

Table of Contents

Chapter 1. Definitions

Chapter 2. Introduction

2.1	Forward	2-1
2.2	Program Goals & Objectives	2-2
2.2.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-2
2.2.2	Section 5311 – Rural and Small Urban Areas Program	2-2
2.2.3	Section 5316 – Job Access and Reverse Commute (JARC) Program	2-3
2.2.4	Section 5317 – New Freedom Program.....	2-3
2.3	Roles & Responsibilities	2-4
2.3.1	Federal Transit Administration	2-4
2.3.2	State Administrative Agency	2-4
2.3.3	Grantees	2-4
2.4	Eligible Applicants	2-5
2.4.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-5
2.4.2	Section 5311 – Rural and Small Urban Areas Program	2-5
2.4.3	Section 5316 – Job Access and Reverse Commute (JARC) Program.....	2-6
2.4.4	Section 5317 – New Freedom Program.....	2-6
2.4.5	Section 5309 – Transit Capital Investment Program	2-6
2.5	Requirements	2-7
2.5.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-7
2.5.2	Section 5311 – Rural and Small Urban Areas Program	2-7
2.5.3	Section 5316 – Job Access and Reverse Commute (JARC) Program.....	2-7
2.5.4	Section 5317 – New Freedom Program.....	2-8
2.5.5	Section 5309 – Transit Capital Investment Program	2-8
2.6	Project Selection & Method Of Distributing Funds	2-8
2.6.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-8
2.6.2	Section 5311 – Rural and Small Urban Areas Program	2-9
2.6.3	Section 5311(f) Intercity Bus Transportation.....	2-10
2.6.4	Section 5316 Job Access and Reverse Commute Program (JARC).....	2-11
2.6.5	Section 5317 New Freedom Program.....	2-11
2.6.6	Section 5309 – Transit Capital Investment Program	2-12

2.7	Program Goals	2-12
2.7.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-12
2.7.2	Section 5311 – Rural and Small Urban Areas Program.....	2-13
2.7.3	Section 5316 – Job Access and Reverse Commute (JARC).....	2-14
2.7.4	Section 5317 – New Freedom Program	2-15
2.8	Eligible Assistance Categories	2-16
2.8.1	Section 5310 – Transportation for Elderly Persons and Persons with Disabilities	2-16
2.8.2	Section 5311 – Rural and Small Urban Areas Program.....	2-16
2.8.3	Section 5316 – Job Access and Reverse Commute (JARC).....	2-16
2.8.4	Section 5317 – New Freedom Program	2-17
2.9	Annual Program Development and Approval Process	2-17
2.9.1	Section 5310 – Elderly Individuals and Individuals with Disabilities Program.....	2-17
2.9.2	Section 5311 – Rural and Small Urban Areas Program .	18
2.9.3	Section 5316 – Job Access and Reverse Commute (JARC).....	2-19
2.9.4	Section 5317 – New Freedom Program	2-20
2.10	Human Services Transportation Plan	2-24
2.10.1	Overview.....	2-24
2.11	Program Requirements	2-26
2.11.1	Coordination	2-26
2.11.2	Private Sector Participation.....	2-27
2.11.3	Civil Rights and Disadvantaged Business Enterprise (DBE).....	2-27
2.11.4	Section 504 and ADA	2-28
2.11.5	Charter Service.....	2-28
2.11.6	Drug and Alcohol Testing Program	2-30
2.11.7	Hazard and Security Plans	2-31
2.11.8	Other Provisions	2-32
2.11.9	Section 5311 Service Expansion	2-32
2.12	Rural Transit Assistance Program (RTAP)	2-32

Chapter 3. Program Management

3.1	Introduction	3-1
3.2	Program Guidance	3-2
3.2.1	Local References.....	3-5
3.3	Rural Transit Assistance Program (RTAP)	3-5
3.3.1	Section 5311.....	3-5
3.3.2	Section 5310.....	3-6
3.3.3	Section 5316.....	3-6

3.3.4	Section 5317	3-6
3.3.5	Regional Training	3-6
3.4	Funding, Distribution And Eligibility.....	3-7
3.4.1	Federal Distribution of Funds.....	3-7
3.4.2	IDOT Distribution of Funds	3-7
3.5	Grant Applications	3-14
3.5.1	Filing Periods.....	3-14
3.5.2	Joint Applications (Section 5311).....	3-18
3.5.3	Review of Financial Assistance Applications	3-18
3.5.4	Approval of a Program of Proposed Expenditures	3-21
3.5.5	Acknowledgment of Applications	3-24
3.5.6	Notification of Evaluation and Review.....	3-24
3.5.7	Application Assistance Class (Section 5310).....	3-24
3.6	Contracts and Financial Management	3-25
3.6.1	Third Party Contracting.....	3-25
3.6.2	Standards.....	3-26
3.6.3	Methods of Competitive Procurement.....	3-31
3.6.4	Procurement by Competitive Request for Proposals... ..	3-33
3.6.5	Procurement of Architectural and Engineering (A&E) Services	3-33
3.6.6	Procurement by Noncompetitive Proposals (Sole Source).....	3-34
3.6.7	Contract Options.....	3-35
3.6.8	Contract Cost and Price Analysis	3-35
3.6.9	Federal Cost Principles.....	3-36
3.6.10	Bonding Requirements	3-36
3.6.11	Payment Provisions in Third Party Contracts.....	3-37
3.6.12	Liquidated Damages Provisions	3-37
3.6.13	Contract Award Announcement.....	3-38
3.6.14	Contract Provisions	3-38
3.6.15	Statutory and Regulatory Requirements	3-38
3.6.16	Special Provisions	3-39
3.7	Cost Principles and Cost Allocation	3-39
3.7.1	Policy.....	3-40
3.7.2	Application of Cost Principles in Grants Management	3-40
3.7.3	Allocable Costs.....	3-41
3.7.4	Direct Costs.....	3-42
3.7.5	Indirect Costs	3-42
3.8	Grant Management.....	3-42
3.8.1	Contracts and Grant Agreements	3-42
3.8.2	Reimbursements – Operating Assistance Grants	3-43
3.8.3	Reimbursements – Capital Assistance Grants.....	3-43
3.8.4	IDOT Concurrence on Eligible Capital Expenses.....	3-44
3.8.5	Local Share and Matching Requirements	3-46
3.8.6	Government Performance Measures Act.....	3-48
3.8.7	National Transit Database	3-49
3.8.8	Grant Close-Out	3-50
3.8.9	De-Obligation of Operating Assistance Funds	3-51
3.8.10	Protection of Program Funds.....	3-51

3.9	Consolidated Vehicle Procurement.....	3-52
3.9.1	Introduction.....	3-52
3.9.2	Federal Requirements	3-52
3.9.3	Consultant Assistance	3-53
3.9.4	Vehicle Orders.....	3-54
3.9.5	IDOT Responsibility for Compliance with Pre-Award and Post-Delivery Audits of Rolling Stock Purchases .	3-54
3.9.6	Intergovernmental Procurements.....	3-55

Chapter 4. Project Management

4.1	Section 5311 Operating and Small Capital Costs – Flexible Spending.....	4-1
4.1.1	Operating Capital.....	4-2
4.1.2	Small Capital	4-2
4.1.3	Regular Capital.....	4-3
4.2	Section 5311 Capital Assistance Grants.....	4-3
4.2.1	IDOT Responsibilities	4-4
4.2.2	Grantee Responsibilities	4-4
4.2.3	Concurrence Requirements	4-4
4.2.4	Reimbursable Costs	4-5
4.2.5	Grant Agreement and Obligations.....	4-5
4.2.6	Approved Project Budget.....	4-6
4.2.7	Budget and Scope Revisions or Amendments	4-6
4.2.8	Eligible Costs.....	4-7
4.2.9	Reporting Requirements.....	4-7
4.2.10	Requisitions	4-8
4.3	Operating Assistance Grants	4-8
4.3.1	IDOT Responsibilities	4-8
4.3.2	Grantee Responsibilities.....	4-9
4.3.3	Concurrence Requirements	4-9
4.3.4	Reimbursable Costs	4-9
4.3.5	Approved Project Budget.....	4-9
4.3.6	Budget Revisions.....	4-10
4.3.7	Operating Project Costs.....	4-10
4.3.8	Requisitions	4-14
4.3.9	Annual Financial Report.....	4-14
4.3.10	Audits- Operating Assistance Projects	4-14
4.4	Vehicles, Equipment, and Real Property	4-17
4.4.1	Use of Vehicles and Equipment	4-17
4.4.2	Standards	4-17
4.4.3	Disposition	4-18
4.5	Disputes or Complaints	4-21
4.5.1	Appeals to IDOT	4-22

Chapter 5. Compliance Monitoring

5.1	Section 5311, 5316 & 5317	5-1
5.1.1	Monitoring Mechanisms	5-1
5.1.2	Non-Compliance Notification	5-2
5.2	Section 5310	5-2
5.2.1	Monitoring Mechanisms	5-3
5.2.2	Non-Compliance Notification	5-33
5.3	Section 5309	5-4
5.3.1	Nonurbanized Area Grant Recipients	5-4
5.3.2	Urbanized Recipients That Participate in the FTA Section 5307 Urbanized Area Formula Program.....	5-5
5.3.3	Construction/Rehabilitation Oversight.....	5-6
5.4	Performance Standards	5-8
5.4.1	Service Standards	5-8
5.4.2	Financial Management Standards	5-8
5.4.3	Maintenance Standards.....	5-9
5.4.4	Principles and Statutory Requirements.....	5-10

Chapter 6. Glossary of Terms

6.1	Common Transit Terms	6-1
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Chapter 7. Manual Exhibits

7.1	Exhibits	7-1
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Preface

The Federal Transit Administration (FTA) of the United States Department of Transportation (US DOT) administers federal funding to support a variety of locally planned, constructed, and operated public transportation systems.

A major way FTA helps communities support public transportation is by issuing grants to eligible recipients for planning, vehicle purchases, facility construction, operations, and other purposes. FTA administers this financial assistance according to authorization, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU), which was signed into law in August 2005.

Federal funds to support public transportation are apportioned by FTA among the states and each state in turn is given primary responsibility for administering the programs. The Illinois Department of Transportation (IDOT) is authorized by state statute to receive and expend federal funds allotted to Illinois for Sections 5310, 5311, 5316 and 5317 programs.

Each FTA financial assistance program is referred to by name and by a number that correlates to the section (§) number of Title 49 of the United States Code:

- § 5310 - Transportation for Elderly Persons and Persons with Disabilities
- § 5311 - Rural and Small Urban Areas
- § 5311(b)(3) - Rural Transit Assistance Program
- § 5316 - Job Access and Reverse Commute Program
- § 5317 - New Freedom Program

This Grant Management Manual/State Management Plan is designed to assist current and potential grant recipients in fulfilling the various requirements of receiving federal financial assistance generally, and the FTA's Section 5311 (Circular 9040.1F), Section 5310 (Circular 9070.1F), Section 5316 (Circular 9050.1), and Section 5317 (Circular 9045.1), in particular. Its purpose is to outline IDOT's plan for administering the assistance programs and as a source of guidance to current grantees and interested parties.

Grantees and interested parties must be aware that accepting federal financial assistance will mean that the recipient agrees to comply with the requirements mandated by FTA and IDOT.

IDOT conducts an annual review of grantees and the grantee's operator(s) to ensure compliance with the FTA and IDOT

requirements. This annual review includes operations, maintenance, procurement, safety and security, drug and alcohol testing and financial oversight. Annual reviews are intended to reveal areas that the grantee and/or operator are in compliance or are in need of technical assistance to become compliant.

In addition to these programs, FTA also administers the transit capital investment program (49 U.S.C. 5309). This program provides capital assistance for three primary activities:

- New and replacement buses and facilities,
- Modernization of existing rail systems, and
- New fixed guideway systems (New Starts).

Eligible recipients for capital investment funds are public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards, and commissions established under state law. FTA is authorized to allocate Section 5309 funds on a discretionary basis, however, the Congress typically earmarks all such funding.

In some circumstances, IDOT, following an assessment of capital needs from both urbanized and nonurbanized areas in the downstate, may submit a combined application for new and replacement buses and facilities.

When IDOT is award a capital discretionary grant, IDOT has primary oversight responsibility to ensure compliance with FTA terms and conditions of the grant award. This responsibility extends to project (subrecipients) in both urbanized and nonurbanized areas. This compliance guide outlines IDOT's approach to management and oversight of Section 5309 grant awards.

Inquiries concerning the Sections 5309/5310 Program should be directed to:

Attn: Program Manager
Downstate Area Programs
Illinois Department of Transportation
Division of Public & Intermodal Transportation
300 W Adams, 2nd Floor
Chicago, Illinois 60606
312-793-2116

Inquiries concerning the Sections 5311/5316/5317 Program should be directed to:

DPIT – Grant Management Manual

Attn: Section Chief
Statewide Non-Metro Program
Illinois Department of Transportation
Division of Public & Intermodal Transportation
300 W Adams, 2nd Floor
Chicago, Illinois 60606
312-793-2116

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1.0 Definitions

This section identifies common terms and definitions as used in this Manual. A more complete glossary of transportation related terms is located in Appendix A of this Manual. Unless otherwise indicated, the following definitions are to be used interchangeably for all programs.

ACT Section 1: The Downstate Public Transportation Act (30 ILCS 740/1 et seq.).

APPLICANT: A temporary designation for an entity which has submitted or proposes to submit a financial assistance application to IDOT as provided for in this Manual; and which has not achieved the status of grantee through approval of a financial assistance application.

CAPITAL COST: A nonrecurring expenditure for either real or personal property having an initial acquisition cost greater than \$300; or any approved expenditure for physical facilities such as land acquisition, construction, major alterations, and landscaping; fixed equipment or systems; revenue and non-revenue rolling stock and any of the related costs of an approved capital acquisition program -- which can be classified under FTA guidelines, IDOT guidelines, or standard accounting practices as a capital asset.

CONSOLIDATED VEHICLE PROCUREMENT (CVP) PROGRAM: The state program under which eligible applicants apply for and receive paratransit vehicles. Under this program, grantees are not directly involved in the design and procurement of the paratransit vehicles. This program was developed to ensure that all vehicles purchased with FTA capital funds meet federal and state procurement and ADA requirements.

COORDINATION: A cooperative arrangement among transportation providers and/or purchasers of transportation services which is aimed at realizing increased benefits and cost-effective services through the shared management and/or operation of one or more transportation related functions including shared trips, dispatching, cooperative

purchases, or training classes. NOTE: SAFETEA-LU requires that Section 5310, Section 5316 and Section 5317 applicants coordinate between private, non-profit, and public transportation providers and other federal programs.

DIVISION OF PUBLIC & INTERMODAL TRANSPORTATION: The division of IDOT that administers state and federal funds to public transit systems throughout the state of Illinois.

ELIGIBLE ADMINISTRATIVE EXPENSES: Expenses required to provide public transportation, other than those defined as "eligible operating expenses", including, but not limited to, general, administrative and overhead costs such as salaries of the project director, office personnel such as secretary and bookkeeper, office supplies, facilities, rental, insurance, marketing, and interest on short-term loans for operating assistance.

ELIGIBLE CAPITAL EXPENSES: Any approved expenditure of moneys for capital items necessary for the provision of public transportation services, including expenditures for the purchase of revenue and non-revenue rolling stock; the purchase of maintenance and support equipment directly related to the support of such service operations (e.g., maintenance tools, fareboxes, wheelchair lifts, ramps, radios, etc.); and the purchase or construction of fixed facilities.

ELIGIBLE OPERATING EXPENSES: Expenses required to provide public transportation, including drivers' wages and benefits, mechanics' wages and benefits, contract maintenance service, materials and supplies directly related to transit and maintenance of vehicles, fuels and lubricants, rentals or leases of vehicles, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment and facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation.

ELIGIBLE RURAL PUBLIC TRANSIT SERVICE: SECTION 5311 -- Any transportation service provided by bus, shared-ride taxi, or other publicly or privately owned conveyance, primarily serving the general public, on a regular basis, by or on behalf of an eligible grantee. Projects may constitute an entire public transit system, a particular service or function within that service, or an individual route or route segment. Service may include the transportation of nonurbanized residents to and from urbanized areas. However, such services may not include operations entirely within an urbanized area.

FEDERAL FISCAL YEAR (FFY): The fiscal year of the United States -
- October 1 through September 30.

FTA: The Federal Transit Administration of the US Department of Transportation.

GRANTEE: The recipient of IDOT project funds or assets as evidenced by statutory or administrative authority to act as a grantee under a grant agreement with IDOT.

IDOT: The Illinois Department of Transportation.

INTERCITY BUS: Section 5311(f) Intercity Bus Program is designed to address the intercity travel needs of residents in nonurbanized areas of the state by funding services that provide them access to the intercity bus and transportation networks in Illinois.

LEAD APPLICANT: The primary applicant responsible for executing and thereby administering the requirements of an IDOT funded grant agreement under a joint application where two or more applicants have agreed upon and designated one such applicant to act as “lead”.

NONURBANIZED, RURAL OR SMALL URBAN AREAS: These terms are used synonymously for any area outside an urbanized area with a population of less than 50,000 inhabitants, as defined by the US Bureau of the Census.

OPERATING DEFICITS: The amount by which eligible operating expenses exceed revenues from non-reimbursable fares, rental of properties, advertising, and any other amounts collected or received in the process of providing public transportation which, under FTA guidelines, IDOT guidelines, or standard accounting practices, are properly classified as operating revenue or operating income attributable to providing public transportation under the Act.

OPERATOR: The entity or entities charged with the implementation, administration and ongoing management of a public or specialized transportation service. An operator may be either an instrumentality of a grantee or a third party contractor or contractors that provide both project management and transportation service.

OPERATING REVENUE: The revenues from non-reimbursable fares, reduced fare reimbursements, rentals of properties, advertising, contract income from for-profit entities and any other amounts collected or received in the process of providing public transportation which, under FTA guidelines, IDOT guidelines, or standard accounting practices, are properly classified as operating revenue or operating income; and any unrestricted federal, state or local funds received as a result of providing transportation services which are not used to match grant funds.

PASS-THROUGH-OPERATOR: A not-for-profit agency that is the operator for a Section 5311, 5316, or 5317 grantee. The operator's services are not procured through third party contracting guidelines. This arrangement is only available to a grantee that is a public entity (a County or municipality). Under this arrangement, the grantee has a nominal level of compliance responsibilities.

PUBLIC TRANSPORTATION: Coordinated transportation service within the approved service area which is not designed nor operated in a manner which restricts service to any particular group or class of individuals; and which is openly marketed to the general public.

PROGRAM OF PROJECTS (POP): The federal programming document detailing the annual listing of local projects to be partly financed with FTA funds. The Program of Projects consists of brief project descriptions and proposed funding shares. It is submitted to FTA annually by IDOT for FTA approval.

PROGRAM OF PROPOSED EXPENDITURES: As approved by IDOT, the services to be provided and the budget for the provision of those services by a grantee (i.e. Approved Project Budget).

PROVIDER: The source of public or specialized transportation services typically provided on a unit or trip cost basis under a purchase of service contract with a grantee who retains implementation and grant administration responsibilities.

SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION ACT, A LEGACY FOR USERS (SAFETEA-LU): Federal legislation enacted in August 2005 which authorized Federal surface transportation programs through federal FY 2009.

SECTION 5310 (49 USC 5310 of the Federal Transit Act of 1992, as amended): This program provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each state's share of population for these groups of people.

SECTION 5311 (49 USC 5311 of the Federal Transit of 1992): This program provides formula funding to states for the purpose of supporting public transportation in areas of less than 50,000 population. It is apportioned in proportion to each State's non-urbanized population. Funding may be used for capital, operating, State administration, and project administration expenses.

SECTION 5316 (49 USC 5316, Job Access and Reverse Commute Program (JARC)): This program is designed to fund services that

transport welfare recipients and low income individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities.

SECTION 5317 (49 USC 5317, New Freedom Program): This program finances services and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act.

STATE: The State of Illinois.

STATE FISCAL YEAR (SFY): The fiscal year of the State of Illinois -- July 1 through June 30.

STATE MANAGEMENT PLAN (SMP): The State Management Plan (also known as the Grants Management Manual) is a document which describes the state's policies and procedures for administering the Section 5311, Section 5310, Section 5316 and Section 5317 Transportation Assistance Programs. The SMP is intended to facilitate both state management and FTA oversight by documenting IDOT's implementation and management methods in a single reference.

SUBRECIPIENT: Also commonly referred to as subgrantee, this is the federal designation for the local recipient of financial assistance. For the Sections 5310, 5311, 5316 and 5317 programs, this grant methodology is employed through a designated state agency (IDOT) acting as the primary recipient which agrees to assume local funding distribution and oversight responsibilities over local project implementors or "subrecipients". At the state implementation level, subrecipients are commonly referred to as Grantees.

THIRD-PARTY CONTRACT: Any purchase order or contract awarded by a grantee to a vendor or contractor using financial assistance funds awarded by IDOT.

URBANIZED AREA: Statistical geographic entity designated by the Census Bureau, consisting of a central core and adjacent densely settled territory that together contain at least 50,000 people, generally with an overall population density of at least 1,000 people per square mile. Within the transportation planning community, Urbanized Areas are typically referred to as the UZAs.

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2.0 INTRODUCTION

2.1 FORWARD

Beginning with the Urban Mass Transit Act of 1964 and subsequent amendments, the United States Department of Transportation (US DOT) through its Urban Mass Transit Administration (UMTA), was charged with implementing various public transportation initiatives in urban areas. The Federal Surface Transportation Assistance Act of 1978 broadened the scope of the original legislation by providing operating and capital assistance to public transportation systems in rural and small urban areas and capital assistance for the enhancement of transportation alternatives for targeted mobility limited individuals such as elderly persons and persons with disabilities.

Known as the Section 5311 and Section 5310 Programs, respectively, (due to their placement in the Federal Transit Act), these specialized transit-funding programs were again amended in 1991. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) was followed in 1998 by Title III of the Transportation Equity Act for the 21st Century (TEA 21). These acts reauthorized various sections of the Federal Transit Act including Sections 5311 and 5310 for federal funding.

The Safe, Accountable, Flexible, Efficient Transportation Act, a Legacy for Users (SAFETEA-LU) is the current federal legislation enacted in August 2005. This legislation authorized Federal surface transportation programs, including Sections 5310 and 5311, introduced a new program, Section 5317, and changed Section 5316 from a discretionary fund program to a formula funded program. SAFETEA-LU has “guaranteed” funding through federal FY 2009.

While previous federal transit regulations addressed coordination, SAFETEA-LU expands the requirement for the coordination of transportation services and coordination planning. Section 5310, 5311, 5316 and/or 5317 applicants who do not participate in locally developed coordination plans put their FTA funding at risk.

2.2 PROGRAM GOALS & OBJECTIVES

2.2.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

Due to funding constraints, a continuously increasing demand and a large base of elderly, disabled and other specialized services, IDOT has determined that the immediate needs of the statewide Section 5310 eligible pool of applicants is best served through implementation of a rolling stock only procurement program. Within this larger program principle, state program management is achieved through implementation of the following objectives:

- Within existing funding limitations, support and develop a safe fleet of vehicles to service the statewide transportation needs of the elderly and other mobility impaired persons.
- Provide for the equitable distribution of capital assistance resources to enhance the continuation of existing services as well as the limited growth of new or expanded services as warranted.
- Optimize the distribution and allocation of resources to strengthen regional coordination among grantees and other complimentary transportation programs.
- Promote local transportation initiatives which provide safe, efficient and accessible mobility options for targeted groups.
- Support the local HSTP process.

2.2.2 Section 5311 – Rural and Small Urban Areas Program

IDOT's program goals and objectives conform with the national goals for Section 5311. Specifically, IDOT's goals are as follows:

- To enhance the access of people in nonurbanized areas to health care, employment, other transportation services, education, public services, shopping and recreation.
- Assist in the development, improvement, maintenance and use of public transportation in nonurbanized areas.
- Encourage and facilitate the efficient use of all federal, state, and local funds to provide public transportation in nonurbanized areas through the coordination of programs and service.
- Strongly encourage the participation and inclusion of 5311 recipients as essential partners in any coordination planning of programs and services.
- Encourage the improvement of public transportation services essential to meet the needs of the transportation disadvantaged.

- Facilitate and encourage improvements to service delivery and cost effectiveness of systems.
- Maximize FTA and non-US DOT federal dollar investments.
- Assist in the development and implementation of effective management and marketing strategies.
- Assist in the development and support of intercity bus transportation.
- Encourage the participation of private transportation providers in nonurbanized transportation to the maximum extent feasible.

2.2.3 Section 5316 – Job Access and Reverse Commute (JARC) Program

IDOT's program goals and objectives conform with the national goals for JARC. Specifically, IDOT's goals are as follows:

- Encourage new and expanded transportation capacity to connect low-income persons to jobs and employment services.
- Maximize FTA and non-US DOT federal dollar investments.
- Encourage the coordination of programs and services.
- Encourage the participation of private transportation providers in nonurbanized transportation to the maximum extent feasible.
- Educate local policy makers about the importance of collaborating with local human services transportation programs.
- Support the local HSTP process.

2.2.4 Section 5317 – New Freedom Program

IDOT's program goals and objectives conform with the national goals for New Freedom. Specifically, IDOT's goals are as follows:

- Encourage new public transportation services that are beyond the requirements of ADA and;
- Encourage new public transportation alternatives that are beyond the requirements of ADA.
- Encourage the participation of private transportation providers in nonurbanized transportation to the maximum extent feasible.
- Educate local policy makers about the importance of collaborating with local human services transportation programs.
- Support the local HSTP process.

2.3 ROLES & RESPONSIBILITIES

2.3.1 Federal Transit Administration

As the principal funding agency, FTA has, through its Region V Office in Chicago, federal oversight responsibilities over local public and specialized transportation assistance programs. Region 5 responsibilities include reviewing and approving state applications, state management plans and grant management activities.

2.3.2 State Administrative Agency

The Governor of Illinois has designated IDOT as the agency responsible for administering the Section 5310, 5311, 5316 and 5317 programs. The state statutory authority to receive and expend Section 5310 funds is provided in 20 ILCS 2705 et. seq. The authority to receive and expend Section 5311 funds is provided in 30 ILCS 740/1 et. seq.

IDOT's responsibilities include, but are not limited to, soliciting applications, reviewing and selecting applications for funding, developing an annual Program of Projects and grant applications for FTA, distributing grant funds, program planning, certifying the eligibility of applicants and project activities, monitoring project activity for compliance with federal requirements as well as the use of program assets by grantees, monitoring local project activity, and overseeing project audit and close-out.

Additionally, IDOT is responsible for certifying that the Section 5310, 5316 and 5317 projects funded with FTA financial assistance are derived from a coordinated plan.

2.3.3 Grantees

The grantee is responsible for completing IDOT's grant application materials and any other supporting documentation as required by IDOT. The grantee may provide the intended services directly or contract for service with an operator or service provider. The grantee is also responsible for compliance with all post award program requirements including, but not limited to, project management and financial oversight, maintenance, and ongoing service planning.

2.4 ELIGIBLE APPLICANTS

2.4.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

The following entities are eligible applicants under the Section 5310 Program:

- Private Nonprofit Corporations and associations meeting the special needs of elderly persons and persons with disabilities for whom mass transportation services are unavailable, insufficient or inappropriate;
- Designated Coordinated Service Provider (except townships and counties), defined as a public body that is providing general public transportation service and is seeking designation by IDOT to be the primary coordinated paratransit service provider to elderly persons or persons with disabilities in their service area.
- Designated Public Paratransit Provider-Existing Service (except townships and counties), defined as a public body that is providing some level of specialized or paratransit service and is seeking designation by IDOT as the sole source provider of transportation service to elderly persons or persons with disabilities in their service area because no other local agency has been identified or readily available to provide the service.
- Designated Public Paratransit Provider-Proposed Service (except townships and counties), defined as a public body that is proposing to provide some level of specialized or paratransit service and is seeking designation by IDOT as the sole source provider of transportation service to elderly persons or persons with disabilities in their service area because no other local agency has been identified or readily available to provide the service.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.4.2 Section 5311 – Rural and Small Urban Areas Program

The following entities are eligible applicants under the Section 5310 Program:

- Transit Districts not within a federally recognized urbanized area which are also authorized under the Illinois Compiled Statutes to receive Section 5311 Program assistance;
- Counties outside of the Regional Transportation Authority (RTA) region in Northeastern Illinois (Cook, DuPage, Lake, Kane, Will and McHenry counties) or the Metro East portion of the Bi-State Development Authority which includes Madison county; and
- Cities or Towns of between 20,000 and 50,000 inhabitants not within an urbanized area or the RTA and Bi-State regions.

2.4.3 Section 5316 – Job Access and Reverse Commute (JARC) Program

Eligible applicants are those applicants that are eligible for 5310 and/or 5311 financial assistance.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.4.4 Section 5317 – New Freedom Program

Eligible applicants are those applicants that are eligible for 5310 and/or 5311 financial assistance.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.4.5 Section 5309 – Transit Capital Investment Program

Eligible recipients for capital investment funds are public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards, and commissions established under state law. FTA is authorized to allocate Section 5309 funds on a discretionary basis, however, the Congress typically earmarks all such funding

2.4.5.1 Nonurbanized Area Grant Recipients

Under a consolidated grant program undertaken by IDOT using Section 5309 funding, only existing recipients of Section 5311 Nonurbanized Area Funding Program shall be eligible for participation.

2.4.5.2 Urbanized Area Grant Recipients

Under a consolidated grant program undertaken by IDOT using Section 5309 funding, only existing recipients of Section 5307 Urbanized Area Funding Program shall be eligible for participation.

2.5 REQUIREMENTS

2.5.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

Applicants may be required to show a commitment to the program by demonstrating their ability and willingness to provide the local share, also referred to as local match, of any grant funded vehicle or equipment procurement in the event that adequate state resources are not available to provide the requisite non-FTA share. Local share may be generated from federal funds, provided those funds are not provided by U.S. DOT.

2.5.2 Section 5311 – Rural and Small Urban Areas Program

Grantees are responsible for providing the local share of their operating and administration expenditures. The local share can be provided from a variety of sources including, but not limited to, state public transportation operating assistance funds, local appropriations, donations or dedicated revenues, in-kind services, and contract revenue including contracts with non-profit local or state human service organizations, even though the source of funds may be through contracts funded by other non-DOT federal programs.

2.5.3 Section 5316 – Job Access and Reverse Commute (JARC) Program

Grantees are responsible for providing the local share of their operating and administration expenditures. The local share can be provided from a variety of sources including, but not limited to, state public transportation operating assistance funds, local appropriations, donations or dedicated revenues, in-kind services, and contract revenue including contracts with non-profit local or state human

service organizations, even though the source of funds may be through contracts funded by other non-DOT federal programs.

