

**Illinois Department of Transportation
Office of Intermodal Project Implementation**

**State Management Plan (SMP)
for
Federal Transit Administration (FTA)
Section 5310, 5311, and 5339 Programs**



**Illinois Department
of Transportation**

February 22, 2024

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Note: Copies of this document are available in alternative formats upon request. Please contact the following individual to discuss suitable formats:

Bureau Chief
Transit Operations
Illinois Department of Transportation
Office of Intermodal Project Implementation
2300 S. Dirksen Parkway
Suite 341-A
Springfield, Illinois 62764
Internet Relay: 711

I. OVERVIEW AND PURPOSE

Overview

The State Management Plan (SMP) is a document that describes the state's policies and procedures for administering federal programs under the Federal Transit Administration (FTA) that are awarded to the Governor. These state-managed FTA programs include:

- 49 U.S.C. § 5311, Formula Grants for Rural Areas
 - § 5311(b)(3), Rural Transit Assistance Program
 - § 5311(f), Intercity Bus Program
- 49 U.S.C. § 5310, Enhanced Mobility of Seniors and Individuals with Disabilities Program
- 49 U.S.C. § 5339, Bus and Bus Facilities Formula Program

The Illinois Department of Transportation, Office of Intermodal Project Implementation (OIPI) is required to have an approved SMP on file with the FTA Region V office and to update it regularly to incorporate any changes in program management or new requirements. IDOT must provide an opportunity for review by stakeholders when it develops a new plan or significantly revises an existing plan. FTA permits the designated agency to include all federal programs in a single document or separate documents; as many entities in Illinois receive multiple funding awards, IDOT has elected to develop a single SMP.

Purpose

The purpose of the SMP is to articulate IDOT's policies and procedures for administering the federal grant programs, facilitate state management and FTA oversight, and act as a source of guidance to current subrecipients and interested parties both public and private. FTA requires the SMP to address, at a minimum, the following elements:

- Program Goals and Objectives
- Roles and Responsibilities
- Coordination
- Eligible Subrecipients
- Eligible Services and Services Areas
- Eligible Assistance Categories
- Local Share and Local Funding Requirements

- Project Selection Criteria and Method of Distributing Funds
- Intercity Bus Transportation
- Annual Program of Projects Development and Approval Process
- Funds Transfers
- State Administration and Technical Assistance
- State RTAP
- Private Sector Participation
- Civil Rights
- Maintenance
- Charter Rule
- Section 504 and ADA Reporting
- NTD Reporting
- State Program Management
- Other Provisions

Associated Documents

The *Office of Intermodal Project Implementation (OIPI) Program Plan* provides detailed instruction on procedural elements of OIPI’s administration of both federal and state programs. These documents are updated frequently; the most current versions of these guidance documents are routinely made available on the idot.illinois.gov website using the Local Transportation Providers page which can be accessed here:

<https://idot.illinois.gov/transportation-system/local-transportation-partners/public-transportation-providers/index>

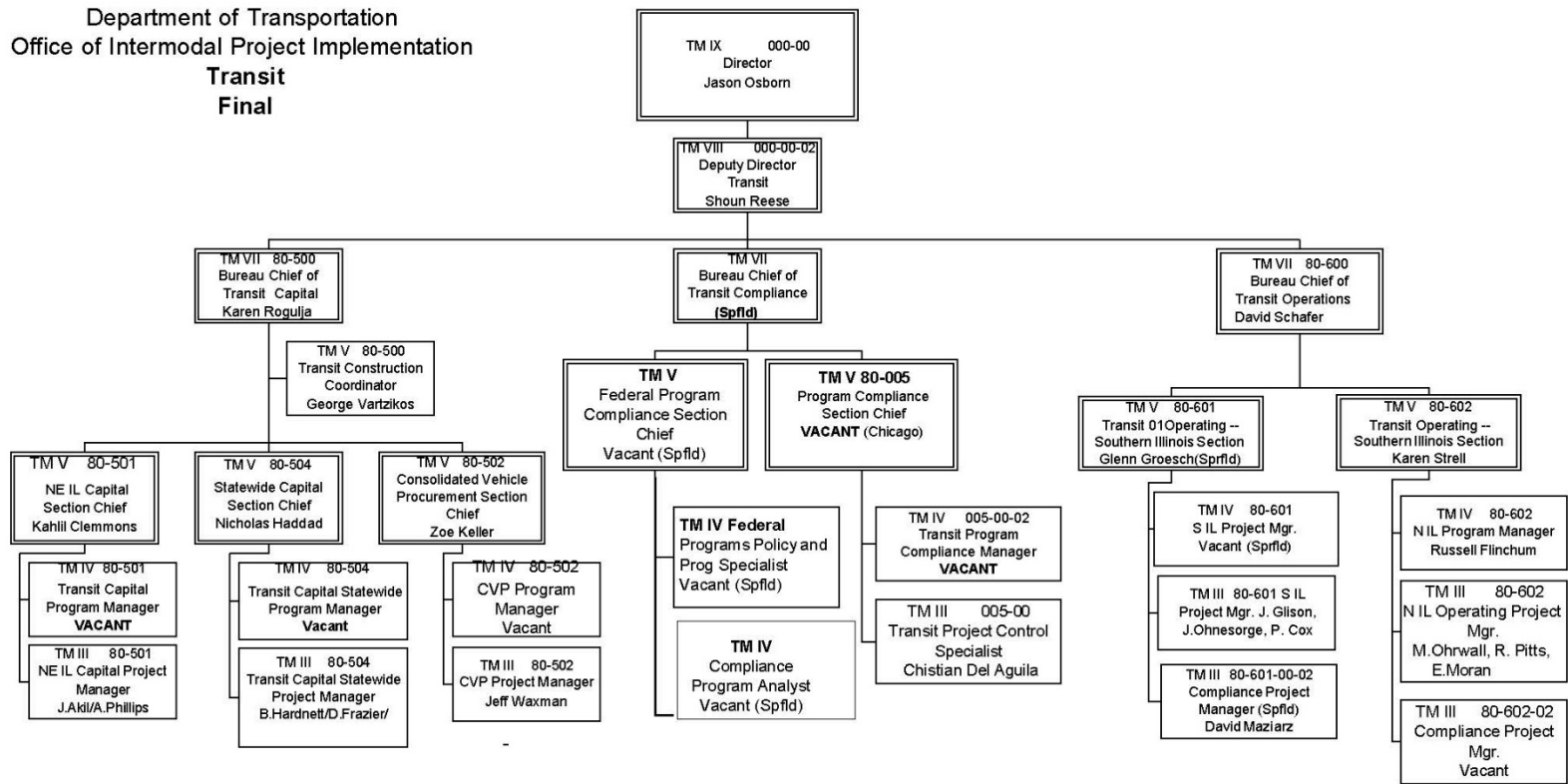
Authority

FTA Circular 9040.1G
 FTA Circular 9070.1G
 FTA Circular 5100.1

1.1 Designated Administrative Entity

Applicability	All programs
Designated Agency	<p>Under 49 U.S.C. § 5311 and 49 U.S.C. § 5310</p> <p>The General Assembly created IDOT’s Office of Intermodal Project Implementation (OIPI) to foster the development of intercity, urban, and community public transportation for all those who live and work in Illinois. Consistent with federal law, the Governor designated IDOT as the state agency that has principal authority and responsibility for the administration of programs funded by the Federal Transit Administration (FTA).</p>
Organization	<p>The Office also supports the transportation systems that have been created in Illinois’ 96 Downstate counties and fosters collaborative and regional service delivery when appropriate. The Office is made up of several bureaus that provide support for Illinois’ intermodal transportation system. These bureaus include:</p> <ul style="list-style-type: none">• Transit Capital Bureau• Transit Operations Bureau• Transit Compliance Bureau <p>The basic organizational structure of the Office is reflected in Exhibit 1.1.</p>
Authority	<p>Section 5310: 20 ILCS 2705 <i>et. seq.</i> Section 5311: 30 ILCS 740/1 <i>et. seq.</i></p>

Exhibit 1.1 OIPI Organizational Chart



01/13/2023

1.2 IDOT Mission and Long-Range Plan Goals

Applicability	All programs.
IDOT Mission	To provide safe, efficient, affordable, reliable, and coordinated transportation of people and goods through aeronautics, rail, mass transit, and related modes of transportation.
IDOT Long-Range Transportation Plan	<p>The primary purpose of the Illinois Long-Range Transportation Plan (LRTP) is to provide strategic direction for the development of the Illinois transportation system. The LRTP vision for transportation in Illinois is to provide innovative, sustainable, and multimodal transportation solutions that support local goals and grow Illinois' economy. The goals articulated in this plan are followed by IDOT in the administration of FTA programs.</p> <p><i>Economy:</i> Improve Illinois' economy by providing transportation infrastructure that supports the efficient movement of people and goods.</p> <p><i>Livability:</i> Enhance the quality of life across the state by ensuring that transportation investments advance local goals, provide multimodal options, and preserve the environment.</p> <p><i>Mobility:</i> Support all modes of transportation to improve accessibility and safety by improving connections between all modes of transportation.</p> <p><i>Resiliency:</i> Proactively assess, plan, and invest in the state's transportation system to ensure that Illinois' infrastructure is prepared to sustain and recover from extreme events and other disruptions.</p> <p><i>Stewardship:</i> Safeguard existing funding and increase revenues to support system maintenance, modernization, and strategic growth of Illinois' transportation system.</p>

1.3 Communications

Applicability

All programs.

**Communication
Contact**

Under the Section 5311 program, IDOT contracts with downstate public bodies to provide transit services to residents in nonurbanized areas. These entities work with assigned Project Managers in the Bureaus of Transit Operations and Transit Capital, who serve as the principal point of contact for all communications with IDOT. Project Managers report to a Bureau Chief, Transit Operations, or Transit Capital. Communication should be directed to:

Bureau Chief
Transit Operations
Illinois Department of Transportation
Office of Intermodal Project Implementation
2300 S. Dirksen Parkway, Suite 341-A
Chicago, IL 60602

Bureau Chief
Transit Capital
Illinois Department of Transportation
Office of Intermodal Project Implementation
69 West Washington Street, Suite 2100
Chicago, IL 60602

For recipients of Section 5339, all funds are administered by the Bureau Chief of State Transit Capital at the address above.

Under the Section 5310 program, IDOT opts to fund light, medium, and super medium duty rolling stock through its Consolidated Vehicle Procurement (CVP) program. The principal point of contact for all communications with IDOT is:

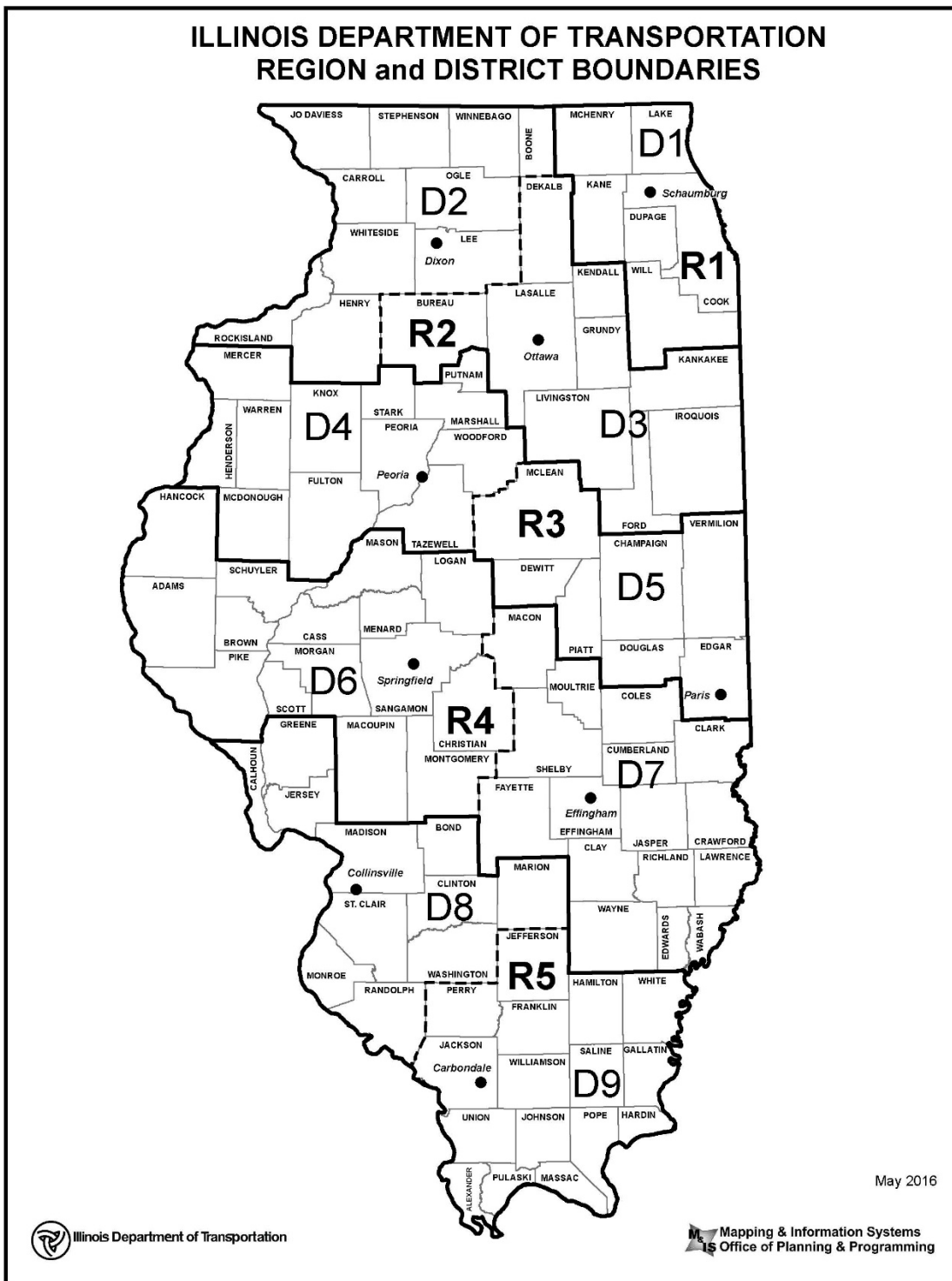
Section Chief
Consolidated Vehicle Procurement Section
Illinois Department of Transportation

Office of Intermodal Project Implementation
69 W. Washington, Suite 2100
Chicago, Illinois 60602
312-793-1455
Internet Relay: 711

**IDOT Regions and
Districts**

IDOT has divided the state into regions and districts (Exhibit 1.2); however, the IDOT uses these boundaries primarily for planning purposes unrelated to its administration of FTA programs. IDOT will evaluate funding equity in its Title VI program based on district boundaries.

Exhibit 1.2



II. OVERVIEW OF FTA PROGRAMS

Applicability Varies by program

**Program Overview:
Section 5311** The Formula Grants for Rural Areas Program, codified at 49 U.S.C. 5311 (Section 5311), is authorized under the provisions set forth in the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, commonly referred to as the Bipartisan Infrastructure Law (BIL).

Under this program, the Secretary may make grants to assist states and local governmental authorities in financing capital, operating, planning, and job access and reverse commute projects, associated with providing public transportation in rural areas. The Catalog of Federal Domestic Assistance (CFDA) number for the Formula Grants for Rural Areas Program is 20.509.

