

Request for Proposals

Rural and Farmstead Ring Levees 2023-2025

Grant Overview

The Minnesota Department of Natural Resources (DNR) has grant funding available for design and construction of ring levees to protect farmsteads and other rural sites that are vulnerable to flooding in the Red River Basin (RRB). Ring levees are earthen embankments typically three to six feet above grade and enclosing approximately one to five acres, designed and constructed to prevent entry of flood waters into areas containing residences, other high-value structures, drinking water wells, septic systems, harvested agricultural commodities and/or farm equipment.

Grants will be administered on a reimbursement basis. Only local and tribal governments within the State of Minnesota may receive the funds. They will be authorized to construct levees on private or public properties where there is landowner consent and participation.

Applicants should understand that construction of a ring levee will not change the official FEMA map in that area, nor the mandatory flood insurance requirement for federally backed loans for structures in the floodplain.

Funding Availability

The DNR has \$360,000 to award for ring levees constructed in the RRB through June 30, 2025. The RRB includes portions of 21 counties in northwest Minnesota. This funding must be matched one-for-one with non-state funds, meaning that the total cost of all levees constructed could be at least \$720,000. The DNR anticipates this will enable ring levees to be constructed on at least six to nine individual sites.

There is no limit on the amount of an individual award; however evaluation of applications will consider the typical costs of ring levees constructed in the past (escalated to current dollars).

Funding will be allocated through a competitive process with review by a committee representing specialists on flood protection with regional knowledge of the RRB and prior programs to support construction of ring levees (a.k.a. ring dikes). If selected, the grant recipient may only incur eligible expenditures when the grant contract agreement is fully executed and the grant has reached its effective date. All activities funded by these grants and the associated matching contributions must be completed no later than June 30, 2025.

Following construction of the ring levee, the landowner and/or grantee will have sole responsibility for ongoing maintenance and repairs. The State will bear no ongoing costs for the ring levees after construction.

Minimum Requirements:

Applicants must meet the minimum requirements listed below in order to be considered for this grant opportunity.

Per direction from the Legislature, the funding source is Minnesota's Environment and Natural Resources Trust Fund (ENRTF). Use of funding from this source requires that funded projects produce natural resource benefits. Therefore the criteria in this RFP include consideration of this factor.

In order for an application to be considered, applicants must demonstrate:

1. That the site planned for ring levee construction is within the drainage area of the RRB in Minnesota (the DNR can assist in making this determination if needed), and is outside the boundaries of any incorporated city or town.
2. That the project site has been used for the purposes identified for protection for at least five consecutive years before the date of the award. And that the landowner intends to continue using the protected site for this purpose for the foreseeable future (or declares any planned changes in use of the protected site in the application submitted).
3. That the site is substantially at risk from flooding.
4. That protection of the identified area will reduce the risk of flood water coming into contact and mobilizing fuels, chemicals, fertilizers, other hazardous substances, animal manure or wastewater in septic systems; or that the ring dike will provide other benefits to the environment and natural resources consistent with the ENRTF funding source.
5. That the ring levee will not be constructed on a property owned by a federal or state government agency. Properties owned by local governments or tribal agencies may be eligible if they are operated for the benefit of local residents and otherwise meet the eligibility criteria.
6. That the applicant can meet the matching requirement using non-state funds/resources.

Applicants are responsible to consult with the appropriate floodplain management authority in the jurisdiction where the ring levee is proposed and, if funding is awarded, to comply with all applicable regulations of that authority.

Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [Policy 08-02](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities. The legislative appropriation specifies that funding will be available only for protection of rural sites in the Red River Basin. In addition, the grant application process and associated outreach is designed to ensure that tribal communities in the Red River Basin have meaningful opportunities to receive funding to meet their identified needs. Scoring will reflect this approach.

This grant will provide opportunities to reduce flood risk to:

- Farm owners/operators, rural residents and rural business owners within the Red River Basin; including but not limited to:
- Tribal communities, members or descendants in these categories within the Red River Basin.

