bases were representative of actual allowable costs or cost estimates in accordance with 23 CFR, Part 140J and 646B, and Title 48 of the Code of Federal Regulations, Chapter 1, Subpart 31.2, Contracts with Commercial Organizations (48 CFR 1-31.2), and that the rate computations were accurate.

Our review procedures included examining, on a test basis, the evidence supporting the rate computations. We believe the tests and procedures that we used in our examination provided a reasonable basis for our conclusion.

B. Conclusions and Recommendations

Our review indicates the Union Pacific's rates are based upon a reasonable methodology, that they were representative of actual eligible costs or cost estimates, and that the computations were accurate.

We recommend that the rates shown in PART II - SUMMARY SCHEDULES of this report be accepted by the Federal Highway Administration for use on Federal and State Highway project billings.

Reimbursement of the Overhead and Indirect Construction Costs components is also subject to State Agency approval. According to FAPG 23CFR 140.907, State's have the opportunity to "elect" to reimburse the railroad company for these costs. As a result, each State will have to determine the extent to which they wish to participate in these costs and notify the Railroad accordingly.

C. Comments

The equipment additive is applicable to Maintenance-of-Way Agreement labor, only. The additive cost pool includes short and long term leases, taxes, depreciation, maintenance, repairs, and fuel, for both company owned and company leased vehicles, equipment and machinery. The cost pool also includes reimbursements to UPRR employees for automobile rentals and use of personal vehicles. When the additive is used on project billings, there should be no direct charges for the types of expenses included in the cost pool. If a Contractor performs work on a project, charges for their vehicles, equipment, machinery and operators will continue to be billed as a direct cost to the project.

The Vehicle rate portion of the Equipment additive should be applied to signal and flagging labor. The Combined Vehicle, Machines/Work Equipment rate should be applied to track labor.

Bill Clerk time is included within the Clerical Supervision and Benefits line item of the MofW Department Support Cost component. For Agencies that reimburse the Union Pacific for the Clerical Supervision and Benefits line item cost, Bill Clerk time should not be billed or allowed as a direct cost item. For Agencies that have chosen not to reimburse the Union Pacific for this line item cost, Bill Clerk time would be allowable as a direct cost and the MofW-Agreement labor surcharge would apply.

In the TE&Y - Road labor group, we moved occupational training labor costs out of the Labor Surcharge - Other Benefits line item and placed it in the Supporting Cost - Transportation Department Specific - Employee Safety/Training line item. It is Union Pacific management's responsibility to negotiate with each State Agency regarding reimbursement of these costs.

The results of this review have been discussed with representatives of the Union Pacific Railroad. They have agreed to accept the rates as shown in the PART II - SUMMARY SCHEDULES.

D. Applicability

Use of these rates for billing purposes is contingent upon approval by the FHWA. Upon their approval, the rates should be applied to labor costs incurred in 2004 and after, under those actual cost agreements where final payment to the Company has not been made. The rates should remain in effect until a subsequent rate has been approved by FHWA.

This report is intended for use by the Union Pacific Railroad Company, the Federal Highway Administration and the State Transportation/Highway Agencies or equivalent agencies in the States where UPRR operates and is not intended to be used by anyone other than those specified parties.

PART II – SUMMARY SCHEDULE**A. Schedule of Maintenance of Way Additive Rates Effective January 1, 2004**
Based upon costs for the year ending December 31, 2004