2.5.4 Section 5317 – New Freedom Program

Grantees are responsible for providing the local share of their operating and administration expenditures. The local share can be provided from a variety of sources including, but not limited to, state public transportation operating assistance funds, local appropriations, donations or dedicated revenues, in-kind services, and contract revenue including contracts with non-profit local or state human service organizations, even though the source of funds may be through contracts funded by other non-DOT federal programs.

2.5.5 Section 5309 – Transit Capital Investment Program

Grantees are responsible for providing the local share of their capital expenditures. The local share can be provided from a variety of sources including, but not limited to, state public transportation operating assistance funds, local appropriations, donations or dedicated revenues.

2.6 PROJECT SELECTION & METHOD OF DISTRIBUTING FUNDS

2.6.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

In keeping with IDOT's funding priorities, applications are designed to facilitate funding requests on a unit or per vehicle basis. Each individual vehicle request is first classified by service type priority and subsequently scored according to the following criteria:

- Level of Existing Service -- Quantitatively Define present and potential clients, serving those, or offering specialized transport.
- Applicant's Experience -- A qualitative measure of fleet and grant administration, other client services and duration of service.
- Operations – Utilization -- A quantitative measure of clients, trips, mileage and variety of services offered.
- Operations – Administration -- Complete, accurate policies, including Safety and Security plans, budgets, staffing documents transportation staff training.

- Operations – Maintenance -- Published plans, execution and documenting vehicle repair and preventive action schedules.
- Coordination – Qualitative measurement – The project must be included in the locally developed Human Services Transportation Plan (HSTP). If the project is not included in the HSTP the application will be disqualified.

In addition, proposed projects must meet the following conditions:

- Private Sector Participation - Federal law requires the public to be involved in the transportation planning process, and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.
- Useful Life Standards – Vehicles considered for replacement must meet minimum mileage criteria at the time of application. If a vehicle has deteriorated, through no fault of the applicant, to a point where it is a safety hazard and is more than five years old, the vehicle may be considered for replacement based on its condition and not mileage.
- Procurement Requirements – There are several concurrent funding programs for obtaining vehicles in Illinois. IDOT has consolidated the application of the various funding sources into a single Consolidate Vehicle Purchase (CVP) Program. IDOT ensures that vehicles funded under any of the other financial assistance programs are eliminated from funding consideration under Section 5310.

2.6.2 Section 5311 – Rural and Small Urban Areas Program

IDOT's principal Section 5311 program goal is to continue to enhance public transportation service in nonurbanized areas, to maintain established levels of service through the continuation of operating assistance grants, and provides fair and equitable distribution of federal funds. If the program incurs an overall change in available funds in any state fiscal year, funding levels to existing grantees may be appropriately adjusted.

To meet stated goals and objectives, IDOT prioritizes its available resources as follows:

- First, funds are reserved for state administration;

- Second, IDOT will reserve sufficient funds to spend 15 percent of the state’s annual Section 5311 apportionment on intercity bus (both capital and operating assistance) projects;
- Third, IDOT will provide funding for all existing projects equal to the grantee’s SFY 07 operating and intercity bus assistance levels;
- Fourth, IDOT will reserve a specified amount (equal to approximately \$2.60 per nonurbanized resident) for operating assistance projects for new or expanded service requests in areas not presently served by public transit projects; and
- Fifth, the remainder will be reserved for rural capital projects for both new and existing projects.

2.6.3 Section 5311(f) Intercity Bus Transportation

IDOT’s Intercity Bus implementation strategy is consistent with federal policy whereby Intercity Bus or Section 5311(f) federal financial assistance is primarily targeted to existing Section 5311 eligible grantees who provide Section 5311(f) service as a component of existing Section 5311 service.

FTA requires all states to spend a minimum of 15 percent of their annual Section 5311 apportionment to implement and fund intercity bus transportation unless the Governor certifies that the intercity bus needs are being adequately met.

The Section 5311(f) Intercity Bus Program is designed to address the intercity travel needs of residents in nonurbanized areas of the state by funding services that provide them access to the intercity bus and transportation networks in Illinois. Subject to current funding limitations for the Section 5311 Program in general, IDOT’s Section 5311(f), Intercity Bus Program component goals and objectives are as follows:

- First, maintain current levels of Section 5311 category services by funding existing Section 5311 projects which have been providing Intercity Bus eligible service as an established component of their approved service;
- Second, implement an intercity bus program that is broad, flexible and consistent with FTA requirements; and
- Third, support Illinois intercity bus service, including the participation of private operators, to the greatest extent feasible.

2.6.4 Section 5316 Job Access and Reverse Commute Program (JARC)

IDOT's principal Section 5316 program goal is to select projects for funding that will meet the transportation needs of low-income individuals and welfare recipients and develop transportation services for residents of nonurbanized areas to suburban employment opportunities. Projects must be included in the locally developed Human Services Transportation Plan (HSTP) for financial assistance consideration.

To meet stated goals and objectives, IDOT prioritizes its available resources as follows:

- First, for operating assistance projects that will meet the transportation needs of low-income individuals and welfare recipients and at minimum maintain existing service levels or for operating assistance projects that will meet the transportation needs for residents of nonurbanized areas to suburban employment opportunities and at minimum maintain existing service levels;
- Second, for operating assistance projects, that will meet the transportation needs of low-income individuals and welfare recipients with new or expanded service requests or for operating assistance projects, that will meet the transportation needs for residents of nonurbanized areas to suburban employment opportunities with new or expanded service requests;
- Third, for capital assistance projects, that will meet the transportation needs of low-income individuals and welfare recipients and at minimum maintain existing service levels or for capital assistance projects, that will meet the transportation needs for residents of nonurbanized areas to suburban employment opportunities and at minimum maintain existing service levels; and
- Fourth, for capital assistance projects, that will meet the transportation needs of low-income individuals and welfare recipients for new or expanded service requests or for capital assistance projects, that will meet the transportation needs for residents of nonurbanized areas to suburban employment opportunities

2.6.5 Section 5317 New Freedom Program

IDOT's principal Section 5317 program goal is to select projects for funding that are new public transportation alternatives that are beyond the requirements of ADA. Projects must be included in the locally

developed Human Services Transportation Plan (HSTP) for financial assistance consideration.

To meet stated goals and objectives, IDOT prioritizes its available resources as follows:

- First, for operating assistance projects, that provide new public transportation alternatives and go beyond the ADA requirements for persons with disabilities; and
- Second, for capital assistance projects, that provide new public transportation alternatives and go beyond the ADA requirements for persons with disabilities.

2.6.6 Section 5309 – Transit Capital Investment Program

This program will be used by IDOT to supplement capital investments in urbanized and nonurbanized Downstate areas where existing programs are found to be deficient in meeting transit system needs.

2.7 PROGRAM GOALS

2.7.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

This program (49 USC 5310) provides funding for the purpose of assisting private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each State's share of population for these groups of people.

The goal of the Section 5310 program is to improve mobility for elderly individuals and individuals with disabilities throughout the country. FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals and individuals with disabilities in all areas - urbanized, small urban, and rural.

To be eligible for Section 5310 funding, SAFETEA-LU requires that the project be included in a locally developed human services coordination plan (HSTP) with other federally assisted programs and services in order to make the most efficient use of Federal resources. Proposed projects must conform to established criteria for applicant eligibility and be designed so as to maximize service to the targeted mobility limited groups according to federal Section 5310 guidance (FTA Circular 9070.1E). As such, IDOT neither expands nor restricts the minimum

federal requirements in the designation of eligible services and service areas. Additional requirements is be contained in FTA Circular 9070.1F “Elderly Individuals and Individuals with Disabilities Program Guidance and Application Instructions.”

The two measures established for the Section 5310 program are:

- a. **Gaps in Service Filled.** Provision of transportation options that would not otherwise be available for older adults and individuals with disabilities measured in numbers of older adults and individuals with disabilities afforded mobility they would not have without program support.
- b. **Ridership.** Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and older adults on Section 5310-supported vehicles and services.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.7.2 Section 5311 – Rural and Small Urban Areas Program

The Section 5311 program makes Federal funds available to the States to assist in the development, improvement and use of public transportation systems in non-urbanized areas according to federal Section 5311 guidance (FTA Circular 9040.1.E). Additional requirements may be contained in FTA Circular 9040.1F, “Nonurbanized Area Formula Program Guidance and Grant Application Instructions,” when issued. Commonly referred to as the Rural Transit program, funds are available for expenditure for public transportation projects in the nonurbanized areas of Illinois.

The goals of the nonurbanized formula program are:

- to enhance the access of people in nonurbanized areas to health care, shopping, education, employment, public services, and recreation;
- to assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas;
- to encourage and facilitate the most efficient use of all Federal funds used to provide passenger transportation in nonurbanized areas through the coordination of programs and services;
- to assist in the development and support of intercity bus transportation; and

- to provide for the participation of private transportation providers in nonurbanized transportation to the maximum extent feasible.

While there are some exceptions, Federal transit law, 49 USC § 5323(d), prohibits recipients of Federal financial assistance from providing charter service. Any charter service that is provided by recipients of Federal transit funds must be consistent with the exemptions and exceptions contained in 49 CFR part 604.

Transportation service to or from an urbanized area is eligible for funding if such service includes either the origin or destination in a nonurbanized area.

In determining whether an applicant's proposed program should be classified as public transportation, IDOT will consider all transportation services included in an application as one program. Although some client specific transportation services may be included as part of a proposed program, some portion of transportation services to be funded under any single program must be available to the general public or groups of the general public with special needs in order for that program, as a whole to be classified as public transportation.

2.7.3 Section 5316 – Job Access and Reverse Commute (JARC)

The purpose of this grant program is to develop transportation services designed to transport welfare recipients and low income individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities. Emphasis is placed on projects that use mass transportation services. Previously a discretionary grant program, SAFETEA-LU legislation changed this program to formula funding.

Grants may finance capital projects and operating costs of equipment, facilities, and associated capital maintenance items related to providing access to jobs; promote use of transit by workers with nontraditional work schedules; promote use by appropriate agencies of transit vouchers for welfare recipients and eligible low-income individuals; and promote use of employer-provided transportation including the transit pass benefit program. More information is available in FTA Circular 9050.1, "The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions."

The two measures established for the JARC Program are:

- a. Actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC projects implemented in the current reporting year.
- b. Actual or estimated number of rides (as measured by one-way trips) provided as a result of the JARC projects implemented in the current reporting year.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.7.4 Section 5317 – New Freedom Program

The New Freedom formula grant program aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. The 2000 Census showed that only 60 percent of people between the ages of 16 and 64 with disabilities are employed. The New Freedom formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990.

In order to be eligible for New Freedom funding, the project must provide new public transportation alternatives and go beyond the ADA requirements for persons with disabilities. More information is available in FTA Circular 9045.1, “New Freedom Program Guidance and Grant Application Instructions.”

The three measures established for the New Freedom Program are:

- a. Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.
- b. Additions or changes to environmental infrastructure (e.g., transportation facilities, side walks, etc), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.
- c. Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

All eligible applicants must be included in the locally developed Human Services Transportation Plan (HSTP).

2.8 ELIGIBLE ASSISTANCE CATEGORIES

2.8.1 Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

In order to maximize available funds in conformity with stated program goals and objectives for the Section 5310 program, IDOT categorizes vehicle grant requests by service types as follows:

- Replacement: This category denotes either the planned or the unplanned withdrawal of a vehicle which is either considerably past its useful life, dangerously deteriorated or otherwise rendered unusable;
- New: This category denotes the implementation of service with granted vehicles where none previously existed such a totally new paratransit route or new periods of availability; or the services to be provided by a newly proposed paratransit system or provider; and
- Expanded: This category denotes a project that is either a capacity improvement with granted vehicles or the planned extension of existing routes or period of availability by an existing paratransit system or provider.

2.8.2 Section 5311 – Rural and Small Urban Areas Program

Operating expenses are those expenses required to provide public transportation as defined in 30 ILCS 740/3-1.04. Administrative expenses are those expenses required to provide public transportation other than those defined as eligible operating expenses in 30 ILCS 740/3-1.04. Capital Expenses are expenditure of moneys for equipment or facilities necessary for provision of public transportation services as defined in 30 ILCS 740/3-1.08.

2.8.3 Section 5316 – Job Access and Reverse Commute (JARC)

IDOT has established guidelines for the allowability of expenses that are eligible for reimbursement under the Section 5316 program. The criteria that IDOT will use are is the same as those used for 5311 programs.

2.8.4 Section 5317 – New Freedom Program

IDOT has established guidelines for the allowability of expenses that are eligible for reimbursement under the Section 5317 programs.

The criteria that IDOT will use are the same as those used for 5311 programs.

2.9 ANNUAL PROGRAM DEVELOPMENT AND APPROVAL PROCESS

2.9.1 Section 5310 – Elderly Individuals and Individuals with Disabilities Program

Annually, IDOT notifies potential applicants of the availability of applications and the requirements of the application process annually. All applications are reviewed and funding levels are established. Final approval of the application is through transmittal of a letter of award from the Governor and a grant agreement properly executed by the grantee and by IDOT.

At the federal level, IDOT is responsible for submitting the annual Program of Projects (POP) to FTA. The annual POP will identify each grantee, describe the proposed project, and indicate the total project cost and the estimated federal share. The POP will also include the funding level programmed for state administration, planning and technical assistance.

The POP by reference will also be included in IDOT's Statewide Transportation Improvement Program (STIP) as required by the Federal Highway Administration (FHWA) and FTA. In addition, state and local applicants will work with metropolitan planning organizations (MPOs) to include any Section 5310 projects being proposed within the MPO's planning/study area boundaries in the Transportation Improvement Program (TIP) according to federal guidance.

In order to maintain flexibility between all of the available funding sources and to ensure that no federal funds are lapsed or lost to the state, IDOT may request the transfer of funds among various FTA funding programs on a case-by-case basis and to the extent allowable by law. IDOT will notify FTA of any POP changes according to federal guidelines.

2.9.2 Section 5311 – Rural and Small Urban Areas Program

Annually IDOT updates its multi-year funding program. This program has four elements:

- operating assistance funding to existing grantees (as of FY 2007);
- operating assistance to new or expanded service areas (since FY 2007);
- special operating assistance needs; and
- the intercity bus program.

For existing programs, IDOT determines annually the funding level based on prior year expenditures and available federal funds. This funding level is transmitted to the existing program grantees along with their application.

Periodically, the Department may undertake an initiative to expand the Section 5311 program if additional federal or state funds become available. The Divisions established goals and objectives for service expansion are:

- Expand service in as many new counties as possible;
- Fund services that have a legitimate chance of success;
- Equitable statewide distribution and meet Illinois Administrative Code regional equity requirements;
- Use a competitive process in selecting new services;
- Minimize bias towards project readiness and current operators;
- A funding methodology that is fair, equitable and consistent with current funding distribution; and
- Expansions that are consistent with the locally developed HSTP.

When these initiatives occur, it is the Department's policy to:

- Identify and notify all eligible participants;
- Have a formal proposal process;
- Evaluate the proposals on the basis of service objectives, sponsor/operator experience, program coordination, local planning efforts, and local financial commitments;
- Rank the proposals; and
- Fund the highest scoring proposal based on available funds and statewide regional distribution of funds.

Special operating assistance needs are selected and funded at the discretion of the Director and based on the unique needs of the service area.

Annually, IDOT distributes application materials to current grantees. Applications are reviewed based on the funding levels established above. Final approval of the application is through transmittal of a letter of award and a grant agreement, properly executed by the grantee and by IDOT.

At the federal level, IDOT is responsible for submitting the annual POP to FTA. The annual POP will identify each grantee, briefly describe the proposed project, and indicate the estimated cost and federal share of each project. The POP will also include the funding level programmed for state administration, planning and technical assistance as well as Rural Transit Assistance Program (RTAP) and Intercity Bus funds. Since IDOT's POP may not exceed the total amount of Section 5311 funds available, it is IDOT's responsibility, to notify each applicant of the amount of Section 5311 funding that each applicant is eligible to receive for the following fiscal year. In order to maintain flexibility between all available funding sources and to ensure no that federal funds are lapsed or lost to the state, IDOT may participate in the transfer of funds between existing projects or to fund new projects on a case by case basis to the extent allowable by law. IDOT will notify FTA of any POP changes according to federal guidance.

2.9.3 Section 5316 – Job Access and Reverse Commute (JARC)

It is the Department's policy to:

- Identify and notify all eligible participants
- Have a formal proposal process
- Evaluate the proposals on the basis of Service Objectives, Sponsor/Operator Experience, Program Coordination, Local Planning Efforts, and Local Financial Commitments
- Rank the proposals
- Fund the highest scoring proposal based on available funds and statewide regional distribution of funds.

Special operating assistance needs are selected and funded at the discretion of the Director and based on the unique needs of the service area.

Annually, IDOT distributes application materials to current grantees. Applications are reviewed based on the funding levels established above. Final approval of the application is through transmittal of a letter of award and a grant agreement, properly executed by the grantee and by IDOT.

At the federal level, IDOT is responsible for submitting the annual POP to FTA. The annual POP will identify each grantee, briefly describe the

proposed project, and indicate the estimated cost and federal share of each project. The POP will also include the funding level programmed for state administration, planning and technical assistance as well as Rural Transit Assistance Program (RTAP). Since IDOT's POP may not exceed the total amount of Section 5316 funds available, it is IDOT's responsibility, to notify each applicant of the amount of that each applicant is eligible to receive for the following fiscal year. In order to maintain flexibility between all available funding sources and to ensure no that federal funds are lapsed or lost to the state, IDOT may participate in the transfer of funds between existing projects or to fund new projects on a case by case basis to the extent allowable by law. IDOT will notify FTA of any POP changes according to federal guidance.

2.9.4 Section 5317 – New Freedom Program

Annually IDOT updates its multi-year funding program. These programs have four elements:

- operating assistance funding to existing grantees (as of FY 2007);
- operating assistance to new or expanded service areas (since FY 2007) that meet the requirements of the program;
- special operating assistance needs; and
- inclusion in the locally developed HSTP.

For existing programs, IDOT determines annually the funding level based on prior year expenditures and available federal funds. This funding level is transmitted to the existing program grantees along with their application.

The Divisions established goals and objectives for service expansion are:

- Expand service to meet the needs of transportation dependent individuals, in as many areas as is possible within the constraints of the program requirements
- Fund services that have a legitimate chance of success
- Equitable statewide distribution and meet Illinois Administrative Code regional equity requirements
- Use a competitive process in selecting new services
- Minimize bias towards project readiness and current operators
- A funding methodology that is fair, equitable and consistent with current funding distribution
- Expansions that are consistent with the locally developed HSTP.

It is the Department's policy to:

- Identify and notify all eligible participants
- Have a formal proposal process
- Evaluate the proposals on the basis of Service Objectives, Sponsor/Operator Experience, Program Coordination, Local Planning Efforts, and Local Financial Commitments
- Rank the proposals
- Fund the highest scoring proposal based on available funds and statewide regional distribution of funds.

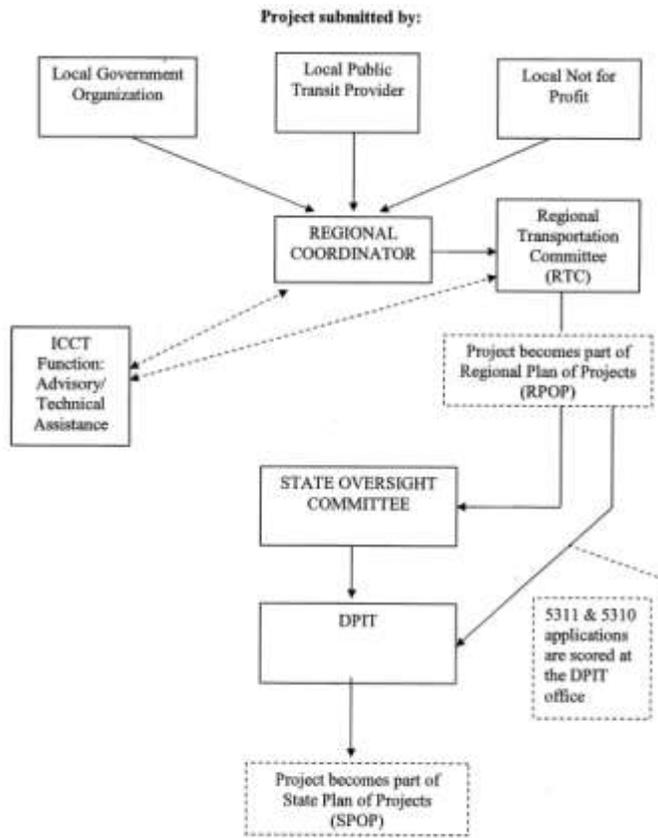
Special operating assistance needs are selected and funded at the discretion of the Director and based on the unique needs of the service area.

Annually, IDOT distributes application materials to current grantees. Applications are reviewed based on the funding levels established above. Final approval of the application is through transmittal of a letter of award and a grant agreement, properly executed by the grantee and by IDOT.

At the federal level, IDOT is responsible for submitting the annual POP to FTA. The annual POP will identify each grantee, briefly describe the proposed project, and indicate the estimated cost and federal share of each project. The POP will also include the funding level programmed for state administration, planning and technical assistance as well as Rural Transit Assistance Program (RTAP). Since IDOT's POP may not exceed the total amount of Section 5317 funds available, it is IDOT's responsibility, to notify each applicant of the amount of that each applicant is eligible to receive for the following fiscal year. In order to maintain flexibility between all available funding sources and to ensure no that federal funds are lapsed or lost to the state, IDOT may participate in the transfer of funds between existing projects or to fund new projects on a case by case basis to the extent allowable by law. IDOT will notify FTA of any POP changes according to federal guidance.

The project application process is depicted in Figure 2-1.

Figure 2-1.
Project Submission Process for Section 5310, 5316, and 5317 Programs



Illinois Department of Transportation-Division of Public and Intermodal Transportation
 Downstate Area Programs, 2007

The evaluation criteria adopted by the State Oversight Committee are contained in Table 2-1.

**Table 2-1.
State Oversight Committee
Evaluation Criteria for New Freedom Projects**

Project Evaluation Criteria	Definition (possible points)	Max Points	Factor
Project employs one or more strategies included in the regional HSTP	<p>Project should address one or more of the following strategies for the region in which the project will be implemented:</p> <ul style="list-style-type: none"> • Better coordination of / with existing service providers (20) • Expanded service of existing service providers (10) • New project operated by existing service providers (20) • New project operated by a new provider (20) • Continuation of an existing service (10) 	60	4
Project application identifies one or more local funding sources and evidences those sources are committed to supplying the necessary local match for duration of the project.	<ul style="list-style-type: none"> • Strong evidence of local match, little or no TRC requested (20) • Some evidence of local match with some TRC requested (10) • No evidence of local match, TRC needed to implement project (0) <p><i>(TRC = Toll Revenue Credit)</i></p>	20	3
Project provides increased mobility options for target populations.	<p>Project provides greater mobility by:</p> <ul style="list-style-type: none"> • Increasing service levels (hours of day / days of week) (5) • Introduces mobility management techniques (10) • Continuing service to targeted populations (5) 	20	2
Project will be operational within a reasonable timeframe.	<p>Project is operational (i.e., starts providing services) within a short time-frame:</p> <ul style="list-style-type: none"> • Within 1- 3 months (25) • Within 3 - 6 months (15) • Within 6 - 12 months (10) • Over 12 months (1) 	25	1
Project expands on an existing successful pilot project or provides continued operating funding for an existing service.	<ul style="list-style-type: none"> • Existing project achieved projected ridership (20) • Ridership has increased (compared to pre-project ridership) but has not achieved projected ridership (10) • Marketing plan to increase ridership to targeted groups (5) 	25	1
Agency personnel or contractors are qualified and have	<p>Agency and/or contractor qualifications and experience (including key personnel) demonstrate</p>	20	2

Project Evaluation Criteria	Definition (possible points)	Max Points	Factor
appropriate experience to implement project.	that they have the technical and managerial capabilities and experience to conduct the project / operate the service. <ul style="list-style-type: none"> • 10+ years experience (20) • 5+ years experience (10) • 1+ years experience (5) 		
Project demonstrates a new or innovative idea that can be replicated elsewhere in the state.	Project incorporates: <ul style="list-style-type: none"> • Innovative use of technology (5) • Creative sources of financing (10) • Service Design (5) 	20	1
Estimate number of new customers that will be served or benefited by the project.	Estimate number of new customers as a result of the project: <ul style="list-style-type: none"> • 20 or more new customers (10) • 10 - 20 new customers (5) • 0 - 10 new customers (1) 	10	2
Maximum Points Available		200	
Maximum Points w/Multiplier		470	

2.10 HUMAN SERVICES TRANSPORTATION PLAN

2.10.1 Overview

Federal transit law, as amended by SAFETEA-LU, requires that projects selected for funding under the Elderly Individuals and Individuals with Disabilities (Section 5310), Job Access and Reverse Commute (JARC), and New Freedom programs be *“derived from a locally developed, coordinated public transit-human services transportation plan”* and that the plan be *“developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public.”*

A locally developed, coordinated, public transit-human services transportation plan (HSTP) identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation. Local plans may be developed on a local, regional, or statewide level. The decision as to the boundaries of the local planning areas should be made in consultation with the State, designated recipient and the metropolitan planning organization (MPO), where applicable. The agency leading the planning process is decided locally and does not have to be the designated recipient. IDOT has determined that the development of regional plans is the more effective way to get plans accomplished and established a comprehensive program of planning and technical assistance to facilitate plan development.

A list of regional contacts is listed in Table 2-2.

**Table 2-2.
HSTP Regional Coordinator Contact List**

Regions 1 & 3

Jeff Joyce
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Regions 6 & 8

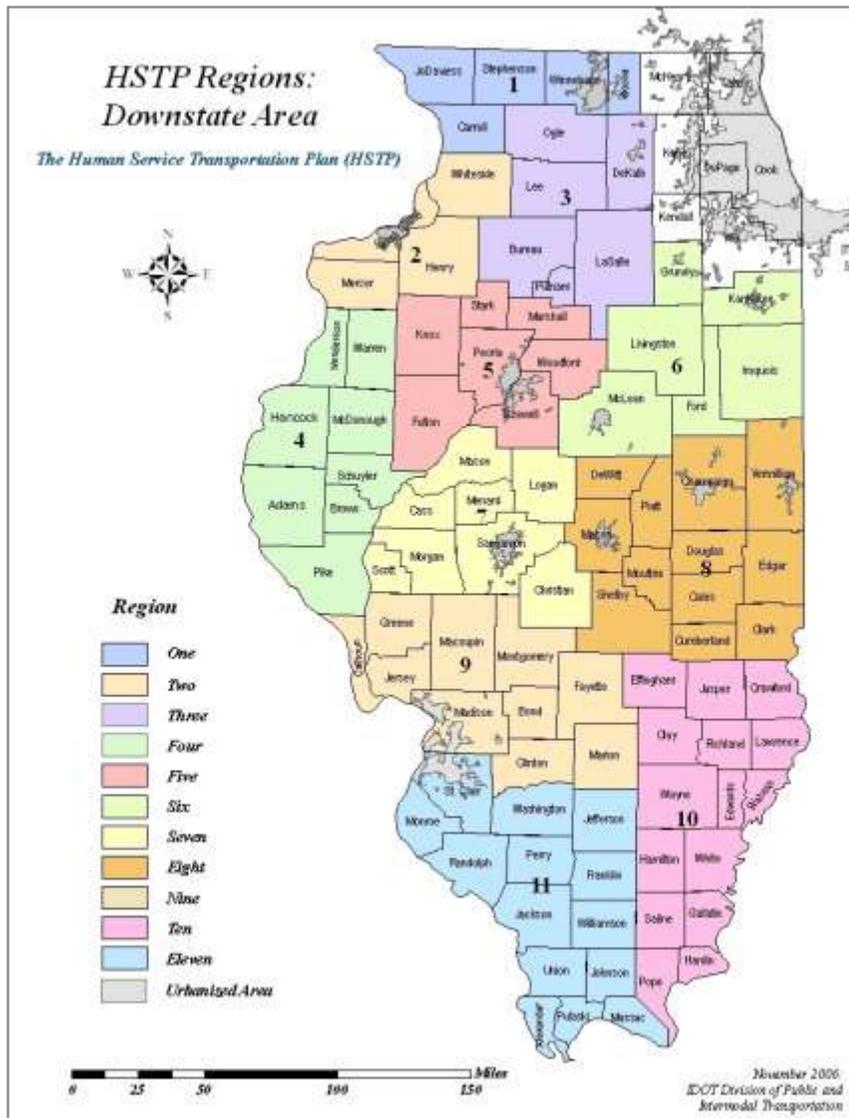
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Regions 9, 10 & 11

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IDOT has divided the state into 11 regions for plan preparation (Figure 2-2).

Figure 2-2.
HSTP Planning Regions



2.11 PROGRAM REQUIREMENTS

2.11.1 Coordination

IDOT and SAFETEA-LU encourage the coordination of public and specialized transportation services to enhance the mobility of persons in nonurbanized areas; and within urbanized areas, mobility limited individuals and groups for whom existing resources are insufficient, inadequate or inappropriate. In order to maintain a dimensional

awareness of mobility limited persons, IDOT maintains on-going, formal and informal contacts with other state and local agencies -- including Area Agencies on Aging as well as the Departments of Mental Health, Developmental Disabilities, Rehabilitation Services and Healthcare and Family Services -- to provide for broader input regarding the allocation of Section 5310, 5311, 5316 and 5317 funds. Projects must be included in the locally developed Human Services Transportation Plan (HSTP) for financial assistance consideration. Also, application for funding requires an inventory of local transportation resources, written notification of local transportation providers and a detailed presentation of the local planning and coordination process employed. These efforts are intended to supplement the mandated public hearing and State Clearinghouse notification.

In addition, proposed projects located within the planning jurisdiction of an MPO must also coordinate their project with the Transportation Improvement Program (TIP) process -- a federally mandated local planning, review and approval mechanism for urbanized areas. Interested agencies and transportation providers respond as appropriate.

2.11.2 Private Sector Participation

IDOT and SAFETEA-LU encourage private sector participation to the maximum extent feasible. Private sector participation is specifically addressed through statewide and local planning organizations. Private sector participants are given timely information about transportation issues and an opportunity to comment throughout the transportation planning process. They are also provided with access to technical and policy information used in the development of plans and transportation improvement programs, as well as access to public meetings where matters related to transit programs are being considered. Grantees are required to certify compliance with this provision through the standard assurances certification.