Grant outcomes will include:

- Reduced risk of damages from flooding to the farms, rural residences and/or rural businesses where the ring levees are constructed.
- Reduced risk of harmful substances being mobilized by flood waters and harming water quality and/or aquatic life; or other demonstrable benefits to environmental quality and natural resources in Minnesota.
- Reduced risk of contamination to rural, domestic wells that supply drinking water.

Consistent with the appropriation language, the DNR will give preference to proposals for protecting farmsteads operated in conjunction with in commercial agricultural operations.

Engineering Requirements

Ring levees must be designed by a professional engineer licensed in Minnesota and/or use standard designs approved by the State of Minnesota or a federal agency for ring levees intended to protect farmsteads or similar sites from flood damages. The levee's design lifetime must be at least 40 years and the agreement with the landowner must encourage maintenance practices designed to promote longevity of the levee. The DNR encourages, but will not require, that levees be planted with a seed mix favorable for pollinators suitable for use in northwest Minnesota.

Repairs, rehabilitation or replacement of existing ring levees will not be eligible for funding. Improvements to an existing ring levee that extend the area protected or raise the elevation to protect against higher flood levels compared with the original design will be eligible for funding.

The ring levees must be designed to withstand a design flood with an annual probability of occurrence of one percent ("100-year flood"), and the levee crest must be set at least one foot higher than the elevation of that flood. If the 100-year flood level is not defined for the area, then the levee crest must be set at least two feet higher than the flood of record.

Ring levees constructed with the grant cannot be unusually vulnerable to deterioration or failure due to topographic position, proximity to watercourses posing erosion risk, or other site conditions. Ring levees will not be funded in floodway designated by the Federal Emergency Management Agency.

Eligibility

An applicant must be a local government or tribal entity authorized to receive and manage public grant funds and to construct civil works in the State of Minnesota. Examples include but are not limited to: watershed districts, counties, townships and tribal governments.

Applicants must demonstrate they have the managerial, administrative, and fiscal capacity to manage state grants effectively and to comply with all associated legal and administrative requirements. Applicants determined to have performed poorly in receiving prior grants from the DNR or other Minnesota state agencies may be excluded from consideration.

Grantees must enter into binding, written contracts with the private owner of the property where the ring levee will be constructed, which must include appropriate guarantees for the use of the state grant for the intended purposes and criteria.

The site proposed for protection by a ring levee must have: a) a history of severe and repeated flooding, or b) convincing technical information indicating there is substantial risk of flooding in the future due to changed circumstances outside of the landowner's control.

Competitive Priorities

Top priority will be given to protecting sites that include both homes and commercial farm buildings/ infrastructure (i.e. "farmsteads"). Secondary priority will be given to rural homes without commercial farm infrastructure. Third priority will be sites that do not include a regularly-occupied residence and that have commercial farm buildings, non-farm businesses or public amenities.

Selection Criteria and Weight

The DNR will evaluate each application to determine whether it meets the minimum requirements and applicant eligibility requirements listed above. Applications meeting these requirements will be scored against the specific criteria listed in this section. The scoring factors and relative weights are based on:

- Legislative language in the 2022 appropriation bill that authorized the ring levee grants;
- DNR’s history since 1997 administering similar grants for ring levees in the Red River Basin;
- Requirements of the state’s Environment and Natural Resources Trust Fund (ENRTF) that the Legislature specified as the source of funds for this program.
- DNR policy to ensure diversity and inclusion in grant-making.