The state may use up to 10 percent of its Section 5311 program funds to administer the program and provide technical assistance to subrecipients. Technical assistance includes project planning, program, and management development, public transportation coordination activities, and research the state considers appropriate to promote the effective delivery of public transportation in rural areas. Planning activities are an eligible expense under Section 5311 and shall be in addition to funding awarded to a state under Section 5305 for planning activities that are directed specifically at the needs of rural areas in the state. There is no limitation on the use of Section 5311 funds for operating assistance; however, the state must use at least 15 percent of its annual apportionment to support intercity bus service, unless the governor certifies, after consultation with affected intercity bus providers, that the intercity bus needs of the state are adequately being met.

**Program Overview:
Section 5310** Title 49 U.S.C. 5310 authorizes the formula assistance program for the Enhanced Mobility of Seniors and Individuals with Disabilities Program and provides formula funding to states and designated recipients (recipients) to improve mobility for seniors and individuals with disabilities. The Catalog of Federal Domestic Assistance (CFDA) number for the Formula Grants for Rural Areas Program is 20.513.

This program provides apportionments for large urbanized, small urbanized, and rural areas. IDOT is responsible for the administration of apportionments for small urbanized and rural areas.

This program provides grant funds for traditional capital projects and other project types; due to high demand, IDOT limits funding to only capital projects that are:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;
- Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.);
- Public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and
- Alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.

**Program Overview:
Section 5339**

The Bus and Bus Facilities Program is authorized under the provisions in the FAST Act, as codified at 49 U.S.C. 5339 (“Section 5339”). The secretary may make grants under this section to assist eligible recipients in financing capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. The Catalog of Federal Domestic Assistance (CFDA) number used in the Bus and Bus Facilities Program is 20.526.

Each year, FTA apportions Section 5339 funds to large urbanized areas and the states. The states receive one apportionment for small urbanized areas and a separate apportionment for nonurbanized areas.

Authority

FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

2.1 National Program Goals and Objectives

Applicability

Varies by program

Goals: Section 5311

Pursuant to 49 U.S.C. 5311, FTA apportsions or awards funds to states, Indian tribes, or other eligible recipients located in rural areas for planning, public transportation capital projects, operating costs, job access reverse commute projects, and the acquisition of public transportation service. The Section 5311 program supports both the maintenance of existing rural public transportation services and the expansion of those services through the following program goals:

- 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 services;
- Provide financial assistance to help carry out national goals related to mobility for all, including seniors, individuals with disabilities, and low-income individuals;
- Facilitate and encourage improvements to service delivery and cost-effectiveness of systems through effective management and marketing strategies;
- Increase availability of transportation options through investments in intercity bus services;
- Assist in the development and support of intercity bus transportation;
- Encourage mobility management, employment-related transportation alternatives, joint development practices, and transit-oriented development; and
- Provide for and encourage the participation of private transportation providers in rural public transportation.
- Provide for the equitable distribution of rolling stock to enhance the continuation of existing services as well as the limited growth of new or expanded services as warranted.

Goals: Section 5310

The goal of the Section 5310 program is to improve mobility for seniors and individuals with disabilities throughout the country by removing barriers to transportation services and expanding the transportation mobility options available. Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas—large urbanized, small urbanized, and rural areas.

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 following indicators are targeted to capture overarching program information as part of the annual report that each state and designated recipient submits to FTA. IDOT will submit both quantitative and qualitative information as available on each of the following measures.

FTA has adopted a different set of measures depending on the type of project.

- Traditional Section 5310 Projects
 - **Gaps in Service Filled.** Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities measured in numbers of seniors and people with disabilities afforded mobility they would not have without program support as a result of traditional Section 5310 projects implemented in the current reporting year.
 - **Ridership.** Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and seniors on Section 5310–supported vehicles and services as a result of traditional Section 5310 projects implemented in the current reporting year.

Due to funding constraints, increasing demand, and a large base of seniors, individuals with disabilities, and other populations who required specialized services, IDOT has determined that the immediate needs of the statewide Section 5310 eligible pool of applicants are best served through the

implementation of a rolling stock-only program. IDOT has adopted additional goals for the administration of the Section 5310 program, including:

- 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 subrecipient and other complementary transportation programs.
- Promote local transportation initiatives which provide safe, efficient, and accessible mobility options for targeted groups.
- Support the local HSTP process.

Goals: Section 5339 Pursuant to 49 U.S.C. 5339, Federal Transit Administration (FTA) awards grants under this section to designated recipients in the large urbanized areas (UZAs) and states for the purpose of financing capital bus and bus-related projects that will support the continuation and expansion of public transportation services in the United States.

IDOT's Role in National Program Goals IDOT's administration of all FTA programs is designed to implement and enhance all national goals, consistent with the IDOT Long-Range Transportation Plan.

Authority FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

2.2 Roles and Responsibilities

Applicability

Varies by program

IDOT Responsibilities – Section 5311

IDOT responsibilities include:

- Documenting the state’s procedures for administering the Section 5311 program in a state management plan (SMP);
- Notifying eligible local entities of the availability of the program;
- Planning for future transportation needs, and ensuring integration and coordination among diverse transportation modes and providers;
- Soliciting applications and providing technical assistance to applicants;
- Developing project selection criteria;
- Reviewing and selecting projects for approval;
- Forwarding an annual program of projects and grant applications to FTA;
- Certifying eligibility of applicants and project activities;
- Ensuring compliance with federal requirements by all subrecipients;
- Monitoring local project activity;
- Administer reimbursement of costs for state funds and the pass-through of federal funds;
- Overseeing project audit and closeout; and
- Filing an NTD report each year for itself and each subrecipient.

IDOT Responsibilities – Section 5310

IDOT is responsible for the selection of projects and will serve as the applicant for funds to FTA. IDOT responsibilities include:

- Documenting the state’s procedures for administering the Section 5310 program in a state management plan (SMP);
- Planning for future transportation needs, and ensuring integration and coordination among diverse transportation modes and providers;
- Developing project selection criteria consistent with the coordinated planning process;
- Notifying eligible local entities of funding availability;

- Soliciting applications from potential subrecipients;
- Determining applicant and project eligibility;
- Certifying that allocations of funds to subrecipients are made on a fair and equitable basis;
- Submitting an annual program of projects (POP) and grant application to FTA;
- Ensuring subrecipients comply with federal requirements;
- Certifying that all projects are included in a locally developed, coordinated public transit-human service transportation plan developed and approved through a process that included participation by seniors; individuals with disabilities; representatives of public, private, and nonprofit transportation and human service providers; and other members of the public;
- Certifying that to the maximum extent feasible, services funded under Section 5310 are coordinated with transportation services assisted by other federal departments and agencies;
- Ensuring that at least 55 percent of the area's apportionment is used for traditional Section 5310 projects carried out by the eligible subrecipients as described in Section 5 of Chapter III of FTA Circular 9070.1; and
- Overseeing project audit and closeout.

**IDOT Responsibilities
– Section 5339**

IDOT responsibilities for urbanized areas include:

- Issuing a competitive call for projects
- Identifying projects for funding
- Submitting a grant application to FTA
- Monitoring lapsing funds

IDOT responsibilities for rural areas include:

- Identifying eligible projects in rural areas based on local needs;
- Developing a program of projects (POP) for applications approved for funding;
- Submitting a grant application to FTA for the Section 5339 POP
- Reporting on behalf of subrecipients contained in the POP; and
- Ensuring that subrecipients and projects comply with all applicable federal requirements.

**Subrecipient
Responsibilities – All
Programs**

Subrecipient responsibilities under all state-administered programs may include, but are not necessarily limited to, the following:

- File SF LLL if the subrecipient uses non-federal funds to engage in lobbying activities as defined in 49 CFR §20.100
- Establish and implement financial management procedures for managing federal awards consistent with the requirements of 2 CFR § 200, including written policies on the allowability of costs charged to Federal awards
- Provide financial and statistical reports on a schedule prescribed by IDOT
- If required, conduct financial and compliance audits as prescribed under 2 CFR § 500.500 *et. seq.*
- Report to, and promptly resolve any audit findings relating to the subrecipient's use of Federal transit funds
- Perform adequate oversight of lower-tier subrecipients, contractors, and lessees
- If requested by IDOT, participate in any Tier II Transit Asset Management plan preparation
- If a Group TAM Plan participant, appoint an Accountable Executive to direct the subrecipient's transit asset management practices
- If a Group TAM Plan participant, approve annual performance targets
- Maintain asset inventory records for all equipment acquired, in whole or in part, with FTA funding consistent with 2 CFR § 200.313(d)(1)
- Conduct, no less frequently than once every two years, a physical inventory of all equipment acquired, in whole or in part, with FTA funding and reconcile the results with the subrecipient's inventory records
- Maintain minimum levels of insurance, as specified by IDOT, to ensure the Federal interest in all assets acquired, in whole or in part, with FTA funds, is protected
- Prepare and follow a written maintenance plan that specifies intervals and events to be performed to maintain all Federally funded assets in a state of good repair
- Adopt internal control procedures to ensure that repair work on equipment subject to the manufacturer's warranty is pursued
- Prepare and maintain a code of ethics governing the actions of employees, board members, agents, and immediate family members

of these individuals who may participate in the procurements undertaken by the subrecipient

- Prepare and maintain written procurement procedures that incorporate all Federal and state requirements governing the third-party contracting undertaken by the subrecipient
- Prepare independent cost estimates (ICE) and conduct required price or cost analyses for all procurements over the micro-purchase threshold
- Comply with all Build America, Buy America regulations
- Evaluate and promptly resolve all bid protests and contract disputes
- Request IDOT concurrence on required procurements promptly
- Award contracts only to responsible vendors
- Implement a DBE program if third-party contracting opportunities exceed \$250,000
- Ensure DBEs have an opportunity to compete for all third-party contracts
- Report to IDOT when requested all third-party contract expenditures with certified DBE firms
- Prepare and submit to IDOT, on a three-year cycle, a Title VI program
- Develop and post in a place where the public will view, a notice regarding rights under Title VI
- Develop and administer a Title VI complaint process
- If required, translate vital documents to languages consistent with the subrecipient's Title VI program
- Ensure all demand response services are provided equivalently to persons with disabilities
- Implement all ADA stop announcements if fixed route service is provided
- Acquire only accessible vehicles for us in fixed route service
- Provide compliant complementary paratransit services if fixed route service is provided
- Ensure all personnel are trained to proficiency in providing service to persons with disabilities
- Ensure important publications are available in alternative formats upon request
- Prepare and develop an EEO program if required
- Develop a drug and alcohol policy and implement the required testing program

Authority

49 CFR §20.100
2 CFR § 200
FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1
49 CFR § 625
FTA Circular 4702.1B
49 CFR § 26
49 CFR § 37 and 49 CFR § 38
FTA Circular 4710.1
FTA Circular 4704.1A
49 CFR § 40 and 49 CFR § 655

2.3 Coordination

Applicability	All programs; there are special requirements for recipients of Section 5310 funding.
Coordination Principles: Community Transportation	<p>All Section 5310 and 5311 projects must be included in the locally developed Human Services Transportation Plan (HSTP) for financial assistance consideration. Any funding application 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.</p> <p>The service planning areas are listed in Exhibit 2.1.</p>
Special Coordination Requirements for Section 5310 Subrecipients	<p>Federal transit law, as amended by the FAST Act, requires that projects selected for funding under the Section 5310 program be “included in a locally developed, coordinated public transit-human services transportation plan” and that the plan be “developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers and other members of the public.”</p> <p>A locally developed, coordinated public transit-human services transportation plan (“coordinated plan”) identifies the transportation needs of individuals with disabilities, seniors, and people with low incomes; provides strategies for meeting those local needs; and prioritizes transportation services and projects 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 MPO, where applicable. The agency leading the planning process is decided locally and does not have to be the state or designated recipient.</p> <p>Projects selected for funding shall be included in a coordinated plan that minimally includes the following elements at a level consistent with available resources and the complexity of the local institutional environment:</p>

- An assessment of available services that identifies current transportation providers (public, private, and nonprofit);
- An assessment of transportation needs for individuals with disabilities and seniors. This assessment can be based on the experiences and perceptions of the planning partners or more sophisticated data collection efforts, and gaps in service;
- Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and
- Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified.

While this requirement is uniquely associated with the Section 5310 program, IDOT requires that all existing public transportation agencies be active participants in the coordination planning process.

Authority

FTA Circular 9070.1G

Exhibit 2.1

**Human Service Transportation Plan
Regions & Contacts**

Regions 1 & 3

North Central Illinois Council of Governments
613 W Marquette St
Ottawa, IL 61350
815-433-5830

Region 2

Bi-State Regional Commission
1504 3rd Avenue
Rock Island, IL 61204
309-793-6302 x 124

Regions 4 & 7

Western Illinois Regional Council
223 S Randolph
Macomb, IL 61455
309-837-3941

Region 5

Tri-County Regional Planning Commission
211 Fulton St Ste 207
Peoria, IL 61602
309-673-9796 x 226

Region 6

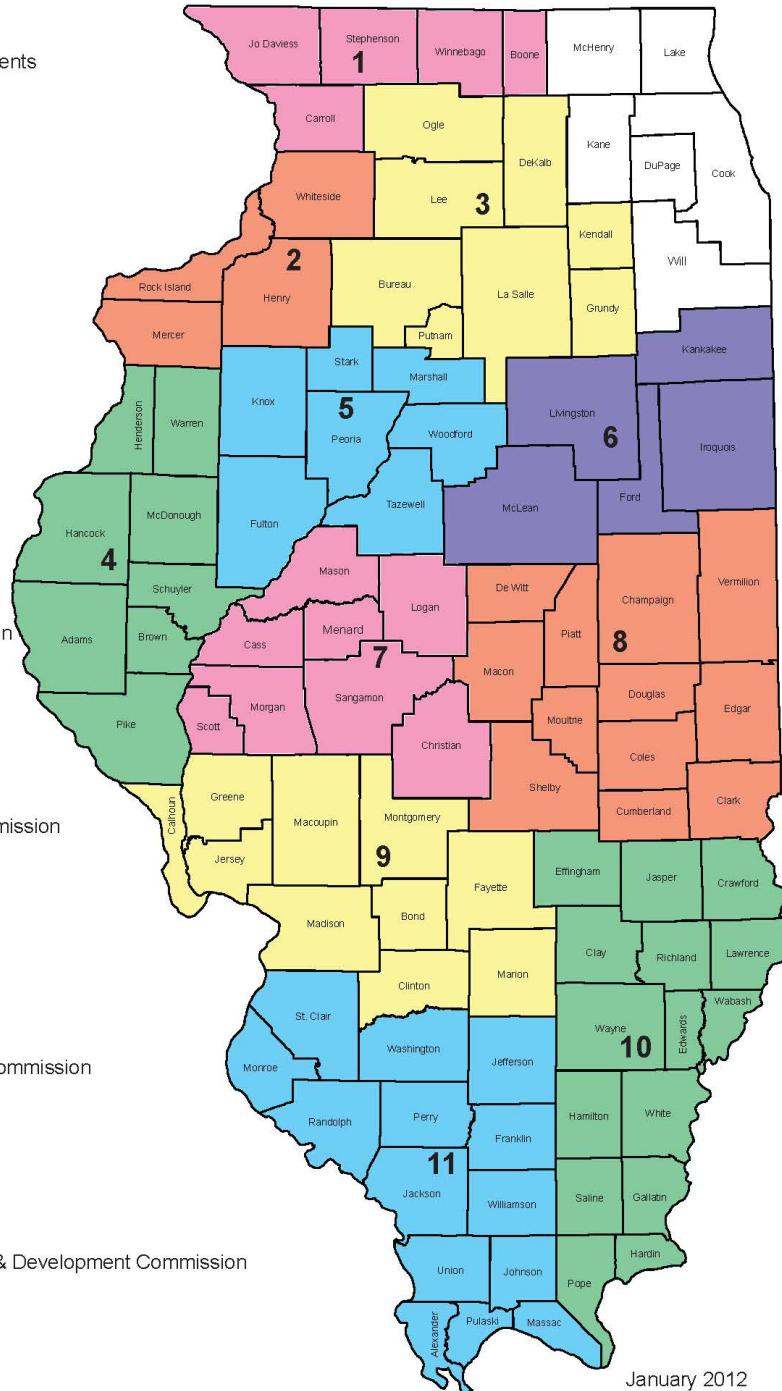
McLean County Regional Planning Commission
Government Center #M103
115 E Washington St
Bloomington, IL 61701
309-828-4331 x24 (J) x26 (R)

Region 8

Champaign County Regional Planning Commission
1776 E Washington St
Urbana, IL 61802
217-819-4036

Regions 9, 10, & 11

South Central Illinois Regional Planning & Development Commission
120 S Delmar Ave Ste A
Salem, IL 62881
618-548-4234



January 2012

2.4 Eligible Subrecipients

Applicability

Varies by program

Section 5311 Eligibility

Eligible subrecipients include local governmental authorities, nonprofit organizations, and operators of public transportation or intercity bus service that receive FTA grant funds indirectly through a recipient. In the case of intercity bus projects, private for-profit operators of transit services or intercity bus services may participate in the program as third-party contractors for recipients or as subrecipients.