2.11.3 Civil Rights and Disadvantaged Business Enterprise (DBE)

IDOT's Office of Civil Rights establishes DBE goals and requirements for IDOT funded projects. IDOT is responsible for ensuring compliance with civil rights requirements and for monitoring DBE performance of grantees. These requirements include, but are not limited to, The Illinois Human Rights Act, Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), and the Disadvantaged Business Enterprise (DBE) program requirements. IDOT's Office of Finance and Administration also employs Title VI and DBE contract compliance specialists to monitor compliance. IDOT

provides assistance to participants in civil rights and DBE compliance and encourages grantees to adopt guidance similar to those used by IDOT. Grantees are required to certify compliance with this provision through the standard assurances certification and through submission of applicable comprehensive plan

2.11.4 Section 504 and ADA

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability by recipients of federal financial assistance. In addition, the Americans with Disabilities Act (ADA) of 1990 imposed specific requirements on public and private providers of transportation. IDOT requires all grantees to comply with these two acts through the timely submittal of updated annual transit or paratransit plans and through the standard assurance certification process.

2.11.5 Charter Service

As a condition of the receipt of FTA funding, an applicant is required to execute a certification that the organization, and each of its subrecipients, and third party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with FTA financial assistance only in compliance with the regulations set out in 49 CFR 604.

2.11.5.1 Charter Service Exemptions

New regulations, effective April 30, 2008, generally exempt grantees from the regulations if they receive funding under the following FTA programs:

- Section 5310, Elderly Individuals and Individuals with Disabilities Program;
- Section 5311, Nonurbanized Area Formula Program;
- Section 5316, Job Access and Reverse Commute (JARC) Program; and
- Section 5317, New Freedom Program.

This categorical exemption applies only when the transit system is providing charter for **program purposes** only. FTA defines this term as:

...transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals).

Thus, grantees of funding under the above listed programs are exempt provided the charter service is provided on behalf of a human service agency or Qualified Human Service Organization (QHSEO) or is provided to one of the three targeted population groups. If a charter service does not meet the definition listed above, then the program exemption **does not apply**.

Other exemptions to the regulations include:

- Grantees that transport its employees, or the employees of other transit system employees are exempt (such transportation may have been charter under the previous rule). This exemption also applies if the system is transporting the following individuals to/from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting oversight functions such as inspection, evaluation, or review:
 - transit management officials;
 - transit contractors and/or bidders; and
 - government officials and their official guests.
- When a transit system transports the same group of listed employees and related parties for purposes of emergency preparedness planning and operations, the charter regulations do not apply.
- Transit systems in nonurbanized areas may transport their own employees, other transit system employees, transit management officials, and transit contractors and bidders to or from transit training outside its geographic service area without the service being deemed charter service by FTA.
- Grantees that provide service in direct response to an emergency declared by the President, a governor, a mayor, or in an emergency requiring immediate action prior to a formal declaration are exempt from the regulations. If the emergency lasts more than 45 days, the grantee must request permission to continue the service from the FTA Administrator.

There may be instances where a private charter company receives, either directly or indirectly, financial assistance under an FTA program. In such cases, FTA's charter rules do not apply to the provider's non-FTA funded activities.

2.11.5.2 Charter Service Exceptions

There are some limited situations where a grantee may engage in permissible charter activity. These instances are limited to the following exceptions specified in 40 CFR part 604.6 through 604.11.

These exceptions include:

- The transport of government officials on government business;
- Transport of clients of a qualified human service organization;
- Leasing FTA funded equipment and drivers to a registered charter operator;
- The grantee has solicited interest from registered charter operators and received no response within the timeframes specified by FTA;
- Negotiating an agreement with all registered charter operators; and
- Petitioning and receiving the permission of the FTA Administrator in instances of national significance, economic hardship, or unique local circumstance.

IDOT has developed a decision tree (contained in Exhibit 1) to assist grantees determine when they must adhere to charter regulations and comply with the requisite reporting process. IDOT has developed a series of forms to assist in the data collection by grantees to support the reporting process.

Compliance for these requirements is monitored through IDOT's site visits and program reviews.

2.11.6 Drug and Alcohol Testing Program

In the interest of safety of transit operations, recipients of funding from the Section 5311 Nonurbanized Area Formula Program, and other programs as determined by the Secretary are required by 49 U.S.C. 5331 to establish drug and alcohol testing programs. The purpose of the testing program is to help prevent accidents, fatalities, and injuries resulting from misuse of alcohol or the use of prohibited drugs by employees who perform safety-sensitive functions. Grant recipients identified above must also certify annually that they are in compliance with the U.S. DOT and FTA regulations concerning drug and alcohol testing (49 CFR part 40 and 655). Compliance with the regulations is a condition of FTA funding.

FTA has promulgated a regulation titled, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations." The regulation applies to recipients of funds identified above. The regulation requires that FTA recipients follow the drug and alcohol testing procedures found in

applicable FTA (49 CFR part 655) and DOT (49 CFR part 40) regulations.

The regulation applies to “employers,” defined as “a recipient [of FTA funding] or other entity that provides public transportation service or which performs a safety-sensitive function for such recipient or other entity.” The term includes subrecipients, operators, and contractors. The direct recipient of FTA funding, however, remains responsible to FTA both for carrying out the regulations and for ensuring that any person or organization performing a safety-sensitive function on its behalf is in compliance with FTA regulations.

The rule requires each employer to establish and implement a substance abuse prevention program consisting primarily of a testing program but with elements requiring training, educating, and evaluating safety-sensitive employees. The rule requires the development of a detailed policy statement that must be distributed to all safety-sensitive employees and employee organizations. In addition, the 49 CFR part 655 Subpart D establishes alcohol concentration levels and prohibited behavior, and employers are directed to take specific action on the basis of the level of alcohol concentration.

Recipients or subrecipients that receive only JARC, New Freedom, or Section 5310 assistance are not subject to FTA’s Drug and Alcohol testing rules, but must comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for employees who hold Commercial Driver’s Licenses (CDLs)(49 CFR part 382).

JARC or New Freedom recipients and subrecipients that also receive funding under one of the covered FTA programs (e.g., Section 5311 or 5307) should include any employees funded under JARC or New Freedom projects in their testing program.

2.11.7 Hazard and Security Plans

Any grantee involved in the provision of service funded, in whole or in part, under Sections 5311, 5316, or 5317 programs, must prepare and submit a “Hazard and Security Plan to IDOT. Each plan must be approved and adopted by the grantee’s governing board.

Plan templates and other safety and security elements can be found at

http://www3.cutr.usf.edu/bussafety/documents/security/F_HSP_Template_instructions_September_2005.doc

2.11.8 Other Provisions

The state's standard assurances certification requires the grantee to comply with the requirements of various state and federal laws such as, but not limited to, the Section 5333(b) Warranty, drug-free workplace, Suspension, Debarment and Applicable Provisions through an annual certification process. Compliance for these requirements is monitored through IDOT's site visits and program reviews.

2.11.9 Section 5311 Service Expansion

All Section 5311 service expansion and/or new 5311 service, must complete the Illinois Coordinating Committee on Transportation (ICCT) Primer and be included in the regional HSTP.

2.12 RURAL TRANSIT ASSISTANCE PROGRAM (RTAP)

The Department provides for various services including training, technical assistance, research, and support services for participants under the auspices of the Rural Transit Assistance Center (RTAC). The RTAC is located at Western Illinois University and funded through an interagency agreement with the University. For more information contact:

Executive Director
Western Illinois University
Rural Transit Assistance Center
318 Stipes Hall
Macomb, IL 61455
Phone: (309) 298-2141
Toll Free: 1-800-526-9943
Fax: (309) 298-2162
Email: RTAC@wiu.edu
Web Site: <http://www.iira.org/outreach/rtac.asp>

In addition IDOT has established a Rural Transit Assistance Program Advisory Council to provide guidance and ongoing review of program development, implementation, and delivery. The council is made up of representatives from private nonprofit specialized providers, private for-profit providers, public transit providers, and state agencies. Authority to appoint Advisory Council members is delegated to the Director of the Division of the Public & Intermodal Transportation by the Secretary of the Illinois Department of Transportation. The Advisory Council by-laws are provided in Exhibit 2.



3.0 PROGRAM MANAGEMENT

3.1 INTRODUCTION

This section provides project management guidance for grantees in carrying out assistance projects pursuant to Sections 5310, 5311, 5316 and 5317 of the Federal Transit Act and SAFETEA-LU. While federal regulations apply directly to IDOT as the designated first level grantee of federal funds, prospective applicants are hereby notified (unless indicated otherwise) that applicable federal requirements and regulations invariably apply to the state's grantees and their third party contractors as well.

Accordingly, the procedures outlined herein are intended to assist grantees in meeting the various state and federal grant management responsibilities and reporting requirements of IDOT funded projects. For additional guidance on specific areas of state and federal laws and other regulations, grantees are at a minimum, advised to consult the original sources provided herein.

In addition, IDOT further recommends that current grantees and potential applicants review this manual and other program related materials such as local regulations, executive orders and pertinent literature published by academic and other institutions in order to avail themselves of the full scope of requirements and pre-conditions to receiving such financial assistance. Also, since IDOT has found that initial project planning and research significantly improves both the feasibility of receiving assistance and henceforth, of implementing a successful public transportation project, prospective applicants are encouraged to meet with IDOT staff in the early planning stages of a proposed project to discuss the specifics of funding availability and other requirements.

3.2 PROGRAM GUIDANCE

Prior to the submission of a completed application for financial assistance for operating, capital, technical assistance, prospective applicants are advised of the applicability of the following additional sources of guidance:

Federal References

Any reference in any law, map, regulation, document, paper, or other record of the United States to the Urban Mass Transportation Administration is deemed a reference to the Federal Transit Administration. Applicable federal references include:

- Federal Transit Laws, Title 49, United States Code, Chapter 53.
- Federal-aid highway and surface transportation laws, Title 23, United States Code.
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA–LU) (Pub. L. 109–59, 119 Stat. 1144, Aug. 10, 2005).
- Transportation Equity Act for the 21st Century (TEA–21) (Pub. L. 105–178, 112 Stat. 107, June 9, 1998).
- Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (Pub. L. 102–240, 105 Stat. 1914, Dec. 18, 1991).
- Federal Public Transportation Act of 1978 (Pub. L. 95–599, Nov. 6, 1978).
- Americans with Disabilities Act of 1990, as amended, 42 U.S.C. 12101 et seq.
- Government Performance Results Act of 1993, as amended (Pub. L. 103-62, 107 Stat. 285, Aug. 3, 1993).
- Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794.
- Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d.
- Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e.
- Clean Air Act, as amended, 42 U.S.C. 7401 et seq.
- Section 404 of the Clean Water Act, as amended, 33 U.S.C. 1344.
- Policy on Lands, Wildlife, and Waterfowl Refuges, and Historic Sites, 49 U.S.C. 303.
- Section 106 of the National Historic Preservation Act, 16 U.S.C. 470f.
- Internal Revenue Code, Nonprofit Organizations, 26 U.S.C. 501.
- Lobbying Restrictions, 31 U.S.C. 1352.
- Disadvantaged Business Enterprises, 23 U.S.C. 101 note.

- Congressional Declaration of Policy Respecting Insular Areas, 48 U.S.C. 1469a.
- Program Fraud Civil Remedies Act, 31 U.S.C. 3801 et seq.
- Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended, 42 U.S.C. 4601, et seq.
- Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq.
- Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et seq.
- National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321 et seq.
- Federal Funding Accountability and Transparency Act of 2006 (Pub. L 109–282, 120 Stat. 1186, Sept. 26, 2006).
- Davis-Bacon Act, as amended, 40 U.S.C. 3141 et seq.
- Drug-Free Workplace Act of 1988, as amended, 41 U.S.C. 701 et seq.
- U.S. DOT regulations, “Organization and Delegation of Powers and Duties,” 49 CFR part 1.
- U.S. DOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR part 18.
- U.S. DOT regulations, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” 49 CFR part 19.
- U.S. DOT regulations, “New Restrictions on Lobbying,” 49 CFR part 20.
- U.S. DOT regulations, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964,” 49 CFR part 21.
- U.S. DOT regulations, “Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs,” 49 CFR part 24.
- U.S. DOT regulations “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR part 25.
- U.S. DOT regulations, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs,” 49 CFR part 26.
- U.S. DOT regulations, “Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance,” 49 CFR part 27.
- U.S. DOT regulations, “Governmentwide Debarment and Suspension (Nonprocurement),” 49 CFR part 29.
- U.S. DOT regulations, “Governmentwide Requirements for Drug-Free Workplace (Financial Assistance),” 49 CFR part 32.
- U.S. DOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 CFR part 37.

- U.S. DOT regulations, “Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles,” 49 CFR part 38.
- U.S. DOT regulations, “Procedures for Transportation Workplace Drug and Alcohol Testing Programs,” 49 CFR part 40.
- FTA regulations, 49 CFR Subtitle B Chapter VI.
- Joint Federal Highway Administration/FTA regulations, “Planning Assistance and Standards,” 23 CFR part 450 and 49 CFR part 613.
- Joint Federal Highway Administration/FTA regulations, “Environmental Impact and Related Procedures,” 23 CFR part 771 and 49 CFR part 622.
- Federal Motor Carrier Safety Administration regulations, “Controlled Substances and Alcohol Use and Testing,” 49 CFR part 382.
- U.S. Department of Treasury regulations, “Rules and Procedures for Efficient Federal - State Funds Transfers,” 31 CFR part 205.
- U.S. Environmental Protection Agency regulations, “Determining Conformity of Federal Actions to State or Federal Implementation Plans,” 40 CFR part 93.
- Executive Order 12372, “Intergovernmental Review of Federal Programs,” July 14, 1982.
- Executive Order 12898, “Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations,” Feb. 11, 1994.
- Executive Order 13217, “Community-Based Alternatives for Individuals with Disabilities,” June 18, 2001.
- Executive Order 13330, “Human Service Transportation Coordination,” Feb. 24, 2004.
- Office of Management and Budget Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments,” codified at 2 CFR part 225, Aug. 31, 2005.
- Office of Management and Budget Circular A-94, “Guidelines and Discount Rates for
- Benefit-Cost Analysis of Federal Programs,” Oct. 29, 1992.
- Office of Management and Budget Circular A-122, “Cost Principles for Non-Profit Organizations,” codified at 2 CFR part 230, Aug. 31, 2005.
- Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” June 23, 2003.
- U.S. Department of Transportation Order to Address Environmental Justice in Minority Populations and Low-Income Populations, 62 FR 18377 (Apr. 15, 1997).

- U.S. DOT Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons, 70 FR 74087 (Dec. 14, 2005).
- FTA Circular 4220.1E, "Third Party Contracting Requirements," June 19, 2003.
- FTA Circular 4702.1, "Title VI Program Guidelines for FTA Recipients," Oct. 1, 1998.
- FTA Circular 5010.1C, "Grant Management Guidelines," Oct. 1, 1998.
- FTA Circular 9030.1C, "Urbanized Formula Program Guidance and Application Instructions," Oct. 1, 1998.
- U.S. General Services Administration, "Excluded Parties List System," www.epls.gov.
- FTA Master Agreement FTA MA(13), Oct. 1, 2006.
- FTA ECHO-Web System Operations Manual. (<http://www.fta.dot.gov/documents/ECHOWebGranteeUserManual.pdf>).
- *Olmstead v L.C.*, 527 U.S. 581 (1999).

3.2.1 Local References

Applicable Illinois references include:

- 30 ILCS 505/1-13 Illinois Purchasing Act
- 30 ILCS 740/1-1/4-5 Downstate Public Transportation Act
- 65 ILCS 5/3.1-55-20 Municipalities -- Accounts and Auditing
- 50 ILCS 305-340 Local Government Finances
- 50 ILCS 505-510 Local Government Purchases and Contracts

3.3 RURAL TRANSIT ASSISTANCE PROGRAM (RTAP)

3.3.1 Section 5311

RTAP funding is directly linked to the Section 5311 Program. Since most rural public transit operators are funded in part with Section 5311 capital and operating assistance funds, they are the primary focus of RTAP funded efforts. IDOT uses Section 5311 administrative funds and specially earmarked RTAP funds to provide direct technical and grant management assistance to Section 5311 potential applicants and grantees through the Rural Transit Assistance Center.

In addition to the above assistance, RTAC can arrange to provide assistance in other functional areas such as marketing and promotion, accounting and reporting, coordination, and personnel and labor relations. Please contact the Rural Transit Assistance Center or IDOT for further information concerning the RTAP Program.

3.3.2 Section 5310

Many Section 5310 program funded projects also provide transportation services in small urban and rural areas. Projects and agencies which provide rural transportation services also participate in the RTAP program.

3.3.3 Section 5316

Many Section 5316 program funded projects also provide transportation services in small urban and rural areas. Projects and agencies which provide rural transportation services also participate in the RTAP program.

3.3.4 Section 5317

Many Section 5317 program funded projects also provide transportation services in small urban and rural areas. Projects and agencies which provide rural transportation services also participate in the RTAP program.

3.3.5 Regional Training

The Illinois Rural Transit Assistance Center (RTAC) provides training for drivers and support personnel of Section 5310, Section 5311, Section 5316 and 5317 grantees/operators and other rural transit providers. Courses in defensive driving, emergency procedures, and passenger assistance are offered at eight regional training sites and at various on-site locations, with each course consisting of classroom instruction and hands-on practice.

The regional training sites are located strategically to allow easy access by transit agencies, thus minimizing the need for on-site (demand-response) trainings. Course dates are announced in advance to allow agencies to plan for employee attendance at the sessions.

In addition, RTAC has partnered with the Illinois Department on Aging (DoA) to provide a minimum of 13 on-site trainings, 1 in each of the 13 DoA provider service areas. This partnership will allow not only the training of employees from DoA-funded agencies, but also allow extra training sites for the employees of IDOT-funded agencies that have been unable to attend regional trainings.

Course curricula are periodically reviewed and updated by RTAC staff, with input from the trainers. Trainers are transit professionals, many of them employed at rural transit agencies.

3.4 FUNDING, DISTRIBUTION AND ELIGIBILITY

3.4.1 Federal Distribution of Funds

3.4.1.1 Section 5310

FTA apportions Section 5310 funds to each state on the basis of a formula administered by the Secretary of the US Department of Transportation which takes into consideration the number of elderly persons and persons with disabilities in each state.

3.4.1.2 Section 5311

FTA apportions Section 5311 funds to each state based on a federal, population based formula as mandated by Congress. The formula is determined by the ratio of a state's nonurbanized population to the total nonurbanized population of all 50 states plus US territories. The data used in the formula are derived from the most current census.

3.4.1.3 Section 5316

FTA allocates Section 5316 funds on a formula basis as follows: 60 percent to areas over 200,000 population; 20 percent to areas of under 200,000 population; and 20 percent to nonurbanized areas.

SAFETEA-LU changed Section 5316 funding from discretionary to formula funding that will be based on the percentage of population that are welfare recipients. Grants will be awarded based on the need for additional services, coordination with and the use of existing transportation providers, coordination with State welfare agencies implementing the TANF program, use of innovative approaches, the presence of a regional plan and long term financing strategies and consultation with the community to be served.

3.4.1.4 Section 5317

FTA apportions Section 5317 funds to each state based on a federal, population based formula as mandated by Congress. 20 percent of the funds are apportioned among the States in the ratio that the number of individuals with disabilities in other than urbanized areas in each State; bears to the number of individuals with disabilities in other than urbanized areas in all States.

3.4.2 IDOT Distribution of Funds

It is IDOT policy to maximize its apportionments of Federal transit funds under all state administered programs at the project level. While all programs permit IDOT to retain ten or fifteen percent of the state's

apportionment of project administration, IDOT uses such funds primarily to support planning and technical assistance functions; thereafter, priority is placed on programming all remaining funds for local projects.

3.4.2.1 Section 5310

IDOT typically utilizes Federal Section 5310 apportionments to meet eighty (80) percent of program costs. IDOT also pursues state funding under the provisions of the Illinois Compiled Statutes (30 ILCS 740/3-1.02) to meet the federal requirement for a local twenty (20) percent share. In the event that state funding for the full twenty (20) percent nonfederal share is not available, applicants should be prepared to furnish the balance of funds needed to complete individual Section 5310 Program projects.

3.4.2.1.1 Project Selection

Given existing funding constraints, IDOT administers distribution of funding for awards in a three step process.

First, an applicant's application is scored based on the following criteria:

- Level of Existing Service (maximum 3 points)
- Applicants Experience (maximum 3 points)
- Operations-Utilization of Equipment (maximum 3 points)
- Operations-Administration: capabilities of the applicant to implement and run their transportation program (maximum 3 points)
- Operation-Maintenance: capability of the applicant to properly maintain equipment requested maximum 3 points).
- Service Coordination (maximum 5 points)

Second, all applications are ranked by application score and need of vehicle requested (replacement, service expansion, new service). Accordingly, each vehicle requested -- whether replacement, expansion or new – competes against all others requested under the same category. At this point IDOT reviews past awards to ensure that any vehicles requested for replacement has not been replaced in previous grants.

Third, each agency that ranks above a score of 13 is programmed for funding. The Department has determined that a score of 13 is a reasonable cut-off threshold to ensure that applicants can meet the basic requirements of operating, utilizing, and maintaining the vehicle(s) requested. If, however,

an applicant receives a zero on Service Coordination, there are deemed ineligible for funding no matter what their score. Every agency that scores above a 13 is programmed for at least one vehicle. Additional vehicles will only be awarded if there is sufficient funding. In this case all eligible applicants will receive the same number of vehicles if they have sufficient need as demonstrated in their application.

In any given year, IDOT's final Section 5310 Program funding distribution is devised so as to conform with the following goals:

- 80% funding for replacement service vehicles;
- 10% funding for expansion service vehicles; and
- 10% funding for new service vehicles.

3.4.2.1.2 IDOT Administrative Costs

In addition, up to 10 percent of the state's total fiscal year apportionment may be used as the 80% federal share of program administration costs. Program administration costs consist of those costs incurred by IDOT in implementing and managing the entire Section 5310 program. The remaining 20% must come from state general revenue sources.

3.4.2.1.3 Other Acquisition Costs

IDOT also reserves a share of the annual Section 5310 program apportionment to contract with consultants for the preparation of vehicle specifications, bid review and other technical services in connection with IDOT's Consolidated Vehicle Procurement program. Typically, this amount represents less than five (5) percent of annual apportionments.

3.4.2.2 Section 5311

Between 1985 and 1990, Section 5311 systems increased from nine (9) to the twenty-six (26) grantees. This growth was met in large part through the utilization of reserve and carryover Section 5311 funds from previous years. By 1993, requests for Section 5311 funds (exclusive of local contributions) exceeded federal apportionments by a four to one ratio. As a result, Section 5311 Program apportionments have been allocated exclusively to operating assistance grants. Until 2000, inclusion as a grantee was limited to those systems receiving FTA funding in SFY 1993.

With the passage of TEA-21, funding for rural public transportation systems increased significantly over the five year authorization period. In response to this, IDOT held a competitive service proposal process

to increase service. As a result, in 2002 the number of rural counties served by public transportation increased by 14 and the number of grantees increased by 6 to 32.

There is an expectation that the passage of SAFETEA-LU, and the federal funding associated with the legislation, will permit IDOT to increase service in the rural areas. The competitive service proposal process will follow the process outlined in Section 2.92 of this manual.

3.4.2.2.1 Amounts of and Limits on Operating Assistance Grants

IDOT is authorized under the Act to make operating assistance grants to any applicant to offset a portion of the applicant's proposed operating and administrative deficits. If the total of all requests exceed the total amount of funds apportioned, then IDOT will make grants from apportioned funds for less than such deficits. In any event, operating assistance grants are calculated upon approved project deficits as follows:

- Operating Deficits - IDOT will make grants from apportioned funds for up to 50% of such deficits.
- Administrative Deficits - IDOT will make grants from apportioned funds for up to 80% of such deficits.

3.4.2.2.2 Amounts of and Limits on Capital Assistance Grants

IDOT is authorized under the Act to make grants to any applicant for an amount not to exceed 80% of the proposed eligible capital expenses from the grantee's approved program of proposed expenditures. IDOT will make grants to applicants for 80% of such capital expenses to the extent that sufficient discretionary funds are available.

3.4.2.2.3 Intercity Bus Set-A-Side Funding

Section 5311(f) requires each state to spend 15 percent of its annual Section 5311 apportionment "to carry out a program to develop and support intercity bus transportation," unless the Governor certifies that "the intercity bus service needs of the state are being met adequately." This percentage set-a-side is effective unless the Governor certifies that the Intercity Bus service needs of Illinois are being adequately met.

Assistance under Section 5311(f) must support intercity bus service in rural and small urban areas. Section 5311(f) specifies eligible intercity bus activities to include "planning and

marketing for intercity bus transportation, capital grants for intercity bus shelters, joint-use stops and depots, operating grants through purchase-of-service agreements, user-side subsidies and demonstration projects, and coordination of rural connections between small transit operations and intercity bus carriers." The required percentage applies only to the amount of FTA's announced annual apportionment of Section 5311 funds to the state, not to any funds the state subsequently transfers to its nonurbanized area formula program from another program.

Charter and tour services are not eligible for assistance in accordance with federal regulation 49 CFR part 604.

3.4.2.2.4 Discretionary Funds

Funds not allocated among grantees will be classified as Discretionary Funds to be used for capital and operating assistance grants.

3.4.2.2.5 State Administration

IDOT may use up to 15 percent of the state's annual apportionment to administer the program and provide technical assistance to applicants and existing transit systems. Technical assistance may include project planning and development, management and operations, maintenance, and coordination of public transportation resources and programs (public and private). The federal funds can be used to pay for 100% of expenses with no state match requirement.

Additionally, IDOT may use these funds for augmenting the Rural Technical Assistance Program or for other statewide planning and oversight activities. As it is IDOT's goal to maximize investment of Federal funds at the project level, any unused funds in the fifteen percent set-aside category will flow to other categories in accordance with IDOT's Section 5311 Funding Distribution Methodology, adopted in July 2007.

3.4.2.3 Section 5316

IDOT is the designated recipient for JARC funds for nonurbanized areas. IDOT's responsibilities include:

- notifying eligible local entities of funding availability;
- developing project selection criteria;
- determining applicant eligibility;
- conducting the competitive selection process (see Chapter IV);

- forwarding an annual program of projects (POP) and grant application to FTA;
- ensuring that all subrecipients comply with Federal requirements;
- documenting the State's or designated recipient's procedures in a State Management Plan or a Program Management Plan as appropriate;
- certifying that allocations of grants to subrecipients are distributed on a fair and equitable basis; and
- certifying that all projects are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that consists of representatives of public, private, and non-profit transportation and human services providers with participation by the public.

3.4.2.3.1 State Administration

IDOT may use up to 10 percent of the state's annual apportionment to administer the program and provide technical assistance to applicants and existing transit systems. Technical assistance may include project planning and development, management and operations, maintenance, and coordination of public transportation resources and programs (public and private). The federal funds can be used to pay for 100% of expenses with no state match requirement.

IDOT's goals under the Job Access and Reverse Commute Program maximize use of Federal funds at the project level. While the state reserves the right to utilize such funds for administration, IDOT has no immediate plans to use JARC funds for this purpose.

3.4.2.3.2 Transfer of Funds

IDOT may use funds apportioned for small urbanized and rural areas for projects serving another area of Illinois, if the Governor certifies that all of the objectives of JARC are being met in the specified areas. For example, if all objectives of the JARC program are being met in rural areas, funds designated for rural areas may be transferred to urbanized areas of less than 200,000 in population. Funds apportioned to small urbanized and rural areas may also be transferred for use anywhere in the State including large urbanized areas, if the State has established a statewide program for meeting JARC program goals. There is no authority to transfer funds apportioned to large urbanized areas to small urbanized or rural areas.

IDOT may transfer JARC funds apportioned to it for rural or small urbanized areas to apportionments under Section 5311(c) or 5307, or both. The purpose of the transfer provision, however, is not to supplement the resources available under the State's Section 5311 or Section 5307 apportionments. FTA will also award stand-alone JARC grants to the State. Stand-alone grants facilitate the State's ability to recover and reprogram JARC program funds within the period of availability if they are not expended for the projects the State originally selected.

IDOT's primary goal in any fund transfer of JARC funds will be to avoid lapse of such funds.

3.4.2.4 Section 5317

IDOT is the designated recipient for New Freedom funds for nonurbanized areas. IDOT's responsibilities include:

- notifying eligible local entities of funding availability;
- developing project selection criteria;
- determining applicant eligibility;
- conducting the competitive selection process (see Chapter IV);
- forwarding an annual program of projects (POP) and grant application to FTA;
- ensuring that all subrecipients comply with Federal requirements;
- documenting the State's or designated recipient's procedures in a State Management Plan or a Program Management Plan as appropriate;
- certifying that allocations of grants to subrecipients are distributed on a fair and equitable basis; and
- certifying that all projects are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that consists of representatives of public, private, and non-profit transportation and human services providers with participation by the public.

3.4.2.4.1 State Administration

IDOT may use up to 10 percent of the state's annual apportionment to administer the program and provide technical assistance to applicants and existing transit systems. Technical assistance may include project planning and development, management and operations, maintenance, and coordination of public transportation resources and programs (public and private). The federal funds can be used to pay for 100% of expenses with no state match requirement.

IDOT's goals under the New Freedom maximize use of Federal funds at the project level. While the state reserves the right to utilize such funds for administration, IDOT has no immediate plans to use New Freedom funds for this purpose.

3.4.2.4.2 Transfer of Funds

IDOT may transfer New Freedom funds apportioned to it for rural or small urbanized areas to apportionments under Section 5311(c) or 5307, or both. The purpose of the transfer provision, however, is not to supplement the resources available under the State's Section 5311 or Section 5307 apportionments. Transfer to Section 5311 or Section 5307 is permitted, but not required.

FTA will also award stand-alone New Freedom grants to the State. Standalone grants facilitate the State's ability to recover and reprogram New Freedom Program funds within the period of availability if they are not expended for the projects the State originally selected. If the State does choose to transfer the funds into the Section 5311 or Section 5307 programs, FTA has established a scope code (647) for New Freedom projects included within a Section 5311 or 5307 grant.

IDOT's primary goal in any fund transfer of New Freedom funds will be to avoid lapse of such funds.

3.5 GRANT APPLICATIONS

Application materials for the Section 5310, Section 5311, Section 5316 and Section 5317 programs may be obtained from IDOT. Administrative requirements related to application submittal and preparation not specifically detailed in the individual program applications are as follows:

3.5.1 Filing Periods

3.5.1.1 Section 5310 Capital Assistance Grants

Applications are distributed annually by February 1. Any applicant requesting funding must return the completed application to IDOT within ten weeks. A sample application is found in Exhibit 3.

