

PUBLIC TRANSPORTATION CAPITAL IMPROVEMENT GRANTS MANUAL

- Application Procedures
- Project Management
- Contract Administration
- Appendixes

*Need Rules
to
change*

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ILLINOIS DEPARTMENT OF TRANSPORTATION
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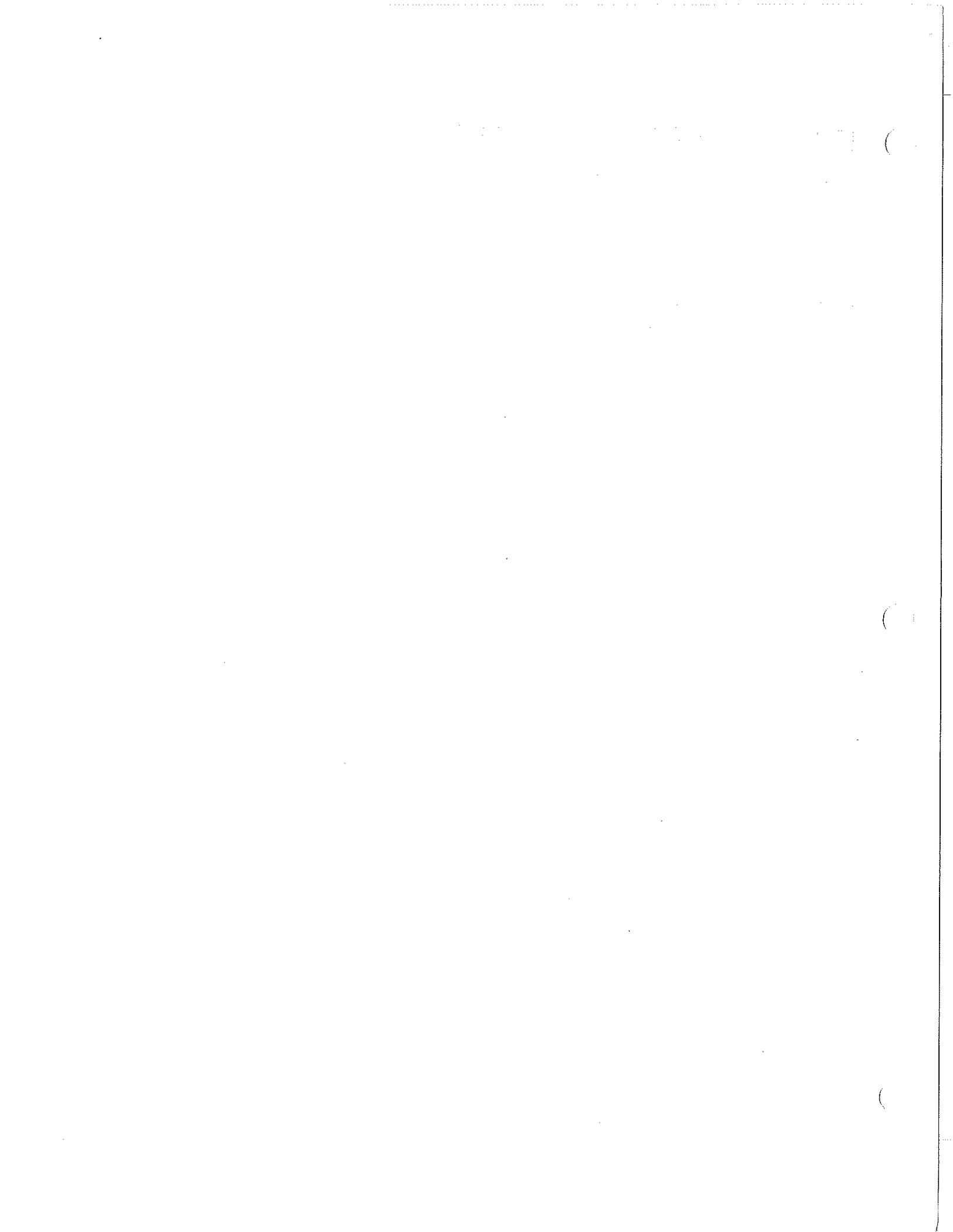


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APPENDIXES

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USE OF THIS MANUAL

This manual contains Illinois Department of Transportation requirements for the application for public transportation capital improvement grants and the management and administration of the projects funded by these grants.