The following entities are the eligible applicants for Section 5311 funds in Illinois:

- Transit Districts not within a federally recognized urbanized area that 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 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 (Madison County).

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 Human Services Transportation Plan (HSTP) as a pre-requisite for funding eligibility.

Direct recipients of Section 5307 in urbanized areas may also be eligible recipients of Section 5311 funds. Because of the wide range of circumstances under which an entity may provide services in both urbanized and rural areas, IDOT requires the subrecipient to develop a reasonable basis for allocating operating costs between the two FTA funding sources. The cost allocation process must also be applied to “joint” capital projects. Similarly, a

subrecipient that purchases vehicles under either the Section 5307 or 5311 program for use in any part of a combined urbanized and rural service area should ensure that it is using program funds according to federal eligibility requirements. When there is a question as to the reasonableness of the subrecipient's cost allocation methodology, FTA looks to IDOT to determine the reasonableness of the allocation process.

**Section 5310
Eligibility**

Eligible subrecipients and applicants of IDOT's Section 5310 administered program include:

- Private nonprofit organizations; or
- A local governmental authority that:
 - Is approved by IDOT to coordinate services for seniors and individuals with disabilities; or
 - Certifies that there are no nonprofit organizations readily available in the area to provide the service.

All eligible applicants must actively participate in the locally developed HSTP effort and the project for which rolling stock is being requested must be included in the HSTP plan as a recommended solution that meets an identified service need.

**Section 5339
Eligibility**

Eligible recipients under Section 5339 are existing Section 5311 recipients and small urbanized area Section 5307 recipients.

Authority

FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

2.5 Eligible Service Areas and Services

Applicability	Varies by program
Section 5311 Service Areas	<p>IDOT will use Section 5311 funds for public transportation projects, including job access and reverse commute projects, and intercity bus transportation projects in nonurbanized areas, defined as an area encompassing a population of less than fifty thousand people that has not been designated in the most recent decennial census as an “urbanized area” by the Secretary of Commerce.</p> <p>Since the goal of Section 5311 is to enhance the overall mobility of people living in rural areas, Section 5311 projects may include transportation to urbanized areas from rural areas. IDOT will consider the trip as eligible for Section 5311 funding provided one trip end (origin or destination) is in a nonurbanized area.</p> <p>The service area may include destinations across a state line. Operators of interstate service are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations.</p>
Section 5310 Service Areas	A 5310-project applicant must demonstrate they are coordinating and providing service within the rural or urbanized area associated with the application.
Section 5339 Service Areas	<p>Section 5339-funded projects may be in small urbanized or rural areas.</p> <p>All urbanized area projects must be included in the Transportation Improvement Program (TIP) developed and approved by the metropolitan planning organization (MPO).</p> <p>Projects not within metropolitan planning boundaries are required only to be in the Statewide Transportation Improvement Program (STIP). The grant application should identify the latest approved STIP (or amendments) containing the project(s), the appropriate page numbers or other identifying numbers, and a statement identifying the date that FTA and FHWA approved the STIP (or STIP amendment) that contains the proposed project(s) within the appropriate section of the FTA electronic award management system.</p>

Projects listed in the TIP and STIP must be derived from and consistent with the state's long-range plan and MPO metropolitan plan.

Authority

FTA Circular 9040.1G

FTA Circular 9070.1G

FTA Circular 5100.1

2.6 Eligible Assistance Categories

Applicability	Varies by program
Section 5311 – General	<p>Eligible assistance categories include transit capital, operations, and project administration.</p> <p>Under 49 U.S.C. § 5311(f), IDOT must expend at least 15 percent of its Section 5311 apportionment to develop and support intercity bus transportation, unless, after consultation with affected intercity bus service providers, it is determined that the intercity bus service needs of the state are met adequately.</p> <p>IDOT also receives Rural Technical Assistance Program (RTAP) funding to support training, planning, and technical assistance activities. IDOT uses Section 5311 administrative and RTAP funds to provide this assistance through the Rural Transit Assistance Center (RTAC).</p> <p>In addition to the above assistance, RTAC can arrange to provide support in other functional areas such as marketing and promotion, accounting and reporting, coordination, and personnel and labor relations.</p>
Section 5311 Capital	Eligible capital expenses include the acquisition, construction, and improvement of public transit facilities and equipment needed for a safe, efficient, and coordinated public transportation system. Capital expenses are broadly defined in 30 ILCS 740/3-1.08.
Section 5311 – Operations	<p>Operating expenses are those costs directly related to system operations. Operating expenses eligible in IDOT’s Section 5311 program can be found in 30 ILCS 740/3-1.04 and include the following:</p> <ol style="list-style-type: none">(1) Drivers' wages and benefits(2) Mechanics' wages and benefits(3) Contract maintenance services(4) Materials and supplies directly related to transit and maintenance of vehicles(5) Fuels and lubricants(6) Rentals or leases of vehicles

- (7) Taxes other than income taxes
- (8) Payment made for debt service (including principal and interest) on publicly owned equipment and facilities
- (9) Any other expenditure which is an operating expense according to standard accounting practices and not defined as an administrative expense

Only **net** operating expenses are eligible for assistance. Net operating expenses are those expenses that remain after the subrecipient subtracts operating revenues from eligible operating expenses. In tabulating operating revenues, IDOT requires the following to be deducted from total operating costs:

- (1) All farebox revenues
- (2) Pre-paid passes (whether purchased by an individual or by an organization on behalf of an individual)
- (3) Route guarantees

Farebox revenues do not include payments made directly to the transportation provider by human service agencies to purchase service.

However, the purchase of transit passes or other fare media for clients would be considered farebox revenue. A voluntary or mandatory fee that a university or similar institution imposes on all its students for free or discounted transit service is not farebox revenue. Payments made directly to the transportation provider by human service agencies and university fees passed on to the transit provider would be considered “program income” and may be used to reduce the net operating cost of the service or may be used as local match on the existing grant.

Section 5311 – Administration

Under the Section 5311 program, the FTA permits IDOT to treat project administrative expenses incurred by a local provider as a separate cost category from capital, planning, or operating expenses. This allows states to consider administrative expenses as “non-operating” expenses. FTA may fund non-operating expenses up to the 80 percent federal share or more if the state is eligible for the sliding scale of federal share. Additionally, FTA provides IDOT latitude in defining what costs may be treated as an allowable administrative expense.

Administrative expenses eligible in IDOT's Section 5311 program can be found in 30 ILCS 740/3-1.09 and include the following:

- (1) General administrative expenses (e.g., salaries of the project director, secretary, and bookkeeper);
- (2) Marketing expenses
- (3) Insurance premiums or payments to a self-insurance reserve
- (4) Office supplies
- (5) Facilities and equipment rental
- (6) Approved overhead rates

Section 5310 – General

Section 5310 funds are available for capital expenses to support the provision of transportation services to meet the specific needs of seniors and individuals with disabilities.

Under federal law, a minimum of 55% of funds apportioned to the state must be used for "traditional" Section 5310 –those public transportation capital projects planned, designed and carried out to meet the specific needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate. It is not sufficient that seniors and individuals with disabilities are merely included (or assumed to be included) among the people who will benefit from the project.

As stated in the Section 5310 Goals & Objectives section, IDOT has determined that the immediate needs of the statewide Section 5310 program are best served through implementing a Consolidated Vehicle Procurement Program. Therefore, all programmed funds will go toward this category.

IDOT categorizes Section 5310 applications by the following definitions:

- **Replacement:** This category denotes either the planned or the unplanned withdrawal of a vehicle that is either considerably past its useful life, dangerously deteriorated, or otherwise rendered unusable
- **New:** This category denotes the implementation of service with vehicles where none previously existed, such as a new paratransit route or new periods of availability; or the services to be provided by a newly proposed paratransit system or provider

- **Expanded:** This category denotes a project that is either a capacity improvement with new vehicles or the planned extension of existing routes or the period of availability by an existing paratransit system or provider.

Section 5339 – Capital Projects Eligible capital projects include projects to replace, rehabilitate, and purchase buses and related equipment. For simplicity, the program uses the same rolling stock definitions provided in the 5310 section above.

Authority FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

2.7 Federal Share/Local Match Requirements

Applicability

Varies by program

Section 5311 – Federal Share: Capital

The federal share for capital projects, that receive funding under the Section 5311 program, with limited exceptions, may not exceed 80 percent of the net project cost unless one of the exceptions to this listed below applies to the project. The federal share may exceed 80 percent for certain projects related to the Americans with Disabilities Act, Clean Air Act, and certain bicycle projects as follows:

- (1) **Vehicles.** The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with the:
 - Americans with Disabilities Act of 1990 (ADA; 42 U.S.C. 12101 et seq.)
 - Clean Air Act (CAA; 42 U.S.C. 7401 et seq.).
- (2) **Vehicle-Related Equipment and Facilities.** The federal share for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA, or required by the ADA, is 90 percent.

FTA considers vehicle-related equipment to be equipment on and attached to the vehicle.

The grant recipient may itemize the cost of specific, discrete, vehicle-related equipment being purchased to be in compliance with ADA or CAA. The federal share is 90 percent of the cost for these itemized elements.

- (3) **Bicycle Facilities.** As provided by 49 U.S.C. 5319, the federal share is 90 percent for those bicycle access projects or portions of bicycle access projects designed to:
 - Provide access for bicycles to public transportation facilities,
 - Provide shelters and parking facilities for bicycles in or around public transportation facilities

- Install equipment for transporting bicycles on public transportation vehicles

**Section 5311 –
Federal Share:
Operating**

49 U.S.C. 5311(g)(2) provides that the federal share shall not exceed 50 percent of the net operating cost of the project.

Under Subsection 5311(g)(3)(A), funds received pursuant to a service agreement with a state or local social service agency or a private social service organization may be used as local match. Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide the local match for Section 5311 operating assistance (treated as program income). In either case, the cost of providing the contract service is included in the total project cost. Unlike other forms of program income, income from contracts to provide human service transportation may be used as the local match for the grant in which the income is generated.

The manner in which a subrecipient applies income from human service agencies to a project affects the calculation of net operating expenses and, therefore, the amount of Section 5311 operating assistance the project is eligible to receive. IDOT’s method of suballocating its apportionment among its subrecipients is a discretionary action, subject only to the statutory requirements. While IDOT may not prohibit a subrecipient from using income from human service agency contracts as a source of local match, IDOT may elect to regard the degree to which a subrecipient demonstrates local financial commitment to the project from other sources of local funds as a rating factor in its discretionary allocation decisions.

**Section 5311 – Local
Share**

Under 49 U.S.C. § 5311(g)(3), the local share may be met by any of the following sources:

- (1) Cash from non-government sources
- (2) Revenues from the sale of advertising and concessions
- (3) Undistributed cash surplus
- (4) A replacement or depreciation cash fund or reserve
- (5) A service agreement with a state or local social service agency or a private social service organization
- (6) Amounts appropriated or otherwise made available to a department or agency of the government (other than the

Department of Transportation) that are eligible to be expended for transportation

- (7) Amounts made available to carry out the federal lands highway program established by section 202 of Title 23

**Section 5311(f) –
Special Local Share
Provisions**

49 U.S.C. § 5311(g)(3)(D) provides that in the case of an intercity bus project which includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, the local match “may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f).”

To use the net project cost provided by a private operator as an in-kind match, the FTA-assisted project must be defined by the applicant and IDOT as including both the feeder service and the unsubsidized segment of the intercity bus network to which it connects. Importantly, this matching method may only be used if the private operator agrees in writing to the use of the costs of the private operator for the unsubsidized segment of intercity bus service as an in-kind match.

**Transportation
Development Credits**

Federal law permits states with toll facilities to earn credits that can be applied toward the non-federal share of FTA projects. Known as Transportation Development Credits (TDCs) (formerly “toll credits”). In some circumstances, IDOT may use TDCs as the local match to FTA projects.

**Section 5310 –
Federal Share**

Section 5310 funds may be used to finance capital and operating expenses. The federal share of eligible capital costs shall be in an amount equal to 80 percent of the net cost of the activity.

As is the case with other FTA programs, similar exceptions exist in the Section 5310 program on the federal participation ratio, as follows:

- (1) **Vehicles.** The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with the ADA (42 U.S.C. 12101 et seq.) or the CAA. A revenue vehicle that complies with 49 CFR part 38 may be funded at 85 percent federal share.

**Section 5310 – Local
Share**

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 Section 5310-funded vehicle or other equipment. However, IDOT intends to use state funds to provide the required local match. If adequate state resources are not available to provide the requisite non-federal share, recipients must provide the 20 percent local match.

Section 5339 – Federal Share The federal share for capital projects that receive funding under the Section 5339 program follows the same formula as found in Section 5311 – Federal Share: Capital.

Section 5339 – Local Share The local share for capital projects that receive funding under the Section 5339 program follows the same formula as found in Section 5311 – Local Share.

State Share of Project Costs FTA grant programs do not require the state to provide any match to the appropriated federal funds. However, the amount of local matching funds needed to receive a federal transit grant may be reduced if state funds are available to assist subrecipients. IDOT will determine when state funds are available and the amount of state assistance that will be provided for each program.

Program Income as a Source of Local Share of Project Costs Subrecipients may use program income generated by an earlier grant as the local share for a subsequent eligible public transportation project. FTA does not permit subrecipients to use program income as the local share for the grant that generated the income.

The subrecipient’s accounting system must be capable of identifying program income and the purpose for which the subrecipient used it. The subrecipient must account for program income in its accounting system, which is subject to audit.

Authority FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1
FTA Circular 5010.1E
2 CFR § 200
2 CFR § 1201.80

2.8 Fund Transfers

Applicability Varies by program

Section 5311 When permitted, IDOT may transfer other federal funds to the Section 5311 program.

The Governor may transfer any amount of the state's apportionment under 49 U.S.C § 5307 for small UZAs under two hundred thousand in population to supplement the state's Section 5311 program. The governor may make such transfers only after consultation with responsible local officials and publicly owned operators of public transportation services in each area to which the funding was originally apportioned. The governor may transfer funds without consultation within the last ninety days in which the funds are available for obligation, for use anywhere in the state.