To protect the interests of all-existing public and private transit and paratransit operators, the applicant must take the following actions:

- Prepare a mailing list of other paratransit transportation providers in your service area. (The following headings in the

telephone directory will help provide names, addresses, and phone numbers of operators: Bus lines, Private buses, Social service organizations, Taxi-cab companies, Transportation, Wheelchair transportation)

- Send each provider an individual letter advising him of your Section 5310 application. In the letter, describe the proposed service, number of vehicles to be used, population to be served, and boundaries of the service area. State the following:

“In accordance with federal grant program requirements, all public and private transit operators must be given a fair and timely opportunity to participate in the provision of the proposed services and to submit written comments on the proposed project to the Division of Public and Intermodal Transportation – IDOT.”

- Include copies of your letters and responses with your application.

Applicant must indicate in its letter(s) where and by what date (minimum 15 day period) written comments should be submitted.

3.5.1.2 Section 5311 Operating & Capital Assistance Grants

Applications are distributed annually by February 1st. Any applicant requesting funding for the next fiscal year must complete an application. A sample copy of the application is found in Exhibit 4.

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if” the grantee “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

Due to the varying availability of private, for profit transportation services in nonurbanized areas, IDOT does not prescribe the steps an applicant must take to meet Federal requirements for private sector participation. Applicants must attach copies of requests for proposals, letters, meeting minutes, comments received and proceedings held relating to these requirements as Attachment II to the application. If public notices and letters of interest are used, a minimum of fifteen days must be permitted for response.

3.5.1.3 Section 5316 Operating & Capital Assistance Grants

Applications will be submitted annually to the MPOs or regional planning agency (see Section 2.10) on about December 1. This initial review of the application will be completed at the regional level, with recommended projects being submitted to DPIT headquarters on or about January 1 of each year. A sample copy of the application is found in Exhibit 5.

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if the grantee “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

Due to the varying availability of private, for profit transportation services in nonurbanized areas, IDOT does not prescribe the steps an applicant must take to meet Federal requirements for private sector participation. Applicants must attach copies of requests for proposals, letters, meeting minutes, comments received and proceedings held relating to these requirements as Attachment II to the application. If public notices and letters of interest are used, a minimum of fifteen days must be permitted for response.

3.5.1.4 Section 5317 Operating & Capital Assistance Grants

Applications will be submitted annually to the MPOs or regional planning agency (see Section 2.10) on about December 1. This initial review of the application will be completed at the regional level, with recommended projects being submitted to DPIT headquarters on or about January 1 of each year. A sample copy of the application is found in Exhibit 6.

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if” the grantee “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

Due to the varying availability of private, for profit transportation services in nonurbanized areas, IDOT does not prescribe the steps an applicant must take to meet Federal requirements for private sector participation. Applicants must attach copies of requests for proposals, letters, meeting minutes, comments received and proceedings held relating to these requirements as Attachment II to the application. If public notices and letters of interest are used, a minimum of fifteen days must be permitted for response.

3.5.1.5 Non-Metro Small Capital Program

There is no set date, but annually if there are sufficient general revenue funds, IDOT will send out notification of the small capital program. This program is to purchase small capital items such as computers, shop equipment, and office equipment. All items must have a unit value of greater than \$300 (although shop and office equipment may contain several items that individually are below \$300 but as a group exceeds this threshold). Applications will then be sent to those grantees by request and funding will be distributed between the grantees based on available funds and need. A sample copy of the application is found in Exhibit 7.

3.5.2 Joint Applications (Section 5311)

The unique nature of public transportation needs of small urban and rural areas may lead to the formation of proposed programs that extend beyond the geographic boundaries of any single applicant. Therefore, in cases where two or more applicants are located within one county, or where a program to serve two or more adjoining counties is being proposed, the applicants involved may submit a Joint Application. Any applicant who wishes to submit an application that includes the provision of transportation service outside its geographic boundaries may do so provided that the assurances submitted by the applicant as part of the application for Section 5311 assistance cover the entire service area proposed in the application including assurances and joint agreements by any eligible applicants in that area.

3.5.2.1 Joint Application Agreements

Joint Applications filed with IDOT must contain copies of agreements between the Lead Applicant and each other applicant. Each agreement must contain the following information:

- A description of the service to be provided within the service area of each applicant.
- The amount that each applicant will contribute to the program to be funded under the Joint Application.
- That all applicants included under a Joint Application have agreed upon and designated one applicant to be the Lead Applicant responsible for executing all of the requirements of the grant agreement.
- A certified copy of the resolution passed by each applicant's governing board authorizing the applicant to execute the agreement.
- Copies of all the assurances required by IDOT's application form; signed by an authorized official of the lead applicant.

3.5.3 Review of Financial Assistance Applications

IDOT reviews applications according to criteria and procedures herein described and further detailed in state and federal laws, regulations and circulars. Prospective applicants should consult those publications, this manual and appendices for specific information regarding IDOT's application review criteria. In general, the applications are an excellent source for determining the extent and applicability of the minimum standards for receiving financial assistance. While IDOT recognizes the inherent diversity of local conditions affecting transit and paratransit service provision state-wide, it is not only responsible for promoting such services but for ensuring

that financial assistance funds are spent in a safe and efficient manner. Fully completed applications for such financial assistance provide the basis for IDOT's review of such requests. However, whether a request is for either operating, capital or technical assistance, the following criteria depict the typical indicators employed by IDOT where an in-depth analysis is warranted. Prospective applicants are encouraged to use these indicators to measure the effectiveness of proposed projects prior to the submission of a completed application.

Applicants for Section 5311 funds must prepare a project budget for approval by IDOT. The project budget must separate project expenses into allowable project administrative expenses and operating expenses. Eligible project administrative costs may include, but are not limited to, general administrative expenses such as salaries of the project director, secretary, and bookkeeper; marketing expenses; insurance premiums or payments to a self-insurance reserve; office supplies; facilities and equipment rental; standard overhead rates; and the costs of administering drug and alcohol testing.

Operating expenses are considered those costs directly related to system operations. At a minimum, the following items must be considered operating expenses: fuel, oil, drivers' salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses.

Grantees are required to have an independent audit prepared for Section 5311 Operating Assistance Grants. The audit must be prepared by an independent CPA, and if not based on the state's fiscal year, must include a schedule of costs, revenues, and expenditures in comparison with the approved project budget that is based on the state's fiscal year in the schedule of exhibits.

IDOT will consider the following when reviewing applications.

3.5.3.1 Need, Service and Efficiency

- The adequacy of planning activities performed to substantiate the need for the proposed service and its capability of meeting those needs as demonstrated by the following:
- The formal planning process followed in developing the plan for the proposed service, including - involvement of user groups, local and regional planning agencies, and existing transit providers in the development of the plan of the proposed program; and use of existing local or regional planning documents in the development of the plan for the proposed program (for example, comprehensive development plans).
- Assessment made of existing transportation service and equipment currently available in the applicant's service area based upon the following:

- Inventories of public and private agencies currently operating transportation services (including social service agencies, taxi operators, and school bus operators); and
- surveys of the general population and of special user groups (such as the elderly and disabled) to solicit information as to major travel destinations and current transit service needs.
- The level of local support for the proposed program as demonstrated by letters of support and minutes of public meetings and of other meetings of local agencies.
- If proposed eligible capital expenses are to be incurred for the replacement of existing vehicles, whether the age, condition or mileage of the existing vehicles justifies such replacement and to what extent such vehicles or equipment could meet the demonstrated transportation needs of the system.
- Whether the transportation needs and proposed method of operating equipment and vehicles indicate that such equipment and vehicles will be fully utilized.
- If proposed eligible capital expenses are to be incurred for purchase or construction of fixed facilities, in addition to the other criteria listed in this Section:
 - whether the proposed fixed facilities are necessary in relation to the applicant's current level of service;
 - whether it can be expected that the applicant will utilize the fixed facility in the provision of transit services beyond the period of the Section 5311 program and for the useful life of the facility; and
 - whether the amount of funds requested for such fixed facilities is so great as to prevent compliance by IDOT with federal requirements that funds be expended on a fair and equitable basis.

3.5.3.2 Managerial and Operating Capabilities

IDOT will review each application to assess the ability of the applicant's and proposed transit operator or provider(s) to provide transportation service outlined in the proposed program. In making this assessment IDOT will consider the following:

- The ability to dispatch and operate the proposed service.
- The ability to maintain equipment, vehicles and facilities to be used in providing transportation service.
- The ability to complete and submit the forms and information as required by IDOT.
- The past performance of an applicant or proposed transit provider as it relates to the scope and nature of the proposed program.

3.5.3.3 Coordination Efforts

IDOT will review proposed transportation programs to determine the amount of pooling of equipment, technical skill, and financial resources available in the community. For example, IDOT will evaluate efforts by the applicant to utilize existing vehicles owned by private transit providers or equipment owned by public or private nonprofit agencies purchased under other federal and state funded transportation and social service programs. The degree of support and cooperation from other federal and state agencies and the extent of participation by user groups social service agencies planning agencies, and existing private and public transit service providers in the planning and implementation of the proposed program will be considered when evaluating the level of coordination to be achieved in the proposed program.

3.5.3.4 Other Funding Sources

IDOT grant funds are intended to supplement, rather than to replace funding sources for small urban and rural transportation programs. Specifically, IDOT will assess an applicant's intention to maximize the level of operating assistance for transit service in the applicant's service area from other funding sources.

3.5.4 Approval of a Program of Proposed Expenditures

3.5.4.1 Operating Assistance

3.5.4.1.1 Section 5311

After the comparison and selection of programs (in whole or in part) to receive operating assistance, IDOT will review the proposed budget of each selected applicant's proposed program to assess the reasonableness of the relationship between the level of proposed services and the projected costs of such services. As part of this review, IDOT will consider these items:

- The comparison of the applicant's projected costs for proposed services with the actual costs of providing similar transportation services in comparable non urbanized areas (new service requests only);
- The effect of any proposed expansion of transportation services above the previously approved Section 5311 program of proposed expenditures, upon overall operating ratios including but not limited to the following:
 - passenger per vehicle mile;
 - fare box revenue per vehicle mile;

- deficit per vehicle mile; and
 - operating expense per vehicle mile.
- Where no expansion of service is proposed, the proposed budget will be compared with the program budget approved for the previous fiscal year so as to determine the cause of any rapid escalation in the cost of providing transportation services under the proposed program.

If after IDOT has completed the review as provided and has determined that the applicant's proposed budget is unreasonably high in relation the proposed services to be provided, IDOT will work with the applicant to modify the proposed budget to achieve a reasonable level. As a result of this process, particular line items of an applicant's proposed budget will be increased or decreased and a final program of proposed expenditures will be approved by IDOT.

3.5.4.1.2 Section 5316

After the comparison and selection of programs (in whole or in part) to receive operating assistance, IDOT will review the proposed budget of each selected applicant's proposed program to assess the reasonableness of the relationship between the level of proposed services and the projected costs of such services. As part of this review, IDOT will consider these items:

- The comparison of the applicant's projected costs for proposed services with the actual costs of providing similar transportation services in comparable non urbanized areas (new service requests only);
- The effect of any proposed expansion of transportation services above the previously approved program of proposed expenditures, upon overall operating ratios including but not limited to the following:
 - passenger per vehicle mile;
 - fare box revenue per vehicle mile;
 - deficit per vehicle mile; and
 - operating expense per vehicle mile.

If after IDOT has completed the review as provided and has determined that the applicant's proposed budget is unreasonably high in relation the proposed services to be provided, IDOT will work with the applicant to modify the proposed budget to achieve a reasonable level. As a result of this process, particular line items of an applicant's proposed budget will be increased or decreased and a final program of proposed expenditures will be approved by IDOT.

3.5.4.1.3 Section 5317

After the comparison and selection of programs (in whole or in part) to receive operating assistance, IDOT will review the proposed budget of each selected applicant's proposed program to assess the reasonableness of the relationship between the level of proposed services and the projected costs of such services. As part of this review, IDOT will consider these items:

- The comparison of the applicant's projected costs for proposed services with the actual costs of providing similar transportation services in comparable non urbanized areas (new service requests only);
- The effect of any proposed expansion of transportation services above the previously approved program of proposed expenditures, upon overall operating ratios including but not limited to the following:
 - passenger per vehicle mile;
 - fare box revenue per vehicle mile;
 - deficit per vehicle mile; and
 - operating expense per vehicle mile.

If after IDOT has completed the review as provided and has determined that the applicant's proposed budget is unreasonably high in relation the proposed services to be provided, IDOT will work with the applicant to modify the proposed budget to achieve a reasonable level. As a result of this process, particular line items of an applicant's proposed budget will be increased or decreased and a final program of proposed expenditures will be approved by IDOT.

3.5.4.2 Planning Assistance

IDOT may make funds available to assist with planning of transportation services. Each request for planning assistance must be included in the regions HSTP.

3.5.4.3 Capital Assistance

After the comparison and selection of programs (in whole or in part) to receive capital assistance based on the criteria herein, IDOT will review the proposed project budget of each applicant's proposed program to assess the reasonableness of the relationship between the proposed capital items and the projected cost of such items. As part of this review, IDOT will consider the comparison of the applicant's proposed capital items and costs with the actual costs of purchasing or constructing comparable capital items for other transportation programs. If after IDOT has completed the review provided herein and

has determined that the applicant's proposed project budget is unreasonably high or low in relation to the capital items to be purchased or constructed, IDOT will work with the applicant to modify the proposed project budget. As a result of this process, particular line items of an applicant's proposed project budget will be increased or decreased and a final program of proposed expenditures will be approved by IDOT.

3.5.5 Acknowledgment of Applications

IDOT will acknowledge receipt of formal applications for operating or capital assistance. Acknowledgment of an application is an assurance that IDOT will review the application. It does not obligate IDOT to approve the application. During the review and evaluation of an application, IDOT may require the applicant to provide additional information, clarification of information or to file additional supporting documents by a date set by IDOT. The nature of these documents will vary with the particular application and will be specified by IDOT.

3.5.6 Notification of Evaluation and Review

The applicant will be notified in writing of IDOT's approval or disapproval, in whole or in part, of the proposed programs based on its review of the applications. In cases where IDOT notified the applicant of its disapproval of a proposed program the applicant may request IDOT to reconsider the proposed program based on any additional relevant information the applicant can provide IDOT. In cases where IDOT recommends approval of an application, IDOT will notify the applicant of the level of funding and the program of proposed expenditures recommended for approval. IDOT will process the application and depending upon the source of funds requested, include such project in the appropriate state's Program of Projects. No application is officially approved until the applicant and IDOT fully execute a formal grant agreement. All disapprovals by IDOT or FTA of proposed programs shall be final.

3.5.7 Application Assistance Class (Section 5310)

To assist nonprofit applicants that are operated by minorities or groups serving predominately minority communities in understanding and properly completing the Section 5310 application, IDOT conducts an application assistance review class in Chicago. If demand warrants, a second class is held in Springfield.

Each year all public and private nonprofit organizations on IDOT's current Section 5310 mailing list are notified of the next application cycle. As part of the notification process, all organizations that request

an application are also asked to indicate if they would like to attend the assistance class. All applicants that indicate an interest in the class are notified in writing as to when and where the class will be held. While the class is designed to assist minority organizations, any applicant is encouraged to attend.

3.6 CONTRACTS AND FINANCIAL MANAGEMENT

3.6.1 Third Party Contracting

This section applies to all IDOT grantees that contract with outside sources under IDOT assistance programs. If a grantee accepts operating assistance, the requirements of this manual apply to all third party purchase orders and contracts. These requirements do not apply to procurements undertaken without IDOT provided funds.

3.6.1.1 Grantees

Grantee means the public or private entity to which a grant agreement is awarded by IDOT. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant agreement and other documents. For the purposes of this Third Party Contracting guidance, "grantee" also includes any subcontractor of the grantee. Furthermore, the grantee is responsible for assuring that its subcontractors comply with the requirements and standards of this manual, and that subcontractors are aware of requirements imposed upon them.

When procuring property and services a grantee will follow the same procurement policies and procedures that it uses for procurements using non-IDOT provided funds provided that those procedures do not contradict or lower the minimum contracting requirements of this section. Grantees must, as a minimum, comply with the requirements of this section and ensure that every purchase order and contract executed by it or a subcontractor using IDOT provided funds includes all clauses required by federal statutes and executive orders and their implementing regulations.

3.6.1.2 Operators and Providers as Subcontractors

Subcontractors of grantees acting as either an operator or provider, which are institutions, hospitals or other nonprofit organizations, will administer contracts in accordance with these Third Party Contracting guidelines.

3.6.1.3 Policy

IDOT's and FTA's role in grantee procurements is reflective of Executive Order 12612, Federalism, (provisions of Executive Order 12612 of Oct. 26, 1987, appear at 52 FR 41685, 3 CFR, 1987 Comp., p. 252) which directs federal agencies to refrain from substituting their judgment for that of their grantees unless the matter is primarily a federal concern and to defer, to the maximum extent feasible, to the grantees to establish standards rather than setting national standards. However, to ensure compliance with federal procurement requirements, IDOT makes guidance and technical assistance accessible to its grantees consistent with oversight responsibilities delegated to IDOT by agreements with FTA.

3.6.1.3.1 Procurement System Reviews

IDOT is required to perform reviews and evaluations of grant programs and to perform a full review and evaluation of the performance of grantees in carrying out grant programs with specific reference to their compliance with statutory and administrative requirements. Accordingly, IDOT will perform procurement system reviews as part of its on-going oversight responsibility. IDOT may recommend "best practices" in order to assist a grantee in improving its procurement practices. In such cases, IDOT will identify such recommendations as "advisory."

3.6.1.3.2 IDOT Procurement Technical Assistance

In addition to ongoing review and concurrence practices, IDOT will also provide procurement training and technical assistance by offering or facilitating various instructional courses either directly or through its Rural Transit Assistance Center.

3.6.1.4 Contract Clauses and Provisions

The grant agreement lists all IDOT and other state and federal requirements applicable to IDOT's grantees. Many of these requirements are related to grantee procurements. Grantees are advised to consult the grant agreement for additional guidance and requirements.

3.6.2 Standards

The following minimum procurement standards to be attained in the conduct of an IDOT assisted grant are provided so as to facilitate a grantee's cursory review of the required provisions and practices of Third Party Contracting as implemented by grantees. For a more

thorough description of the contractual obligations applicable to grantees, applicants are advised to consult the specific terms of the grant agreement relating to Third Party Contracting.

3.6.2.1 Contract Administration System

Grantees shall maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

3.6.2.2 Written Standards of Conduct

Grantees shall maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, agent, immediate family member, or board member of the grantee shall participate in the selection, award, or administration of a contract supported by IDOT funds if a conflict of interest real or apparent would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- The employee, officer, agent, or board member,
- Any member of his/her immediate family,
- His or her partner, or
- An organization that employs, or is about to employ, any of the above.

The grantee's officers, employees, agents, or board members will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by grantee or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary action for violation of such standards by the grantee's officers, employees, or agents, or by contractors or their agents.

3.6.2.3 Ensuring Most Efficient and Economic Purchase

Grantee procedures shall provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

3.6.2.4 Intergovernmental Procurement Agreements

To foster greater economy and efficiency, grantees are encouraged to enter into intergovernmental agreements for procurement or use of common goods and services. The requirements and standards of this manual apply to procurements entered into under such agreements using IDOT funds. An example of such an intergovernmental agreement is IDOT's Consolidated Vehicle Procurement (CVP) program whereby local governments in addition to IDOT grantees are eligible to purchase vehicles under a state contract administered by the Illinois Department of Central Management Services.

3.6.2.5 Use of Value Engineering in Construction Contracts

Grantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lowest cost.

3.6.2.6 Awards to Lowest Responsive, Responsible Contractor

Grantees shall only consider bids and proposals from responsive contractors meeting the minimum submittal requirements of the Invitation for Bids. Of those submittals deemed responsive, grantees shall only consider bids and proposals from responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. In determining responsibility, consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

3.6.2.7 Written Record of Procurement History

Grantees shall maintain records detailing the history of a procurement. At a minimum, these records shall include the following:

- the rationale for the method of procurement,
- selection of contract type,
- reasons for contractor selection or rejection, and
- the basis for the contract price.

3.6.2.8 Use of Time and Materials Type Contracts

Grantees will use time and material type contracts only in the following instances:

- After a determination that no other type of contract is suitable; and
- If the contract specifies a ceiling price that the contractor shall not exceed except at its own risk.

3.6.2.9 Responsibility for Settlement of Contract Issues/Disputes

Grantees alone will be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee of any contractual responsibility under its contracts. IDOT will not substitute its judgment for that of the grantee or subcontractor, unless the matter is primarily a state or federal concern. Violations of the law will be referred to the local, state, or federal authority having proper jurisdiction.

3.6.2.10 Written Protest Procedures

Grantees shall have written protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to IDOT. A protester must exhaust all administrative remedies with the grantee before pursuing a protest with IDOT. Reviews of protests by IDOT will be limited to a grantee's failure to have or follow the grantee's protest procedures, or its failure to review a complaint or protest. An appeal to IDOT must be received by DPT within five (5) working days of the date the protester was notified of an adverse decision by the grantee. Violations of federal law or regulation will be handled by the complaint process stated within that law or regulation. Violations of grantee or local law or regulations will be under the jurisdiction of grantee or local authorities.

3.6.2.11 Contract Period of Performance Limitation

IDOT concurrence will not be granted for any proposed third-party contract which includes a period of performance exceeding five (5) years inclusive of options.

3.6.2.12 Competition

All procurement transactions will be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- unreasonable requirements placed on firms in order for them to qualify to do business;
- unnecessary experience and excessive bonding requirements;
- noncompetitive pricing practices between firms or between affiliated companies; and
- noncompetitive awards to any person or firm on retainer contracts that are procured in a noncompetitive manner.

3.6.2.13 Organizational Conflicts of Interest

An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to the grantee; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage.

3.6.2.14 Prohibition Against Geographic Preferences

Grantees shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed geographical preferences in the evaluation of bids or proposals. This does not preempt grantee licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

3.6.2.15 Written Procurement Selection Procedures

Grantees shall have written selection procedures for procurement transactions. All solicitations shall do the following:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and when necessary, shall set forth those minimum essential

characteristics and standards to which it must conform if it is to satisfy its intended use.

- Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used.
- A grantee shall use a "brand name or equal" description only when it cannot provide an adequate specification or more detailed description, without performing an inspection and analysis, in time for the acquisition under consideration. Further, a grantee wishing to use "brand name or equal" must carefully identify its minimum needs and clearly set forth those salient physical and functional characteristics of the brand name product in the solicitation.
- Identify all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.

3.6.2.16 Pre-qualification Criteria

Grantees shall ensure that all lists of pre-qualified persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum full and open competition. Also, grantees shall not preclude potential bidders from qualifying during the solicitation period, which is from issuance of the solicitation to its closing date.

3.6.3 Methods of Competitive Procurement

The following methods of procurement may be used as appropriate:

3.6.3.1 Procurement by Small Purchase Procedures

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$5,000. Grantees are advised however that local small purchase procedures prevail. If a grantee does not have a minimum cost threshold governing small purchases, IDOT staff should be consulted for guidance. In any event if small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources by use of telephone, facsimile, catalogs, or the Internet.

3.6.3.2 Procurement by Sealed Bids or Invitation for Bid

Commonly referred to as an IFB, bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. This bid method is the preferred method for construction and procuring other equipment. In order for sealed bidding to be feasible, the following conditions should be present:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business;
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price; and
- No discussion with individual bidders.

3.6.3.2.1 Applicable Requirements

The following requirements apply to procurement by sealed bids or IFB:

- The IFB will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time to prepare bids prior to the date set for opening the bids;
- The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services sought in order for the bidder to properly respond;
- All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented business reason;
- Prior to award to the selected bidder, a price analysis should be conducted to verify that the price quoted is fair and reasonable.

3.6.4 Procurement by Competitive Request for Proposals

Commonly referred to as an RFP, the competitive proposal method of procurement is normally conducted with more than one source submitting a written proposal. Either a fixed price or cost reimbursement type contract is awarded. This method of procurement is generally used when conditions are not appropriate for the use of sealed bids such as in the selection of an operator. If this procurement method is used the following requirements apply:

- Requests for proposals will be publicized;
- All evaluation factors will be established along with their relative importance prior to the receipt of proposals;
- Proposals will be solicited from an adequate number of qualified sources;
- Grantees will have a method in place for conducting technical evaluations of the proposals received and for selecting awardees; and
- Awards will be made to the responsible firm whose proposal is most advantageous to the grantee's program with price and other factors considered.

3.6.5 Procurement of Architectural and Engineering (A&E) Services

Grantees shall use competitive proposal procedures based on the Brooks Act when contracting for A&E services as defined in 40 USC. 541. Other types of services considered A&E services include program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping, and services which require performance by a registered or licensed architect or engineer.

The Brooks Act requires that the following apply:

- An offeror's qualifications be evaluated;
- Price be excluded as an evaluation factor;
- Negotiations be conducted with only the most qualified offeror; and
- Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the grantee.

This "qualifications based procurement method" can only be used for the procurement of A&E services. This method of procurement cannot be used to obtain other types of services even though a firm that

provides A&E services is also a potential source to perform other types of services. These requirements apply except to the extent any grantee adopts or has adopted by statute a formal procedure for the procurement of architectural and engineering services that is not in conflict with state or federal contracting requirements.

3.6.6 Procurement by Noncompetitive Proposals (Sole Source)

Sole source procurements are accomplished through solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph.

3.6.6.1 Application of Sole Source Method

Procurement by noncompetitive proposals may be used only when IDOT authorizes noncompetitive negotiations and the award of a contract is infeasible under normal purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

- The item to be acquired has a total acquisition cost of less than \$5,000;
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- After solicitation of a number of sources, competition is determined inadequate;
- The item is an associated capital maintenance item that is procured directly from the original manufacturer or supplier of the item to be replaced.

Prior to the use of this method, the grantee must first certify the following items in writing to IDOT:

- That such manufacturer or supplier is the only source for such item;
- That the price of such item is no higher than the price paid for such item by like customers.

A cost analysis, or the process of verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, must also be conducted.

3.6.7 Contract Options

Grantees may include options in contracts. An option is a unilateral right in a contract by which, for a specified time, a grantee may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract. If a grantee chooses to use options, the requirements below apply:

3.6.7.1 Use of Contract Options

If required in the solicitation, the option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the award, the exercise of such options will be considered a sole source procurement.

In order to use contract options, two condition must be met::

- A grantee must ensure that the exercise of an option is in accordance with the terms and conditions of the option in the initial contract awarded.
- An option may not be exercised unless the grantee has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

3.6.8 Contract Cost and Price Analysis

Grantees must perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals.

3.6.8.1 Cost Analysis

A cost analysis must be performed when the offeror is required to submit the elements (e.g., labor hours, overhead, materials, etc.) of the estimated cost under professional consulting and architectural and engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders.

3.6.8.2 Price Analysis

A price analysis may be used in all other instances to determine the reasonableness of the proposed contract price. Price reasonableness can be established on the basis of a catalog or market price of a

commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.

3.6.8.3 Profit

Grantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's record of past performance, and industry profit rates in the surrounding geographical area for similar work.

3.6.9 Federal Cost Principles

Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with federal cost principles. Grantees may reference their own cost principles that comply with applicable federal cost principles.

3.6.9.1 Cost Plus Percentage of Cost

The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

3.6.10 Bonding Requirements

For those construction or facility improvement contracts or subcontracts not subject to the negotiated procurement threshold, grantees may request to use local bonding policy and requirements, provided that the minimum requirements for construction contracts are met as follows:

- A bid guarantee (*i.e.*, bid bond) from each bidder equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified;
- A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and

- A payment bond on the part of the contractor. A payment bond is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for in the contract. Payment bond amounts required from contractors are as follows:
 - 50% of the contract price if the contract price is not more than \$1 million;
 - 40% of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - \$2.5 million if the contract price is more than \$5 million.
- A cash deposit, certified check or other negotiable instrument may be accepted by a grantee in lieu of performance and payment bonds, provided the grantee has established a procedure to assure that the interest of IDOT is adequately protected.

3.6.11 Payment Provisions in Third Party Contracts

3.6.11.1 Advance Payments

IDOT does not authorize and will not participate in funding payments to a contractor prior to the incurrence of costs by the contractor unless prior written concurrence is obtained from IDOT.

3.6.11.2 Progress Payments

Grantees may use progress payments provided the following requirements are followed:

- Progress payments are only made to the contractor for costs incurred in the performance of the contract.
- When progress payments are used, the grantee must maintain evidence of ownership of property (materials, work in progress, and finished goods) for which progress payments are made. Alternative security for progress payments by irrevocable letter of credit or equivalent means to protect the grantee's interests in the progress payments may be used in lieu of obtaining title.

3.6.12 Liquidated Damages Provisions

A grantee may use liquidated damages if it may reasonably expect to suffer damages (increased costs on project involved) from late completion and the extent or amount of such damages can be reasonably determined. The assessment for damages shall be at a specific rate per day for each day of overrun in contract time, and the rate must be specified in the third party contract. Any liquidated

damages recovered shall be credited to the project account involved unless IDOT permits otherwise.

3.6.13 Contract Award Announcement

If a grantee announces contract awards with respect to any procurement for goods and services (including construction services) having an aggregate value of \$5,000 or more, the grantee shall:

- Specify the amount of IDOT provided funds that will be used to finance the acquisition in any announcement of the contract award for such goods or services; and
- Express the said amount as a percentage of the total costs of the planned acquisition.

3.6.14 Contract Provisions

All contracts shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions or conditions that allow for:

- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate.
- Termination for cause and for convenience by the grantee or subcontractor including the manner by which it will be effected and the basis for settlement.

3.6.15 Statutory and Regulatory Requirements

A current and comprehensive list of statutory and regulatory requirements applicable to grantee procurements is contained in the IDOT grant agreement. Grantees are responsible for evaluating these requirements for relevance and their applicability to each procurement. For example, procurements involving the purchase of iron, steel and manufactured goods will be subject to the "Buy America" requirements in 49 CFR Part 661. Further guidance concerning these requirements and suggested wording for contract clauses can be found in the grant agreement, as detailed herein; and in the event of uncertainty -- requested from IDOT directly. For specific guidance concerning the applicable requirements of other funding agencies, grantees are advised to contact those agencies.

3.6.16 Special Provisions

Prospective applicants are advised to carefully review the requirements of participating in IDOT funded programs. In addition to state and local contractual provisions, grantees must comply with the various federal requirements governing federal financial assistance programs. Accordingly, prospective applicants and grantees are advised to review the required federal provisions (and source documents) which at a minimum, include the following:

3.6.16.1 Title VI Nondiscrimination

This provision requires that no person because of race, color, creed, national origin, sex, age, or disability be excluded from participation in, or denied the benefits of any project funded in whole or in part with federal funds.