It is expected that the following departments and personnel of the applicant or grantee will make use of this manual:

Directors, management - in application, project formulation and management

Project managers - in administration, reporting, requisitioning, and contract administration

Legal department - in application, for contracts and agreements, real estate acquisition

Accounting department - in management of project funds, payment, requisitioning of state funds

Purchasing department - in procurement, solicitation of bids, specifications, third party contracts

Real Estate department - acquisition of land and property

All applicants and grantees are urged to make sure that current copies of this manual are distributed within their organization so as to reach the people who will need to use them. Additional copies of this manual are available from the Department.

This manual supersedes both Information for Applicants, July, 1974, and Procedural Guide for Grantees, September, 1975.

Some revisions have been made to the September 1982 document. Where pages have been revised, a revision date is shown at the bottom. In addition, appendixes and addendum have been added at various times.

PART I - APPLICATION PROCEDURES

GENERAL INFORMATION

The goals of the Capital Improvement Grant Program are to renew and improve mass transportation systems necessary for the convenience and well-being of the people and for the benefit of the economy of the State.

The program supplements the federal grant program of the Federal Transit Administration (FTA) of the United States Department of Transportation. *The Federal program generally funds capital improvement projects to 80% of the total cost. The state program generally provides 20% of the total project cost. Costs not eligible for federal or state funding are supplied from local sources.

The local contribution must be in cash or cash-equivalent contributions, such as: direct contribution of labor, materials, land not now used for transit, or other property of ascertainable value.

Capital grants are made for projects that retain, upgrade, or expand present facilities or new service. These include the acquisition, construction, reconstruction, or capital improvement of any bus, except trolley-replica buses, rapid transit, or railroad facility. Not eligible are planning, fare subsidies, operating expenses, maintenance and service, administration of the project, and any other costs not capital in nature.

Costs or obligations incurred prior to approval are ineligible for grants, unless specifically authorized by the Department. For the allowability of costs, see "Eligibility of Project Cost", page 11.

*or other federal agency as designated by the Department

[1] Revised: May 1, 1999

ELIGIBILITY OF APPLICANTS

An application may be made by one applicant or by two or more applicants acting together. Eligible applicants are:

- Municipalities (cities, villages, or incorporated towns)
- Districts (mass transit districts, Chicago Transit Authority, Chicago Urban Transportation District, Bi-State Development Agency)
- Regional Transportation Authority
- Carriers (any corporation, partnership, association, or persons authorized to provide mass transportation in Illinois)

Any eligible applicant may apply for a capital improvement grant. However, carriers will be encouraged to apply for a grant through a public intermediary since the federal program requires the applicant to be a public body. Any agreements between a public applicant and a carrier concerning the capital project must be approved by the Department.

The applicant sponsoring a capital improvement project must be legally, financially, and administratively competent to initiate and execute the projects. The applicant may be required to furnish information to demonstrate the capability to undertake a capital improvement project.

The applicant shall provide all coordination at the local level (such as arranging public hearings, obtaining planning clearance, obtaining the required local share of the funding), and will normally be totally responsible for submitting the federal application and meeting federal requirements. If the applicant is receiving federal funds passed through a state grant, the state is responsible for submitting the application, however, the applicant remains responsible for complying with all federal requirements.

Applicants are urged to become familiar with the remainder of this manual as an aid in understanding the requirements of project management, project budgeting, fund requisitioning, and third-party contract administration.

-FUNDING PROVISIONS

Generally, grants will be funded so that the state grant is equal to 20% of the project cost not funded by the federal program. Federal grants generally provide 80% of the project funds. The applicant must guarantee funding any costs for the project not eligible for federal or state funding. (Subsection 6*) [1]

There are a number of exceptions to the primary funding mechanism:

Delayed Federal Funding: 5/6 state, 1/6 local share

(Subsection 7*) Provides up to five sixths of the cost where federal funds have been delayed. When federal funds become available, funds in excess of the State's share must be returned. Projects must be essential, as determined by the Secretary.