IDOT may transfer Surface Transportation Program (STP) funds, Congestion Mitigation and Air Quality (CMAQ) funds, and certain other flexible funds, from FHWA to FTA to use for transit projects.

Generally, flexible funds transferred to Section 5311 are subject to the program requirements applicable to Section 5311.

Section 5310 IDOT may use funds apportioned for small urbanized and rural areas for projects serving another area, including large urbanized areas, if the Governor certifies that all of the objectives of the Section 5310 program are being met in the specified areas. IDOT will consult with responsible local officials, publicly owned operators of public transportation, and nonprofit providers in the area from which the funds to be transferred were originally apportioned.

IDOT is not permitted to transfer funds from large UZAs.

Section 5339 Consistent with 49 U.S.C. § 5339(e)(1), the Governor may transfer any part of the state's apportionment, specifically the National Distribution allocation, to supplement amounts apportioned to the state under Section 5311(c) or amounts apportioned to the state for areas under 200,000 in population under Section 5307. Transferred funds must be used for eligible

Bus Program activities, even if combined in a grant with other Section 5307 or 5311 funding. This transfer is for administrative purposes only and allows 5307 direct recipients to apply directly to FTA for their allocation.

Section 5339 funds are not available to be transferred between FHWA and FTA for transit or highway projects.

Authority

FTA Circular 9040.1G

FTA Circular 9070.1G

FTA Circular 5100.1

2.9 Joint Urbanized and Rural Projects

Applicability	Subrecipients receiving both Section 5307 and Section 5311 funds
General	<p>IDOT encourages the coordination of services in urbanized and nonurbanized areas.</p> <p>In some localities, a subrecipient receives both Section 5307 and 5311 funding to provide public transportation to urbanized and surrounding rural areas. IDOT is required to ensure that such joint projects only use Section 5311 funds to assist the rural portion of those localities.</p> <p>Because of the wide range of circumstances under which an operator may provide services in both urbanized and rural areas, FTA expects the subrecipient to develop a reasonable basis related to the service provided, for allocating operating costs between the two FTA funding sources. The subrecipient must also apply this procedure to “joint” capital projects. Similarly, a subrecipient that purchases vehicles under either the Section 5307 or 5311 program for use in any part of a combined urbanized and rural service area should ensure that it has capital replacement policies in place to ensure that it is using program funds according to federal eligibility requirements. When there is a question as to the reasonableness of the subrecipient’s cost allocation methodology, FTA looks to IDOT to make a determination.</p>
Cost Allocation Requirement	Subrecipients who receive both Section 5307 and Section 5311 funds are required to allocate expenses that are not readily attributable to urban or rural service using methods that will proportionally assign such shared expenses to the respective grant program based on the amount of service provided in rural and urban areas. This is done by determining the percentage of service that operates in rural/urban areas and using that percentage to allocate total expenses to each grant. (Ex: transit systems that operate 80% of the time in rural areas would charge 80% of expenses to 5311 and 20% to 5307). This process is known as a service-based cost-allocation plan. While FTA has stated that the method a recipient chooses to determine how their services are split between rural and urbanized areas is up to the subrecipient, that method must be consistent and fair.

IDOT provides a cost-allocation model that analyzes trip data and provides multiple options for cost-allocation to transit systems. Transit systems must choose a cost-allocation method and provide IDOT with the completed model.

Authority

FTA Circular 9040.1G

III. PLANNING AND PROGRAMMING

Program Applicability All programs

General Transit leaders are expected to participate in the local metropolitan and/or rural planning processes facilitated by the planning agencies in the cities and/or regions of their service area. It is important for transit to know the highway engineers, the local community officials, and political representatives that attend planning meetings. These individuals have a leading role in setting spending priorities and awarding state funds for expansion projects and purchases.

State Transportation Improvement Program (STIP): The STIP is federally-mandated, covering at least a four-year planning horizon, that documents how federal/state/local transportation funds will be spent throughout the state.

Coordination with the Grants Calendar IDOT programs funds on an annual basis to coincide with the state fiscal year (July 1 – June 30).

Locally Developed Coordinated Public Transit Human Services Transportation Plan Federal transit law, as amended by the FAST Act, requires that projects selected for funding under the Section 5310 program be “included in a locally developed, coordinated public transit-human services transportation plan” and that the plan be “developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers and other members of the public.”

Projects selected for funding shall be included in a coordinated plan that minimally includes the following elements at a level consistent with available resources and the complexity of the local institutional environment:

- (1) An assessment of available services that identifies current transportation providers (public, private, and nonprofit);
- (2) An assessment of transportation needs for individuals with disabilities and seniors. This assessment can be based on the experiences and perceptions of the planning partners or on more sophisticated data collection efforts, and gaps in service;

- (3) Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and
- (4) Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified.

Role of Public Transit Providers in the Coordinated Plan

Recipients of Section 5307 and Section 5311 assistance are the “public transit” in the public transit/human services transportation plan and their participation is assumed and expected.

Further, 49 U.S.C. 5307(b)(5), requires that “Each recipient of a grant shall ensure that the proposed program of projects (POP) provides for the coordination of public transportation services ... with transportation services assisted from other United States Government sources.” In addition, 49 U.S.C. 5311(b)(2)(C)(ii) requires the Secretary of DOT to determine that a state’s Section 5311 projects “provide the maximum feasible coordination of public transportation service ... with transportation service assisted by other federal sources.” Finally, under the Section 5311 program, states are required to expend 15 percent of the amount available to support intercity bus service.

Authority

49 U.S.C. § 5307
 49 U.S.C. § 5311
 FTA Circular 9070.1G

3.1 Method of Distribution of Funds

Applicability

Varies by program

Section 5311

The program of projects IDOT submits to FTA for approval must provide for fair and equitable distribution of the apportionment funds in the state, including Indian reservations, as well as maximum feasible coordination with other public transportation services assisted by other federal sources. There are currently no federally- or state-recognized Indian tribes in the state of Illinois.

All nonurbanized areas of Illinois are eligible to receive Section 5311 funds. Since the 1990s, IDOT has sponsored a locally developed planning process that is designed to ensure the maximum feasible coordination with transportation service providers assisted by other federal sources. This planning process is required to designate “lead agencies” that will serve as the administrative entity to deliver coordinated public or specialized transportation in the service area and be the recipient of funding from IDOT.

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 at least 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 a subrecipient’s prior year funding as determined by IDOT (operating, RTAC, HSTP, and intercity bus assistance levels); and
- Fourth, IDOT provides the remainder to support the Consolidated Vehicle Program.

Section 5310

IDOT’s goal is to ensure that a fair and equitable distribution occurs. IDOT’s procedures include:

- (1) Assuring equity of distribution of benefits among eligible groups within the state or urbanized areas, as required by Title VI of the Civil Rights Act;

- (2) Assuring that the Consolidated Vehicle Procurement (CVP) projects were included in a locally developed coordinated plan; and
- (3) Documenting evidence that the local coordinated plan was developed and approved in cooperation with stakeholders, including individuals with disabilities and seniors utilizing transportation services.

IDOT will evaluate and rank project applications based on the following criteria:

- Level of Existing Service: A quantitative measure examining present and potential clients and consistency with the populations intended to be served by the program.
- 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 documented vehicle repair and preventive action schedules.
- Service Coordination

In any given year, IDOT’s final Section 5310 Program funding distribution is devised 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.

Section 5339

Based on documented capital needs, IDOT will provide capital assistance through Bus and Bus Facilities program. Only entities that are current FTA recipients are eligible to receive Section 5339 program funding. Distribution of funds is strictly on a needs basis.

Authority

FTA Circular 9040.1G
 FTA Circular 9070.1G
 FTA Circular 5100.1
 FTA Circular 9030.1E

3.3 Intercity Bus Projects

Applicability	State recipients of Section 5311 – IDOT Only
Federal Requirements	<p>49 U.S.C. § 5311(f) requires each state to expend at least 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.”</p> <p>Additionally, Section 5311(f) requires a state to consult with intercity bus providers before the governor makes this certification.</p> <p>The requirement to spend at least 15 percent applies only to the amount of FTA’s annual apportionment of Section 5311 funds to the state; it does not apply to any funds the state subsequently transfers to its Section 5311 program from another program.</p>
State Implementation	<p>IDOT recognizes the importance of providing intercity bus routes to connect communities across Illinois.</p> <p>To meet its obligations under 49 U.S.C. § 5311(f), IDOT issues a competitive Request for Proposals that serves as the state’s call for projects. IDOT will convene an evaluation committee of transportation professionals to review the service proposals based on:</p> <ol style="list-style-type: none">(1) Consistency with the IDOT Long-Range Transportation Plan(2) Connectivity with the national ICB network(3) Projected ridership and revenue recovery(4) In-kind match potential
Matching Requirements	<p>49 U.S.C. § 5311(g)(3)(D) provides that in the case of an intercity bus project that includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, the local match “may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f).”</p> <p>IDOT permits this type of match for its approved intercity bus providers.</p>
Authority	FTA Circular 9040.1G

3.4 Annual Program of Projects

Applicability

All Programs

IDOT Responsibilities

After IDOT completes its review of all the applications, a Program of Projects (POP) is prepared for each funding program directly administered by IDOT. These include Section 5310; Section 5311; and Section 5339.

Projects in the POP may be categorized as Category A or Category B.

Projects in Category A include those projects that IDOT has determined have met all the federal statutory and administrative requirements for approval applicable to both the project activities and the subrecipient.

Projects in Category B include those projects that IDOT anticipates approving during the current fiscal year but have not yet met all federal statutory and/or administrative requirements. For example, a project that has not yet completed the National Environmental Policy Act (NEPA) process or other federal environmental requirements for a facility project may be classified as Category B.

IDOT will draw up the financial assistance contract for the project only after FTA approval of the Program of Projects. A grant agreement must be executed by the subrecipient and then will be executed by IDOT.

The POP, by reference, will also be included in IDOT's Statewide Transportation Improvement Program (STIP) as required by the joint planning regulations issued 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 guidelines.

Authority

FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

3.5 State Administrative Set-Aside

Applicability Varies by program

Section 5311 The state may use up to 10 percent of its apportioned Section 5311 funds, including funds apportioned under Section 5340 to administer the Section 5311 program.

Allowable administrative costs include salaries, overhead expenses, supplies, and office equipment used to administer the program. Allowable technical assistance costs may include program planning, program development, development of vehicle and equipment specifications, management development, coordination of public transportation programs (public and private for-profit and nonprofit), and such research as the state may deem appropriate to promote effective means of delivering public transportation service in rural areas. No local share is required for these expenses. The state may pass any portion of these funds on to subrecipients for the same purposes and, at its discretion, may impose a local share requirement.

Section 5310 Up to 10 percent of IDOT's total fiscal year apportionment may be used to fund program administration costs including administration, planning, and technical assistance for projects funded under this program.

The state and the designated recipient in urbanized areas have pre-award authority to incur administrative costs for Section 5310. Because the program is continuously managed, the oldest funds available are drawn first regardless of the year of award for program activity.

FTA encourages recipients to identify all the available Section 5310 administrative funds they intend to use routinely in each annual grant application. However, recipients may choose to accumulate Section 5310 administrative funds within their period of availability to augment the funds available for a special administrative need in a subsequent year. Recipients may accumulate Section 5310 administrative funds in the year of apportionment plus two years.

Section 5339 There is no state administrative set aside in the Section 5339 program.

Authority

FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

3.6 Rural Technical Assistance Program (RTAP)

Applicability IDOT

Program Goals 49 U.S.C. 5311(b)(3) authorizes the secretary “to make grants and contracts for transportation research, technical assistance, training, and related support services in rural areas.” The rural transportation assistance program (RTAP) 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 specific needs of transit operators in rural areas.

The objectives of RTAP are to:

- Promote the safe and effective delivery of public transportation in rural areas and make more efficient use of public and private resources;
- Foster the development of state and local capacity for addressing the training and technical assistance needs of the rural transportation community;
- Improve the quality of information and technical assistance available through the development of training, technology, and technical assistance resource materials;
- Facilitate peer-to-peer self-help through the development of local networks of transit professionals;
- Support the coordination of public, private, specialized, and human service transportation services; and,
- Build a national database on the rural segment of the public transportation industry

RTAP Activities IDOT maintains flexibility in its use of RTAP funds to achieve program objectives. Among the activities IDOT may undertake:

- (1) Providing technical assistance by IDOT staff;
- (2) Entering into contracts with private consultants, universities, nonprofit organizations, state transit associations, or other organizations of operators to provide training and technical assistance;

- (3) Providing support of peer-to-peer networks of individuals to assist each other;
- (4) Creating interagency agreements with other state agencies, both within the state and in other states; and
- (5) Providing scholarships or tuition and expenses for people to attend training courses or workshops.

IDOT provides 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. RTAC training courses and resources are available to drivers and support personnel of Section 5310 and Section 5311 subrecipients and their operators.

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 Bureau Chief of Transit Operations by the Secretary of the Illinois Department of Transportation. The Advisory Council by-laws are available upon request.

Authority

FTA Circular 9040.1G

3.7 Private Sector Participation in Public Transportation Projects

Applicability All projects and subrecipients

General Requirements 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 urbanized 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.

Transit system leaders are encouraged to partner with private- for-profit bus operators and taxicab companies and engage local and regional planning agencies in discussions about transit services and needs.

Transit system planning and service reviews should include private providers for their input on the following:

- (1) Can any existing services be provided more efficiently by private providers?
- (2) What new services could be developed and operated by private providers?
- (3) Are private providers given a fair opportunity to bid for the operation, maintenance, or administration of any transit services?

The Transportation Advisory Board should include representation from the private transportation sector.

Subrecipients are required to certify compliance with this provision through the standard assurances certification.

Authority FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1

IV. PROJECT ADMINISTRATION

Applicability	All recipients of financial assistance, both federal and state, from IDOT.
Recipient/Subrecipient Role in Project Administration	<p>IDOT funds and its subrecipients who pass through FTA funds to lower-tier entities to operate the transit service must monitor grant-assisted activities to ensure compliance with applicable federal requirements. This includes the administration and management of the award in compliance with federal regulations, the grant agreement, and applicable FTA circulars. Responsibilities include, but are not limited to, actions that:</p> <ol style="list-style-type: none">(1) Demonstrate the legal, financial, and technical capacity to carry out the program, including safety and security aspects of the program;(2) provide administrative and management support for project implementation;(3) Provide, directly or by contract, adequate technical inspection, and supervision by qualified professionals of all work in progress;(4) Ensure conformity to Grant Agreements and Cooperative Agreements, applicable statutes, codes, ordinances, and safety standards;(5) Maintain project work schedules agreed to by FTA and the recipient and monitor activities under the Award to assure schedules are met and other performance goals are achieved;(6) Keep expenditures within the latest approved Award Budget;(7) Ensure compliance with FTA and federal requirements by agencies, consultants, contractors, and subcontractors working under approved third-party contracts or inter-agency agreements;(8) Account for project property and maintain property inventory records that contain all the elements required;(9) Demonstrate and retain satisfactory continuing control over the use of project property;(10) Demonstrate procedures for asset management and adequate maintenance of equipment and facilities;(11) Ensure that an annual independent organization-wide audit is conducted in accordance with Office of Management and Budget

(OMB) guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR part 200, which is incorporated by reference in 2 CFR part 1201, Prepare Cost Allocation Plans (CAPs) or Indirect Cost Proposals and submit and obtain approval if applicable, before incurring costs;

- (12) Prepare required reports (See Chapter III, Section 3, “Reporting Requirements”) for submission to FTA;
- (13) Update and retain FTA-required reports and records for availability during audits or oversight reviews;
- (14) Ensure effective control and accountability are maintained for all Grants, Cooperative Agreements, sub-agreements, cash, real and personal property, and other assets. Recipients and subrecipients must ensure that resources are properly used and safeguarded, and used solely for authorized purposes; and
- (15) Obtain all necessary prior approvals and/or waivers before incurring costs or taking any requested actions.