Scoring Procedure:

Criteria	Points
Use of the area to be protected by the proposed levee	
1. Farmstead (rural residence with buildings supporting a commercial farm operation)	25
2. Rural residence without such buildings (or with minimal farm buildings)	15
3. Rural farm buildings without an active residence	10
4. Other rural business or public amenity without an active residence.	10
Cost in comparison with similar ring levees constructed in the RRB since 2010. All costs will be adjusted to current-year dollars. The DNR will perform this comparison and the evaluations will use different datasets for different categories of land use protected (e.g. farmstead with residence vs. residence only).*	
1. Cost within the lowest 25 th percentile of similar projects	25
2. Cost within the 26 th to 50 th percentile of similar projects	15
3. Cost within the 51 st to 75 th percentile of similar projects	10
4. Cost greater than the 75 th percentile of similar projects	0
New vs. extended and/or raised levee	
1. The grant will fund a new levee	25
2. The grant will extend or raise an existing levee (or both)	10
Natural resource benefit in addition to avoiding contact with fuels, fertilizers, chemicals, etc. (these two point categories are additive)	
1. Project will substantially enhance water quality due to site characteristics and/or proximity to highly vulnerable water resources or significant ecological sites.	15
2. Project offers substantial natural resource benefits besides water quality (e.g. plantings consistent with levee integrity that provide food or habitat for pollinators)	15
Diversity (Policy 08-02)	
1. Farmstead is owned by a federally-recognized tribal government in Minnesota or an enrolled member or a recognized descendant of such tribe.	15

* If available data is not sufficient to assign project costs to meaningful percentiles, the DNR may substitute an alternate cost comparison.

The maximum possible score is **120 points**. An application must score **at least 65 points** in order to receive a grant.

In the event multiple applications are being evaluated at the same time, the State will allocate funding based on the relative scores achieved.

Eligibility of matching costs

To achieve the one-to-one matching requirement with non-State funds, applicants may include the costs of:

- Ring levee construction consistent with the grant application.
- Ring levee design per the engineering requirements listed in this RFP.
- Site-specific land survey and/or geotechnical investigation necessary to prepare the design;
- Site-specific hydrologic or hydraulic analysis used as a basis for the design;
- Project-specific administrative activities, including bidding, contract management, legal review and construction management.

For purposes of the non-state match, the cost of site-specific analysis, site investigation/ characterization, and site-specific levee design may have been incurred up to 12 months prior to formal award of the grant. This does not apply to expenses to be reimbursed using State funds.

Questions:

- Questions may be submitted by phone or email to DNR's Red River Basin Coordinator Andrew Graham at 218-606-0128 or Andrew.Graham@state.mn.us . Please copy the DNR's Flood Hazard Mitigation Program Manager: Pat.Lynch@state.mn.us.
- Questions will normally be answered within five working days of submittal, subject to staff availability.
- Questions submitted and answers provided will be posted to the DNR's Flood Hazard Mitigation web page.

Application Content

An application form specifying all information and attachments required will be posted in conjunction with this RFP. Please consult the application form to identify the materials required. Please do not submit any other materials. Unrequested materials will not be reviewed.

Application Submission:

Applications may be submitted at any time from posting of this RFP in February 2023 to January 31, 2025 and will be considered on a rolling basis during that period. DNR anticipates this will enable construction to occur in two full and one partial construction seasons. Applicants should submit their applications well in advance of the intended construction season to allow time for evaluation of the application, preparation of a grant agreement, and other related steps. Applications received after the final date listed above will not be considered. The applicant will incur all costs incurred in applying to this RFP.

Applications may be submitted by email to the Minnesota DNR's Red River Basin Coordinator, at: Andrew.Graham@state.mn.us

Review Process and Timeline

The DNR will assign evaluation of all eligible and complete applications received within the time frame listed above to a review committee. The DNR will be solely responsible for award decisions. *The award decisions of the DNR are final and not subject to appeal.*

Conflicts of Interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minn. Stat. §16B.98 Subd. 2-3](#) and [08-01 Conflict of Interest in State Grant-Making Policy](#).

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice to the Department due to competing duties or loyalties
- a grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is in question or disclosed, the applicants or grantees will be notified and actions may be pursued, including but not limited to, revising the grant work plan or grantee duties to mitigate the risk, requesting the grant applicant to submit an organizational conflict of interest mitigation plan, disqualification from eligibility for the grant award, amending the grant, or termination of the grant contract agreement.