Federal Ineligibility: 2/3 state, 1/3 local share

(Subsection 8*) Funds projects not eligible for federal funds up to 2/3. This provision will be used only when federal funds cannot be obtained and a dire need exists.

Emergency: 100% state funding (Subsection 9*) Permits funding for essential projects of extreme necessity, as determined by the Secretary. Funding is limited to a total of 5% of the annual award.

No-Match: up to 20% state share (80% federal) (Subsection 11*) Permits funding in excess of the State's normal share for systems owned by municipalities and for districts other than the Chicago Transit Authority and Urban Transportation Districts. Funding is limited to a total of 10% of the annual award.

RTA Suburban (Subsection 12*) Permits funding from the \$75 million set aside for grants in the six counties under RTA jurisdiction excluding the City of Chicago.

The local share must be in cash or cash equivalent contributions, which may include the direct contribution to the project of labor, materials, land not previously designated for transit, or other property of ascertainable value.

*Illinois Revised Statutes (1975), Chapter 127, Section 49. 19.

[1] Revised: July 8, 1996. Remainder of page needs updating.

GENERAL PROCEDURE FOR APPLICATION

The documents constituting the state application are listed on the following page.

Applicants seeking state funds as a match to federal funding under this program should apply simultaneously to FTA for the same project.

Applicants seeking federal funding passed through the state must still meet both state and federal application requirements, and submit them to the state with the state application.

The Department will acknowledge receipt of the application and may request further justification for the proposed project. Acknowledgment of the application is an assurance that the Department will review the application; it does not obligate the Department to approve the project. However, the Department considers the application as representing local intent to finance and undertake the proposed project promptly if approved.

During review and evaluation of an application, the Department may require the applicant to file additional supporting documents. The nature of these documents will vary with the particular project and will be specified by the Department.

When the Department is satisfied that all information and documents necessary and relevant to the evaluation of the application have been submitted, a final review of the application will be undertaken. Projects will be reviewed on the basis of the needs of the mass transportation system under consideration, other state mass transportation needs and priorities, and the availability of state and federal funds.

The applicant will be notified when funding is approved, and the Department will furnish an Approved Project Budget. The Department and the applicant shall enter into a contract specifying the terms and conditions of the grant.

The grant contract will include general regulations on project expenditures, accounting of funds, insurance, documentation, auditing and inspection requirements, Department approval of contracts and subcontracts, civil rights, competitive bidding, and conflict of interests. The applicant will also be required to abide by the regulations set forth in this manual.

FILING AN APPLICATION

The exhibits listed below constitute the documents required for application. Please submit as originals with one copy. Any additional information justifying the grant request should be included.

Application Form (Exhibit 1.0)

This form, with instructions, may be found in the Appendix. The application form shall show project costs, funding shares, funding provisions, a general budget, and projected expenditures.

Certification of Applicant Eligibility (Exhibit 1.1)

Attach an opinion by qualified counsel that the applicant is legally organized and empowered (eligible) to apply for a grant under the applicable legislation. (See sample, Appendix.)

Authorization for a Grant Application (Exhibit 1.3)

Attach a copy of the applicant's board resolution, ordinance, or other authorization for the filing of this application. (See sample, Appendix.)

Project Description

Attach a concise description of the proposed project. Outline specific objectives (e.g., modernization of fleet, reduction of operating expenses) and list activities necessary to achieve these objectives (e.g., acquisition, construction, extension, refurbishing of facilities and equipment).

Project Justification

Show what benefits will result if the activities are undertaken, and what would result if the activity were not undertaken. Show both of these for each activity.

Simultaneous Federal Application

If the project is eligible for federal funds, the applicant shall include the corresponding application to FTA for a federal capital grant. A copy of all correspondence with FTA dealing with the application shall also be filed.

Financial Statement and Audit

State law requires that any municipality, district, or carrier receiving or applying for capital assistance from the State shall submit to the Department annual statements of assets, revenues, and expenses, and annual audit reports (Illinois Revised Statutes (1975), Chapter 127, Section 49.20).

Additional requirements are listed on the following page.

FINALIZING APPLICATION

Finalizing the application involves completion of a number of steps required for the federal and state application and submittal of additional documentation which may be required by the Department.