Authority

FTA Circular 5010.1E

4.1 Financial Management Systems

Applicability	All recipients of financial assistance, both federal and state, from IDOT.
Financial Management System Standards	<p>The financial management system of each subrecipient must provide for the following:</p> <ol style="list-style-type: none">(1) Identification, in its accounts, of all federal and state awards received and expended and the federal and state programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.(2) Accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements imposed by FTA and IDOT and oversight and monitoring and reporting program performance.(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.(4) Effective control over, and accountability for, all funds, property, and other assets. The subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes.(5) Comparison of expenditures with budget amounts for each federal award.(6) Written procedures to implement the requirements of 2 CFR §200.305 which requires the recipient to minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the subrecipient whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.(7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the federal award.

Internal Controls

Each recipient of funds from IDOT must establish and maintain effective internal control over the federal award that provides reasonable assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal or state award. These internal controls should comply with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Matching Funds

Most FTA programs managed by IDOT require some type of match to the federal award. The provision of matching funds is subject to the requirements of 2 CFR § 200.306 and requirements as outlined in the respective grant circular published by FTA.

The matching or non-federal share of costs means the portion of project costs not paid with federal assistance (unless otherwise authorized by federal statute). This cost-share, match, or non-federal share, may include programmatic matching requirements, or other non-federal funds, to constitute the overall Award Budget to complete the scope of work for the Award.

For all federal awards, any matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the entity's cost-sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the subrecipient’s records
- (2) Are not included as contributions for any other federal award
- (3) Are necessary and reasonable for the accomplishment of project or program objectives
- (4) Are allowable under 2 CFR § 200
- (5) Are not paid by the federal government under another Federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such programs can be applied to matching or cost-sharing requirements of other federal programs
- (6) Are provided for in the approved budget when required by the federal awarding agency

(7) Conform to other provisions of this part, as applicable

Non-federal share or non-federal funds include the following sources of funding, or in-kind property or services, used to match the federal assistance awarded for the Grant or Cooperative Agreement: (a) Local funds, (b) Local in-kind property or services, (c) State funds, (d) State in-kind property or services, and (e) Other federal funds that are eligible, under federal law, for use as cost-sharing or matching funds for the Underlying Agreement.

**Special Match
Provisions Under FTA
Programs**

Under Subsection 5311(g)(3)(C), funds received pursuant to a service agreement with a state or local social service agency or a private social service organization may be used as local match.

Authority

2 CFR § 200.300 - § 200.309
FTA Circular 5010.1E

4.2 Allowable Costs

Applicability	All recipients of financial assistance, both federal and state, from IDOT.
Basic Considerations	<p>The total cost of a federal or state award is the sum of the allowable direct and allocable indirect costs less any applicable credits.</p> <p>If indirect costs are charged to a grant award, indirect costs claimed must be consistent with the terms of an indirect cost rate proposal submitted and approved by IDOT's Bureau of Business Services and must conform to the rules issued 2 CFR § 200. Subrecipients may also claim the de minimis rate of 10% without the need to submit an indirect cost rate proposal to IDOT.</p>
Factors Affecting the Allowability of Costs	<p>Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under federal awards:</p> <ol style="list-style-type: none">(1) Be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.(2) Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items.(3) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the subrecipient.(4) 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.(5) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.(6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.(7) Be adequately documented.(8) Costs must be incurred during the approved budget period.
Direct Costs	Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or

externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

Indirect (F&A) Costs

Indirect (F&A) costs mean those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Role of the Pass-Through Agency in Reviewing, Negotiating, and Approving Indirect Cost Rate Proposals

In some circumstances, IDOT, as the pass-through agency of FTA funds, may serve as the agency responsible for approving a subrecipient's indirect cost rate proposal. When the entity does not have approval from a federal cognizant agency for indirect costs, and the agency primarily receives funding through a state pass-through agency such as IDOT, 2 CFR § 200.331(a)(4) permits IDOT to review, negotiate, and approve the proposal. As noted previously, IDOT's Bureau of Business Services will perform this function.

Certification of Indirect Cost Rate Proposals

A proposal to establish a cost allocation plan or an indirect (F&A) cost rate, whether submitted to a federal cognizant agency for indirect costs or maintained on file by the subrecipient, must be certified by the subrecipient using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in 2 CFR § 200, Appendix IV (nonprofit entities) or Appendix VII (public entities). The certificate must be signed on behalf of the agency by an individual at a level no lower than the vice president or chief financial officer of the subrecipient that submits the proposal.

Allowable Costs

The allowability of any costs under a grant award from IDOT must adhere to the general standards of allowability described above, the selected items of costs detailed in 2 CFR § 200.420 - § 200.475, the eligible cost section of each program circular issued by FTA (typically found in Chapter III of each circular), and any limitations as specified in the grant agreement and approved project budget.

**Requirement for
Written Policies**

Consistent with the requirements found at 2 CFR § 200.302(b)(7), any recipient of funds from IDOT must have written policies for determining the allowability of costs in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Authority

2 CFR § 200

4.3 Program Income

Applicability All recipients of financial assistance, both federal and state, from IDOT.

Policy Recipients are encouraged to earn income to defray program costs where appropriate.

FTA's program income policy for states, local governments, Indian tribes, institutions of higher learning, and nonprofit organizations is consistent with 2 CFR § 200.307 (as modified by 2 CFR § 1201.80). The "Program Income" provisions of 2 CFR § 1201.80 supersede the "Program Income" provisions of 2 CFR § 200.80 and as further described in the latest FTA Master Agreement. FTA recognizes program income to be gross income (minus the cost of generating program income) earned by the subrecipient, that is directly generated by a grant-supported activity, or earned only as a result of the federal award during the period of performance, per 2 CFR § 200.77.

Program Income, Defined Program income means gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the Grant or Cooperative Agreement during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal Award, license fees, and royalties on patents and copyrights, and principal and interest on loans made with federal assistance. Interest earned on advances of federal assistance is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, taxes, special assessments, levies, and fines raised by a recipient and subrecipient, and interest earned on any of them.

Program Income includes, but is not limited to, the following income:

- (1) Fees for services performed;
- (2) The use or rental of real or personal property acquired under its Award;
- (3) The sale of commodities or items fabricated under its award;
- (4) License fees and royalties on patents and copyrights;

- (5) Advertising/concessions specifically required by the federal award, and pertaining to specific activities or accomplishments which result from the performance of the federal award; or
- (6) Payments of principal and interest on loans made with federal assistance.

Exclusions Interest earned on advances of federal assistance is not considered program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, taxes, special assessments, levies, and fines raised by a recipient and subrecipient, and interest earned on any of them. Proceeds from the sale of real property or equipment are not program income. Farebox revenues are also not considered program income.

Use of Program Income Under the provisions of 2 CFR § 200.307(e)(3), FTA will permit the use of program income for the non-federal share of a grant award, but only for a future award. Program income may not be used as the match for the grant from which the program income was earned.

IDOT notes that due to legislative authority, income derived from the provision of service to a state or local human service agency may be used as the match to a grant in the year in which it was earned.

Authority FTA Circular 5010.1E
2 CFR § 200
2 CFR § 1201

4.4 Audit

Applicability

Any subrecipient that expends \$750,000 or more during the subrecipient's fiscal year in federal awards from all sources (not just FTA awards) must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR § 200.500.

Auditee Responsibilities

Any IDOT subrecipient that meets the applicability standards defined above must:

- (1) Procure or otherwise arrange for the audit required by this part in accordance with §200.509 Auditor selection, and ensure it is properly performed and submitted when due, in accordance with §200.512 Report submission.
- (2) Prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with §200.510 Financial statements.
- (3) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with §200.511 Audit findings follow-up, paragraph (b) and §200.511 Audit findings follow-up, paragraph (c), respectively.
- (4) Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

When procuring audit services, the objective is to obtain high-quality audits. In requesting proposals for audit services, the objectives and scope of the audit must be made clear and the subrecipient must request a copy of the audit organization's peer review report which the auditor is required to provide under GAGAS.

Factors to be considered in evaluating each proposal for audit services include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price. Whenever possible, the auditee must make positive efforts to utilize small businesses,

minority-owned firms, and women's business enterprises, in procuring audit services.

The subrecipient must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements must be for the same organizational unit and fiscal year that is chosen to meet the requirements of 2 CFR § 200. However, entity-wide financial statements may also include departments, agencies, and other organizational units that have separate audits

The auditee must also prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total federal awards expended as determined in accordance with 2 CFR § 200.502.

**Audit Findings
Follow-Up**

The subrecipient is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the subrecipient must prepare a summary schedule of prior audit findings. The subrecipient must also prepare a corrective action plan for current year audit findings. The summary schedule of prior audit findings and the corrective action plan must include the reference numbers the auditor assigns to audit findings. Since the summary schedule may include audit findings from multiple years, it must include the fiscal year in which the finding initially occurred.

**Audit Report
Submission**

Annual audits of the subrecipients will be submitted to IDOT for review within 180 days after the close of the subrecipient's fiscal year or 30 days after the completion of the audit, whichever date comes first.

FAC Report Schedule

The audit must be completed and the data collection form and report package required by the Federal Audit Clearinghouse (FAC) must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period (whichever is sooner). If the due date falls on a Saturday, Sunday, or federal holiday, the reporting package is due the next business day.

Restrictions

An auditor who prepares the subrecipient's indirect cost proposal or cost allocation plan may not also be selected to perform the audit required by 2 CFR § 200 when the indirect costs recovered by the auditee during the prior year exceeded \$1 million. This restriction applies to the base year used in the

preparation of the indirect cost proposal or cost allocation plan and any subsequent years in which the resulting indirect cost agreement or cost allocation plan is used to recover costs.

**Auditor
Independence**

In Item #2, Auditee Responsibilities, OMB regulations place full responsibility for the preparation of financial statements with the subrecipient. Generally accepted government auditing standards (GAGAS) (the “Yellow Book”) were amended in July 2018 to clarify that an audit firm that prepares financial statements for an audit client creates threats to the independence of the audit firm. These amendments require the audit firm to apply safeguards to eliminate or reduce the threat to independence to an acceptable level.

The Yellow Book amendments are effective for audits for fiscal years ending on or after June 2020.

In the review of subrecipient audits where the independence of the audit firm is in question, IDOT will reserve the right to:

- Re-evaluate the financial capacity of the subrecipient to receive and administer FTA grants
- Evaluate if the audit firm has sufficiently instituted the required safeguards to assure independence in the conduct of the audit.

Authority

2 CFR § 200
Government Auditing Standards 2018 Revision, Chapter III, paragraphs 3.88/3.89

4.5 Award Close-Out

Applicability	All recipients of financial assistance, both federal and state, from IDOT.
Final Invoicing	<p>Subrecipients will initiate and show reasonable progress throughout the period of performance and close their grants in a timely manner per their agreement.</p> <p>The subrecipient must submit the following within 30-days after the contract end date:</p> <ol style="list-style-type: none">(1) A claim/invoice and documentation for remaining eligible project expenses(2) Copies of reports or documents produced because of the contract(3) Other reports as required as a condition of the contract
IDOT Initiation of Award Close-Out	<p>IDOT has the right to unilaterally initiate contract close-out following an initial written notice if any of the following occur:</p> <ol style="list-style-type: none">(1) Sixty (60) days have passed since the contract expiration date and/or the subrecipient has submitted a reimbursement request within this sixty-day period that has been designated as the Final Invoice;(2) The subrecipient has misused funds or failed to make appropriate use of project property; or(3) The grant is inactive.
Record Retention	Financial records, supporting documents, statistical records, and all other subrecipient records pertinent to a federal award must be retained for a period of three years from the date of the close-out notice from IDOT or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-federal entities. The only exceptions are the following:

- (1) If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action is taken.
- (2) When the subrecipient is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- (3) Records for real property and equipment acquired with federal funds must be retained for 3 years after final disposition.

Authority

2 CFR § 200
FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1
FTA Circular 5010.1E

4.6 Procurement

Applicability	All recipients of federal financial assistance from IDOT.
General Requirements	<p>Subrecipients must use their own documented procurement procedures which reflect applicable federal, state, and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 CFR § 200.318 - § 200.326.</p> <p>Subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.</p> <p>IDOT maintains checklists that may be used to guide subrecipients through the procurement process and to ensure compliance with all the procurement procedures and requirements.</p> <p>Prior approval by IDOT is required for all purchases over the small purchase threshold established in accordance with the Illinois Procurement Code (currently \$100,00 plus CPI).</p>
Standards of Conduct	The subrecipient must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the subrecipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subrecipient.

Written Procurement Procedures

IDOT requires all subrecipients to have written procurement policies that reflect the required elements of applicable state and local purchasing regulations. These policies must also address all federal requirements as addressed in FTA Circular 4220.1F and 2 CFR § 200.

When a provision in 2 CFR § 200 conflicts with any element of FTA Circular 4220.1F, the provision in 2 CFR § 200 shall prevail.

These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must 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, must 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 equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
- (2) Identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with FTA standards.

To ensure objective contractor performance and eliminate an unfair competitive advantage, subrecipients must ensure that no organizational conflicts of interest arise in their procurement activities. This means that any subrecipient use of a contractor to develop or draft specifications, requirements, statements of work, and/or invitations for bids or requests for proposals, must be excluded from competing for such procurements.

Other situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process.

Methods of Procurement

Recent updates to 2 CFR §200 grouped procurement actions into three categories:

- (1) Informal
 - a. Micro-purchase
 - b. Small purchase
- (2) Formal
 - a. Sealed bids (IFBs)
 - b. Competitive Proposals (RFPs)
 - c. Qualifications (RFQs)
- (3) Non-Competitive
 - a. Sole source

Current thresholds enable purchases under \$10,000 to be conducted using micro-purchase methods. Procurements over \$10,000, but under the Illinois small purchase threshold set at \$100,000 plus CPI, may be conducted using small purchase procedures. Procurements over Illinois’ small purchase threshold, or those for architectural/engineering services, must follow formal methods.

Illinois Compiled Statutes (ILCS) will differ from current federal thresholds. When the federal standard is lower than the ILCS standards, subrecipients must adhere to the federal threshold.

Cost and Price Analysis

The subrecipient must perform a cost or price analysis in connection with every procurement action above the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the subrecipient must develop independent cost estimates (ICE) before receiving bids or proposals.

Inclusion of Required Federal Clauses

All subrecipient contracts must contain the applicable provisions described in Appendix II to 2 CFR § 200, "Contract Provisions for non-Federal Entity Contracts Under Federal Awards." These provisions include:

- (1) Administrative, Contractual, and Legal Remedies for Violations and Breach (over \$250,000)
- (2) Termination for cause and convenience (Over \$10,000)
- (3) Equal Employment Opportunity (all)
- (4) Davis-Bacon Act (all prime construction contracts over \$2,000)
- (5) Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction
- (6) Copeland Anti-Kickback
- (7) Contract Work Hours and Safety Standards (contracts involving the employment of mechanics or laborers over \$100,000)
- (8) Rights to Inventions Made Under a Contract or Agreement
- (9) Clean Air Act (Contracts over \$150,000)
- (10) Energy Policy and Conservation Act
- (11) Debarment and Suspension
- (12) Byrd Anti-Lobbying Amendment (contracts over \$100,000)
- (13) Prohibition on certain telecommunications and video surveillance services or equipment.