3.6.16.2 Equal Employment Opportunity (EEO)

This provision requires that any recipient of FTA funds shall not discriminate against any employee or applicant for employment based on race, color, religion, sex, or national origin.

3.6.16.3 Section 504 of the Federal Transit Act

This provisions requires recipients of FTA funds to make special efforts to provide transportation that is accessible to individuals with disabilities.

3.6.16.4 Americans with Disabilities Act

This Act requires that equivalent services are provided to meet the needs of individuals with disabilities.

3.6.16.5 Bus Testing Regulations

This regulation requires grantees to certify compliance with the federal bus testing requirements before accepting any new bus model.

3.6.16.6 Restrictions on Lobbying

These rules requires that no federal funds are used for lobbying and if other funds are used that specific reporting requirements are met.

3.7 COST PRINCIPLES AND COST ALLOCATION

This section provides principles for determining costs applicable to service provision performed by operators or providers under third party

contracts with an IDOT funded grantee; and where applicable, under such grants when the grantee is a multi-purpose organization which provides funded transportation services directly.

These principles make no attempt to identify the circumstances or dictate the extent of agency and subcontractor participation in the financing of a particular project. The principles are designed to provide recognition of the full allocated costs of such an operating assistance project work under generally accepted accounting principles.

No provision for profit or other increment above cost is intended. In addition, wherever the term subcontractor is used in this section, it shall have the same meaning as provider, operator and third party contractor.

3.7.1 Policy

The successful application of these principles requires development of mutual understanding between IDOT, grantees and their third party contractors as to their scope, implementation, and interpretation.

It is recognized that –

- The arrangements for participation in the financing of an operating assistance project are properly subject to negotiation between the subcontractor and the grantee in accordance with whichever state, federal and local laws and regulations as may be applicable.
- Each grantee, possessing its own unique combination of staff, facilities, and experience, should be encouraged to provide services in a manner consistent with its approved service plan and objectives.
- Each grantee, in the fulfillment of its obligations, should employ sound management practices.
- The application of the principles established herein should require no significant changes in the generally accepted accounting practices of grantees. Where wide variations exist in the treatment of a given cost item, the reasonableness of such treatments will be fully considered during the rate negotiations and audit.

3.7.2 Application of Cost Principles in Grants Management

IDOT will apply these principles and related policy guides in determining the costs incurred for such work under operating assistance projects funded in any part under an IDOT grant agreement. These principles should also be used as a guide in the

pricing of fixed-price contracts or lump sum agreements with subcontractors.

The cost of an operating assistance project is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable indirect costs of the operator or provider, less applicable credits.

3.7.2.1 Allowability of Costs

These are the tests of allowability of costs under these principles:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- Be allocable to Federal awards under the provisions of this Circular.
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.

3.7.3 Allocable Costs

A cost may be allocable to the Section 5311 program if the following apply:

- it can be substantiated by a cost allocation plan;
- it can be fully documented; and
- the benefits received are realized by the Section 5311 program.

3.7.4 Direct Costs

Direct costs are those costs which can be identified specifically with a particular project objective or activity which can be directly assigned to the project, relatively easily and with a high degree of accuracy.

3.7.5 Indirect Costs

Indirect costs are those that have been incurred for common or joint objectives and therefore cannot be identified specifically (in whole or in part) with a particular program. Such costs are normally classified under the following functional categories:

- general administration and general expenses;
- operating assistance project administration expenses;
- fixed facility operation and maintenance expenses; and
- departmental administration expenses.

For additional detail regarding cost allocation principles, grantees should refer to either OMB Circular A-87, “Principles of Cost Accounting for State and Local Governments,” as amended or OMB Circular A-122, “Cost Principles for Nonprofit Organizations,” as amended.

3.8 GRANT MANAGEMENT

3.8.1 Contracts and Grant Agreements

Upon notification to IDOT from FTA that a proposed operating or capital program has been approved, IDOT will transmit two (2) copies of a grant agreement to each grantee specifying the terms and conditions of the grant awarded. Within thirty (30) days of the receipt of the contract, each grantee must execute (but not date) and return both copies of such contract to IDOT together with the following (unless they have been provided in the approved application):

- An attested resolution of the governing board(s) of the grantee(s) agreeing to the terms of the contract, and authorizing the execution of the contract; and
- A legal opinion from a licensed attorney representing the grantee(s) certifying that the agreement is valid and binding upon the grantee(s); and
- Standard and other assurances and certifications as required by FTA or IDOT.

IDOT will execute the contract and will return one executed copy to the grantee. Except for operating assistance, grant costs incurred by the

grantee(s) prior to the execution of a grant contract by both the grantee(s) and IDOT are not reimbursable by IDOT.

3.8.2 Reimbursements – Operating Assistance Grants

Within thirty (30) days following the end of each quarter of any fiscal year for which reimbursement is sought, each grantee shall submit to IDOT on forms provided by IDOT for that purpose, a report of the actual operating deficit incurred during the selected period.

3.8.2.1 Requisition Reviews

IDOT will review the periodic reports to determine if the expenditures and the resulting operating deficits were incurred in conformity with the approved program of proposed expenditures, based on the following criteria:

- Whether the expenditures were made only for line items specifically listed in the approved program of proposed expenditures. Items not specifically listed in the approved program of proposed expenditures will not be accepted as eligible for Section 5311 assistance;
- Whether obligations incurred to date exceed the amount listed in the approved program of proposed expenditures;
- Whether the expenditures appear appropriate and reasonable for the reimbursement period;
- Whether the expenditures are within the amounts budgeted in the approved program of proposed expenditures; and
- For selected requisitioning periods, IDOT may require grantees to submit documentation in support of certain requisitioned amounts. In addition, IDOT will undertake site visits to further discuss requisitioned amounts and support documentation.

3.8.2.2 Payment of Requisitions

After review and approval of the grantee's submitted requisition, IDOT will process the grantee's request for payment. To allow sufficient time for state and federal review and approval of reimbursement requests, grantees should have the capability of continuing to incur expenditures for up to sixty (60) days following the close of the period for which reimbursement is sought.

3.8.3 Reimbursements – Capital Assistance Grants

On forms provided by IDOT for that purpose, grantees shall request payment for approved eligible capital expenses.

At no greater frequency than once per month, grantees shall submit requisitions for reimbursement of actual approved capital expenditures and for advances for payment of approved capital expenditures. Department approval of each requisition is contingent upon the following:

- Submission of documents to verify expenditure of funds for eligible capital expenses or to verify need for thirty (30) day advances for payment of approved capital expenses;
- Determination by IDOT that capital expenditures were made in conformity with approved programs of proposed expenditures;
- Determination by IDOT that the grantee has met all terms of the capital grant contract; and
- Determination by IDOT as to the eligibility of the expenses.

3.8.4 IDOT Concurrence on Eligible Capital Expenses

IDOT provides grant funding to accomplish the scope of work requested by the grantee based on estimates provided by the grantee. In consideration of receiving state funding, the grantee has agreed to accomplish the scope. The grantee is committed to completing all the work scope even if the state and/or federal funds are insufficient; local resources are required to fulfill the grantee's commitment. It is incumbent on the grantee to maintain fiscal control of contract awards so that all scope can be accomplished within the funds available

To ensure conformance with IDOT requirements, IDOT concurrence is necessary at certain steps along the implementation process. These steps include both pre-bid (*e.g.*, before the grantee solicits bids or proposals) and pre-award (*e.g.*, prior to the grantee entering into a contract with the selected vendor) reviews. IDOT concurrence will be subject to the thoroughness of documentation for such plans and specifications including but not limited to estimates of cost, contract language, proposal forms and any addenda. In addition, bid advertisements, solicitations, and awards shall be conducted in conformity with the requirements prescribed in either the Illinois Municipal Code or the statutory requirements governing purchases by county governments, whichever is applicable.

IDOT does not require urbanized area grantees participating in IDOT Section 5309 grants to submit to either pre-bid or pre-award concurrence. IDOT will monitor grantee compliance as a participant in the FTA-managed Triennial Review process.

IDOT has standardized review checklists that may be consulted prior to submission of requests for pre-bid or pre-award concurrence.

3.8.4.1 Concurrency Requirements for Each Procurement (Excluding Construction) Contract Estimated to Cost Less Than \$2,500

The grantee may award this type of contract without public advertising or competitive bidding; that is, the contract may be negotiated. The grantee is prohibited from subdividing contracts which could be let as a single contract in order to avoid informal or formal bidding. IDOT concurrence is not required to advertise (if the grantee wishes to advertise) or award this contract. Upon the grantee's award of the contract, a copy of the contract must be sent to IDOT as notification of the obligation against the grant. The grantee must retain full documentation of the solicitation and award of the contract in the project file for future auditing.

3.8.4.2 Concurrency Requirements for Each Construction Contract Estimated to Cost Between \$2,000 and \$10,000

IDOT will not require a concurrence action on these solicitations, however, grantees must develop procurement and contract instruments that fully incorporate all FTA required clauses and certifications. IDOT has developed a matrix of required contract clauses by procurement type to assist grantees conform to FTA requirements.

Construction contracts estimated to cost between \$2,000 and \$10,000 may be awarded without public advertising but must at least be informally competitively bid (such as quotations by letter, fax or telephone). Bids must be obtained from at least three suppliers and the contract awarded to the lowest bidder.

IDOT will monitor grantee compliance as part of its annual site review process.

3.8.4.3 Concurrency Requirements for Each Contract (Non-Construction) Estimated to Cost Between \$2,500 and \$10,000

This type of contract may be awarded without public advertising but must at least be informally competitively bid (such as quotations by letter, fax or telephone). Bids must be obtained from at least three suppliers and the contract awarded to the lowest bidder. IDOT concurrence is not required to award the contract if it will be awarded to the low bidder; if the grantee wishes to award to other than the low bidder or on a sole source basis, IDOT's written concurrence is

required prior to awarding the contract. Upon the grantee's award of the contract, a copy of the contract must be sent to IDOT as the grantee's award of the contract, a copy of the contract must be sent to IDOT as notification of the obligation against the grant. The grantee must retain full documentation of the solicitation and award of the contract in the project file for future auditing.

While IDOT does not require either a pre-bid or pre-award concurrence action, the grantee is fully responsible for ensuring that all appropriate FTA contract terms, conditions, and certifications are included in the contract documents.

IDOT will monitor grantee compliance as part of its annual site review process.

3.8.4.4 Concurrence Requirements for Each Procurement or Construction Contract Estimated to Cost Greater Than \$10,000

This type of contract must be competitively bid through a public solicitation. IDOT's written concurrence is required prior to advertising and solicitation of bids (pre-bid). IDOT's written concurrence is also required prior to contract award (pre-award). Costs incurred without the appropriate IDOT written concurrence or written waiver may be found ineligible for payment from grant funds. Upon the grantee's award of the contract, a copy of the contract must be sent to IDOT as notification of the obligation against the grant. The grantee must retain full documentation of the solicitation and award of the contract in the project file for future auditing.

3.8.5 Local Share and Matching Requirements

3.8.5.1 Operating Assistance Grants

Local commitment is a critical element of public transit service. In determining Section 5311 funding levels for operating assistance requests, IDOT will consider the availability of local matching sources as well as the proposed project's ability to generate revenues to the system. An additional consideration is the continued delivery of services if federal funding were to be discontinued or greatly diminished. Accordingly, Section 5311 funds are intended to augment and enhance existing revenue sources and not to replace other revenues or financial assistance programs.

The grantee must provide local funding for a Section 5311 operating assistance grant. The local share must be from non-FTA sources of funding, and can include any local or state sources, or unrestricted federal funds. At least one half (50%) of the local share must be

provided in cash or cash equivalent from sources other than unrestricted federal funds. Contract revenues from a purchase of transit service agreement funded by unrestricted federal funds, may be used as the local cash share. Examples of local share which constitute cash include:

- Local grants, appropriations, and dedicated tax revenues.
- Income from purchase of transit service contracts with nonprofit organizations/agencies (including contracts funded with unrestricted federal funds). Note: Income/revenue from purchase of transit service contracts with for-profit organizations must be treated as project income/revenue.
- Downstate Public Transportation Assistance Fund (*i.e.*, Downstate Operating Assistance Program)
- Other state funds eligible to match federal funds. For other state funds to be used as match, they must be approved by the appropriate state grantor agency.
- In-kind contributions as defined in 49 CFR part 18 - Uniform Administrative Requirements for Grants And Cooperative Agreements to State and Local Governments (formerly known as OMB Circular A-102). Contributed services may be considered an eligible expense or local match as long as the amount or rate charged is documented and reasonable; and where, if the party receiving the contribution were to pay for that contribution, the payments would have been allowable costs.
 - The value of in-kind contributions (such as volunteer services) may be included in total period expenses to determine the total expenses eligible for reimbursement but the actual federal reimbursement is limited to actual cash outlays.
 - If in-kind contributions are included as an expense, an equal amount must be included as a local match revenue.
 - Third party in-kind contributions may count towards satisfying the match requirement.

3.8.5.2 Capital Assistance Grants

FTA Section 5311 financial assistance requires a twenty percent (20%) local match for eligible capital projects. Normally, IDOT provides the requisite local share for such projects. Depending on the cost and useful life of the capital improvement(s), state matching funds are provided from either the General Revenue Fund (GRF) or the Series B Bond Fund. With the limited federal funds available in recent years, local capital requests are increasingly being funded with either one-hundred percent (100%) state funds, local funds or both.

3.8.6 Government Performance Measures Act

Under the Government Performance Results Act (GPRA), FTA is required by law to “establish performance goals to define the level of performance” and to also “establish performance indicators to be used in measuring relevant outputs, service levels, and outcomes” for each of its programs. The performance measures described below are designed to fulfill FTA’s obligations under this Act. These measures will be used at a program level, and will not be used to assess individual grants.

Measures differ under each state administered FTA program. Section 5311 recipients are subject to National Transit Database (NTD) reporting; other state administered program measures are as follows.

3.8.6.1 Section 5310 – Transportation for Elderly and Persons with Disabilities

IDOT will collect, on an annual basis, for the life of the project, the following program measures for the Section 5310 Program:

- Gaps in Service Filled – Provision of transportation options that would not otherwise be available for older adults and individuals with disabilities measured in numbers of older adults and individuals with disabilities afforded mobility they would not have without program support.
- Ridership – Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and older adults on Section 5310-supported vehicles and services.

3.8.6.2 Section 5316 – Job Access and Reverse Commute (JARC)

IDOT will collect, on an annual basis, following the first year after project implementation, the following program measures for the Section 5316 Program:

- Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.
- Additions or changes to environmental infrastructure (e.g., transportation facilities, side walks, etc), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.

- Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

3.8.6.3 Section 5317 – New Freedom Program

IDOT will collect, on an annual basis, following the first year after project implementation, the following program measures for the Section 5317 Program:

- Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.
- Additions or changes to environmental infrastructure (e.g., transportation facilities, side walks, etc), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.
- Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

3.8.7 National Transit Database

SAFETEA-LU established new requirements for recipients of Section 5311 assistance to report data to the states for submission to the National Transit Database (NTD).

The National Transit Database (NTD) is FTA's primary national database for statistics on the transit industry. Recipients and beneficiaries of FTA's Nonurbanized Area Formula Program (49 U.S.C. 5311) grants are required by 49 U.S.C. 5335(a) and (b) to submit data to the NTD as a condition of the award.

Specific reporting requirements are included in the NTD reporting instructions manual issued each year. Based on these requirements, IDOT will require submission of NTD data elements each year based on Federal requirements. Submission of NTD data reports is a condition of financial assistance; failure to submit NTD reports to IDOT may result in a suspension of grant payments on project requisitions.

While subject to change, items to be reported include total annual revenue; sources of revenue; total annual operating costs; total annual

capital costs; fleet size and type, and related facilities; revenue vehicle miles; and ridership.

IDOT is obligated to report data in accordance with a schedule prescribed by FTA. Prior to these deadlines, IDOT will distribute data report forms for completion by each project.

3.8.8 Grant Close-Out

3.8.8.1 Operating Assistance Grants

The grantee shall furnish to IDOT a complete audit of the eligible operating expenses approved under the Section 5311 Program. The audit shall be prepared by an independent certified public accountant; shall be based on state's fiscal year; shall be performed in accordance with standard accounting principles; shall include a calculation of the approved operating deficit for the previous year; and shall include a complete schedule of costs, revenues and expenditures in conformity with the grantee's Approved Section 5311 Project Budget.

With submission of the audit, all grantee activities under the operating assistance grant shall be considered complete. Within 90 days following submission of all audit reports from each grantee within the program of projects, IDOT will initiate project close-out with FTA. IDOT shall file a final Financial Status Report (SF 269A), final budget, and final program of projects will be submitted electronically via the TEAM system at the time of closeout.

3.8.8.2 Capital Assistance Grants

The grantee shall notify IDOT in writing or by final requisition when all eligible capital project activities have been completed and all eligible capital expenses incurred. IDOT will then initiate final settlement of capital grant funds for the project subject to the following :

- On-site inspection of the project by a Department representative, where appropriate;
- Submission of a list of vehicles or equipment purchased, identified individually by serial number or other distinguishing designation, and such other comparable information regarding fixed facilities as IDOT may require;
- Submission of a final requisition requesting payment of the balance of the approved capital grant, or a check payable to IDOT for the full amount of any overpayment of capital grant funds based on the final audit;
- Final financial audit of the books and accounts by IDOT and settlement of any audit findings; and

- Notification to the grantee by IDOT that final settlement has been reached.

Any proceeds from the sale of disposed capital equipment need not be considered operating revenue. It can be put in a capital reserve account or used for any other public transportation purpose.

When notification has been sent to all grantees in the program of projects, IDOT will consider the capital project complete. Within 90 days following submission of all audit reports from each grantee within the program of projects, IDOT will initiate project close-out with FTA. IDOT shall file a final Financial Status Report (SF 269A), final budget, and final program of projects will be submitted electronically via the TEAM system at the time of closeout.

3.8.9 De-Obligation of Operating Assistance Funds

In response to the limited availability of Section 5311 program funds, IDOT employs programming methods which provide for the greatest availability and reallocation of unspent funds. One such method is the de-obligation of unspent operating assistance funds from the previous state fiscal year.

The procedure for such de-obligations is as follows:

- IDOT notifies the grantee in writing that based on the final requisition or other reliable documents that referenced project has been completed according to the terms of the grant agreement.
- Remaining unspent balances are identified and that according to IDOT's determination, no further request for reimbursement is anticipated.
- The designated official of the grantees signs the letter acknowledging that grant activity has ended and no additional funds will be requisitioned from the specified grant.
- Or, if no further documentation is provided by the grantee to the contrary within 30 days, the subject unspent funds are de-obligated from the grant agreement thereby becoming unavailable to the grantee for the specified project.
- After IDOT's final audit has determined the actual eligible expenses, and if necessary, reconciled, the subject grant will undergo formal close-out.

3.8.10 Protection of Program Funds

Each grantee shall establish separate accounts for both operating and capital assistance funds received under Section 5311 grants, either to

be maintained within its existing accounting system or to be established independently. The accounts shall be in conformity with the uniform accounting requirements established by IDOT and FTA and must be deposited in a bank or trust company which is a member of the Federal Deposit Insurance Corporation. Any interest earned by program funds remaining on an account for more than 30 days must be used as project income to reduce the operating or capital expenditures to be paid by IDOT or FTA, unless otherwise directed by IDOT.

3.9 CONSOLIDATED VEHICLE PROCUREMENT

3.9.1 Introduction

To ensure that all the federal and state procurement requirements are met by the subrecipients of Section 5310, Section 5311, Section 5316 and Section 5317 capital rolling stock funds, the Department, in conjunction with the Illinois Department of Central Management Services (CMS), procures all paratransit vehicles on behalf of these recipients. This is called Consolidated Vehicle Procurement (CVP) program.

3.9.2 Federal Requirements

Pursuant to FTA Circular 4220.1E (and any subsequent revisions thereto), when IDOT procures rolling stock under any state administered FTA program listed in Section 3.9.1., the State follows the same procurement policies and procedures that it uses for acquisitions that are not paid for with Federal funds. IDOT, in following state procurement policies, does ensure that the following Federal requirements are included in every CVP procurement:

- Contract Term Limitation – IDOT will not enter into any contract for rolling stock or replacement parts with a period of performance exceeding five (5) years inclusive of options.
- Full and Open Competition – IDOT will conduct all procurement transactions in a manner providing full and open competition. To this extent, IDOT will not:
 - Impose unreasonable requirements placed on firms in order for them to qualify to do business;
 - Require unnecessary experience and excessive bonding requirements;
 - Encourage or tolerate noncompetitive pricing practices between firms or between affiliated companies;
 - Engage in noncompetitive awards to any person or firm on retainer contracts;

- Award a contract where an organizational conflict of interest¹ exists; and
- Specify only a “brand name” product instead of allowing “an equal” product to be offered without listing its’ salient characteristics.
- Prohibition Against Geographic Preferences – IDOT will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- Procurement Of Architectural and Engineering Services (A&E) – Although not a part of the CVP program, IDOT will use a qualifications-based competitive proposal procedures (i.e., Brooks Act procedures) when contracting for A&E services as defined in 40 U.S.C. §541 and 49 U.S.C. §5325(d). Services subject to this requirement are program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services.

3.9.3 Consultant Assistance

Because of the technical nature of the CVP program, IDOT hires consultants to assist with various aspects of the program. The following technical assistance activities are tasked to the consultant:

- vehicle specification development;
- federal pre-award and post-delivery audit compliance;
- vehicle inspections during manufacturing; and
- assistance to subrecipients with vehicle problem or fleet wide defects.

¹ An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to the grantee; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage;

3.9.4 Vehicle Orders

Potential applicants for capital funding under all state administered FTA programs receive a copy of the IDOT vehicle catalog with the application package. Technical assistance is available from IDOT on issues associated with vehicle selection.

Once a contract of financial assistance is executed between the grantee and IDOT, IDOT will initiate the vehicle purchase order with a vendor selected by CMS for the type of vehicle approved in the project application.

3.9.5 IDOT Responsibility for Compliance with Pre-Award and Post-Delivery Audits of Rolling Stock Purchases

The IDOT vehicle consultant is responsible for conducting all requisite inspections at the manufacturing plant when required under 49 CFR part 663. IDOT or its consultant will:

- Review actual component content to ensure that the vehicle meets the 60 percent Buy America domestic content requirement;
- Check that the final assembly location is in the United States and the manufacturer's final assembly activities meet the requirements outlined in paragraph I above; and
- Have an on-site inspector for rail car procurements and bus procurements of greater than 10 vehicles

If an inspection is conducted at the manufacturing plant, IDOT's consultant will service as the resident inspector. For each inspection, a report will be prepared that will include, at a minimum:

- Accurate records of all bus construction activities (such as component manufacturing processes, final assembly activities, and quality control data collected); and
- A description of how the construction and operation of the bus(es) fulfills the contract specifications (the report should reference the above cited manufacturing processes, final assembly activities, and quality control data).

When procuring ten or fewer buses, ten or fewer modified vans, or any number of unmodified vans, IDOT is not required to send a resident inspector to the manufacturing plant. However, to demonstrate compliance with the post-delivery purchaser's requirements certification requirement, IDOT's consultant, after visually inspecting and road testing the vehicles, will certify the vehicles meet the contract specifications.

Following the consultant's visually inspection and road test of the vehicles, IDOT will complete a post-delivery purchaser's requirements certification and file the purchaser's requirements certification for future FTA reviews. IDOT shall retain the data sheets for the visual inspection and the road tests on file with the purchaser's requirements certification.

3.9.6 Intergovernmental Procurements

Through a joint purchasing provision in the vendor contracts, other qualified public and non-profit organizations may purchase the same vehicles without having to go through the extensive procurement process. Typically, the vehicles are purchased from multi-year term contracts with the vendors. This provides continuity with vehicle production and allows vehicles to be purchased and delivered in a timelier manner.

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4.0 PROJECT MANAGEMENT

4.1 SECTION 5311 OPERATING AND SMALL CAPITAL COSTS – FLEXIBLE SPENDING

IDOT recognizes the need for flexibility in the funding of needed capital items. In addition to the traditional capital assistance grant funding mechanism, certain capital costs have been deemed to be also allocable to IDOT funded operating assistance grants. Concurrence requirements, procedures, limits of participation and funding thresholds for such grants are depicted in the following table:

**Table 4-1.
Flexible Capital Spending Categories and Requirements**

Category	Funding Source	Limits	Procurement Procedure	Records
Operating Capital	Operating Grant	Unit cost less than or equal to \$300	Local Only	Local Methods or 5 Years Minimum
Small Capital	Operating Grant	Unit cost between \$300 and \$5,000	Local with IDOT Notification	Document, inventory and certify continued use for useful life of asset
Small Capital	Capital Grant	Unit cost between \$300 and \$5,000	IDOT Specified	Document, inventory and certify continued use for useful life of asset
Regular Capital	Capital Grant	Unit cost greater than or equal to \$5,000 and useful life greater than or equal to 3 years	IDOT Specified	Document, inventory and certify continued use for useful life of asset

The following procedures will be followed by IDOT in flexible funding:

- IDOT share of Operating or Small Capital costs to an Operating Grant will be considered operating expenses and may not exceed 50% of item cost, even if used for administrative purposes.
- Cumulative Operating or Small Capital costs to an Operating Grant may not exceed 10% of the Operating Grant.
- The following items must be completed for all capital items charged to an Operating Grant:
 - be obligated during that Operating Grant's state fiscal year; costs shall be considered obligated if the grantee has entered into a third-party agreement (contract or vendor purchase order) or completed a force account activity.
 - be used exclusively for public transit purposes; and
 - have vendor payment confirmation within three months of the end of the state fiscal year for that Operating Grant.

4.1.1 Operating Capital

Operating Capital may be funded from a Section 5311 operating grant. Items or activities must have a total cost of \$300 or less. A grantee may follow its own written procurement procedures. Documentation of an Operating Capital purchase/activity should be kept for audit purposes but the item/activity need not be recorded as part of the grantee's Capital Asset Inventory. No prior IDOT approval is required. All items must be used exclusively (100%) for transit purposes. The grantee is the owner of any capital asset resulting from the use of Operating Capital even if the user of the asset is an operating entity other than the grantee.

4.1.2 Small Capital

Small Capital may be funded either from a Section 5311 operating grant or a separate IDOT capital grant. Items or activities must have a total cost between \$300 and \$5,000. This category of funding DOES NOT include vehicles, new or used, revenue or non-revenue. The grantee will determine which funding source is appropriate. If an operating grant is used, then the grantee will follow its own written procurement procedures. However, IDOT must be notified of the procurement/activity and the grantee must record the item/activity as part of the grantee's Capital Asset Inventory. If the grantee elects to request a separate capital grant, IDOT will consider the request. Standard IDOT procedures for capital programs will then apply and the item/activity must be recorded as part of the grantee's Capital Asset Inventory.

All items must be used exclusively (100%) for transit purposes. The grantee is the owner of any capital asset even if the user of the asset is an operating entity other than the grantee. It is the grantee's responsibility to maintain the documentation of the item/activity on the Capital Asset Inventory.

If the item or activity is funded from an operating grant, the grantee must notify IDOT (with supporting documentation) at the time the purchase is made. IDOT will revise the grantee's grant budget to show the obligation as "capital" rather than "operating" and send a copy of the revised budget to the grantee. The grantee will be reimbursed after:

- IDOT has revised the budget,
- the grantee has incurred the expense for the activity, and
- the grantee has requisitioned the expense as a capital item on the Section 5311 requisition.

4.1.3 Regular Capital

Regular Capital may not be funded from a section 5311 operating grant. If a capital application is approved, a separate IDOT capital grant will be provided for the item/activity. Standard IDOT procedures for capital programs will apply, and the item/activity must be recorded as part of the grantee's Capital Asset Inventory.

All items must be used exclusively (100%) for transit purposes. The grantee is the owner of any capital asset even if the user of the asset is an operating entity other than the grantee. It is the grantee's responsibility to maintain all documentation of the item/activity for audit purposes. This category of funding may be used for the purchase of non-revenue vehicles. Revenue vehicles are acquired through the Consolidated Vehicle Program.

4.2 SECTION 5311 CAPITAL ASSISTANCE GRANTS

Subject to availability, IDOT will provide funds for capital expenses, including but not limited to the following:

- Buses, vans, or other paratransit vehicles
- Radios and communications equipment
- Bus shelters
- Wheelchair lifts
- Computer hardware and software
- Maintenance equipment with a unit cost over \$300 and a useful life of more than one year

- Construction or rehabilitation of transit facilities including design, engineering, and land acquisition

4.2.1 IDOT Responsibilities

IDOT has the following responsibilities in capital acquisition:

- Function as grantee to FTA on behalf of the project;
- Provide administrative guidance to grantee;
- Prepare grant agreement;
- Assist in the selection of consultants;
- Provide draft contract language for procurements, consultant services agreements and construction contracts;
- Provide guidance during acquisition of real property;
- Review procurement specifications, notices, architectural and engineering plans and proposed awards; and
- Administer reimbursement of costs for state funds and the pass through of federal funds.

4.2.2 Grantee Responsibilities

The grantee is wholly responsible for the administration of the project, compliance with the terms and conditions of the grant contract and supervision and inspection of work performed or items purchased. This includes, but is not limited to the following:

- Provide continuous administrative direction of project activities;
- Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
- Assure conformance to plans, specifications, contract terms, applicable codes, ordinances and safety standards;
- Maintain an adequate program schedule;
- Request reimbursement of approved costs; and
- Monitor projects within constraints of the approved project budget.

4.2.3 Concurrence Requirements

Where applicable, IDOT review and concurrence are required before certain activities may be undertaken. These include the following:

- Solicitation of bids and award of third party contracts;
- Purchasing of land, facilities and equipment;
- Start-up of force account work;
- Execution of change-orders;

- Additions to consultant services agreements;
- Disposal of scrap or used equipment and materials;
- Award of other contracts or agreements relating to procurement, construction, professional services, or acquisition;
- Entering into agreements for use or lease of project facilities by an operator or carrier, or use by other than the grantee;
- Interchange of project equipment or combined use of project facilities between carriers, operators or agencies;
- Scope revisions and scope amendments;
- Budget revisions and budget amendments;
- Sale or conversion to other use of project facilities during the post-settlement period;
- Reduction or termination of service during the project or the post-settlement period;
- Continued use of scrap, used, or disposable facilities after replacement by project facilities; and
- Any action which may limit the continued public use of project facilities, or limit the best possible use of grant funds.