The following actions are required of the applicant (and documentation shall be submitted to the Department to indicate their completion):

1. Planning review (A-95 review), required for the federal application
2. Public notice, as required for the state application.

State law requires that the application procedures established by the Department provide for public notice and for the reasonable opportunity to submit comments and objections by interested parties. To this end, the Department will accept evidence that the applicant has held a public hearing pursuant to federal requirements. (See below.)

3. Public hearing, as required for the federal application.
4. Certification from the Secretary of Labor (13c), where required for the federal application.

For details of federal requirements for application, see External Operating Manual, FTA, U.S. Department of Transportation, Washington, D.C. 20590.

Completion of the state application may involve the submittal, at the request of the Department, of detailed information concerning the applicant, the mass transportation system, and the community served. The Department may also request evidence of the ability of the applicant to undertake the project, proof of the availability of local funds, the basis for cost estimates, a detailed project budget, documentation of special conditions, and may request review of agreement between the applicant and operator.

AMENDING PENDING APPLICATIONS

Applications may be amended at any time prior to approval to change the scope, project cost, or funding levels or provisions. If the amendment involves only minor project changes, not affecting the scope or funding, a new Certification of Eligibility (Exhibit 1.1) and Authorization for Applicant (Exhibit 1.2.) are not required.

For amendments involving changes in scope or funding, the applicant shall submit to the Department certification of eligibility and authorization for each amendment, along with a detailed description of the exact changes (in scope and in funding) constituting the amendment.

As with the applications themselves, proposed amendments to applications will be evaluated on an individual basis. The applicant is advised to submit with each amendment any information, documents, or other submissions which might help evaluation.

PROJECT MANAGEMENT

The remainder of this manual deals with project management and in particular with third-party contract administration. The applicant is urged to check the following items which pertain also to the Application phase of a project.

- Costs incurred prior to approval, p. 9.
- Eligibility and ineligibility of costs, p. 11.
- Continued public use of facilities, p. 17.
- Curtailment or reduction of service, p. 17.
- Anticipated sale of scrap and used equipment, p. 19.
- Required prior appraisals, p. 21.

PART II - PROJECT MANAGEMENT

GENERAL OBLIGATIONS

The grantee is urged to become familiar with both the grant contract and this manual. Following this manual carefully will expedite the completion of projects and avoid costs which cannot legally be charged to project funds.

The grantee is wholly responsible for the administration of the project, compliance with the terms and conditions of the grant contract, and adequate supervision and inspection of work performed.

The obligations of the grantee and the Department are set forth in the grant contract, and nothing in this manual shall be construed as modifying that contract. Apparent conflicts should be reported to the Department.

It is the responsibility of the grantee, in attainment of the project objectives, to:

- provide continuous administrative direction of project activities;
- provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
- assure conformance to plans, specifications, contract requirements, applicable codes, ordinances, and safety standards; and
- maintain an adequate program schedule.

The Department may conduct periodic on-site inspections of the project. Inspection or concurrence by the Department in project activities does not relieve the grantee of responsibility.

PROJECT APPROVAL

Immediately after a project has been approved, the grantee is notified of such approval by a letter from the Governor. Upon receipt of the notice of project approval, the grantee may proceed to carry out the project, subject to any subsequent project budget approvals and compliance with the provisions of the grant contract and this manual. However, requisitions for state grant funds will not be honored until the Department has signed the grant contract. If the project involves both state and federal funds, the grantee may not proceed with the project until both State and Federal approval have been received.

Costs incurred prior to project approval are ineligible as project costs, except as specifically authorized in advance by the Department. When so authorized, reimbursement will be subject to full compliance with the provisions of the grant contract and this manual.

The Department will send two copies of the grant contract to the grantee soon after project approval. The grantee should sign - but not date - both copies and return them within 30 days together with:

- an attested resolution of the governing board of the grantee agreeing to the terms of the contract, and directing the execution of the contract; and
- a legal opinion certifying that the agreement is binding upon the grantee.

The Department will obtain the State's execution of the contract and return one copy to the grantee.

The Department should be advised promptly if the contract cannot be executed by the grantee within 30 days after receipt.

The approved project budget is part of the contract. The grantee is responsible for controlling project commitments to insure that they are in accord with the approved budget.