	<u>Agreement - Labor</u>		<u>Non-Agreement - Labor</u>	
	<u>Line Item Rate</u>	<u>Cumulative Total</u>	<u>Line Item Rate</u>	<u>Composite Rate</u>
1. Labor Surcharges per FAPG 23CFR 140.906(b):				
a. Payroll Taxes	24.60%		17.51%	
b. Health & Welfare	25.74%		16.91%	
c. Vacation/Sick/Holiday/Pd Leave	10.79%		5.58%	
d. Other Benefits	<u>1.85%</u>		<u>9.43%</u>	
Labor Surcharge Total	62.98%	62.98%	49.43%	49.43%
2. Overhead and Indirect Construction Costs per FAPG 23CFR 140.907:				
a. Supporting Costs				
1. MoW Department Specific				
(a) - Clerical Supervision and Benefits	4.62%		4.62%	
(b) - Non/Agreement Supervision and Benefits	14.65%		14.65%	
(c) - Supplies and Services				
(1) - Small Tools and Supplies	2.18%		2.18%	
(2) - Miscellaneous Material	2.15%		2.15%	
(3) - Stationary & Office Supplies	0.46%		0.46%	
(4) - Industrial Gases	0.12%		0.12%	
(5) - Radios, Station/Yard Supplies, etc.	1.14%		1.14%	
(d) - Utilities/Phones	3.63%		3.63%	
(e) - Employee Safety/Training	<u>0.94%</u>		<u>0.94%</u>	
Sub-total for MoW Department Specific Costs	29.89%	92.87%	29.89%	79.32%
2. Allocated/Other Departments				
(a) - Operating Department Support Costs	10.09%		10.09%	
(b) - Bonuses	0.10%		0.10%	
(c) - Stock Options	1.25%		1.25%	
(d) - Undistributed Costs	2.15%		2.15%	
(e) - Finance	2.54%		2.54%	
(f) - Human Resources	2.20%		2.20%	
(g) - Information Technology	6.96%		6.96%	
(h) - Labor Relations	0.49%		0.49%	
(i) - Depreciation Office/Computers	3.06%		3.06%	
(j) - Property Tax	<u>0.23%</u>		<u>0.23%</u>	
Sub-total for Allocated/Other Departments Costs	<u>29.07%</u>		<u>29.07%</u>	
Total	58.96%	121.94%	58.96%	108.39%
b. General Administration	6.31%	128.25%	6.31%	114.70%
3. Force Account Insurance	16.00%		16.00%	
4. Equipment Costs				
a. Vehicles, only – For use with Signal and Flagging Labor	23.51%		n/a %	
b. Vehicles, Machines & Work Equipment – For use with Track Labor	60.34%		n/a %	

PART II – SUMMARY SCHEDULE**B. Schedule of Transportation Additive Rates Effective January 1, 2004****Based upon costs for the year ending December 31, 2004**

	<u>TE&Y - Road</u>		<u>Tran Supv - Agreement Labor</u>	
	<u>Line Item Rate</u>	<u>Cumulative Total</u>	<u>Line Item Rate</u>	<u>Composite Rate</u>
1. Labor Surcharges per FAPG 23CFR 140.906(b):				
a. Payroll Taxes	24.84%		27.09%	
b. Health & Welfare	19.89%		28.46%	
c. Vacation/Sick/Holiday/Pd Leave	12.34%		16.50%	
d. Other Benefits	4.98%		8.32%	
e. Protection/Guarantee Pay	13.53%		0.00%	
Labor Surcharge Total	75.58%	75.58%	80.37%	80.37%
2. Overhead and Indirect Construction Costs per FAPG 23CFR 140.907:				
a. Supporting Costs				
1. Transportation Department Specific				
(a) - Clerical Supervision and Benefits	8.41%		8.41%	
(b) - Non/Agreement Supervision and Benefits	12.52%		12.52%	
(c) - Supplies and Services				
(1) - Small Tools and Supplies	0.00%		0.00%	
(2) - Miscellaneous Material	0.48%		0.48%	
(3) - Stationary & Office Supplies	1.56%		1.56%	
(4) - Industrial Gases	0.00%		0.00%	
(5) - Radios, Station/Yard Supplies, etc.	0.64%		0.64%	
(d) - Travel	0.69%		0.69%	
(e) - Utilities/Phones	2.12%		2.12%	
(f) - Employee Safety/Training	4.60%		4.60%	
(g) - Transportation/Lodging – (TE&Y Labor only)	12.24%		n/a%	
(h) - Engineer/Trainman Reserve Allowance (TE&Y Labor Only)	0.20%		n/a%	
Sub-total for Transportation Department Specific Costs	43.46%	119.04%	31.02%	111.39%
2. Allocated/Other Departments				
(a) - Operating Department Support Costs	9.75%		9.75%	
(b) - Bonuses	0.07%		0.07%	
(c) - Stock Options	0.93%		0.93%	
(d) - Undistributed Costs	2.08%		2.08%	
(e) - Finance	2.45%		2.45%	
(f) - Human Resources	2.13%		2.13%	
(g) - Information Technology	6.73%		6.73%	
(h) - Labor Relations	0.48%		0.48%	
(i) - Depreciation Office/Computers	2.96%		2.96%	
(j) - Property Tax	0.22%		0.22%	
Sub-total for Allocated/Other Departments Costs	27.80%		27.80%	
Total	71.26%	146.84%	58.82%	139.19%
b. General Administration	6.10%	152.94%	6.10%	145.29%
3. Force Account Insurance	16.00%		16.00%	
4. Equipment Costs				
a. Vehicles	n/a %		n/a %	
b. Machines/Work Equipment	n/a %		n/a %	