FTA has additional provisions that are unique to FTA-funded contracts. Subrecipients should consult Appendix D to FTA Circular 4220.1F for a list of these clauses.

Award to Responsible Vendors

Subrecipients must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, a record of past performance, and financial and technical resources.

Federal transit law (49 U.S.C. § 5325) contains more explicit guidance on the requirement to award contracts to contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract.

To designate a prospective contractor “responsible” as required by 49 U.S.C. § 5325, FTA expects the recipient, at a minimum, to determine and ensure that the prospective contractor satisfies the following criteria described herein. In addition to being otherwise qualified and eligible to receive the contract award under applicable laws and regulations, a responsible contractor must fulfill the following criteria:

- (1) Have a satisfactory record of integrity and business ethics, in compliance with 49 U.S.C. § 5325(j)(2)(A),
- (2) Be neither debarred nor suspended from federal programs under DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR §§ 180 and 1200, or under the FAR at 48 CFR Chapter 1, Part 9.4,
- (3) Be in compliance with affirmative action requirements and FTA’s Disadvantaged Business Enterprise requirements,
- (4) Be in compliance with the public policies of the federal government, as required by 49 U.S.C. § 5325(j)(2)(B),
- (5) Have the necessary organization, experience, accounting, operational controls, and technical skills, or the ability to obtain them, in compliance with 49 U.S.C. § 5325(j)(2)(D),
- (6) Be in compliance with applicable licensing and tax laws and regulations,
- (7) Have, or can obtain, sufficient financial resources to perform the contract, as required by 49 U.S.C. § 5325(j)(2)(D),
- (8) Have, or can obtain, the necessary production, construction, and technical equipment and facilities,
- (9) Be able to comply with the required delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments, and
- (10) Be able to provide:
 - a. A satisfactory current performance record, and
 - b. A satisfactory past performance record in view of its records of long-time performance or performance with a predecessor entity, including:
 - i. Sufficient resources

- ii. Adequate past experience
- iii. Past deficiencies that are not the fault of the bidder

Written Procurement History Subrecipients must maintain records sufficient to detail the history of every procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Protests and Disputes The subrecipient alone must 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 subrecipient of any contractual responsibilities under its contracts. IDOT will not substitute its judgment for that of the subrecipient unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Pre-Award and Post-Delivery Requirements A subrecipient purchasing revenue service rolling stock with federal funds must conduct pre-award and post-delivery audits verifying compliance with Buy America provisions, purchaser’s requirements, resident inspector requirements, and Federal Motor Vehicle Safety Standards (FMVSS). The recipient is required to keep records, including pre-award and post-delivery certifications, which show that the regulations have been followed. The audits require the recipient to complete two certifications (Buy America and Purchaser’s Requirements) at the pre-award stage and three certifications (Buy America, Purchaser’s Requirements, and FMVSS) at the post-delivery stage. The regulations do not specifically note that these five certifications must be signed in order for the recipient to certify compliance with Buy America, however, the certifications must indicate that requirements have been reviewed and met.

Although procurements of rolling stock of \$150,000 or less are not subject to Buy America requirements, these contracts still must comply with the pre-award and post-delivery purchaser’s requirements and FMVSS audits required by 49 CFR § 663.

Required post-delivery certification includes disclosure by the manufacturer of the final assembly location; a listing of the component and subcomponent

parts, the cost (actual or percent of total) of such components and subcomponents and the country of origin; a description of final assembly activities; and the cost of final assembly. Final assembly costs are not to be included when calculating the percent of domestic content of the vehicle.

Bus Testing

The subrecipient must have in its possession a copy of the Altoona Bus Testing Report before the final acceptance of the first vehicle. Testing applies to buses and modified vans used in transit service, including, but not limited to, new bus and van models using alternative fuels such as methanol, ethanol, compressed natural gas (CNG), hydrogen, and electricity (if stored and/or generated onboard the vehicle).

For bus models tested after October 31, 2016, the subrecipient must determine if the bus model received a passing score.

Bus testing is not required for unmodified mass-produced vans (provided they are only offered to FTA recipients in the 4-year/100,000-mile service life category). Unmodified mass-produced vans are vehicles manufactured as complete, fully assembled vehicles as provided by the original equipment manufacturer (OEM). This category includes vans with raised roofs or wheelchair lifts or ramps that are installed by the OEM or by someone other than the OEM, provided that the installation of these components is completed in strict conformance with the OEM modification guidelines.

IDOT Concurrence in Subrecipient Purchases

Regardless of the method of procurement, IDOT shall require subrecipients to submit information for approval on a pre-bid and pre-award basis. Pre-bid concurrence is required for all procurements over Illinois' small purchase threshold (currently \$100,000 plus CPI). Pre-award concurrence is required for all procurements over the micro-purchase threshold.

Non-Federally-Assisted Procurements

Subrecipients should follow state and local policies and procedures when there are no federal funds involved. There are state requirements that are necessary for certain types of procurements.

Authority

2 CFR § 200
49 CFR § 663
49 CFR § 665
FTA Circular 4220.1F

4.7 Asset Management

Applicability	Any subrecipient that has used federal funds to acquire tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the subrecipient for financial statement purposes, or \$5,000.
Title	Title to tangible personal property or real property shall rest in the name of the subrecipient. IDOT reserves the right to hold the first lien on the asset to ensure that asset management requirements are met by the subrecipient.
Use	<p>Except as otherwise provided by FTA or IDOT, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the subrecipient must not dispose of or encumber its title or other interests.</p> <p>Equipment must be used by the subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the subrecipient must not encumber the property without prior approval of the federal awarding agency. When no longer needed for the original program or project, the equipment may be used in other activities supported by FTA/IDOT.</p>
Management Requirements	<p>Procedures for managing equipment, whether acquired in whole or in part under a federal award, until disposition takes place will, as a minimum, meet the following requirements:</p> <ol style="list-style-type: none">(1) Property records must be maintained that include<ol style="list-style-type: none">a. A description of the propertyb. A serial number or other identification numberc. The source of funding for the property (including the FAIN)d. Name of the entity that holds titlee. Acquisition datef. Cost of the propertyg. Percentage of federal participation in the project costs for the federal award under which the property was acquired

- h. Location of the property
 - i. Current use of the property or equipment
 - j. Condition of the property
 - k. Any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
 - (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
 - (4) Adequate maintenance procedures must be developed to keep the property in good condition.
 - (5) If the subrecipient is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Real Property Acquisition

Real property must be acquired, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA), 42 U.S.C. § 4601 *et seq.*, and 49 CFR § 24, the implementing regulation.

Due to the complexity of these requirements, IDOT requires that subrecipients consult with IDOT in the earliest phases of planning for new facilities to ensure that all Federal requirements can be met.

Real Property Reporting Requirements

For all real property placed in service under a grant awarded on or after December 26, 2014, IDOT and FTA require that subrecipients maintain a real property inventory and submit annual reports on the status of real property in which the Federal government retains an interest. Real property includes land, affixed land improvements, structures, and appurtenances.

FTA has an interest in real property when FTA funds were used to purchase, construct, improve, or repair the property. The inventory and reports must address the FTA-funded real property of the recipient and subrecipients.

A real property inventory must include:

- (1) Property location/physical address
- (2) Use and condition

- (3) Summary of conditions on the title
- (4) Brief description of improvements, expansions, and retrofits
- (5) Useful life for the assets
- (6) Date placed in service
- (7) Original acquisition cost
- (8) Sources of funding
- (9) Federal and non-Federal participation ratios
- (10) Award identification number
- (11) Appraised value and date
- (12) Anticipated disposition or action proposed
- (13) Date of disposal
- (14) Sale price of the property.

**Real Property
Disposition**

When real property is no longer needed for any transit purpose, the subrecipient must request disposition instructions from IDOT. The allowable disposition methods are as follows:

- (1) Sell and Reimburse IDOT the Federal Share. In this method, the subrecipient competitively markets and sells the property and pays IDOT (for reimbursement to FTA) the greater of its share of the fair market value of the property or the straight line depreciated value of the improvements plus land value. IDOT's share of the fair market value is the percentage of FTA participation in the original award multiplied by the best obtainable price, minus reasonable sales costs.
- (2) Offset. The subrecipient sells the property with the prior approval of IDOT and applies the net proceeds from the sale to the cost of replacement property under the same program. Any excess proceeds must be returned to IDOT in accordance with 2 CFR § 200.311.
- (3) Sell and Use the Proceeds for Another Capital Project Under an FTA Award. The subrecipient sells the property and uses the proceeds to reduce the gross cost of another FTA-eligible capital transit project under an award. The subrecipient is expected to record the receipt of the proceeds in the recipient's accounting system, showing that the funds are restricted for use in a subsequent capital project, and reduce the amount of those restricted funds as those proceeds are applied to one or more FTA approved capital projects under FTA grant awards. IDOT and

FTA must approve the application of the proceeds to a subsequent capital award.

IDOT may consider other FTA allowable disposition processes; however, subrecipients should plan on using only one of these three methods.

Asset Maintenance Plans

Subrecipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

Proper maintenance of assets is key to protecting the FTA investment and prolonging the useful life of the asset. All recipients must have a written maintenance plan(s) for FTA-funded assets. These plans must describe a system of periodic inspections and preventive maintenance to be performed at certain defined intervals. For FTA-funded assets, the written maintenance plans should identify the goals and objectives of a maintenance program, which may include, for example, vehicle life, frequency of road calls, and maintenance costs compared to total operating costs and establish how the recipient will meet such goals and objectives. Plans should be updated with the purchase of new rolling stock to account for new technology and/or the new manufacturer's recommended maintenance intervals and incorporate actions to maintain each vehicle type and model on a specific cycle. These actions will help ensure proper care and maximize vehicle longevity and enhance passenger safety.

Subrecipients are responsible for preparing written vehicle maintenance plans. The plan should recognize each type of vehicle in the fleet and establish a schedule of preventive maintenance actions to occur at planned intervals, measured by time or miles, whichever is recommended by the original equipment manufacturer (OEM). IDOT will provide subrecipients some discretion in determining the appropriate intervals for preventative maintenance inspections to accommodate such things as specific manufacturer recommendations, vehicle age, unique site, operating conditions, etc. IDOT expects recipients to follow their program for preventative maintenance but understands that circumstances may prevent inspections from being completed exactly at the interval specified. To account for this, IDOT follows FTA protocols and allows a 10 percent deviation from the scheduled interval as being considered on time; IDOT reserves the right to audit maintenance histories to determine if fewer than

80 percent of the inspections for any mode or operation occurred on time.

If the subrecipient owns or has improved real property or acquired real property, either in whole or in part, with federal or state financial assistance, IDOT requires that the subrecipient prepare a facility maintenance plan. This plan should outline a schedule of inspections and routine maintenance for all critical mechanical and structural components of the facility.

Maintenance of Accessibility Features

The US DOT ADA regulations require all vehicle and facility accessibility features, such as wheelchair lifts and elevators in the recipient's facilities, be maintained and operational. The accessibility features must be promptly repaired if they are damaged or out of order. When the equipment is not working, the subrecipient must take reasonable steps to accommodate persons with disabilities who would otherwise use it. These ADA maintenance elements may be incorporated into the regular maintenance program or addressed separately with specific checklists. At a minimum, the subrecipient must show that accessibility features are checked regularly for proper operation and receive periodic maintenance.

These requirements apply to both FTA and non-FTA-funded vehicles and facilities.

Warranty Claims

For vehicles under warranty, the subrecipient typically must perform a series of preventive maintenance actions if the warranty is to remain valid. If the recipient either does not perform these required maintenance routines or performs them at greater intervals than the manufacturer's maximum intervals, the recipient runs the risk of invalidating vehicle warranty provisions.

IDOT requires that the subrecipient have a system for identifying warranty claims, recording claims, and enforcing claims against the manufacturers. An aggressive warranty recovery program ensures that the cost of defects is borne properly by the equipment manufacturer and not the subrecipient, IDOT, and FTA. There should be clear procedures to identify warranty repairs, record the warranty claim, submit the claim to the manufacturer, and follow up on unpaid claims.

Insurance

The liability insurance limits on vehicles operated by subrecipients will be determined by IDOT.

Consistent with the requirements of 2 CFR § 200.310, IDOT requires all subrecipients to maintain collision insurance on vehicles at least equal to the federal interest in the vehicle at current fair market values.

Subrecipients must annually document compliance with this section by providing a certificate of insurance coverage. A vehicle schedule listing the vehicles the subrecipient has covered with liability and collision insurance must also be submitted.

IDOT will permit subrecipients to meet these requirements through a self-insurance fund with the prior approval of IDOT.

Leasing of Assets

Leasing of vehicle assets may be permitted with the prior approval of IDOT. IDOT has established the following guidelines for vehicle leasing:

- (1) It is allowable for vehicles to be leased to a third-party operator or the transportation management company that operates the project services under contract with the subrecipient.
- (2) The lease must include how the maintenance of the vehicles will be monitored by the subrecipient, and who will be responsible for insurance, drivers, emergencies, back-ups, etc. IDOT prefers that subrecipients use the vehicle lease agreement

Transfer of Assets

The transfer of an asset with remaining useful life may be permitted with the prior approval of IDOT. IDOT has established the following guidance for the transfer of assets:

- (1) The transfer of vehicles to another entity that is an FTA-funded subrecipient with the technical capacity to meet all FTA and IDOT requirements.
- (2) IDOT has determined that the titleholder is not utilizing a vehicle(s) fully or that the subrecipient's fleet exceeds the spare ratio.

The transfer of any vehicle to another subrecipient shall comply with all federal regulations.

Useful Life

IDOT will not consider the replacement of rolling stock until a vehicle has exceeded the defined useful life threshold. As vehicle technologies continue

to evolve, please consult with IDOT for current useful life requirements for each class and type of vehicle considered for replacement.

**Disposition of
Equipment – Before
November 15, 2021**

Disposition requirements apply to equipment that has met its useful life, as well as equipment that is prematurely withdrawn from service before its useful life has been ended. FTA retains a financial interest in equipment with a unit value exceeding \$5,000, and supplies with an aggregate value exceeding \$5,000, even if useful life has been met.

To dispose of vehicles and equipment, the subrecipient must:

- (1) Notify IDOT of its intent to dispose of the property, indicating the property has exceeded its useful life
- (2) Establish fair market value for the item subject to disposition
- (3) Upon approval of IDOT, sell the property using the subrecipient's procedures established for the disposition of equipment
- (4) Notify IDOT of the sales price.

The subrecipient may retain all proceeds under \$5,000. If the proceeds exceed \$5,000, the subrecipient must retain the proceeds for use in a future capital project.

**Disposition of
Equipment – After
November 15, 2021**

The Infrastructure Investment and Jobs Act (IIJA) changed the provisions for transit asset disposition (49 USC § 5334(h)(4)(B)). For rolling stock, equipment, and aggregate supplies that have met their minimum useful life and were (a) purchased with federal assistance (b) with a fair market value of more than \$5,000, and (c) sold after November 15, 2021, new requirements apply.