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PROTECTION OF FUNDS

The grantee shall establish separate accounts for the project, either to be maintained within its existing accounting system or to be set up independently. Those accounts shall be in conformity with the uniform accounting requirements established by FTA. (see FTA, External Operating Manual)

State, Federal and local funds of the project shall be kept separate from each other through the use of subsidiary accounts.

All project funds (state, federal, and local) must be deposited in a bank or trust company which is a member of the Federal Deposit Insurance Corporation, in accordance with the provisions of the grant contract. A special bank account is required.

The cash balance in the project account should not exceed the amount required to meet needs over a period of 30 days. Whenever the cash balance in the project account exceeds this amount, the excess funds shall be invested in approved securities which are legal investments in accordance with Illinois law and which have a maturity date on or before the date the funds are needed for disbursement. No cash shall be withdrawn for investment if this would reduce the balance below \$1,000.

Funds which are returned from investment shall be redeposited, together with all net earnings, in the project account. Net earnings shall be considered as "other income" and credited to the "revenue financing" line of the budget to reduce net project cost.

The grantee shall, at the request of the Department, furnish an audit report of the project accounts prepared by an independent certified public accountant. If the grantee is a recipient of annual operating grants, an annual statement on each grant is required to be included in the grantee's annual Single Audit Report.

ELIGIBILITY OF PROJECT COSTS

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

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

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

None of the following items shall be included in project costs:

- a. contributions and donations - contributions or donations to organizations for any purpose;
- b. entertainment costs - cost of amusements social events, and incidental costs relating to them, such as meals, beverages, lodgings and gratuities, unless such costs are a part of the fee charged for attendance at meetings;
- c. meals - the cost of meals served at meetings of boards or committees;
- d. finances or penalties - costs resulting from violations or failure to comply with federal, state and local laws and regulations;
- e. interest and other financing costs - interest on borrowing (however represented), bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection there with, unless such legal and professional fees are specifically provided for in the project budget;

- f. legal expenses - legal expenses involved in preparation of the application or management and execution of project activities (except as defined for acquisition, pg.19, 21);
- g. meeting attendance - costs of attending or conducting meetings in facilities which are not available on a non-segregated basis;
- h. other meeting expenses - payment of stipend for attendance at meetings to persons other than those assigned to the project by the contractor or the grantee;
- i. membership expenses - dues for membership in professional, technical or industry groups or associations;
- j. travel -travel and per diem or subsistence payments in excess of the rates prescribed by the current State of Illinois publication "Travel Regulations";
- k. salaries - salaries of elected or appointed chief executive officers of a county, city, authority, district, or other public body;
- l. preparation of application - costs of preparing an application for capital improvement grant;
- m. uninsured losses - claims for actual losses incurred, where the grantee is self-insured, or where the losses could have been covered by permissible insurance;
- n. broker fees - cost of fees or commissions to brokers or negotiators for services in connection with the submission of processing of an application;
- o. unexpended materials - materials and supplies which are purchased but not used or installed as part of this grant project;
- p. administrative costs - costs associated with grant record keeping, general grant administration, and preparation of reports; or
- q. required appraisals - cost of appraisals required prior to project approval for project budget determination (see "Acquisition", p. 21).

DEPARTMENT CONCURRENCE

Department review and concurrence are required before certain activities may be undertaken. These include:

- solicitation of bids and award of third-party contracts, startup of force-account work, issuance of and award of other contracts or agreements relating to procurement, construction, (change- orders, disposal of scrap or used equipment and materials, professional) service, or acquisition (p. 19);
- entering into agreements for use or lease of project facilities by an operator or carrier, or use by other than the grantee (p. 2);
- interchange of project equipment or combined use of project facilities between carriers, operators or agencies;
- budget revisions and budget amendments (p. 14);
- sale or conversion to other use of project facilities during the post-settlement period (p. 17);
- reduction or termination of service during the project or the post-settlement period (p. 17);
- continued use of scrap, used, or disposable facilities after replacement by project facilities; and
- any action which may limit the continued public use of project facilities, or limit the best possible use of grant funds.