4.2.4 Reimbursable Costs

Costs incurred prior to grant approval and costs incurred prior to the execution by the grantee and IDOT of the grant agreement are ineligible as reimbursable project costs, except as specifically authorized in advance in writing. When so authorized, reimbursement will be subject to project approval and full compliance with the provisions of the grant agreement. Actions taken that result in costs allocated to grant activities that have no prior approval from IDOT will result in the ineligibility of such costs for state funding.

The grant agreement with the accompanying Approved Project Budget provides the necessary legal authorization for the grantee to incur eligible project costs.

4.2.5 Grant Agreement and Obligations

Specific instructions for executing grant agreements are included with the transmittal that accompanies the proposed grant documents. The following summarizes the sequence of events.

When a firm estimate of the procurement activity or work to be performed is determined and duly presented (including preliminary concurrences for notices and specifications and tentatively approved third party contracts), the grantee requests from IDOT a grant agreement for the previously approved scope of work to be awarded if such grant agreement has not already been executed. This request is

typically included with the grantee's request for concurrence to either award to a third party or to directly incur grant reimbursable costs. IDOT prepares the grant agreement and Approved Project Budget and transmits two (2) unexecuted copies to the grantee. The grantee executes and returns the two undated copies of the grant agreement and a single copy of any additional documentation (draft contracts with third parties) if applicable.

IDOT signs and dates both copies of the grant agreement. IDOT returns one (1) copy of the executed grant agreement to the grantee along with any final concurrences. The grantee then executes the proposed third party contracts, issues a Notice to Proceed if applicable, and transmits copies of any fully executed third party contracts to IDOT.

4.2.6 Approved Project Budget

Only items specifically listed in the Approved Project Budget are eligible for state and federal funds. Proceeds from earned interest on investments and sale of disposable material, equipment and land shall be credited to the project.

Commitments against any budget line item shall not exceed the amount shown for that item in the Approved Project Budget. Transfers between line items, or from contingencies to any line item require the prior approval of IDOT. Budget overruns (expenses in excess of a budgeted line-item) or failure to obtain IDOT approval for budget revisions will result in ineligible costs.

4.2.7 Budget and Scope Revisions or Amendments

Budget revisions require prior IDOT concurrence. Budget revisions are defined as any proposed changes in project activities which require moving funds from one line item to another line item such as from Contingencies to Construction. If a scope change is involved, and/or additional funds (which have been previously authorized by state and federal grant approval) are being added to the grant, an amendment to the grant agreement is required as well.

To obtain concurrence for a budget revision, the grantee shall submit the following:

- A cover letter;
- A statement justifying the proposed changes; and
- Supporting documentation as required; and
- A request for amendment to grant agreement, if necessary.

4.2.8 Eligible Costs

Costs and charges are eligible if they meet all the following general criteria:

- They are necessary and reasonable for proper and efficient execution of the project in accordance with the grant agreement and the Approved Project Budget;
- They are not prohibited under federal, state and local statutes or regulations;
- They are treated uniformly and consistently in accounting policies and procedures approved or prescribed by IDOT for the grantee, and those approved or prescribed by the grantee for its contractors;
- They are not allocable to or included as a cost of any other state-financed program in either the current or prior period;
- They represent net costs, deducting all applicable credits (such credits are to be set forth separately);
- They are in accord with budgetary or other restrictions on expenses established by IDOT; and
- They are fully documented.

4.2.9 Reporting Requirements

Regular progress reports may be required for the project. Special reports may also be required if considered necessary due to unique or questioned circumstances.

4.2.9.1 Quarterly Progress Reports

If required, reports are due as follows:

**Table 4-2.
Quarterly Report Due Dates**

Quarter Ending	Due Date
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

4.2.9.2 Annual Status Report

Following completion of the project or acquisition of equipment or vehicles, an annual report is required describing the operation of the facility or continued use of equipment with financial documentation and a certification of use on forms provided by IDOT.

4.2.10 Requisitions

In order to request reimbursement for expenses that have been properly incurred, the grantee is required to submit the following:

- "Requisition for Capital Grant Payment" form;
- "Request for Payment" form. On this, the state share of the amount requested from the requisition form is recorded.
- "Request for Payment - Federal Share" form. On this, the federal share of the amount requested from the requisition form is recorded.
- Documentation to support this request such as invoices, engineer's pay request, proof of purchase, etc.

From this request, IDOT will prepare and submit necessary documents so that direct payment can be made to the grantee. This takes the form of two state checks, one representing the state share and the other representing the federal share.

In addition to adequate documentation of costs and proper completing of forms, IDOT approval of each requisition for payment is contingent upon submitting progress reports and compliance with all the terms of the grant agreement.

If a grantee obtains rolling stock from IDOT's combined vehicle procurement program, no requisition is to be submitted by the grantee.

For these purchases, IDOT will pay the vendor directly.

4.3 OPERATING ASSISTANCE GRANTS

4.3.1 IDOT Responsibilities

IDOT has the following responsibilities in operating assistance grants:

- Function as grantee to FTA on behalf of the project;
- Provide administrative guidance to the grantees;
- Prepare grant agreement;
- Provide guidance in the preparation of required forms and documentation;
- Provide draft language for service agreements and certifications;
- Provide technical and planning assistance; and
- Administer reimbursement of costs for state funds and the pass through of federal funds.

4.3.2 Grantee Responsibilities

The grantee is wholly responsible for the administration of the project, compliance with the terms and conditions of the grant contract and supervision and inspection of work performed or items purchased. This includes, but is not limited to the following:

- Provide continuous administrative direction of project activities;
- Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
- Assure conformance to plans, specifications, contract terms, applicable codes, ordinances and safety standards;
- Maintain an adequate program schedule;
- Request reimbursement of approved costs; and
- Monitor projects within constraints of the approved project budget.

4.3.3 Concurrence Requirements

IDOT review and concurrence are required before entering into any third party contract for goods and property costing between \$300 and \$5,000 or for services costing in excess of \$10,000 and where any material change is proposed which would substantially alter the proposed program as detailed in the application or the Approved Project Budget.

4.3.4 Reimbursable Costs

The grant agreement with the accompanying Approved Project Budget provides the necessary legal authorization for the grantee to incur eligible project costs. However, costs may be reimbursed if the final fully executed grant agreement encompasses the effective date of the beginning of the subject fiscal year and if claimed costs are otherwise eligible under the terms of the grant agreement.

4.3.5 Approved Project Budget

Only categorical line items listed in the Approved Project Budget are eligible for state and federal funds. Proceeds from earned interest of investments and sale of disposable material, equipment and land shall be credited to the project.

Commitments against any budget line item shall not exceed the amount shown for that item in the Approved Project Budget. Budget overruns (expenditures in excess of a budgeted line item) or failure to obtain IDOT approval for budget revisions will result in ineligible costs.

4.3.6 Budget Revisions

In general, budget revisions that will cause a line item to be adjusted by more than 10% of the Approved Project Budget's amount for that line item require prior IDOT concurrence. Budget revisions are defined as any proposed changes in project activities in the Approved Project Budget which require moving funds from one line item to another line item. For budget revisions with less than 10% adjustments, the grantee is required to notify IDOT; concurrence is not required. If additional funds (which have been previously authorized by state and federal grant approval) are being added to the grant, an amendment to the grant agreement is required.

To obtain concurrence for the budget revision, the grantee shall submit the following:

- A cover letter;
- A statement justifying the proposed changes; and
- Supporting documentation as required; and
- A request for amendment to grant agreement, if necessary.

A budget revision may also be required at the end of the funding year to adjust the Approved Project Budget to reflect actual reimbursements of regular Section 5311 funding and Section 5311(f) - Intercity Bus. Provided a grantee's total operating assistance for the grant period is unchanged, an adjustment to reflect actual reimbursements of regular and intercity bus funding is allowable and, in fact, is required if actual expenses differ from the budgeted amount.

A budget revision is also required if a grantee elects to utilize a portion of its operating assistance for "Small Cap" capital projects. In that case, the grantee must notify IDOT (with supporting documentation) at the time the obligation is made. IDOT will revise the grantee's Approved Project Budget to show the obligation as "capital" rather than "operating" and send a copy of the revised Approved Project Budget to the grantee. See Chapter 4.1 for additional requirements regarding the use of operating assistance for capital purposes.

4.3.7 Operating Project Costs

Project costs shall be clearly related to the purposes specified in the grant agreement and the Approved Project Budget. Care shall be exercised in incurring costs to assure that all expenditures are in accordance with these general standards and meet the following criteria of eligible costs. Failure to exercise this discretion may result in expenditures for which grant funds cannot be used.

4.3.7.1 Eligible Costs

Costs and charges are eligible if they meet all the following general criteria:

- They are necessary and reasonable for proper and efficient execution of the project in accordance with the grant agreement and the Approved Project Budget;
- They are not prohibited under federal, state and local statutes or regulations;
- They are treated uniformly and consistently in accounting policies and procedures approved or prescribed by IDOT for the grantee, and those approved or prescribed by the grantee for its contractors;
- They are not included as a cost to any other state or federally financed program (unless part of an approved cost allocation plan);
- They represent net costs, deducting all applicable credits (such credits are to be set forth separately);
- They are in accord with budgetary or other restrictions on expenses established by IDOT; and
- They are fully documented (with time sheets, invoices, etc.) or substantiated in a cost allocation or indirect cost rate plan (if applicable). Guidance on cost allocation and indirect cost plans can be found in Exhibit 8.

4.3.7.2 Eligible Operating Expenses

In order to provide further guidance on determining eligible cost; IDOT has developed guidelines which are found in Exhibit 9.

Operating expenses are those expenses required to provide public transportation, including drivers' wages and benefits, mechanics' wages and benefits, contract maintenance service, materials and supplies directly related to transit and maintenance of vehicles, fuels and lubricants, rentals or leases of vehicles, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment and facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation and which is not defined as an "eligible administrative expense" as herein defined.

Engine and transmission rebuild costs which meet the following criteria are also considered eligible operating expenses:

- They are necessary to maintain a grantee's rolling stock in safe mechanical and operating condition, and to fulfill the grantee's obligation to maintain the asset in service for its useful life; and

- They do not materially increase the value or useful life of the capital asset.

Lease and lease/purchase agreements may also be considered operating assistance subject to the following exception: If at the inception of a proposed lease, the total cost of the item, including all lease payments, is greater than \$5,000, and one or more of the following criteria is present, the cost is a capital expense, and is not an eligible operating expense:

- Ownership of the property is transferred to the grantee at the end of the lease term as a term of the agreement.
- The lease contains a bargain purchase option. A bargain purchase option is when the lessee's option to purchase the leased item at the end of the lease is set at a sufficiently low price so it makes the purchase almost certain. Typically, this price is far below the fair market value of the leased item as determined at the end of the lease term.
- The lease term is for a period of time which is greater than 75% of the estimated useful life of the leased property.

4.3.7.3 Ineligible Operating Expenses

IDOT will not participate in the reimbursement of the following ineligible expenses:

- depreciation whether funded or unfunded;
- amortization of any intangible costs;
- debt service on capital acquired with the assistance of capital grant funds provided by the State of Illinois;
- profits or return on investments;
- excessive payments to associated entities;
- costs reimbursed under any other FTA program;
- entertainment expenses;
- charter expenses;
- fines and penalties;
- charitable donations;
- interest expense on long term borrowing and debt retirement other than on publicly owned equipment and facilities;
- income taxes;
- expenses based on time studies which extrapolate costs (either direct or indirect) from a sample time period to a larger time period;
- travel and per diem expenses greater than state limits;
- expenses defined as "eligible administrative expenses" as herein defined; or

- such other expenses as IDOT may determine as not consistent with federal Department of Transportation regulations and requirements.

4.3.7.4 Eligible Administrative Expenses

In order to provide further guidance on determining eligible cost; IDOT has developed guidelines which are included in the exhibit section.

Are expenses required to provide public transportation, other than those defined as "eligible operating expenses" herein, including, but not limited to, general, administrative and overhead costs such as salaries of the project director, office personnel such as secretary and bookkeeper, office supplies, facilities, rental, insurance, marketing, and interest on short-term loans for operating assistance.

4.3.7.5 Ineligible Administrative Expenses

IDOT will not participate in the following ineligible administrative expenses:

- depreciation, whether funded or unfunded;
- amortization of any intangible costs;
- debt service on capital acquired with the assistance of capital grant funds provided by the state of Illinois;
- profits or return on investments;
- excessive payments to associated entities;
- costs reimbursed under any other FTA program;
- entertainment expenses;
- charter expenses;
- fines and penalties;
- charitable donations;
- interest expense on long term borrowing and debt retirement other than on publicly owned equipment and facilities;
- income taxes;
- expenses based on time studies which extrapolate costs (either direct or indirect) from a sample time period to a larger time period;
- travel and per diem expenses greater than state limits
- expenses defined as "eligible administrative expenses" as herein defined; or
- for such other expenses as IDOT may determine as not consistent with federal Department of Transportation regulations and requirements

4.3.8 Requisitions

In order to request reimbursement for expenses that have been properly incurred, the grantee is required to submit the following:

- "Section 5311 Operating Assistance - Request For Payment" (RFP Form);
- "Section 5311 Request for Payment Summary";
- "Section 5311 Operating Data Report"; and
- "Financial Data Report"

From this request, IDOT will prepare and submit necessary documents so that direct payment can be made to the grantee. Payment to the grantee takes the form of one state check representing the state administered federal share of operating assistance.

In addition to adequate documentation of costs and proper completing of forms, IDOT approval of each requisition for payment is contingent upon submitting progress reports and compliance with all the terms of the grant agreement.

4.3.9 Annual Financial Report

As part of each grantee's annual Single Agency Audit, a separate schedule relating to Section 5311 expenses and revenues is required.

4.3.10 Audits- Operating Assistance Projects

The purpose of these instructions is to prescribe these items:

- The objectives of the audits;
- The standards to be followed by the grantee in selecting auditors to conduct audits; and
- The minimum scope of audits and report formats which will meet IDOT requirements.

4.3.10.1 Audit Objectives

The audit objectives are to ensure the following:

- That the accounting system and related internal controls of the grantee are operating effectively and that adequate records and safeguards are being maintained over grantee funds.
- That costs charged to the contract and approved program are reasonable, applicable to the contract and approved program, not prohibited by the contract and approved program, and are determined in accordance with accounting procedures

prescribed by IDOT for the grantee and in accordance with generally accepted accounting principles.

4.3.10.2 Standard for Selection of Auditors

Grantees should employ the following procedures in the selection of an auditor:

- The selection of the auditor, together with all necessary arrangement letters, will be made directly by the grantee.
- The grantee shall not select any outside auditor to conduct required audits who is not independent from any grantee or operator who has now, or ever during the period covered by the audit, had any relationship which creates a substantial interest, including (but not limited to) the following: officer, employee (voluntary or paid), stockholder or bookkeeper.

4.3.10.3 Scope of Audits

IDOT requires, that at a minimum, the following elements are included in the auditor's scope of work:

- The scope of each audit shall include an examination of the records and test of transactions sufficient to enable the audit firm to express an opinion as to the following:
 - whether or not the records of receipts, disbursements, assets and liabilities and the presentation thereof in the financial statements of the grantee are in accordance with generally accepted accounting principles, consistently applied, and present fairly the financial positions of the grantee and the results of its operations for the period covered by the audit;
 - whether costs incurred are eligible under the contract and
 - the degree of compliance with the terms and conditions of the contract, approved program and IDOT guidance.
- It is expected that the audit of the grant will require an examination of the records of contractors which may be providing direct services paid for through the Section 5311 program as well as the grantee's records. IDOT will advise the grantee when it is determined that audits of contractors are not necessary.

4.3.10.4 Audit Report Format

The form of audit report to be furnished by the grantee is as follows:

- A short form report as prescribed by the American Institute of Certified Public Accountants including the grantee's financial statement and the auditor's certificate (scope of audit and opinion) on the financial statements. Based on the grantee's Approved Project Budget, the report shall also include the following:
 - a calculation of the approved operating deficit;
 - a calculation of the eligible Section 5311 share; and
 - an identification of all sources of local share.
- In addition to the audit report described above, IDOT audit requirements require the auditor to submit comments on:
- Accounting principles and practices followed by the grantee which may have a significant effect on statement of financial condition and the Income Statement for the period covered by the audit.
- The auditor's evaluation of particulars on the management internal controls afforded by the grantee's accounting, financial, and operating procedures and practices particularly as they relate to funds received and costs chargeable to the contract and approved program.
- Significant and unusual accounts pertaining to, and significant and unusual transactions affecting, the contract and approved program.

The grantee's compliance or noncompliance with the provisions of IDOT guidance, the grantee's contract and the approval letter issued to the grantee. The grantee's noncompliance in a material respect to these provisions or the occurrence of any event of default specified in these provisions shall be immediately discussed with the grantee and notification given IDOT in writing without awaiting the completion of the audit and the preparation of the audit report.

- Whether the costs incurred by the grantee are in accordance with contractual terms and accounting principles appropriate to the particular circumstances.
- The comments shall include an expression of the auditor's opinion and recommendations pertaining to eligibility of costs charged to the contract and the approved program. The comments shall clearly indicate whether the grantee agrees with the audit conclusions and recommendations. If the grantee does not agree, the auditor should so state, furnishing the reasons for the non-concurrence and the auditor's response thereto. The report shall include the name and official capacity of the person within the company who does or does not concur with the finding of the audit.

4.3.10.4.1 Inspection of Working Papers

There may be instances where IDOT would wish to communicate directly with the auditors. Accordingly, when the grantee engages the auditor or audit firm it shall include in the letter of engagement the authorization for the auditor to communicate directly to IDOT.

4.3.10.4.2 Filing Deadline

The grantee shall file said audit with IDOT no later than one hundred eighty (180) days after the close of the state fiscal year.

4.4 VEHICLES, EQUIPMENT, AND REAL PROPERTY

4.4.1 Use of Vehicles and Equipment

Equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and a unit price of \$300 or more. Typically, equipment includes such items as major spare parts, computer systems, communication systems, major maintenance tools, passenger shelters, etc.

Vehicles and equipment shall be used in the program for which it was acquired as long as it is needed for service, until it is replaced, or until it is uneconomical to continue to use. This is true even if IDOT does not continue to fund the program. All grantees are required to submit an "annual certificate of use" for all vehicles and equipment acquired under IDOT provided financial assistance until they are no longer used in service.

The grantee may make vehicles or equipment available for use in other programs or projects currently or previously supported by federal funds. However, this use may not interfere with its use on the program or project for which it was originally acquired. User fees shall be considered appropriate in this situation. Federally funded vehicles and equipment may not be used to provide services for a fee to compete unfairly with private companies.

Any change in the use or ownership of vehicles or equipment must have prior written approval of IDOT.

4.4.2 Standards

The grantee shall provide management of all vehicles and equipment based on the following:

- Vehicle and equipment control records must be maintained. These records shall include:
 - description of vehicle or equipment
 - serial or identification number
 - source of property
 - title holder (owner)
 - federal participation
 - physical location
 - current use and condition
 - disposal data
 - disposal price
- A physical inventory of vehicles and equipment must be taken and the results reconciled with the grantee's Capital Asset Inventory of federally funded assets at least every two years.
- A control system must be developed to safeguard against loss, damage, or theft of vehicles and equipment.
- Adequate maintenance procedures and programs must be developed to keep vehicles and equipment in good condition. Preventive maintenance programs are required for all federal and state funded vehicles. IDOT has a sample maintenance program document available upon request.
- For all rolling stock, individual files must be by vehicle containing vehicle repair and maintenance records, including repairs and maintenance of lift-equipment if the vehicle is so equipped.

4.4.3 Disposition

When vehicles, equipment, and/or real property are no longer needed for the original project or program, disposition of said items must be made in accordance with governing law or ordinance of the grantee.

4.4.3.1 Real Property

Real property is defined as land and buildings, including any accessories added to the land or buildings. Real property and items of equipment with a current per-unit fair market value of less than \$5,000 may be disposed with no further obligation to IDOT. However, IDOT must be notified of all disposition actions and prior written concurrence is required.

Real property and equipment with a current per-unit fair market value of \$5,000 or greater requires the submittal of a written disposition plan for IDOT review. At IDOT's discretion, income from the disposition may be retained by the grantee for the transit program. Documented evidence that the income is being used for the transit program must be provided to IDOT.

4.4.3.2 Vehicle Disposition

Disposition actions for vehicles must be submitted to IDOT. If the vehicle is in good mechanical condition, the preferred method of disposition is the transfer of vehicles to another IDOT grantee.

4.4.3.3 Determination of Fair Market Value

The fair market value for vehicles and equipment may be determined by its sale price, the use of the straight-line depreciation method, or an independent appraisal. If straight-line depreciation is used for valuing vehicles, then it should be based on the useful life years and mileage herein specified. The fair market value of real property should be based on two independent appraisals.

4.4.3.4 Like-Kind Exchange- Vehicles

Grantees may elect to use the trade-in value or the sales proceeds from a vehicle to acquire a replacement vehicle of a like kind. This option may be under taken before the end of the useful life of the vehicle. If a grantee chooses to re-invest the proceeds, 100 percent of the net proceeds must be applied to the acquisition of the replacement vehicles. This initiative was published in the August 28, 1992 Federal Register. This policy is an effort to stimulate the economy and develop a secondary, used-bus market. It is expected to increase the rate of new vehicle acquisitions, thereby accelerating the introduction of "cleaner" vehicles in terms of air quality and vehicles that comply with the Americans with Disabilities Act.

4.4.3.5 Insurance Settlements

In the event of loss due to casualty, fire, or theft, the insurance settlement may be used toward the replacement of the lost items. If the items are determined to be no longer necessary, then the settlement may, at IDOT's discretion, be returned to the state or used for the transit program. Documented evidence that the settlement is being used for the transit program must be provided to IDOT.

4.4.3.6 Passenger Vehicle Classification and Useful Life

IDOT has developed the following passenger vehicle classifications for its Consolidated Vehicle Procurement (CVP) Program:

- **Converted Mini-Van** – a standard mini-van which has undergone some body or structural changes to meet ADA requirements. Typical changes include a lowered floor,

wheelchair securement positions, flip up center passenger seating, and a fold-away access ramp.

- **Light Duty Vehicle** – a standard van or maxi-van which has undergone some body or structural change to meet ADA requirements. Typical changes include raised tops, widened bodies and passenger entry doors, extended step wells at passenger entrances, and wheelchair lifts.
- **Medium Duty Paratransit Vehicle** – a passenger vehicle built on a truck chassis and designed to meet ADA requirements. MDPV's have wider and/or longer bodies than the light duty vehicles and accommodate more passengers and wheelchairs. Typically these vehicles are built by specialty vehicle manufacturers and include raised tops, widened bodies and passenger entry doors, extended step wells at passenger entrances, and wheelchair lifts.
- **Super Medium Duty Paratransit Vehicle** – a Super Medium Duty Paratransit Vehicle --- a passenger vehicle built on a truck chassis and designed to meet ADA requirements. SMDPV's have longer bodies than the MDPV's and accommodate more passengers. Typically these vehicles are built by specialty vehicle manufacturers and include raised tops, widened bodies and passenger doors, extended step wells at passenger entrances, air brakes, and wheelchair lifts.
- **Heavy Duty Paratransit Vehicle** – a vehicle under 35 feet in length and specially designed for paratransit service that requires large passenger seating capacities (i.e., purpose built). The construction of the body and chassis is integrated and normally done by one manufacturer and meet ADA requirements. Typically, these buses include diesel engines, air ride suspensions, air brakes, widened passenger entry doors, extended step wells at passenger entrances, and wheelchair lifts. This bus is also suited for certain small urban fixed route applications.

4.4.3.7 Vehicle Useful Life

IDOT has developed the following vehicle useful life policy for the purposes of evaluating vehicle disposition requests and capital replacement applications. However, merely obtaining sufficient miles and years on a vehicle does not guarantee capital assistance for its replacement. Vehicle procurement grant applications are competitively evaluated according to criteria such as project justification, coordination, fiscal capabilities, and capital project priorities. The primary criterion in determining useful life is mileage. The age of the vehicle will be considered only after the vehicle's mileage has been determined to be at or greater than the mileage categories listed in the following table:

**Table 4-3.
Vehicle Useful Life Standards**

Classification	Miles	Years
Mini-Van	120,000	5
Raised Roof Van / Light Duty Vehicle	120,000	5
Medium Duty Vehicle	150,000	7
Super Medium Duty Vehicle	200,000	7
Heavy Duty Paratransit Vehicle < 35'	200,000	7
Heavy Duty Transit Vehicle < 35'	300,000	10

The age of the vehicle is calculated from the date the vehicle is actually placed into service, and not from the vehicle model year. On rare occasions, a grantee may have a vehicle which needs replacement prior to reaching its designated mileage. IDOT will consider these exceptions on a case-by-case basis.

4.4.3.8 Vehicle Replacement Planning

Grantees are required to develop and submit to IDOT a passenger vehicle replacement plan. The plan shall use the vehicle useful life mileage as the basis for determining the replacement of vehicles. The plan shall cover a five year period and be updated biennially (after the original submission an updated plan will be due every other year). The plan shall show the number, classification, and the estimated cost of the vehicles to be replaced or added.

For planning and funding application purposes, vehicles may be considered eligible for replacement based on the following mileage criteria:

**Table 4-4.
Vehicle Replacement Standards**

Classification	Miles	Years
Mini-Van	95,000	4
Raised Roof Van / Light Duty Vehicle	95,000	4
Medium Duty Vehicle	120,000	6
Super Medium Duty Vehicle	180,000	6
Heavy Duty Paratransit Vehicle < 35'	180,000	6
Heavy Duty Transit Vehicle < 35'	280,000	10

4.5 DISPUTES OR COMPLAINTS

The grantee is required to resolve any complaints from a local decision or interpretation concerning IDOT funded grant programs. The grantee is required to keep a record of all correspondence related to

the issue, information used in making its decision, and the process used in resolving the issue. If an operator or provider is involved, the grantee must inform those parties of the local appeal process and their rights under the process. If the complaint is not satisfactorily resolved, the originating party may appeal the grantee's decision to IDOT.

4.5.1 Appeals to IDOT

The originating party must file with IDOT a written request for an appeal within 15 business days following the grantee's final decision. The appeal request must be made by certified mail and contain a brief description of the issues and copies of all relevant information. IDOT will conduct a preliminary review within five business days and, if necessary, request by certified mail additional information from the originating party or the grantee. IDOT will allow five business days for receipt of additional material. IDOT will make a final decision within 15 business days from the receipt of the appeal request or, if additional material was requested, within 15 business days from the receipt of the additional material. IDOT will notify the originating party and the grantee of its decision within five business days.

5.0 Compliance Monitoring

5.1 SECTION 5311, 5316 & 5317

Administration of the state's Section 5311, 5316 and 5317 programs includes program compliance monitoring of grantees. In order to ensure conformity with federal program requirements, IDOT will monitor, at a minimum, the following:

- General program
- Financial management
- Equipment use and condition
- Vehicle maintenance practices
- Competitive procurement clauses
- Integrity certifications
- Restrictions of lobbying certifications
- ADA compliance
- DBE/Title VI compliance
- Charter service compliance
- School bus compliance
- Intercity Bus
- Safety and security

5.1.1 Monitoring Mechanisms

The documents and mechanisms used to monitor each of the referenced elements are summarized and defined below.

- Program review: Once every five to seven years, IDOT staff, or a representative of IDOT, will visit grantees and providers to conduct a comprehensive program compliance review.
- On-site visit: Each calendar year, IDOT staff, or a representative of IDOT, will visit Section 5311 grantees and perform a limited program review (s). Site visit monitoring elements can be found in Exhibit 10.

Annual site visits will be suspended during periods when IDOT is undertaking program reviews.

- Grantee application: The application used by Section 5311, 5316 & 5317 grantees to apply to IDOT for operating, capital, intercity bus or technical assistance.
- Pre-award contract concurrence: Review of documents, information or assurances that are either missing from an application, or not required in the application but necessary before a contract can be executed.
- Grantee contract: The agreement between IDOT and the Section 5311, 5316 and/or 5317 grantee.
- Annual submittals: Information required to be submitted annually to IDOT from the Section 5311, 5316 and/or 5317 grantee.
- Grantee staff: The use of grantee staff to review specific program elements and provide necessary documentation concerning this review to IDOT.
- On-site audit: This is a special program review audit performed by IDOT's Audit Section.
- Requisition documentation: Support documentation submitted by the grantee or reviewed by IDOT staff to substantiate incurred expenses and revenues.

5.1.2 Non-Compliance Notification

If IDOT becomes aware of circumstances where a grantee is not meeting the program requirements, IDOT will notify the grantee in writing and work with the grantee to correct the deficiencies. If a grantee has not corrected the deficiency after a sufficient period of time, IDOT will investigate and take appropriate measures to ensure compliance on a case by case basis.

Compliance deficiencies identified as part of program reviews will be documented and assigned a timeline for implementation of corrective action. IDOT staff will communicate with grantees during the assigned timeline to ensure that corrective action is implemented as prescribed. Any long term corrective actions will be reviewed during the annual on-site visit.

5.2 SECTION 5310

Administration of IDOT's Section 5310 program includes the program compliance monitoring of grantees. In order to ensure conformity with federal program requirements, IDOT will monitor the following:

- Financial management

- Technical capacity
- Equipment use and condition
- Vehicle maintenance practices
- Debarment and suspension
- Restrictions on lobbying certifications
- Transportation services for individuals with disabilities
- Section 504/Americans with Disabilities Act
- School bus compliance
- Civil Rights

Competitive procurement, bus testing compliance, and pre-award/post-delivery compliance are the responsibility of IDOT through its CVP program.

The Division currently purchases all equipment awarded under this program. A consultant assists the Division in the procurement process. The procurement of each vehicle type is achieved through a competitive bidding process and award is made to the lowest responsive and responsible bidder. The Division is also responsible for inspection of the vehicles and meeting all the federal pre-award and post-award audit requirements.

5.2.1 Monitoring Mechanisms

The documents and mechanisms used to monitor each of the referenced elements are summarized and defined below:

- **On-site program review:** Each calendar year, IDOT staff, or a representative of IDOT will visit a sample of the active Section 5310 grantees (i.e., still operating Section 5310 funded equipment) and perform a review of the monitoring items listed above.
- **Grantee application:** The application used by Section 5310 grantees to apply to IDOT for rolling stock funding.
- **Annual submittals:** Information required to be submitted annually to IDOT from each active Section 5310 grantee.
- **Grantee staff:** The use of grantee staff to review specific program elements and provide necessary documentation concerning an IDOT review.