Public Data

Per [Minn. Stat. § 13.599](#)

- Names and addresses of grant applicants and amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, when all grant contract agreements have been fully executed.
- All data created or maintained by [State agency] as part of the evaluation process (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, when all grant contract agreements have been fully executed.

Grant Provisions

The grants described in this Request for Proposal were authorized in the following legislation:

HF 3765 [2022 Leg Session]

24.32 (g) Rural and Farmstead Ring Levees

\$360,000 the second year is from the trust fund to the commissioner of natural resources for grants to assist in constructing rural and farmstead ring levees for flood protection in the Red River watershed. A grant may not exceed 50 percent of the cost of the project.

The "trust fund" means the State's Environment and Natural Resource Trust Fund (ENRTF).

Requirements pertaining to use of the ENRTF can be found in Minnesota Statutes Chapter 116P. DNR's

administration of the rural and farmstead ring levees funding must comply with these and other applicable requirements.

A grant contract template will be provided to any applicant or prospective applicant upon request.

Ineligible expenses include but are not limited to:

- Repair, replacement or maintenance of existing ring levees;
- Reimbursement for the value or opportunity cost of land to be occupied by the proposed ring levees.
- Items listed as ineligible or prohibited in the document “Guidance on Allowable Expenses,” January 2023 update from the LCCMR.

Accountability and Reporting

Upon completion of construction, the grantee must submit a written statement indicating the project is complete and complies with the grant agreement, accompanied by as-built documents prepared and stamped by the design engineer.

Grant Payments

Grant payments will be on a reimbursement basis after the grantee has incurred eligible expenses. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless the DNR has given the grantee a written extension.

Grant Monitoring

[Minn. Stat. §16B.97](#) and [Policy 08-10](#) Grant Monitoring require the following:

- One monitoring visit during the grant period on all state grants of \$50,000 and higher
- Annual monitoring visits during the grant period on all grants of \$250,000 and higher
- Conducting a financial reconciliation of grantee’s expenditures at least once during the grant period on grants of \$50,000 and higher. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and any other supporting documents available upon request by the State.

Grantee Bidding Requirements

Grantees that are municipalities (including counties, watershed districts and certain other local governments) must follow:

- The contracting and bidding requirements in the Uniform Municipal Contracting Law as defined in [Minn. Stat. §471.345](#)
- The requirements of prevailing wage for grant-funded projects that include construction work of \$25,000 or more, per [Minn. Stat. §§177.41](#) through [177.44](#) These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

Grantees that are tribal governments or agencies thereof must follow the adopted contracting and bidding requirements that apply to their organization. A copy of these requirements must be provided to the DNR for compliance monitoring purposes.

The grantee must not contract with vendors who are suspended or debarred in MN:
<http://www.mmd.admin.state.mn.us/debarredreport.asp>

Audits

Per [Minn. Stat. §16B.98](#) Subdivision 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant contract agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative Action and Non-Discrimination requirements for all Grantees:

- A. The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. [Minn. Stat. §363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.
- B. The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minnesota Rules, part [5000.3500](#)
- C. The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Voter Registration Requirement:

As applicable, the grantee will comply with [Minn. Stat. §201.162](#) by providing voter registration services for its employees and for the public served by the grantee.

Contact Information: For more information about this RFP, contact:

Minnesota Department of Natural Resources
Region 1 – Division of Ecological and Water Resources
Attn: Red River Basin Coordinator
2115 Birchmont Beach Rd NE
Bemidji, MN 56601

Andrew.Graham@state.mn.us
(218) 606-0128

Pat.Lynch@state.mn.us
(651) 259-5691

Exhibits (posted with the RFP)

- Grant Application Form
- Grant agreement template
- Pass-Through Grants Reimbursement Manual (DNR)
- Guidance on Allowable Expenses (LCCMR – updated January 2023)