APPROVED PROJECT BUDGET

Only items specifically listed in the approved project budget are eligible for State funds. Proceeds from earned interest of investments and sale of disposable material, equipment and land shall be credited to the project in accordance with state disposition guidelines.

Commitments against any budget line item shall not exceed the amount shown for that item in the approved budget. Transfers between line items, or from contingencies to any line item, require the prior approval of the Department. Budget overruns or failure to obtain approval for budget revisions will result in ineligible costs.\

BUDGET REVISIONS

Budget revisions require prior Department concurrence. Budget revisions are defined as any proposed changes in project activities or the project budget which do not represent changes in scope or state funding levels.

To obtain concurrence the grantee shall submit:

- a. a cover letter;
- b. a statement justifying the proposed changes; and
- c. a budget which follows the same format as the approved project budget, but uses three columns to show:
 - the original (currently approved) state budget
 - the changes proposed
 - the resultant proposed budget.
- d. checklist [see appendixes]

BUDGET AMENDMENTS

Budget amendments require prior Departmental approval. Budget amendments are defined any of the following:

- any change in the scope of the project; or
- any change in the budget which would increase the state share of net project cost.

To obtain concurrence the grantee shall submit:

- a. a cover letter;
- b. a statement justifying the proposed changes; and
- c. a budget which follows the same format as the approved budget, but uses three columns to show:
 - the original (currently approved) state budget
 - the changes proposed
 - the resultant proposed budget.

A proposed budget amendment which alters the scope of the project may require a contract amendment. A proposed budget amendment which changes the state funding level will require a contract amendment. Any increase in the state grant depends on adequate justification by the grantee and the availability of funds (state and federal). If a contract amendment is required, the grantee shall submit, in addition to the above:

- a. an authorizing resolution by the grantee's governing body which clearly sets forth the requested changes and includes an exhibit which makes simple comparison of the original and revised budgets; and
- b. (if required) evidence of the availability of appropriate local matching funds.

QUARTERLY REPORTS

Regular progress reports are required for the project. Special reports may also be required if considered necessary.

Quarterly reports are due within 30 days of the end of each quarter. Quarters end on March 31, June 30, September 30, and December 31.

The grantee is responsible for submitting one copy of the following regular progress reports (see appendix for sample format):

Status of the Project Account

Show the beginning and ending balances of the project account for the quarter. Show the deposits and withdrawals made during this quarter, identifying the sources of deposits and withdrawals separately, by total project funds. Also show on the same sheet the name of the bank where the funds are deposited, the address of the bank, and the account number. Identify any project funds held as investments during this quarter by amount and manner of investment, and show the interest accrued.

Cash Flow Estimates

Show the total project funds obligated (contracted out) and the total disbursed to the end of the reporting quarter. For the remainder of the project show:

- the funds expected to be obligated in each remaining quarter; and
- the funds expected to be disbursed in each remaining quarter.

Percentage may be used in lieu of dollar amounts for the projections.

An update of the Cash Flow Estimate is required with each requisition, and at least quarterly. Thus quarterly updates of the Cash Flow Estimate are required only if the grantee has not submitted a requisition during a quarter

Progress Report

This is a brief summary (one or two pages will suffice) describing the progress made in the reporting quarter and the project status through the end of this quarter.

Documentation or reference to other sources is to be avoided. The report shall include information on all contracts let, started, continuing, or completed during the reporting quarter, as well as an overall account of completion of the project through the end of the quarter, broken down into major project activities.

REQUESTING STATE GRANT PAYMENTS

The form "Requisition For Grant Payment" is used to request the payment of state funds for approved grant projects. This form is available from the Department. (See Appendix.)

The grantee may submit requisitions for reimbursement of actual expenditures and may request advances for estimated cash needs for one month.

The grantee may requisition at any time, but not more frequently than every 30 days or in amounts less than \$100.

Department approval of each requisition for payment is contingent upon:

- submission of documentation to verify the needs for current funds and estimated 30 day cash needs; and
- an update of the Cash Flow Estimate. indication that the grantee is currently meeting its share of project costs in cash or approved cash
- equivalents; submission of periodic progress and financial reports; and
- compliance with all the terms of the grant contract.
- before the payment of the final requisition, an inspection of the items funded by the state and/or invoice records may be required. Grantee is responsible for requesting the inspection before the final requisition far enough in advance so that inspection can be accomplished without delaying payment.