5.2.2 Non-Compliance Notification

If IDOT becomes aware of circumstances where a grantee is not meeting the program requirements, IDOT will notify the grantee in writing and work with the grantee to correct the deficiencies. If a grantee has not corrected the deficiency after a sufficient period of

time, IDOT will investigate and take appropriate measures to ensure compliance on a case-by-case basis

5.3 SECTION 5309

5.3.1 Nonurbanized Area Grant Recipients

5.3.1.1 Oversight Procedures

Grant requirements under Section 5309 are identical to FTA requirements imposed on Section 5311 capital grants.

As a consequence, IDOT will employ the program compliance/oversight procedures outlined in Section 5 of the Sections 5310, 5311, 5316, and 5317 Grant Management Manual.

To ensure that all the federal and state procurement requirements are met by the subrecipients of Section 5309 capital assistance, the Department, in conjunction with the Illinois Department of Central Management Services (CMS), procures all paratransit vehicles on behalf of recipients. This program, known as the Consolidated Vehicle Procurement (CVP) program, ensures compliance with all applicable federal regulations associated with capital (rolling stock) procurement.

5.3.1.2 Monitoring Mechanisms

The Grants Management Manual outlines a number of mechanisms that IDOT has at its disposal to monitor grantee compliance. Oversight of Section 5309 compliance will be integrated into these actions:

- **On-site visit:** Each calendar year, IDOT staff, or a representative of IDOT, will visit Section 5311 grantees and perform a limited program review(s). For all capital improvement assets in operation by the grantee, IDOT staff will complete a Capital Improvement Inspection Form; Exhibit 12 of this Manual.
- **Pre-award contract concurrence:** In the event the type of vehicle sought under the Section 5309 is not one typically procured under the CVP program, then IDOT will impose concurrency requirements on all procurement documents before any third party contract is executed.
- **Annual submittals:** On an annual basis, IDOT will collect/affirm information required all capital assets acquired under the Section 5309 program. Information to be collected include all requirement elements detailed in the common rule regarding property management (49 CFR part 18).
- **On-site audit:** IDOT reserves the right to conduct special program review audits performed by IDOT's Audit Section.

- **Requisition documentation:** Support documentation submitted by the grantee or reviewed by IDOT staff to substantiate incurred expenses and revenues.
- **Program review:** Once every three years, IDOT staff, or a representative of IDOT, will conduct a compliance review on all grantees and providers.

5.3.2 Urbanized Recipients That Participate in the FTA Section 5307 Urbanized Area Formula Program

5.3.2.1 Oversight Objectives

Unlike the nonurbanized area program, most recipients in urbanized areas deal directly with the Federal Transit Administration as designated recipients of funding within their respective urbanized area.

As part of FTA’s oversight of these grantees, a periodic compliance review, known as the “Triennial Review,” is conducted approximately once every three years. This comprehensive review encompasses 23 topical elements.

Despite FTA’s involvement in program compliance, FTA has recently advised IDOT that the state bears primary compliance oversight over state consolidated Section 5309 grants.

IDOT’s goals with respect to urbanized area grantees under the Section 5309 program is to complement, rather than duplicate, compliance activities. IDOT will actively participate in the Triennial Review for all IDOT administered Section 5309 grant recipients as well as conducting other compliance oversight activities in the areas of:

- Satisfactory continuing control;
- Maintenance;
- Procurement;
- Buy America; and
- Suspension/debarment.

Each calendar year, IDOT staff, or a representative of IDOT, will visit urbanized grant program recipients and perform an inspection of all capital assets in operation by the grantee funded under the Section 5309 program. IDOT staff will complete a Capital Improvement Inspection Form; Exhibit 12 of this Manual.

5.3.2.2 Monitoring Mechanisms

The Grants Management Manual outlines a number of mechanisms that IDOT has at its disposal to monitor grantee compliance. Oversight of Section 5309 compliance will be integrated into these actions:

- **On-site visit:** No less than once every two years, IDOT staff, or a representative of IDOT, will visit urbanized Section 5309 grantees and perform a limited program review(s) that address the capital related elements identified in Section 5.3.2.1.

A checklist of items to be covered in this site reviews is contain in this Manual as Exhibit 11.

- **Participation in Triennial Reviews:** An IDOT representative will participate in FTA scheduled triennial reviews.

5.3.3 Construction/Rehabilitation Oversight

IDOT will employ construction oversight procedures for each of the Sections 5310, 5311, 5316, and 5317 recipients who receive approval for Section 5309 funding for construction/rehabilitation projects.

IDOT's role in this process is to ensure that grantees have taken into account the IDOT "Contact Sensitive Solution" design concept; a concept of general review of bus and passenger movements within the community.

In addition to standard procurement documentation procedures, IDOT will provide additional documentation in the following areas:

5.3.3.1 Contractor Participation

IDOT will identify, via procurement documentation, the appropriate relationship between the grantee and applicable contractors using the following definitions:

- Design/Build
 - The grantee enters into a written agreement with a qualified contractor wherein the selected firm acts as the project coordinator. The selected contractor assumes the tasks of design, construction management (including procurement of all subcontractors), and overall implementation of the project. The grantee maintains an active role in the design and an oversight role in the construction implementation.
- Traditional
 - The grantee enters into separate written agreements with a qualified contractor for design and a qualified contractor for construction.

Subcontractor agreements will be procured and maintained by the qualified applicable contractor. The grantee maintains an active role in the design and an oversight role in construction implementation.

- Grantee Managed
 - The grantee enters into separate written agreements with all qualified contractors and subcontractors. The grantee will administer all applicable procurement processes for each required contractor. The grantee maintains an active role in the design and construction implementation.

5.3.3.2 Jurisdiction of Authority

IDOT will document the appropriate municipality or governmental agency responsible for regulating the construction process.

The jurisdiction of authority is the governmental agency or sub-agency which regulates the construction process. In most cases, this is the municipality in which the construction project is located. Grantees must submit a list of the documents required by the jurisdiction of authority to IDOT.

Prior to or as part of final inspection, IDOT will verify that all documents required by the jurisdiction of authority and/or the appropriate municipality or government agency have been submitted and approved.

5.3.3.3 Progress Meetings

The grantee will establish regular progress meetings with all applicable contractors. Progress meetings must occur no less frequently than quarterly and IDOT must be notified in advance of meeting schedules.

IDOT will attend all progress meetings, as available. Any issues discussed during meetings which IDOT is unable to attend will be reported to IDOT staff immediately. (Grantees will submit all meeting minutes to IDOT for the project file.)

5.3.3.4 Annual Visit

At a minimum, IDOT will annually conduct a site visit and assessment of all in-progress construction projects. IDOT staff will complete a Capital Improvement Construction Progress Form, Exhibit 13 of this Manual. Additional visits may be scheduled by IDOT, as appropriate.

5.3.3.5 Occupancy/Turnover

IDOT will conduct a final inspection of all construction or rehabilitation projects to ensure that all proposed equipment is installed and that the final project scope follows all contractual agreements. IDOT will file a Final Inspection Report as well as document that the project has received final approval from any independent third party inspector and jurisdiction of authority. The grantee will submit a written facility maintenance plan to IDOT **prior to occupancy**.

5.4 PERFORMANCE STANDARDS

5.4.1 Service Standards

The provision of service provided by a grantee will be reviewed according to the following measures:

5.4.1.1 Marketing (Section 5311 only)

During the on-site visit, the marketing efforts of the grantee, or operator, will be reviewed for the previous six months. These efforts will include any on-going activities such as printed route maps or schedules or periodic newspaper or local advertising.

5.4.1.2 Specialized Service Provision

IDOT will undertake efforts to ensure that specialized services provided by a grantee, or its operator, do not interfere with providing service to the general public. As part of the grant application, IDOT will receive a detailed description of the service provided by the grantee. This information will be reviewed by IDOT staff prior to the grant award. In addition, a review of the service descriptions provided in the application will be performed as part of the annual on-site visit to identify any changes that may have occurred and to analyze the impact.

5.4.2 Financial Management Standards

5.4.2.1 Fiscal Capacity (Section 5311 only)

IDOT must ensure that any corrective action resulting from an audit finding is implemented, and that project expenses can be tracked to a source document (*i.e.*, bill invoice etc.). In addition to the review of documentation submitted with requisitions, the tracking of expenses to source documents will be performed on a random sampling basis during the on-site reviews. IDOT review staff will select line items from

a requisition submitted within the last year and review grantee documents to ascertain whether or not the expenses can be substantiated.

5.4.2.2 Satisfactory Continuing Control

IDOT must ensure that facilities and equipment are used in the approved transit service. As part of the application, the grantee will submit its Capital Asset Inventory, including all federally funded capital assets with an original purchase cost of greater than \$300. This inventory will include a brief description of the asset, its original purchase price, its current condition and mileage (for rolling stock), and a signed assurance that the federally funded assets are still being used and maintained according to federal guidelines. During the on-site visit, a sample of the assets will be visually inspected to verify information on the application inventory.

5.4.2.3 Competitive Procurement

Grantees must follow state procurement practices and include FTA required clauses in their procurement process for contracts in excess of \$2,000 (construction) and \$2,500 (good and services), respectively. IDOT will ensure that Section 5311, 5316 and/or 5317 grantees include federally-required competitive procurement clauses in their contracts and purchase of service agreements. As part of the pre-award contract concurrence process, each grantee is to submit any third party contracts in excess of \$10,000 to IDOT for review and approval. These contracts will be checked by IDOT staff for inclusion of the proper federally-required competitive procurement clauses. This element will also be monitored according to standard accounting practices during any on-site audits.

5.4.3 Maintenance Standards

Federally-funded equipment and facilities must be kept in good working order. IDOT will monitor maintenance practices and records of the grantees and their operators to ensure preventive maintenance plans are in place and that they are being followed.

As part of the application process for an operating or CVP rolling stock assistance contract, each grantee will submit to IDOT information concerning the maintenance practices and records of its operator(s). If the service or maintenance is contracted out, the grantee will use its own staff to review the contractor's maintenance practices and records. If the service is operated and equipment maintained by the grantee, the grantee will self-certify that proper preventive maintenance practices are established and being followed. During any on-site visit, IDOT staff will check to see if those grantees who self-

certify have a preventive maintenance plan in place and have evidence of following it.

As part of the application process for construction or rehabilitation of maintenance, administration, or other fixed facility, each grantee will submit to IDOT information concerning the maintenance and record keeping practices for the intended facility. If the maintenance is contracted out, the grantee will use its own staff to review the contractor's maintenance practices and records. If the service is operated and equipment maintained by the grantee, the grantee will self-certify that proper preventive maintenance practices and safety inspections are established and being followed. During any on-site visit, IDOT staff will check to see if those grantees who self-certify have a preventive maintenance plan in place and have evidence of following it.

5.4.4 Principles and Statutory Requirements

5.4.4.1 Integrity

To prevent fraud, waste, and abuse in federal transactions, persons or entities which, by defined events or behavior potentially threaten the integrity of federally-administered non-procurement programs, are excluded from participation in FTA-assisted programs. IDOT will ensure that signed non-procurement debarment and suspension certifications are on file at IDOT for each Section 5311, 5316 and/or 5317 grantee receiving over \$25,000 and ensure that the grantees have evidence of compliance with these certifications in all third party contracts over \$25,000. The required certifications are to be part of all IDOT grantee contracts and will be checked for proper signature prior to execution of a contract by IDOT. As part of the pre-award contract concurrence process, each grantee is to submit all third party contracts in excess of \$10,000 to IDOT for review and approval. Those contracts in excess of \$25,000 will be checked by IDOT staff for properly signed integrity certifications. This element will also be monitored according to standard accounting practices during any on-site IDOT audit.

5.4.4.2 Restrictions on Lobbying

Recipients of federal grants and contracts exceeding \$100,000 must certify compliance with P.L. 101-121, Section 319, Restrictions on Lobbying, before they can receive their funds. IDOT must ensure that Section 5311, 5316 and/or 5317 grantees certify compliance with P.L. 101-121, Section 319, Restrictions on Lobbying, for any contracts exceeding \$100,000. IDOT must ensure that the grantees have evidence of compliance with this certification in all third party contracts exceeding \$100,000.

The required certification is included in all IDOT grantee contracts. As part of the pre-award contract concurrence process, each grantee is to submit all third party contracts in excess of \$5,000 to IDOT for review and approval. Those contracts in excess of \$100,000 will be checked by IDOT staff for a properly signed Restriction on Lobbying certification. This element will also be monitored according to standard accounting practices during any on-site IDOT audit.

5.4.4.3 Transportation Service for Individuals with Disabilities

Title II and III of the Americans with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of complementary paratransit service. IDOT will monitor grantee compliance with ADA by ensuring that facilities and vehicles are accessible to the extent required by law and service is provided on a non-discriminatory basis. The accessibility of facilities and vehicles will be reviewed during any on-site visit. During the visit a sample of the fixed facilities will be inspected to see if they are accessible and if the accessibility requirements are in working order from a common sense perspective. An example of this would be to see if proper ramps and handrails have been installed and are in safe working condition (e.g., the ramps are not full of holes or cracks and handrails are not falling apart). In addition, a sample of the active vehicle fleet will also be inspected from a common sense perspective. This would include such things as testing wheelchair lifts and ramps to see if they are in working condition, and checking to see if wheelchair securement belts are on the vehicle and priority seating signs are in the proper location. Review of general and special transportation services will be used to verify that the provision of this service does not conflict with ADA requirements.

5.4.4.4 Civil Rights

Grantees must ensure that no person shall on the grounds of race, color, creed, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part through financial assistance under the Federal Transit Act, as amended. IDOT must ensure that grantee Title VI and FTA civil-rights assurances are on file before executing a grant contract. In addition, IDOT will ensure that grantees receiving more than \$250,000 in federal funds, exclusive of rolling stock, have DBE plans on file with IDOT and that they are following the plans. For Title VI and FTA civil rights, IDOT's annual grantee operating assistance contract contains all the

required assurances. At time of contract execution IDOT staff will ensure the assurances have been properly executed. Since these assurances are also required in all grantee third party contracts, IDOT staff will review those third party contracts submitted to IDOT for proper language and execution. In addition, operating assistance applications will require applicants to identify any lawsuits or complaints alleging discrimination in service delivery filed against the applicant within the last year in accordance with FTA Circular 4702.1

5.4.4.5 Charter Bus Prohibitions

FTA grantees and their service operators are prohibited from using federally-funded equipment and facilities to provide charter service unless the service is exempted from the regulations set forth in 49 CFR part 604 or is provided in accordance with an exception to the regulations as provided in 49 CFR part 604.6 – 11.

5.4.4.6 School Bus Protections

Grantees are prohibited from using federal operating or capital assistance funds to provide exclusive school bus service. The implementing regulation (49 CFR part 605) does permit regular service to be modified to accommodate school students along with the general public. IDOT will ensure that all grantees have signed school bus agreements on file with IDOT and monitor grantee compliance with school bus requirements. During any on-site visit any service that was funded with Section 5311, 5316 and/or 5317 operating or capital assistance and appears to be providing school bus service will be investigated further. Also included will be the review of transportation services being provided by the grantee under contract to see if any of the contracts appear to be for school bus service.



6.0 Glossary of Terms

6.1 COMMON TRANSIT TERMS

**Table 6-1.
Terms and Definitions**

Term	Definition
ACCESS TO JOBS	TEA-21 authorized the Access to Jobs and Reverse Commute (Job Access) program. The Access to Jobs Program provides competitive grants to local governments and non-profit organizations to develop transportation services to connect welfare recipients and low-income persons to employment and support services. SAFETEA-LU converted the "JARC" program to a formula program with funding apportioned to large urbanized areas, small urbanized areas, and the states. See also Section 5316.
ACCESSIBLE TAXI	A vehicle that is used by a private provider of on-demand transportation service to the public that is regulated and licensed for such use by the municipality, county or other government entity. An accessible taxi is one which has the capacity to accommodate a passenger who uses a "common wheelchair", at a minimum, while remaining in his/her personal mobility device inside the vehicle, and meets the same requirements for lifts, ramps and securement systems specified in 49 CFR part 38, subpart B.
ACCESSIBILITY	The extent to which facilities are barrier free and useable by handicapped persons, including wheelchair users.
ACCESSIBLE STATION	A public transportation passenger facility that provides ready access, assessable, and does not have physical barriers that prohibit and/or restrict access by individuals with disabilities.
ACCESSIBLE TRANSPORTATION	Facilities and/or vehicles which are barrier-free for all individuals.
ACCESSIBLE VEHICLE	A public transportation revenue vehicle that does not restrict access, is usable, and provides allocated space and/or priority seating for individuals who use wheelchairs.
ACCIDENT	A crash involving a public transit vehicle that resulted in a fatality, a personal injury, or disability damage to one or more vehicles causing the vehicle to be towed. In these cases, the operator of the public transit vehicle is required to be drug and alcohol tested.
ACCRUAL ACCOUNTING	Method of accounting which records expenses and revenues as they are incurred whether funds have actually changed hands or not.

Term	Definition
ACTIVITY CENTER	An area with heavy traffic activity and high population or commercial building densities which generate a large number of trips (e.g., shopping centers, industrial parks, recreational facilities, and colleges).
ADVANCED DESIGN BUS (ADB)	The new model bus, introduced originally in the mid-1970's incorporating new styling and design features.
ADVISORY ARBITRATION	Arbitration designed to produce non-binding advice or recommendations.
ADMINISTRATION EXPENSES	The cost to administer a project which includes, but is not limited to, director's, secretary's, and bookkeeper's wages and fringe benefits, office supplies, administrative office space and utilities. The maximum Federal share for 5311 projects for project administration is 80 percent.
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)	An entitlement program for poor families. The July 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act, replaced AFDC with block grants to the states called Temporary Assistance for Needy Families (TANF).
ALCOHOL ALSO CALLED ETHYL ALCOHOL	A colorless liquid, produced by the fermentation of sugar or starch, that is the intoxicating agent in fermented drinks; beverage alcohol, ethyl alcohol, or other low molecular weight alcohols contained in any beverage, mixture, mouthwash, candy, food, or medication.
ALCOHOL TEST FORM (ATF)	A standard form to be used to report results from alcohol tests required by the US DOT.
ALLOCATION	A dollar or personnel-year amount distributed for a specific purpose according to a plan. Allocation and Allotment are often used interchangeably.
AMBULATORY HANDICAPPED PERSON	An individual who is able to move around without assistance; in the context of transit, usually refers to people whom, although handicapped, are able to utilize regular transit services without assistance or special equipment such as wheelchair lifts.
AMERICAN PUBLIC TRANSIT ASSOCIATION (APTA)	The national, non-profit trade association, representing the public transit industry. APTA members include state and local departments of transportation and planning agencies, manufacturers and suppliers of transit equipment, consultants, contractors and universities.
A.M. PEAK	The morning period, about two hours, in which the greatest movement of passengers occurs, generally from home to work.
AMERICANS WITH DISABILITIES ACT (ADA)	The ADA defines the responsibilities of requirements for transportation providers to make transportation accessible to individuals with disabilities. The U.S. DOT published the Final Rule on Transportation for Individuals with Disabilities on September 6, 1991.
ANNUAL ELEMENT	1) A DPIT review of grantees to assess operations, maintenance, and inventory control compliance. 2) The first year of programming included in the TIP. The Annual Element is submitted to the US DOT as part of the required planning process
APPORTIONMENT	A statutorily prescribed division or assignment of funds based upon prescribed formulas in the law.

DPIT – Grant Management Manual

Term	Definition
APPROPRIATION	A legislative authorization to make expenditures or incur liabilities for specific purposes. The appropriation defines the recipient, amount, purpose, and the time in which the expenditures must incur.
ARTICULATED MOTORBUS	An extra-long (54 to 60 ft.) motor bus with the rear body section connected to the main body by a joint mechanism that allows the vehicle to bend when in operation for sharp turns and curves and yet have a continuous interior.
ASSIGNABILITY	To transfer property or rights to another by an official act, i.e., a clause included in vehicle procurement to allow a portion of the vehicle quantity in the original contract to be delivered to a different location not specified in the original contract.
AUTO RESTRICTED ZONE (ARZ)	An area in which normal automobile traffic is prohibited or limited to certain times, and vehicular traffic is restricted to public transit, emergency vehicles, taxicabs, and, in some cases, delivery of goods.
AUTOMATIC FARE COLLECTION SYSTEM (AFC)	A system of controls and equipment that automatically admits passengers on insertion of the correct fare in coins, tokens, tickets or farecards; it may include special equipment for transporting and counting revenues.
AVERAGE COST PER PASSENGER	The average total cost per vehicle-hour divided by the average number of passenger-trips made per hour.
AVERAGE PRODUCTIVITY	The number of passenger-trips made by a vehicle within a given period of time.
AVERAGE RIDERSHIP	The total number of passenger-trips divided by the total number of service days. (Usually determined on an annual basis.)
BASE PERIOD (OFF-PEAK)	The period between the morning and evening peak periods when service is generally scheduled on a constant interval.
BASIC FARE	The price charged to an adult for regular local bus service.
BLOODBORNE PATHOGENS	Pathogenic microorganisms that are present in human blood and can cause disease in humans. These pathogens include, but are not limited to, hepatitis B virus (HBV) and human immunodeficiency virus (HIV).
BOARDING	Getting on a transit vehicle.
BOND CERTIFICATION	The Budgets Program certifies a project meets all requirements in order to receive bond funds.
BROKERAGE	A method of providing transportation where riders are matched with appropriate transportation providers through a central trip request and administrative facility. A number of different vendors provide actual trips.
BUDGET	A plan of financial operations containing an estimate of proposed expenditures and proposed means of financing those expenditures.
BUDGET YEAR	The fiscal year budget requests are submitted. (State's is July-June; Federal is October-September).
BUS	Technically defined as a rubber-tired motor coach that is designed for roadway operation to transport a large number of persons for public transportation service. More broadly defined as any public transit vehicle including passenger vans and larger vehicles intended to carry numerous persons in addition to the driver .
BUS MILE	One bus operated one mile.
BUS SHELTER	A building or other structure constructed around a bus stop, to provide seating and protection from the weather for the convenience of waiting passengers.

Term	Definition
BUS STOP	A place where passengers can board or get off the bus, usually identified by a sign.
CAPACITY	The total number of passengers that can be carried by a vehicle or a fleet at a given point in time.
CAPITAL COST	A nonrecurring expenditure for either real or personal property having an initial acquisition cost greater than \$300; or any approved expenditure for physical facilities such as land acquisition, construction, major alterations, and landscaping; fixed equipment or systems; revenue and non-revenue rolling stock and any of the related costs of an approved capital acquisition program -- which can be classified under FTA guidelines, IDOT guidelines, or standard accounting practices as a capital asset.
CAPITAL EXPENSE	Expenditure of moneys for capital items necessary for the provision of public transportation services, including expenditures for the purchase of revenue and non-revenue rolling stock; the purchase of maintenance and support equipment directly related to the support of such service operations (e.g. maintenance tools, fareboxes, wheelchair lifts, ramps, radios, etc.); and the purchase or construction of fixed facilities.
CAPITAL IMPROVEMENTS	Land, buildings, equipment, and vehicles.
CAPTIVE RIDERS	Persons limited by circumstances to use of one mode of transportation. Generally, these people do not own or drive an automobile and must depend on public or specialized transit.
CAR POOL	A group of people who share the cost of regular automobile transportation to and from a designated destination.
CASH ACCOUNTING	Method of accounting that recognizes expenses in the period of the payment and revenue at the time cash is received.
CHARTER SERVICE	<p>Charter service means, but does not include demand response service to individuals:</p> <ul style="list-style-type: none"> • Transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service: <ul style="list-style-type: none"> ○ A third party pays the transit provider a negotiated price for the group; ○ Any fares charged to individual members of the group are collected by a third party; ○ The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time; or ○ A third party determines the origin and destination of the trip as well as scheduling; or • Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and: <ul style="list-style-type: none"> ○ A premium fare is charged that is greater than the usual or customary fixed route fare; or ○ The service is paid for in whole or in part by a third party.
CHOICE-RIDERS	Public transportation users who have a car available to them, but choose to use public transportation. They are also customers who can afford a car, but may choose not to own one because of convenient access to public transportation.

Term	Definition
CLEAN AIR ACT AMENDMENTS OF 1990 (CAAA)	Federal legislation that prohibits any Federal agency from supporting activities that do not conform to the applicable State Implementation Plan or Federal Implementation Plan. CAAA prohibits Metropolitan Planning Organizations from approving transportation plans, projects or programs that do not conform to a State Implementation Plan. Planning provisions of the ISTEA and SAFETEA-LU require that it be demonstrated that transportation plans, programs, and projects funded or approved by FHWA and/or FTA funds conform to the State Implementation Plan's purpose, which is to meet the National Ambient Air Quality Standards. CAAA requires that all new vehicles purchased for public transportation service meet stringent clean air requirements.
CODE OF FEDERAL REGULATIONS (CFR)	A codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Generally written as: XX CFR Part XX or XX CFR § XX.
DEADHEAD	The movement of a vehicle without passengers, e.g., from the garage to the beginning of the transportation route.
DEDICATED FUNDING SOURCE	A dedicated funding source is one, which by law, is available for use only to support a specific purpose, and cannot be diverted to other uses; e.g., the federal gasoline tax can only be used for highway investments, and since 1983, for transit capital projects.
DEMAND FORECASTING	A technique of estimating the number and travel times of potential users of a system.
DEMAND-RESPONSIVE TRANSPORTATION (DEMAND-RESPONSE) (DR)	Any system of transporting individuals, including the provision of designated public transportation service by public entities and the provision of transportation service by private entities, including but not limited to specified public transportation service, which is not a fixed route system. See also DIAL-A RIDE.
DEPARTMENT OF ENERGY (DOE) (US DOE)	A cabinet-level federal agency whose responsibilities include improving the energy efficiency of transportation.
DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) (US DHHS)	US government's principal agency for protecting the health of all Americans and providing essential human services. The Substance Abuse and Mental Health Services Administration (SAMHSA), an agency of DHHS, is responsible to certify and publish the List of Laboratories Which Meet Minimum Standards to Engage In Urine Drug Testing for Federal Agencies. The notice listing all currently certified laboratories is published in the Federal Register during the first week of each month. If a laboratory's certification is suspended or revoked, the laboratory will be omitted from the list until it regains certification under the Guidelines.
DEPARTMENT OF TRANSPORTATION (DOT) (US DOT)	The cabinet level Department of the Federal Government that is responsible for administering federal transportation programs including public transportation, highways, railroads, air transportation, shipping, and the Coast Guard. Each state also has a department of transportation.
DESIGNATED PUBLIC TRANSPORTATION	Transportation service provided by a public entity (other than public school transportation) by bus, rail, or other conveyance (other than transportation by aircraft or intercity or commuter rail transportation) that provides the general public with general or special service, including charter service, on a regular and continuing basis.

Term	Definition
DESTINATION SIGN	A sign on a transit vehicle indicating the route number, direction or destination of the vehicle.
DIAL-A-RIDE	A system in which door-to-door transportation is provided to patrons who request service by telephone, either on an ad hoc or subscription basis. See also DEMAND-RESPONSIVE
DIRECTLY OPERATED SERVICE	Transit Services provided directly by a public agency, using the agency's employees to supply the necessary labor. Distinguished from Purchased Transportation.
DISADVANTAGED BUSINESS ENTERPRISE (DBE)	A business owned and controlled by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual includes Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, or Asian Indian Americans, and any other minorities or individuals found to be disadvantaged by the Small Business Administration (SBA) under Section 8(a) of the Small Business Act.
DEADHEAD	The movement of a vehicle without passengers, e.g., from the garage to the beginning of the transportation route.
DEDICATED FUNDING SOURCE	A dedicated funding source is one, which by law, is available for use only to support a specific purpose, and cannot be diverted to other uses; e.g., the federal gasoline tax can only be used for highway investments, and since 1983, for transit capital projects.
EARMARKS	Congressionally-designated funds are called earmarks and are subject to the Congressional appropriations process.
ELDERLY	<ol style="list-style-type: none"> 1. The definition of <i>elderly persons</i> may be determined by the FTA recipient (<i>i.e.</i>, 50+, 55+, 60+, 65+) but must, at a minimum, include all persons 65 years of age or over. 2. The Older Americans Act - all persons age 60 and older are elderly. <p>Illinois law 20 ILCS 105/3.05 specifies - a person 55 years of age or older, or a person nearing the age of 55 for whom opportunities for employment and participation in community life are unavailable or severely limited and who, as a result thereof, has difficulty in maintaining self-sufficiency and contributing to the life of the community.</p>
ELDERLY AND DISABLED (E&D)	Refers to special transportation services for members of these groups.
ELIGIBLE APPLICANT	Applicants that are eligible to receive funding – generally defined by program or funding source.
EMPLOYER	A recipient or other entity that provides public transportation service or which performs a safety-sensitive function for such recipient or other entity. This term includes sub-recipients, operators, and contractors.
ENVIRONMENTAL IMPACT STATEMENT (EIS)	A comprehensive study of likely environmental impacts resulting from major federally assisted projects. The statements are required by the National Environmental Policy Act.
ESCALATOR CLAUSE	A provision in a contract that stipulates that wages or prices are to be automatically increased or decreased at specific times according to a schedule that is usually related to changes in the cost of living.
EXCLUSIVE RIGHT-OF-WAY	A highway or other facility that can only be used by buses or other transit vehicles.

DPIT – Grant Management Manual

Term	Definition
EXPENDITURE	Allocates the cost of goods delivered or services rendered, whether paid or unpaid.
EXPRESS SERVICE	Service that provides higher speeds and fewer stops than are generally found on other portions of the system or on the same route in local services.
EXTRA BOARD	Operators who have no assigned run but are used to cover runs deliberately left open by the scheduling department (extra runs), or runs that are open because of the absence of regularly assigned operators.
FARE	The authorized amount charged for transportation.
FARE BOX	A device that accepts coins, bills, tickets, and tokens given by passengers as payment for rides. Often written as one-word: FAREBOX
FARE BOX REVENUE	Includes cash, tickets, tokens, and pass receipts. Excludes charter revenue. Often written as: FAREBOX REVENUE
FARE COLLECTION SYSTEM	The method by which fares are collected and accounted for in a public transportation system.
FARE ELASTICITY	The extent to which ridership responds to fare increases or decreases.
FARE STRUCTURE	The system set up to determine how much is to be paid by various passengers using the system at any given time.
FEASIBILITY STUDY	A study to determine the suitability of a proposed action, such as establishment of transit service in a given area.
FEDERAL COMMUNICATIONS COMMISSION (FCC)	An independent US government agency that regulates interstate and international communications by radio, television, wire, satellite and cable including those used in transportation facilities and vehicle.
FEDERAL FISCAL YEAR (FFY)	The fiscal year of the United States – October 1 through September 30.
FEDERAL HIGHWAY ADMINISTRATION (FHWA)	An operating administration of the US DOT which provides funding to state and local governments for highway construction and improvements, including funds that must be used for transit.
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION (FMCSA)	An operating administration of the US DOT established by the Motor Carrier Safety Improvement Act of 1999. Has safety regulatory oversight of for-hire operators of CMV that engage in interstate commerce and persons with a CDL.
FEDERAL REGISTER (FR)	Published by the Office of the Federal Register, National Archives and Records Administration (NARA), the Federal Register is the official daily publication for rules, proposed rules, and notices of Federal agencies and organizations, as well as executive orders and other presidential documents.
FEDERAL TRANSIT ACT	Federal legislation that provides federal aid to transportation systems. A history of the legislation may be accessed at: http://www.apta.com/research/stats/factbook/documents/fta.pdf
FEDERAL TRANSIT ADMINISTRATION (FTA)	An operating administration of the US DOT that regulates and helps fund public transportation within local communities. FTA provides financial assistance for capital, planning and operating costs and also sponsors research, training, technical assistance and demonstration programs.
FEDERAL POVERTY LEVEL	A standard that is used to determine economic need set by the US Department of Health and Human Services. Eligibility for most public benefit programs are tied to percentages of the federal poverty level.