Under these new procedures, the subrecipient is entitled to keep all disposition proceeds up to \$5,000. Of the remaining amount of the sales proceeds (the amount over \$5,000), the recipient may retain the amount calculated by its percentage of participation (the local share) in the cost of the original purchase. The federal share of disposition proceeds over \$5,000 must be returned to IDOT.

**Casualty Loss and
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.

Authority

2 CFR § 200
FTA Circular 5010.1E

4.9 Transit Asset Management (TAM) Plan

Applicability

All recipients of federal financial assistance under 49 U.S.C. Chapter 53, including:

- Section 5307
- Section 5310
- Section 5311
- Section 5339

Overview

Every agency must develop a transit asset management (TAM) plan if it owns, operates, or manages capital assets used to provide public transportation and receives federal financial assistance under 49 U.S.C. Chapter 53 as a recipient or subrecipient. Each transit provider must designate an Accountable Executive (49 CFR 625.5) to ensure appropriate resources for implementing the agency's TAM plan and the Transit Agency Safety Plan.

Federal regulations at 49 CFR § 625 classify all covered entities as either Tier I or Tier II agencies.

Tier I provider means a recipient that owns, operates, or manages either (1) one hundred and one (101) or more vehicles in revenue service during peak regular service across all fixed route modes or in any one non-fixed route mode, or (2) rail transit.

Tier II provider means a recipient that owns, operates, or manages (1) one hundred (100) or fewer vehicles in revenue service during peak regular service across all non-rail fixed route modes or in any one non-fixed route mode; (2) a subrecipient under the 5311 Rural Area Formula Program; or (3) any American Indian tribe

Requirements

Each Tier I provider must develop and carry out a TAM plan that includes each element described in 49 CFR § 625.25(b).

Tier II entities must meet these same requirements or may elect to participate in a Group TAM Plan. IDOT has served as the sponsor for a Statewide TAM Plan.

Plan Elements

TAM plans must include:

- (1) An inventory of the number and type of capital assets. The inventory must include all capital assets that a provider owns, except equipment with an acquisition value under \$50,000 that is not a service vehicle. An inventory also must include third-party-owned or jointly procured exclusive-use maintenance facilities, passenger station facilities, administrative facilities, rolling stock, and guideway infrastructure used by a provider in the provision of public transportation. The asset inventory must be organized at a level of detail commensurate with the level of detail in the provider's program of capital projects;
- (2) A condition assessment of those inventoried assets for which a provider has direct capital responsibility. A condition assessment must generate information in a level of detail sufficient to monitor and predict the performance of the assets and to inform the investment prioritization;
- (3) information in a level of detail sufficient to monitor and predict the performance of the assets and to inform the investment prioritization; (3) A description of analytical processes or decision-support tools that a provider uses to estimate capital investment needs over time and develop its investment prioritization;
- (4) A provider's project-based prioritization of investments, developed in accordance with § 625.33 of this part;
- (5) A provider's TAM and SGR policy;
- (6) A provider's TAM plan implementation strategy;
- (7) A description of key TAM activities that a provider intends to engage in over the TAM plan horizon period;
- (8) A summary or list of the resources, including personnel, that a provider needs to develop and carry out the TAM plan; and
- (9) An outline of how a provider will monitor, update, and evaluate, as needed, its TAM plan and related business practices, to ensure the continuous improvement of its TAM practices.

Authority

49 CFR § 625

4.10 Oversight

Applicability	All programs and all subrecipients of FTA funds
Basic Principle	Federal grants management principles require that IDOT, as the recipient of FTA funds, provide adequate oversight of its subrecipients. This responsibility includes ensuring that the subrecipient is complying with federal requirements. IDOT maintains a resource library where the current version of key documents used in the oversight process can be found. Resource documents are located in the Grants Management System “BlackCat” and can be found on idot.illinois.gov .

IDOT Responsibilities IDOT uses a combination of management methods to ensure adequate oversight of subrecipients; these methods include site oversight reviews (conducted by IDOT representatives and/or contractors), periodic site visits by the assigned IDOT Project Managers, and submission of specialty reports, as appropriate.

Transit systems utilizing federal or state funds may be subject to the following oversight reviews:

- (1) **Comprehensive Compliance Review Assessment:** This review is intended to ensure that Section 5311 subrecipients are adhering to all federal and state statutes, program requirements, and policies when administering federal and/or state-funded transit projects. Reviews are done on a periodic schedule and conducted by third-party contractors.

Nonprofit organizations utilizing rolling stock purchased with federal or state funds may be subject to the following oversight reviews:

- (1) **Section 5310 Program Review:** This review is intended to ensure that Section 5310 subrecipients are adhering to all federal and state statutes, program requirements, and policies when administering federal and/or state-funded transit projects. Reviews are done on a periodic schedule and conducted by IDOT for subrecipients in Northeastern Illinois. Human Service Transportation Plan (HSTP) Coordinators perform these reviews for subrecipients in their

designated HSTP region(s). These reviews also include the inspection of federal and/or state-funded rolling stock.

**Public Health
Emergency**

IDOT reserves the right to suspend all site visits scheduled and use alternative means to ensure oversight of subrecipients during any emergency scenario.

IDOT further reserves the right to conduct virtual site visits in place of on-site visits to its subrecipients.

**All Subrecipient
Responsibilities**

Subrecipients are required to maintain the financial capacity to administer a project throughout its duration. Financial reviews (on-site audits) may be conducted by IDOT without notice. Potential triggers for review include but are not limited to delinquent reimbursement requests, inadequate documentation of expenditures, excessive revisions, unsatisfactory progress, delinquent reports, audit findings, and/or the repeated failure to procure funded capital items.

**Section 5311
Subrecipient
Responsibilities**

Section 5311 Subrecipients are required to do the following:

- (1) Establish an employee of the agency, local government, or shared employee with another Section 5311 and/or rural Downstate Operating Assistance Program (DOAP) subrecipient as the agency's **Program Compliance Oversight Monitor (PCOM)**. The PCOM shall monitor and analyze various compliance areas for the subrecipient including, but not limited to:
 - a. The level and performance of public transportation service being provided by the subrecipient and/or its operator(s), if any, within the subrecipient's service area. This includes monitoring for equivalent service using the measures defined by 49 CFR 37 when applicable.
 - b. The utilization, condition, and maintenance of Project Facilities;
 - c. The driver and staff training activities of the subrecipient and/or its operator(s), if any;
 - d. All service contracts associated with the Project, including any service contracts between the Subrecipient's operator and a third party within the

Subrecipient's territorial boundaries. For the service contracts, the PCOM shall monitor the revenues received and the number of trips provided. The PCOM shall ensure all service contract revenue collected by the Subrecipient and/or its operator(s) is properly accounted for, and reimbursements are reconciled with the Public Transportation Account at the end of the state fiscal year;

- e. Compliance with the requirements of the Agreement;
- f. The ability for all customers to obtain pertinent public transportation information and schedule service with the Subrecipient and/or its operator(s), if any; and
- g. Any additional items requested by the Department.

Authority

2 CFR § 200.329

2 CFR § 200.331

FTA Circular 5010.1E § 2i(5)

FTA Circular 9040.1G, Chapter II, § 3a(9) – (10)

V. CIVIL RIGHTS REQUIREMENTS

Overview The subrecipient must agree to comply, as a condition of a grant award, with all applicable civil rights statutes and implementing regulations. IDOT will not award any federal grant awards to any entity not fully compliant with the following requirements:

- Title VI of the Civil Rights Act of 1964
- Equal Employment Opportunity
- Americans with Disabilities Act of 1990
- Disadvantaged Business Enterprise

Additionally, the State of Illinois requires compliance with the provisions within the Illinois Human Rights Act before entering into grant award agreements.

Flow-Down Provisions in this section of the SMP typically flow down to any lower-tier relationships entered into by the subrecipient, including lower-tier subrecipients and subcontractors.

Authority FTA Circular 9040.1G
FTA Circular 9070.1G
FTA Circular 5100.1
FTA702.1B
FTA Circular 4704.1
49 CFR § 37
49 CFR § 38
FTA Circular 4710.1

5.1 Title VI

Applicability	All programs and all subrecipients of FTA funds
Basic Requirement	Title VI prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives federal funds or other federal financial assistance. Programs that receive federal funds cannot distinguish among individuals on the basis of race, color, or national origin, either directly or indirectly, in the types, quantity, quality, or timeliness of program services, aids, or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria, or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin.
First Time Applicants	<p>Subrecipients applying for FTA funding for the first time shall provide information regarding their Title VI compliance history if they have previously received funding from another federal agency. This shall include a copy of any Title VI compliance review activities conducted in the previous three years. The summary shall include:</p> <ol style="list-style-type: none">(1) The purpose or reason for the review.(2) The name of the agency or organization that performed the review.(3) A summary of the findings and recommendations of the review.(4) A report on the status and/or disposition of such findings and recommendations. This information shall be relevant to the organizational entity submitting the application, not necessarily the larger agency or department of which the entity is a part.
Requirements to Submit a Title VI Program	FTA requires that all subrecipients and their operators document their compliance with DOT's Title VI regulations by submitting a Title VI Program to IDOT once every three years. For all subrecipients, the Title VI Program must be approved by the subrecipient's board of directors or appropriate governing entity or official(s) responsible for policy decisions prior to submission to IDOT.

Subrecipients must submit their Title VI programs to be reviewed and approved by IDOT's Bureau of Civil Rights. Upon receiving approval of the program, the subrecipient must implement its program; IDOT will verify implementation through its oversight review process. Title VI programs must be updated at least every three (3) years; IDOT may provide technical assistance with updating the program.

Elements of a Title VI Program

Every Title VI Program shall include the following information:

- (1) Notice to the public stating compliance with Title VI and informs the public regarding protections afforded against discrimination
- (2) Instructions for how to file a Title VI complaint and the complaint form
- (3) A list of any public transit-related Title VI investigations, complaints, or lawsuits
- (4) A public participation plan that includes an outreach plan to engage minority and limited English proficient populations
- (5) A copy of the subrecipient's plan for providing language assistance to persons with limited English proficiency
- (6) Subrecipients that have transit-related, non-elected planning boards, advisory councils or committees, or similar bodies, the membership of which is selected by the recipient, must provide a table depicting the racial breakdown of the membership of those committees, and a description of efforts made to encourage the participation of minorities on such committees or council
- (7) If the subrecipient has constructed a facility, such as a vehicle storage facility, maintenance facility, operation center, etc., the subrecipient shall include a copy of the Title VI equity analysis conducted during the planning stage with regard to the location of the facility.

In addition to these requirements of the plan, any subrecipient that operates fixed route service has additional elements that must be included in the program. These entities are responsible for establishing system-wide standards and policies.

Fixed Route Service Standards and Policies

All fixed route transit providers shall set service standards and policies for each specific fixed route mode of service they provide. Fixed route modes of service include but are not limited to local bus, express bus, commuter bus, and bus rapid transit. These standards and policies must address how service

is distributed across the transit system and must ensure that the manner of the distribution affords users access to these assets.

Service standards must include for each fixed mode operated:

- (1) Vehicle load
- (2) Vehicle headway
- (3) On-time performance
- (4) Service availability

Service policies must include for each fixed mode operated:

- (1) Distribution of transit amenities
- (2) Vehicle assignment

Authority

Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*
49 CFR § 1.51.
49 CFR part 21.
28 CFR § 42.401 *et seq*
FTA Circular 4702.1B

5.2 Equal Employment Opportunity

Applicability	Any applicant, recipient, subrecipient, or contractor that receives FTA assistance
Basic Requirement	<p>Title VII of the Civil Rights Act of 1964 (Title VII), as amended by the Equal Employment Opportunity Act of 1972 and the Civil Rights Act of 1991, prohibits discrimination on the basis of race, color, religion, national origin, or sex in all institutions with 15 or more employees—including state and local governments and labor organizations. (42 U.S.C. §§ 2000e et seq.) Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) applies to private employers and state and local government employers with at least 15 employees, regardless of whether they receive federal financial assistance. It prohibits covered employers from discriminating on the basis of an applicant’s or employee’s genetic information (such as the results of genetic tests or family medical history), generally prohibits employers from acquiring genetic information of applicants and employees, and requires employers to keep genetic information confidential, with very limited exceptions. The U.S. Equal Employment Opportunity Commission (EEOC) is the enforcement authority for Title VII and provides the official interpretation of employment laws that prohibit discrimination as outlined in 29 CFR Part 1600. EEOC enforces not only Title VII and GINA, but also the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967, Title I of the Americans with Disabilities Act of 1990, §§ 501 and 505 of the Rehabilitation Act of 1973. FTA defers to the most current regulations and guidance issued by EEOC when making complaints and compliance determinations. EEOC regulations and guidance are incorporated by reference.</p>
Requirement to Prepare an EEO Program	<p>Any applicant, recipient, subrecipient, or contractor that:</p> <ol style="list-style-type: none">(1) Employs 50 or more transit-related employees; and(2) Requests or receives capital and operating assistance in excess of \$1 million in the previous federal fiscal year or requests or receives planning assistance in excess of \$250,000 in the previous federal fiscal year must prepare

an EEO program. Entities that employ between 50-99 transit employees may prepare an abbreviated program.

FTA applicants, recipients, subrecipients, and contractors who do not meet the EEO Program threshold above are not required to submit an EEO Program to IDOT but are still required to comply with all Equal Employment Opportunity statutes and regulations.

Subrecipients must submit an EEO Program every four years or as major changes occur in the workforce or employment conditions, whichever comes first.

Subrecipients subject to this requirement must submit their EEO Programs to be reviewed and approved by IDOT.

Elements of an EEO Program

Every EEO Program shall include the following information:

- (1) Statement of Policy
- (2) Plan for dissemination both internally and externally
- (3) Designation of appropriate personnel responsible for carrying out the EEO Program, including the designation of an EEO Officer
- (4) Utilization analysis
- (5) Goals and timetables to correct identified areas of underutilization or concentration
- (6) Assessment of an agency's employment practices
- (7) Plan for monitoring and reporting on the EEO Program

If a subrecipient is required to prepare an abbreviated plan, items #6 and #7 may be omitted from the program.

Authority

Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e);
Equal Pay Act of 1963, as amended (29 U.S.C. § 206(d))
Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621 *et seq.*)
49 U.S.C. § 5332(b) of the Federal Transit Act
U.S. Department of Transportation (DOT) EEO implementing regulations (49 CFR § 21)

5.3 Disadvantaged Business Enterprise Requirements

Applicability	Recipients of FTA financial assistance
Basic Requirement	<p>Recipients must comply with 49 CFR § 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.</p> <p>Recipients must never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by this part on the basis of race, color, sex, or national origin.</p> <p>In administering the recipient's DBE program, the agency must not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing the accomplishment of the objectives of the program with respect to individuals of a particular race, color, sex, or national origin.</p>
Requirements to Prepare a DBE Program	<p>FTA recipients receiving planning, capital, and/or operating assistance that will award prime contracts (excluding transit vehicle purchases) the cumulative total value of which exceeds \$250,000 in FTA funds in a federal fiscal year must prepare a DBE program.</p> <p>Required elements of a DBE program include:</p> <ol style="list-style-type: none">(1) Policy statement(2) Designation of a DBE Liaison Officer (DBELO)(3) Reasonable efforts to use financial institutions owned and controlled by socially and economically disadvantaged individuals(4) Prompt payment mechanisms(5) DBE directory(6) Measures to address overconcentration of DBEs(7) Mentor-protégé program(8) Monitoring performance(9) Fostering small business participation

Subrecipient Role in IDOT's DBE Program

DBE requirements apply to recipients, e.g., IDOT. In preparing its DBE program and in establishing goals, IDOT must take into account the third-party contracting activity of its subrecipients. Because of this requirement, IDOT establishes two levels of participation for its subrecipients.