Rev: August 31, 2000

CLOSING OUT THE PROJECT

The grantee shall notify the Department immediately when all project activities have been completed and all project costs incurred. The Department will then initiate final financial settlement of the project. Project settlement usually includes:

on-site inspection of the project by a Department representative, where appropriate;

- final financial audit of the books and accounts by the State of Illinois and settlement of any audit findings;
- the submission of a list of equipment purchased for the project, identified individually by serial number or other distinguishing designation;
- the submission of a final requisition covering payment of the balance of the allowable state grant, or a check payable to the Department for the full amount of any overpayment of State grant funds; and
- notification by the Department that final financial settlement has been reached.

The grantee is required by contract to retain intact for five years following final settlement all project contract documents, financial records, and supporting documentation.

DISPOSITION

The grant contract contains the requirements for disposition. Generally, it is required that facilities or equipment acquired with state funds shall be used in mass transportation service for a specified period. Project facilities or equipment may not be sold or converted to other use during this time without prior Department concurrence. If such facilities or equipment are sold or converted to other use during this time, the grantee shall pay to the State of Illinois a proportional share of the proceeds of the sale or of the fair market value. Department concurrence is required before any sale.

Department concurrence is required in advance of any proposed reduction or termination of service during this period. For disposition of facilities or equipment after the specified period of useful life, see department disposition guidelines.

The disposition of scrap or replaced equipment and materials shall also be accomplished through competitive bidding, so as to insure that the maximum value may be received and credited to the project.

PART III - CONTRACT ADMINISTRATION

GENERAL REQUIREMENTS

Except as otherwise authorized in this manual, the grantee shall not enter into any contract or other obligation with any third party with respect to the project without prior written concurrence from the Department. Costs incurred without such concurrence or written waiver may be found ineligible for payment from grant project funds.

Changes in any third-party contract also require prior written concurrence from the Department unless otherwise exempted from this requirement.

Department concurrence is also required before force account work or materials (work by the forces of the grantee or material supplied from the grantee's stores) can be started or used.

Neither the Department nor the State of Illinois shall be obligated or liable to any person or organization other than the grantee. The grantee shall take care that its agents and contractors are fully identified in their proper capacities and are not acting for the State in any capacity, as provided in the grant contract.

In general, the grantee may not enter into contracts or agreements for construction, materials, or equipment except after formal advertising and free, open and unrestricted competitive bidding. Some exceptions, listed on the following pages, are authorized when permitted by local law and the internal procedures of the grantee.

The disposition of scrap or replaced equipment and materials shall also be accomplished through competitive bidding, so as to insure that the maximum value may be received and credited to the project.

The following pages define the types of activities which constitute a project, the types of contracts or arrangements which are generally used to accomplish these activities, and the concurrence procedure required for each.

PROJECT ACTIVITIES

For the purposes of Department review, the following project activities are defined:

1. Procurement: The purchase of materials, equipment, or rolling stock (but not real estate, land, or personal property already in public transportation use), including delivery and installation. Contracts for lease of space, equipment or services, which are not a subcontract to a contract for construction, are considered as procurements.
2. Construction: The construction of facilities such as structures, buildings, parking lots, etc., as normally understood. This does not include rolling stock or other manufactured items, but does include all construction materials supplied by the general contractor. (Materials and supplies provided by the grantee, either directly or from other sources, for use by a construction contractor are considered procurements.)
3. Services: Includes engineering and design engineering, architectural, inspection, and construction supervision. Also includes appraisals and legal services in conjunction with real estate, land, and property acquisition.
4. Acquisition: Of land, real estate, or other real or personal property not normally acquired through competitive bidding, such as used equipment or existing transit facilities.

All facilities (that is: material, equipment, rolling stock land, and property) which become available for possible sales scrap, used, or surplus as a result of project procurement, construction, or acquisition shall be disposed of through sales (using bidding procedures and contracts appropriate for any item) within 90 days of replacement or availability. Continued use or holding of such disposable facilities beyond the 90 day period require Department concurrence.

The following pages describe requirements for accomplishment of the project activities described above.