Term	Definition
FEEDER SERVICE	Local transportation service, which provides connections with a major transportation service.
GARAGE	Location where buses are based and operators report for work and receive supplies and assignments.
GOOD FAITH EFFORT	Efforts to achieve a DBE goal. Contractors must show that DBE firms were contacted, and an effort was made to use DBE firms.
GRANT	A contribution of funds subject to specific performance and regulatory provisions.
HANDICAPPED PERSON	An individual who has a physical or mental impairment, which substantially limits one or more major life activities. In transit, the term “handicapped” has been replaced with “disabled”.
HARDWARE, COMPUTER	Hardware comprises all of the physical parts of a computer, as distinguished from the data it contains or operates on, and the software that provides instructions for the hardware to accomplish tasks. See SOFTWARE.
HAZARD	Any real or potential condition that can cause injury, death, or damage to or loss of equipment or property.
HEAD SIGN	Destination sign located above the windshield of a bus or rail car.
HEADWAY	Time required for successive vehicles traveling at the same speed and direction to pass the same point. (Used to plan orderly dispatch of vehicles.)
HUMAN SERVICE TRANSPORTATION	Transportation services provided by or on behalf of a human service agency to provide access to agency services and/or to meet the basic, day-to-day mobility needs of transportation-disadvantaged populations, especially individuals with disabilities, older adults, and people with low incomes.
HUMAN SERVICE TRANSPORTATION PLAN (HSTP)	SAFETEA–LU requires that projects selected for funding be derived from a coordinated public transit-human services transportation plan. Plans must be developed in good faith in coordination with appropriate planning partners and with opportunities for public participation. This good faith effort should be documented.
ILLINOIS COMPILED STATUTES (ILCS)	A cumulative organization of Public Acts. Public Acts are bills that have become law. Most, but not all, Public Acts are incorporated into the Illinois Compiled Statutes. Some Public Acts and portions of Public Acts, such as those authorizing land conveyances or making appropriations, are not included in the Illinois Compiled Statutes.
ILLINOIS DEPARTMENT OF TRANSPORTATION (IDOT)	Responsible for planning, construction and maintenance of Illinois' transportation network including highways and bridges, airports, public transit, rail freight and rail passenger systems
INDIVIDUAL WITH A DISABILITY	An individual who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use effectively, without special facilities, planning, or design, public transportation service or a public transportation facility. 49 USC 5302(a)(5).
IN-KIND INCOME	The dollar value assigned to non-cash gifts and services.

DPIT – Grant Management Manual

Term	Definition
INTERAGENCY COORDINATING COMMITTEE ON TRANSPORTATION (ICCT)	A committee created through Public Act 93-0185 by the Illinois General Assembly July 2003 to encourage the coordination of public and private transportation services, with priority given to services directed toward those populations who are currently not served or who are underserved by existing public transit, specifically low-wage workers, seniors, individuals with disabilities, and rural communities.
INTERCITY TRANSPORTATION	FTA Circular 9040.1E defines intercity bus service as “regularly scheduled service for the general public which operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, which has the capacity for transporting baggage carried by passengers, and which makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.” Eligible bus service must also make convenient connections to the existing national intercity bus network. Connections to urban centers, train or passenger air service terminals are desirable. Air, water and rail transportation are specifically excluded
INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991 (ISTEA)	A federal law enumerating the policy of the United States to develop a National Intermodal Transportation System that is economically efficient, environmentally sound, provides the foundation for the nation to compete in the global economy and will move people and goods in an energy efficient manner.
JITNEY SERVICE	A service provided by small vehicles typically operating over a fixed route on a flexible schedule, picking up and discharging passengers upon demand.
JOB ACCESS AND REVERSE COMMUTE (JARC) (§ 5316)	The purpose of this grant program (TEA-21, Section 3037, authorized through FY 2003) is to develop transportation services designed to transport welfare recipients and low income individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities. Emphasis is placed on projects that use mass transportation services. Grants may finance capital projects and operating costs of equipment, facilities, and associated capital maintenance items related to providing access to jobs; promote use of transit by workers with non-traditional work schedules; promote use by appropriate agencies of transit vouchers for welfare recipients and eligible low-income individuals; and promote use of employer-provided transportation including the transit pass benefit program. Funds are allocated on a discretionary basis. The Federal/local share is 50/50. JARC is codified at 49 CFR part 5316.
JOINT DEVELOPMENT	Ventures undertaken by the public and private sectors for development of land around transit stations or stops.
KISS AND RIDE	A trip where a passenger is driven to a stop or station and then changes to transit. See PARK AND RIDE.
LATENT DEMAND	The estimated number of trips not made because service is not accessible or available.
LAYOVER-TIME	Time built into a schedule between arrivals and departures, used for the recovery of delays and preparation for the return trip.
LAYOVER-ZONE	A designated stopover point for a bus at or near the end of the line.

Term	Definition
LEVEL OF SERVICE (LOS)	The convenience, comfort, safety, and utility of a system, measured differently for individual systems.
LIFE CYCLE COSTING	Method of evaluation of alternative choices on the basis of comparative total costs for purchase and operations over the expected useful life of the asset.
LIFE CYCLE PROCUREMENT	A form of competitive procurement where the contract is awarded based on a consideration of cost of operation as well as initial capital cost.
LIFT	A device, which raises and lowers a platform to accommodate the entrance and exit of wheelchair users and others with disabilities.
LIGHT RAIL/LIGHT RAIL RAPID TRANSIT SYSTEM (LRRT)	A fixed-guideway mode of urban transportation utilizing predominantly reserved but not necessarily grade-separated rights-of-way. It uses primarily electrically propelled rail vehicles, operated singularly or in trains.
LIGHT RAIL VEHICLE (LRV)	Modern-day term for a streetcar type of transit vehicle, e.g., tram or trolley.
LINKED PASSENGER TRIPS	A linked trip is a trip from origin to destination on the transit system. Even if a passenger must make several transfers during a journey, the trip is counted as one linked trip on the system.
LOAD FACTOR	The number of passengers actually carried divided by the total passenger capacity of a vehicle.
LOCAL SERVICE	Operation designed so those vehicles make frequent stops between relatively short distances along a route. See EXPRESS SERVICE.
LOCALLY DEVELOPED, COORDINATED PUBLIC TRANSIT – HUMAN SERVICES TRANSPORTATION PLAN (HSTP)	Identifies the transportation needs of individuals with disabilities, older adults, and people with low-incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation.
Low Bid PROCUREMENT	A form of competitive procurement where the contract is awarded based on consideration of lowest initial capital cost.
MANAGEMENT INFORMATION SYSTEM (Mis)	A system (manual or computerized) in which financial and operating data is collected and analyzed for management's use.
MASS TRANSIT DISTRICT (MTD)	The district created under the authority of 70 ILCS 361 (Local Mass Transit District Act) Section 3 for the purpose of acquiring, constructing, owning, operating and maintaining mass transit facilities for public service or subsidizing the operation thereof.
MASS TRANSPORTATION	“Public transportation,” “mass transportation,” and “transit” remain interchangeable and synonymous. However, “public transportation” becomes the principal defined term, in recognition that the federal public transportation program has evolved over time, and now covers rural and other non-urban constituencies, as well as urbanized areas. Public transportation means transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include schoolbus, charter, or intercity bus transportation (except under programs where intercity bus projects are made specifically eligible), or intercity passenger rail transportation provided by Amtrak. (FTA)

DPIT – Grant Management Manual

Term	Definition
MASS TRANSPORTATION AGENCY	An agency authorized to transport people by bus, rail, or other conveyance, either publicly, or privately owned, and which provides to the public general or special service on a regular and continuing scheduled or unscheduled basis. Transit agencies are classified according to mode of transit service operated. A multi-mode transit agency operates two or more modes, which are defined in the Federal Transit Administration Industry Uniform System of Accounts and Records and Reporting System (USOAR). See Transit System and Multi-Mode Transit System.
MARKET	A group of potential or actual users of a transportation system, e.g., a general market denotes the entire population; a specialized market denotes particular groups such as the elderly, handicapped, students, etc.
MARKETING	The efforts made to attract patrons to a service, promotion.
MARKET RESEARCH	An attempt to assess the potential demand for transportation and the needs, numbers, and other characteristics of potential users of a system.
METROPOLITAN PLANNING ORGANIZATION (MPO)	The organization designated by local elected officials as being responsible for carrying out the urban transportation and other planning processes.
MICRO PURCHASE	A procurement for items less than \$2,500, and can be done without obtaining competitive proposals if price quotes received are reasonable.
MINI-BUS	A small bus vehicle, typically capable of carrying 20 passengers, or less, most often used for making short trips. Mini-buses are often used for demand-responsive transportation.
MINORITY BUSINESS ENTERPRISE (MBE)	A business owned and controlled by one or more individuals who are defined as minorities under the US DOT regulations. See Disadvantaged Business Enterprise.
MISS OUT	A time when a vehicle is unable to operate a route due to mechanical problems.
NATIONAL COOPERATIVE TRANSIT RESEARCH PROGRAM (NCTRP)	Established in 1980 along the same lines as the National Cooperative Highway Research Program (NCHRP). The American Association of State Highway and Transportation Officials created NCHRP in 1962 and it is supported by the Federal Highway Administration. The NCTRP is an objective national program that provides a mechanism by which FTA principal client groups across the nation can join cooperatively in an attempt to solve near-term public transportation problems through applied research, development, test, and evaluation.
NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (NEPA)	A comprehensive federal law requiring an analysis of the environmental impacts of federal actions such as the approval of grants; also requiring the preparation of an Environmental Impact Statement (EIS) for every major federal action significantly affecting the quality of the human environment.
NATIONAL TRANSPORTATION DATABASE (NTD)	Reports presenting statistical information about the financing and operations of public transportation systems providing transit service.
NEEDS ASSESSMENT	A technique of predicting the potential demand for service.
NET OPERATING DEFICIT	The sum of all costs minus farebox revenue (and other earned revenue, e.g. advertising, interest, charter, etc.).

Term	Definition
NETWORK	The configuration of transit routes and stops, which constitute the total system.
NEW FREEDOM PROGRAM	49 USC § 5317: Formula grants for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services. The program requires coordination of federally assisted programs and services in order to make the most efficient use of Federal resources.
NEW LOOK BUSES	Generally refers to buses manufactured between 1959 and 1978. Buses, which have much larger window areas than "old look", buses.
NON-AMBULATORY PERSON	An individual who is unable to move around without assistance.
NON-CAPITAL COSTS	The costs of administration, operation, maintenance and marketing, exclusive of equipment and facility costs.
NON-REVENUE MILES	Miles traveled by a vehicle while not carrying revenue passengers.
NONURBANIZED, RURAL OR SMALL URBAN AREAS	Terms used synonymously for any area outside an urbanized area with a population of less than 50,000 inhabitants, as defined by the US Bureau of the Census.
OFF-PEAK	Non-rush periods of the day when travel activity is generally lower and less transit service is scheduled.
OPERATING COST	Recurring costs in transportation systems that include wages, salaries, taxed, insurance, and supplies, but not capital depreciation or interest payments.
OPERATING DEFICIT	The sum of all operating costs minus operating revenues.
OPERATING EXPENSE	Expenses required to provide public transportation, including drivers' wages and benefits, mechanics' wages and benefits, contract maintenance service, materials and supplies directly related to public transit and maintenance of vehicles, fuels and lubricants, rentals or leases of vehicles, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment and facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation.
OPERATING RATIO	A measure of transit system expense recovery obtained by dividing total operating revenues by total operating expenses.
OPERATING REVENUE	The revenues from non-reimbursable fares, reduced fare reimbursements, rentals of properties, advertising, contract income from for-profit entities and any other amounts collected or received in the process of providing public transportation which, under FTA guidelines, IDOT guidelines, or standard accounting practices, are properly classified as operating revenue or operating income; and any unrestricted federal, state or local funds received as a result of providing transportation services which are not used to match grant funds
OPERATING SPEED	The average speed at which a vehicle travels while in service.

DPIT – Grant Management Manual

Term	Definition
OPERATOR	<p>1) An employee of a transit system who spends his/her workday in the operation of a vehicle, e.g., bus driver, streetcar motorman, trolley coach operator, rapid transit train motorman, conductor, etc.</p> <p>2) The entity or entities charged with the implementation, administration and ongoing management of a public or specialized transportation service. Operator may be either an instrumentality of a grantee or a third party contractor or contractors which provide both project management and transportation service.</p>
ORIGIN-DESTINATION (OD) STUDY	A study of the origins and destinations of trips made by vehicles or passengers.
OUT-OF-POCKET COST	A direct cost clearly incurred by, and directly related to the unit of operation under study. Excludes costs, which would be incurred even if the unit under study was not operated.
OVER-THE-COUNTER DRUG (OTC)	A drug for which a prescription is not needed
OVER-THE-ROAD (OTR) COACH	A large bus with luggage space used for transportation between cities.
OWL RUN	An owl run is one, which operates very late at night or very early in the morning.
PARATRANSIT	Flexible transportation services, operated publicly or privately. Typically, small scale operation using low capacity vehicles, e.g., dial-a-ride, jitney, mini-bus, subscription service, van pools, etc.
PARK AND RIDE	An intermodal trip where the driver of an automobile parks and automobile and changes to the transit mode. See KISS AND RIDE.
PARK AND RIDE LOT	A location where passengers drive their cars designated parking areas and then board transit vehicles from these locations.
PASS	A means of transit prepayment, usually a card that carries some identification, that is displayed to the driver in place of paying a cash fare.
PASSENGER-MILE	The transportation of one passenger over a distance of one mile. See COST EFFECTIVENESS.
PASSENGER MILES	A measure of service utilization, which represents the cumulative sum of the distances, ridden by each passenger. For example, ten passengers riding in a vehicle for two miles equals 20 passenger miles.
PASSENGER-REVENUE	Money, including fares, transfers, and donations received from transit passengers; also known as "farebox revenues". It should include ticket, token, and pass receipts.
PASSENGER TRANSPORT (PT)	The weekly newspaper of the transit industry that is published by the American Public Transit Association.
PASSENGER-TRIP (OR PERSON-TRIP)	One-person traveling one way from origin to destination.
PASS THROUGH OPERATOR	A not-for-profit agency that is the operator for a Section 5311 grantee. The operator's services are not procured through third party contracting guidelines. This arrangement is only available to a grantee that is a public entity (a County or municipality). Under this arrangement, the grantee has a nominal level of compliance responsibilities.

Term	Definition
PATRON	A person who intends to use, is using, or has used the transit system and is on property affiliated with the transit system.
PEAK/BASE RATIO	The number of vehicles operating passenger service during the peak-hour period divided by the number operating during the base period.
PEAK PERIODS	Specified time periods during which there is the maximum volume of traffic and/or number of passengers.
PERSONAL CARE ATTENDANT (PCA)	Someone designated or employed specifically to help the disabled individual meet his or her personal needs.
PERSONAL NET WORTH	The net value of the assets of an individual remaining after total liabilities are deducted. Personal net worth does not include the individual's ownership interest in a firm or the equity in a primary residence. To qualify as a DBE, the personal net worth of the disadvantaged owner cannot exceed \$750,000.
PLANNING PROCESS	The process, required by federal transit and highway legislation, through which communities develop proposals for transportation projects designed to serve the needs of an area.
RACE CONSCIOUS	A method to achieve a DBE goal focused specifically on assisting DBEs including women owned DBEs.
RACE NEUTRAL	Methods used to achieve a DBE goal by assisting all small businesses. Race neutral includes gender neutrality.
REBUTTABLE PRESUMPTION	Those individuals who are citizens or legal residents of the United States and are women, Black Americans, Hispanic Americans, Native Americans, Asian/Pacific Americans, or Asian/Indian Americans and other minorities or individuals found to be disadvantaged by the Small Business Administration.
RECIPIENT	The agency directly receiving FTA funds.
REGIONAL TRANSPORTATION AUTHORITY (RTA)	Created 1974 upon the approval of a referendum by the residents of Cook, DuPage, Kane, Lake, McHenry and Will counties in northeastern Illinois. The RTA is a special purpose unit of local government and a municipal corporation of the state of Illinois
REHABILITATION	The reconstructing or rebuilding of a high mileage vehicle in order to extend the vehicle's useful life.
REVENUE	Receipts derived from or for the operation of transit service including farebox revenue, revenue from other commercial sources, and operating assistance from governments. Farebox revenue includes all fares, transfer charges, and zone charges paid by transit passengers.
REVENUE PASSENGERS	Passengers who pay fares for transportation.

Term	Definition
REVENUE SERVICE (MILES, HOURS, AND TRIPS)	<p>The time when a vehicle is available to the general public and there is an expectation of carrying passengers. These passengers either:</p> <ul style="list-style-type: none"> • Directly pay fares • Are subsidized by public policy, or • Provide payment through some contractual arrangement. <p>Vehicles operated in fare free service are considered in revenue service. Revenue service includes:</p> <ul style="list-style-type: none"> • Layover / recovery time. <p>Revenue service excludes:</p> <ul style="list-style-type: none"> • Deadhead • Vehicle maintenance testing • School bus service, and • Charter service.
REVERSE COMMUTING	<p>Movement in a direction opposite to the main flow of traffic, such as from the central city to a suburb in the morning rush hour.</p>
RIDESHARING	<p>A form of transportation, other than public transit, when more than one person shares in the use of the vehicle, such as a van or car, to make a trip. Also known as "carpooling" or "vanpooling."</p>
RIDERSHIP	<p>The number of rides taken by people using a public transportation system in a given time period.</p>
ROAD CALL	<p>A mechanical failure of a bus in revenue service that necessitates removing the bus from service until repairs are made.</p>
ROLLING STOCK	<p>Revenue vehicles used in providing transit service for passengers. The term revenue vehicles includes the body and chassis and all fixtures and appliances inside or attached to the body or chassis, except fare collection equipment and revenue vehicle movement control equipment (radios).</p>
ROUTE	<p>An established course of travel within the transportation network.</p>
ROUTE DEVIATION SERVICE	<p>In demand-responsive transportation, a service pattern that allows a vehicle to depart from an established route upon request. Public transportation on a non-exclusive basis, that operates along a public way, on a fixed route, from which it may deviate from time to time, in response to a demand for its service or to take a passenger to a destination, after which it returns to its route.</p>
ROUTE MILES	<p>The total number of miles included in a fixed route transit system network.</p>
RUNNING GEAR	<p>The wheels, axles, springs, axle boxes, frames, and other carrying parts of a bus, truck, rail car, or locomotive.</p>
RURAL AREAS	<p>As used in US Census, towns, villages, and surrounding areas with a population less than 2,500. Other federal agencies may consider areas with a population of 50,000 or less as rural or non-urban, for grant purposes.</p>
RURAL TRANSIT ASSISTANCE CENTER (RTAC)	<p>Located on the campus of Western Illinois University, Macomb, Illinois. RTAC operates under an inter-agency agreement with IDOT, and is part of the Illinois Institute for Rural Affairs. RTAC provides the Rural Transit Assistance Program for the State of Illinois.</p>

Term	Definition
RURAL TRANSIT ASSISTANCE PROGRAM (RTAP)	49 U.S.C. 5311(b)(2) provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in non-urbanized areas.
SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION ACT, A LEGACY FOR USERS (SAFETEA-LU)	Federal legislation enacted August 2005, which authorized Federal surface transportation programs through federal FY 2009.
SAFETY-SENSITIVE FUNCTIONS	<p>Means any of the following duties, when performed by employees of FTA recipients, sub-recipients, operators, or contractors:</p> <ol style="list-style-type: none"> 1. Operating a revenue service vehicle, including when not in revenue service; 2. Operating a non-revenue service vehicle, when required to be operated by a holder of a Commercial Driver's License; 3. Controlling dispatch or movement of a revenue service vehicle; 4. Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service. This does not apply to the following: an employer who receives funding under 49 USC 5307 or 5309, is in an area less than 200,000 in population, and contracts out such services; or an employer who receives funding under 49 USC 5311 and contracts out such services; 5. Carrying a firearm for security purposes.
SCHEDULING	The planning of vehicle arrivals and departures and the operators for these vehicles to meet consumer demand.
SCHOOL BUS SERVICE	Transportation for children to and from any regularly conducted public or private school or school-related activity.
SEATBELTS AND SHOULDER HARNESES	<p>Under the broad non-discrimination provisions in Section 37.5 of the DOT's ADA regulations, a transit operator <u>is not permitted</u> to mandate the use by wheelchair users of seatbelts and shoulder harnesses, unless the operator mandates the use of these devices by all passengers, including those sitting in vehicle seats.</p> <p>For example, on fixed route buses, if none of the other passengers is required to wear shoulder belts then neither can the person in the mobility device be required to do so.</p> <p>Transit operators may establish a policy that requires the seatbelt and shoulder harness to be used by all riders, including those who use wheelchairs as well as those who use vehicle seats, if seatbelts and shoulder harnesses are provided at all seating locations.</p> <p>Section 38.23(d) of the DOT's ADA regulations requires all ADA-compliant vehicles to have a two-part securement system, one to secure the common wheelchair, and a seatbelt and shoulder harness for the wheelchair user.</p>
SECTION NUMBERS	Each FTA grant program is referred to by name and by a number that correlates to the section number of Title 49 of the United States Code (USC).

DPIT – Grant Management Manual

Term	Definition
SECTION 3 (UMTA)	The section of the Urban Mass Transportation Act of 1964, as amended, that authorized discretionary capital grants for public transportation projects out of the Mass Transit Account of the Highway Trust Fund. Codified at 49 USC § 5309.
SECTION 9 (UMTA)	The section of the Urban Mass Transportation Act of 1964, as amended, that authorized grants to public transit systems in urbanized areas for both capital and operating projects based on formulas set out in statute. Codified at 49 USC § 5307..
TECHNICAL ASSISTANCE	Hands-on assistance to transit system for purposes of problem-solving, planning, development, expansion, training, or refinement of services.
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)	Provides assistance and work opportunities to needy families by granting states the federal funds and flexibility to develop and implement their own welfare programs. Created by the Welfare Reform Law of 1996 and replaced what was then commonly known as welfare: Aid to Families with Dependent Children (AFDC) and the Job Opportunities and Basic Skills Training (JOBS) programs.
THIRD PARTY	Any person or organization to whom the federal regulations do not explicitly authorize or require the transmission of information in the course of the drug or alcohol testing process.
THIRD PARTY CONTRACT	A contract between the local transportation agency and a private firm for products or services.
TOTAL COSTS	The sum of amortized capital costs and non-capital costs. Usually stated on an annual basis.
TOTAL PASSENGERS	The total number of all revenue passengers, including general public, elderly and disabled, contract and free-ride passengers. Transfers are counted separately.
TRANSFER	To change from one public conveyance to another. The trip is recorded as one passenger trip and one transfer.
TRANSFER CENTER	A fixed location where passengers interchange from one route to another.
TRANSFER PASSENGER	A passenger who transfers to one or more transit lines after paying a fare on an initial transit line.
TRANSIT DEPENDENT	People who either live in a household which does not own a car or have access to a personal automobile, or elderly, or have a physical or mental disability and rely on transit to reach their destinations.
TRANSIT MODE	A transit system category characterized by specific right-of-way, technological and operational features. There are two types: fixed-route and demand responsive.
TRANSIT PROPERTY	All facilities that are directly controlled by a transit agency (agency is responsible for cleaning and maintaining) or provided to a transit agency for its use by another public or private entity (formal or informal agreement with the owner wherein services or facilities are provided to benefit the transit agency). This includes stations, exclusive rights-of-way, bus stops, and maintenance facilities.
TRANSPORTATION BROKERAGE	A method of matching travelers with a variety of transportation providers through use of central dispatching and administrative facilities.
TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY (TEA-21)	1998 legislation, which reauthorized Federal surface transportation, programs through federal FY 2003.

Term	Definition
TRANSPORTATION IMPROVEMENT PROGRAM (TIP)	A program of proposed short-range projects to improve local transportation systems prepared for US DOT as part of a grant application.
UNDUPLICATED NUMBER OF PASSENGERS	Total number of individual passengers counted only once.
UNITED STATES CODE (USC)	The codification of the general and permanent laws of the United States. FTA grant programs are referred to by name and by number that correlates to the section number of Title 49 (Transportation) of the USC. Generally written as: 49 USC § XXXX
UNIVERSAL PRECAUTIONS	An approach to infection control. According to the concept of Universal Precautions, all human blood and certain human body fluids are treated as if known to be infectious for HIV, HBV, and other bloodborne pathogens.
UNLINKED PASSENGER TRIPS	The number of passengers who board public transportation revenue vehicles. A passenger is counted each time he/she boards a vehicle, even though he/she may be on the same journey from origin to destination.
URBAN CLUSTER	Densely settled territory, as defined by the US Census Bureau, that contains at least 2,500 people, but fewer than 50,000 people.
URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA)	Federal agency created by the Urban Mass Transportation Act in 1964 to provide federal assistance for mass transit projects. Renamed the Federal Transit Administration in 1991.
URBANIZED AREA (UZA)	An area designated by the US Census Bureau meeting certain criteria of population size and contiguity with a population of 50,000 or more.
USEFUL LIFE	The term used to define how long a vehicle or equipment can be expected to be operated or used. Usually expressed in years or miles operated and will vary with the type of vehicle.
USER-SIDE SUBSIDY	Where subsidies are made directly to the user in the form of discounted tickets, vouchers, monthly passes, etc.
U.S. DEPARTMENT OF LABOR (US DOL) (DOL)	A cabinet-level executive department of the United States government. Most laws with labor provisions regulating the transportation industry are administered by agencies outside the Department of Labor. Industry safety and health standards are issued and enforced by OSHA. The rights of employees in the mass transit industry are protected when federal funds are used to acquire, improve, or operate a transit system. Under the Federal Transit law, the Department of Labor is responsible for approving employee protection arrangements before the Department of Transportation can release funds to grantees
U.S. DEPARTMENT OF TRANSPORTATION (US DOT) (DOT)	A cabinet-level executive department of the United States government, whose mission is to develop and coordinate policies that will provide an efficient and economical national transportation system, with due regard for need, the environment, and the national defense. The department consists of the Office of the Secretary and eleven individual Operating Administrations including the Federal Motor Carrier Safety Administration and the Federal Transit Administration
VAN	A vehicle typically designed to carry 8 to 12 persons.
VAN POOL	A group of people who share the cost of regular transportation by van to and from a designated destination.

Term	Definition
VARIABLE COST	A cost that varies in relation to the level of operational activity.
VAULT	The part of the farebox that holds the money.
VEHICLE-HOUR	The operation of one vehicle for one hour. See COST EFFECTIVENESS.
VEHICLE-MILE	The operation of one vehicle over the distance of one mile.
VEHICLE MILES TRAVELED (VMT)	The total miles traveled by all vehicles in the system.
VEHICLE OCCUPANCY	The number of passengers aboard a vehicle at any one time.
VEHICLE REPLACEMENT SCHEDULE	The scheduled replacement of vehicles based on a vehicles expected useful life.
VENDORS OF RECORD	Bidders that received a solicitation package.
VOUCHER	A written document that evidences a transaction, and often attests to the expenditure or receipt of money.
WHEELCHAIR LIFT	A device used to raise and lower a platform in a transit vehicle for accessibility by handicapped individuals.
WHEELCHAIR SECUREMENT:	Section 37.165(c)(3) of the DOT's ADA regulations allows a transit operator to establish a policy that requires all riders to have their common wheelchairs secured while aboard a transit vehicle. Therefore, the operator may decline to provide service to a rider who refuses to allow his or her common wheelchair to be secured. Alternatively, transit operators may adopt a policy that allows common wheelchairs to ride unsecured. If the rider wishes his or her wheelchair to be secured, however, the operator's personnel must provide the requested assistance. Section 38.23(d) of the DOT's ADA regulations requires all ADA-compliant vehicles to have a two-part securement system, one to secure the common wheelchair, and a seatbelt and shoulder harness for the wheelchair user.
WOMEN'S BUSINESS ENTERPRISE (WBE)	A business owned and controlled by one or more women.
WORKFORCE INVESTMENT ACT OF 1998 (WIA)	Specifies three funding streams to the States and local areas: adults, dislocated workers, and youth. WIA combines federally-funded job training programs in Illinois into a "workforce development" system. Services are provided through the state's one-stop delivery system, the Illinois Employment & Training Center network, or IETC's. Some individuals may be eligible for transportation subsidy through WIA.
WRITTEN CONSENT	Specific written consent is a statement signed by the employee that he or she agrees to the release of a particular piece of information to a particular, explicitly identified, person or organization at a particular time.
ZONE FARES	A system of fares where a transit system's service area is divided into zones within which specified rates or fares apply.

Sources: Illinois Department of Transportation, California Department of Transportation, American Public Transit Association (APTA), Community Transportation Association of America (CTAA), U.S. DOT, Iowa Department of Transportation, North Carolina Department of Transportation, Ohio Department of Transportation, and Wikipedia.

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7.0 Manual Exhibits

7.1 EXHIBITS

This manual contains the following exhibits:

Exhibit 1	Charter Service Decision Tree
Exhibit 2	RTAP Advisory Committee By-Laws
Exhibit 3	CVP Application
Exhibit 4	Section 5311 Application
Exhibit 5	Section 5316 Application
Exhibit 6	Section 5317 Application
Exhibit 7	Non-Metro Small Capital Program Application
Exhibit 8	Cost Allocation Guidelines
Exhibit 9	Cost Allowability Guidelines
Exhibit 10	IDOT Staff Site Visit Checklist