- (1) All subrecipients are required to report to IDOT, on a semi-annual basis, expenditures with certified DBE firms and non-DBE firms. IDOT may impose DBE requirements on subrecipients or specific subrecipient projects to assist in meeting IDOT DBE goals.
- (2) If the subrecipient's third-party contracting opportunities exceed \$250,000, exclusive of vehicle purchases, then IDOT will require the subrecipient to develop its own DBE program and goals.

Required Assurance

Each contract the subrecipient signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR § 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (1) *Withholding monthly progress payments;*
- (2) *Assessing sanctions;*
- (3) *Liquidated damages; and/or*
- (4) *Disqualifying the contractor from future bidding as non-responsible*

DBE Goals

For recipients that reasonably anticipate awarding (excluding transit vehicle purchases) more than \$250,000 in FTA funds in prime contracts in a federal fiscal year, overall three-year goals must be submitted to FTA for review by August 1st preceding the federal fiscal year in which the goal submission is due. The submittal must include a description of the methodology used to establish the goal and other items detailed in 49 CFR 26.45.

The overall goal must be based on demonstrable evidence of the availability

of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate in the recipient's DOT-assisted contracts. The goal must reflect the determination of the level of DBE participation that the agency would expect absent the effects of discrimination.

IDOT's Bureau of Small Business Enterprises, organized under the Office of Business and Workforce Diversity, establishes DBE goals and requirements for IDOT-funded projects.

If IDOT requires a subrecipient to prepare a DBE Program, the subrecipient must periodically update its DBE goals on a schedule determined by IDOT.

TVM Requirements

Transit Vehicle Manufacturer (TVM) means any manufacturer whose primary business purpose is to manufacture vehicles specifically built for public mass transportation. Such vehicles include but are not limited to buses, rail cars, trolleys, ferries, and vehicles manufactured specifically for paratransit purposes. Producers of vehicles that receive post-production alterations or retrofitting to be used for public transportation purposes (e.g., so-called cutaway vehicles, vans customized for service to people with disabilities) are also considered transit vehicle manufacturers. Businesses that manufacture, mass-produce, or distribute vehicles solely for personal use and sale "off the lot" are not considered transit vehicle manufacturers.

For transit vehicle awards made on or after November 3, 2014, FTA recipients are required to submit, within 30 days of making an award, the name of the successful bidder for transit vehicles and the total dollar value of the contract. For IDOT to comply with this requirement, any FTA-funded vehicle purchase outside the CVP process must be reported to IDOT; IDOT will, in turn, report the acquisition to FTA.

DBE Reporting

Each subrecipient that meets the threshold requiring it to have a DBE program and overall goal is required to submit a Uniform Report of DBE Awards or Commitments and Payments semi-annually to IDOT. Reports are due by June 1 (for the period covering October 1 – March 31) and by December 1 (for the period covering April 1 – September 30). IDOT will provide the requisite report forms.

Authority

49 CFR § 26

5.4 Americans with Disabilities Act

Applicability	All providers of transportation service, whether private or public, and whether or not an entity receives federal financial assistance
Basic Requirement	<p>Titles II and III of the Americans with Disabilities Act of 1990 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 service, including complementary paratransit service. Federal regulations at 49 CFR § 37 address:</p> <ol style="list-style-type: none">(1) Transportation facilities(2) Acquisition of accessible vehicles(3) Paratransit as a complement to fixed route service(4) Provision of service
Transportation Facilities	<p>New facilities, or alterations to existing facilities, must be constructed to meet the requirements of 49 CFR § 37 and the requirements set forth by the Architectural and Transportation Barriers Compliance Board (Access Board). Compliance with these standards is not required where an entity can demonstrate that it is structurally impracticable to meet the requirements.</p>
Acquisition of Accessible Vehicles	<p>All new bus or rail vehicles purchased or leased for use in fixed-route service by public entities must be accessible. Used bus or rail vehicles purchased or leased for use in fixed-route service by public entities must be accessible, with a good faith efforts exception. Remanufactured vehicles must be accessible to the maximum extent feasible, with an engineering exception.</p> <p>Vehicles used in demand-response service must be accessible unless equivalent service is provided. Equivalency is evaluated based on the following factors:</p> <ol style="list-style-type: none">(1) Response time(2) Fares(3) Geographic area of service(4) Hours and days of service(5) Restrictions or priorities based on trip purpose

- (6) Availability of information and reservations capability
- (7) Any constraints on capacity or service availability

These requirements extend to Vehicles used in fixed-route service operated under contract or other arrangements or relationship

Provision of Service

All transit services must meet the minimum service requirements. The transportation service provider must:

- (1) Make stop announcements for fixed-route service at transfer points, major intersections, destination points, intervals along the route to orient passengers, and any stop upon request
- (2) Provide an effective means of route identification when more than one route serves a stop
- (3) Permit service animals to accompany individuals with disabilities
- (4) Ensure that when an individual with a disability needs to sit in a seat or occupy a wheelchair securement location, the public or private entity must ask the following persons to move in order to allow the individual with a disability to occupy the seat or securement location
- (5) Ensure it transports all wheelchairs within the capacities of lifts on system vehicles
- (6) Allow a passenger who uses a lift or ramp to board or disembark from a vehicle at any designated stop, unless the lift or ramp cannot be deployed
- (7) Allow service to individuals using respirators, concentrators, or portable oxygen
- (8) Provide public information in accessible formats (this obligation extends to accessible telecommunications access)
- (9) Make reasonable modifications in policies, practices, or procedures when the modifications are necessary to avoid discrimination on the basis of disability or to provide program accessibility to their services
- (10) Ensure personnel are trained to proficiency

Complementary Paratransit

Each subrecipient operating a fixed route system shall provide paratransit or other special services to individuals with disabilities that are comparable to the level of service provided to individuals without disabilities who use the fixed route system. Complementary paratransit service for ADA paratransit eligible persons shall be origin-to-destination service. Service must also be

provided to visitors to the subrecipient's service area for any combination of 21 days during any 365-day period.

Additionally, each subrecipient subject to this requirement must also establish an eligibility process to certify that the individuals cannot otherwise use or navigate an accessible fixed route service. Certifications must be conducted within 21 days after receipt of a complete application; presumptive eligibility must be granted if the certification process takes longer than 21 days.

Each subrecipient subject to this requirement must establish an administrative appeal process through which individuals who are denied eligibility can obtain a review of the denial.

Subrecipients, at their option, may establish an administrative process to suspend, for a reasonable period of time, the provision of complementary paratransit service to ADA-eligible individuals who establish a pattern or practice of missing scheduled trips. IDOT limits such suspensions to a maximum of 30 days.

In providing complementary paratransit, the subrecipient must meet the service criteria in 49 CFR § 37.131(a) – (g).

Authority

Americans with Disabilities Act of 1990
Section 504 of the Rehabilitation Act of 1973, as amended
49 CFR § 27, 37, 38, and 39
FTA Circular 4710.1

VI. OTHER REQUIREMENTS

Applicability	In addition to the requirements outlined previously in this State Management Plan, IDOT requires that subrecipients comply with other compliance topics.
Other Compliance Topics	As a subrecipient of FTA funds, IDOT enforces compliance with additional federal requirements, including: <ul style="list-style-type: none">(1) Charter service(2) School bus service(3) Drug and alcohol program
Authority	49 CFR § 604 49 CFR § 605 49 CFR § 655 49 CFR § 40 FTA Circular 9040.1G FTA Circular 9070.1G FTA Circular 5100.1

6.1 Charter Service

Applicability	Subrecipient of federal financial assistance from FTA
Basic Requirement	Subrecipients are prohibited from using FTA-funded equipment and facilities to provide charter service unless the service meets an exception to the regulation.
Charter Service, Defined	<p>Charter service is defined as:</p> <ol style="list-style-type: none">(1) 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:<ol style="list-style-type: none">a. A third party pays the transit provider a negotiated price for the group;b. Any fares charged to individual members of the group are collected by a third party;c. The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time; ord. A third party determines the origin and destination of the trip as well as scheduling; or(2) Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:<ol style="list-style-type: none">a. A premium fare is charged that is greater than the usual or customary fixed route fare; orb. The service is paid for in whole or in part by a third party. <p>Demand response transportation, by definition, is not a charter service.</p> <p>Service provided for “program purposes” under 49 U.S.C § 5310 and 49 U.S.C. § 5311 is not a charter service.</p>
Charter Exceptions	In limited circumstances, it may be permissible for a subrecipient to provide charter service if the service conforms to one of the following exceptions to the regulations:

- (1) Government officials on official government business
- (2) Qualified human service organizations
- (3) Leasing FTA-funded equipment and drivers
- (4) When no registered charter provider responds to notice from a recipient
- (5) Agreement with registered charter providers
- (6) Petitions to the Administrator

Charter Reporting When service is provided under one of the charter exceptions listed above, the subrecipient must report to IDOT data associated with the service on forms and in a manner prescribed by IDOT.

Authority 49 CFR § 604

6.2 School Bus Service

Applicability	Subrecipient of federal financial assistance from FTA
Basic Requirement	Recipients are prohibited from providing exclusive school bus service in competition with private school bus operators unless the service qualifies and is approved by the Federal Transit Administration (FTA) Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.
Authority	49 CFR § 605

6.3 Drug and Alcohol Program

Applicability Subrecipients receiving 49 U.S.C. § 5311, or 49 U.S.C. § 5339 funds that have employees who perform safety-sensitive functions.

Basic Requirement In the interest of safety in transit operations, subrecipients are required to establish Drug and Alcohol (D&A) Testing Programs. The purpose of the testing program is to help prevent accidents, fatalities, and injuries resulting from the misuse of alcohol or the use of prohibited drugs by employees who perform safety-sensitive functions. Subrecipients must also certify annually that they are in compliance with DOT and FTA regulations concerning drug and alcohol testing (49 CFR § 40 and 49 CFR § 655 respectively). Establishing a testing program is a condition of FTA funding; federal law allows the Secretary of U.S. DOT to bar a recipient from receiving FTA assistance in an amount that the secretary deems appropriate in the event of non-compliance with 49 CFR § 40 and 49 CFR § 655.

IDOT requires each recipient to:

- (1) Establish an anti-drug use and alcohol misuse program
- (2) Establish an education and training program for all covered employees
- (3) Establish and provide written notice to every covered employee, of the employer's anti-drug and alcohol misuse program policy
- (4) Establish a program that provides testing for outlined prohibited drugs
- (5) Establish a program that provides testing for alcohol
- (6) Comply with all testing requirements
- (7) Maintain, in a secure location with controlled access, all records of its anti-drug and alcohol misuse program
- (8) Annually prepare, maintain, and electronically complete and submit a Drug and Alcohol Management Information Systems (DAMIS) report that reflects the results of their testing program.

Subrecipients that receive only 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) found at 49 CFR § 382.

Reporting Requirements IDOT will provide preparation instructions each year along with a transit agency user ID and password to all FTA Section 5311 subrecipients. A copy of this report should be printed from the reporting website and kept by the subrecipient.

IDOT Oversight IDOT may elect to monitor and evaluate Drug & Alcohol Testing Management Information System (DAMIS) report data. This review will evaluate data on a six-month basis to determine compliance with the FTA random drug and alcohol testing requirements. This analysis includes an assessment of compliance with required random testing levels, subrecipient conduct of tests during all hours and days of operation, and distribution of random tests throughout the testing period.

Subrecipients and contractors are notified in writing of any issues or concerns identified in IDOT's evaluation of results. The subrecipient is required to submit a written response on the corrective action to be taken to remedy the issue.

Consistent with the six-month cycle, IDOT will evaluate data before submission of the required DAMIS report. IDOT will evaluate both six-month and annual data to ensure the accuracy of the DAMIS submission.

IDOT will use the results from these semi-annual reviews to identify common problems among subrecipients and to assess if there are areas of additional technical assistance required to ensure compliance.

Authority 49 CFR § 655
49 CFR § 40

State Management Plan
Public Comment Summary

1. Email Notification

- a) The updated State Management Plan was open for comment on Monday April 17th, 2023, through May 17th, 2023.
 - i. An email was sent at 1:57pm from Jaime Blatti on behalf of Shoun Reese to every contact within the BlackCat Program which was over 600 people.
 - ii. A second reminder email was sent at 1:47pm on May 16th, 2023, that the open public comments would close the following day.

2. Published to IDOT Website

- a) DOIT/BIP confirmed a link on the IDOT website was completed at 11:15am on Tuesday, April 18, 2023, 11:18 AM.

3. Published to Twitter

- a) A tweet was posted on May 3rd, 2023, at 11:13am.
- b) A tweet was posted on May 8th, 2023, at 10:55.
- c) A tweet was posted on May 12th, 2023, at 8:51am.
- d) A tweet was posted on May 16th, 2023, at 12:04 pm.

4. Comments Collected by the Public

a) By Email:

- i. Erin Marshall, PCOM Grant Manager for Boone County submitted comments on Monday May 15th, 2023, at 12:20pm.

Plan Language, Page 58 (referred to as page 63): Interest earned on advances of federal assistance is not considered program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, taxes, special assessments, levies, and fines raised by a recipient and subrecipient, and interest earned on any of them. Proceeds from the sale of real property or equipment are not program income. Farebox revenues are also not considered program income.

Erin's Comment: "Based on our phone calls, I thought Farebox revenue is considered income? Does this differ from pre-purchased tickets/fares?"

IDOT Response: Fare box revenue does not meet the definition of program income as defined 2 CFR §1201.80.

Plan Language, Page 71 (referred to as page 66): Current federal thresholds enable purchases under \$10,000 to be conducted using micro-purchase methods. Procurements over \$10,000, but under \$106,000, may be conducted using small purchase procedures. Procurements over Illinois' small purchase threshold, or those for architectural/engineering services, must follow formal methods.

Illinois Compiled Statutes (ILCS) will differ from current federal thresholds. When the federal standard is lower than the ILCS standards, subrecipients must adhere to the federal threshold.

Erin's Comment: Should this also include the State's procurement levels since they are lower than Federal levels? AND I see this sentence reference the different levels, but do they need to be specified by amount?

IDOT Response: The procurement threshold levels included in the State Management Plan (SMP) match those of IDOT Transit. The amounts are specified. The SMP language has been modified as follows:

Current ~~federal~~ thresholds enable purchases under \$10,000 to be conducted using micro-purchase methods. Procurements over \$10,000, but under ~~\$106,000~~, the Illinois small purchase threshold set at \$100,000 plus CPI may be conducted using small purchase procedures. Procurements over Illinois' small purchase threshold, or those for architectural/engineering services, must follow formal methods.

Illinois Compiled Statutes (ILCS) will differ from current federal thresholds. When the federal standard is lower than the ILCS standards, subrecipients must adhere to the federal threshold.

- ii: David Schafer, Bureau Chief Transit Operations, Illinois Department of Transportation submitted a comment on Tuesday May 16th, 2023, at 11:11am.

David's Comment: On page 6, the address for Bureau Chief of Transit Operations:

- Currently reads "2300 S. Dirksen parkway, Suite 341-A, Chicago, IL 60602"
- Should read 2300 S. Dirksen Parkway, Suite 341-A, Springfield, IL 62764

IDOT Response: The address was changed to reflect Springfield, IL 62764