Procurement or Construction Activities

Procurement or construction shall be accomplished through third-party contracts awarded to the lowest responsible bidder on the basis of free and open bidding, through formal advertisement and solicitation of bids, and formal bid opening, with the following exceptions:

- procurements and construction contracts below \$5000 may be negotiated. The grantee is prohibited from breaking up groupings of procurements or construction which could be let as a single contract in order to avoid informal or formal bidding. The grantee shall retain full documentation.
- procurements and construction contracts under \$10,000 may be awarded on the basis of informal bidding (such as quotations by letter or telephone). Bids shall be obtained from at least three suppliers and the contract shall be awarded to the lowest bidder. The grantee shall retain a record of bids received.

Department concurrence is required prior to advertisement and solicitation of bids for activities over \$10,000. Department concurrence is required prior to award to other than the apparent low bidder. Department concurrence is required prior to awards of contracts over \$100,000. Department notification of awards is required (all values).

Procurement or construction activities which are to be accomplished by means other than open-bid third-party contracts require Department concurrence prior to award. (See applicable contract or means, next section.)

Services (Engineering, Design, Architectural, Appraisal, Inspection)

All contracts or agreements may be negotiated. Grantees shall obtain formal proposals from at least three sources. The negotiations shall be adequately documented and shall reflect as a minimum the names of all the firms who were considered prior to final selection, a summary of the proposals received from each, and the reasons for selecting the proposed firm. Department review is required before solicitation. Department concurrence is required prior to award. Department notification of award is required. See the Pre-award checklist, Exhibit 3.1, for a listing of the items required for professional service award concurrence requests.

Rev: July 1, 1979

Acquisition (of land, real estate, or transit property)

Before entering into an agreement for the purchase of land, real estate, transit property, or other real or personal property not normally acquired through competitive bidding, the grantee shall obtain two independent appraisals.

In the acquisition of transit property, the grantee's appraiser may make one of the appraisals, provided that he is technically qualified to appraise transit properties and that a fully documented report is furnished.

In the acquisition of land, real estate or other property, both appraisers shall be persons of technical competence and professional standing (e.g., MAI membership) whose appraisals have been accepted by the courts or other governmental agencies in matters of real property acquisition.

One of the two appraisals shall be performed prior to project approval, as a means of determining the project budget. Only appraisals conducted after project approval may be included in the project budget for reimbursement.

The purchase price of the land may be negotiated within the range of two recent appraised values (determined within the last twelve months).

Should the Department decide the results of the appraisals are too far apart in value or time, a third appraisal may be required by the Department, which will be eligible for funding.

The grantee shall comply with the guidelines of the FTA in the acquisition of real property (see FTA manual C4530.1).

The grantee shall maintain detailed records of all negotiations and other related actions, including any report from real estate agents or staff members regarding their negotiations with property owners.

Department concurrence is required prior to entering any binding agreement to purchase. Department concurrence is required prior to institution of eminent domain proceedings. Department notification of contract or court award is required.

Rev: July 1, 1979

Summary

Below is a summary of Department review requirements for various project activities. In addition to these requirements the guidelines for specific types of contracts or agreements may apply (see "Contracts, Agreements and Other Means", page 23).

Summary of Required Review and Concurrence

| <u>Activities</u> | <u>Value</u> | <u>Pre-bid Review</u> | <u>Pre-award Review</u> |
|--|---|-----------------------------|--|
| Procurement, Construction, if open bid | under \$ 10,000 over \$ 10,000 over \$100,000 | --- Required Required | exceptions only exceptions only required |
| All other | all values | --- | required |

Award notification is required within thirty days of award for all activities (see "Award Notification", page 31).

The specific documents required by the Department for review will depend on the type of contract, agreement, or other means used to implement project activities. Lists of required documentation may be found under "Contracts, Agreements and other means," pg. 23.

CONTRACTS, AGREEMENTS, AND OTHER MEANS

Third-party contracts, agreements (as with public bodies or operators), and arrangements of force-account work are the means whereby project activities (procurement, construction, etc.) are accomplished.

Department review and concurrence are required of certain project activities (depending on type, value, and the ability to meet competitive bidding requirements) and for certain contracts, agreements, and other means of accomplishing these activities.

Department review is made to insure that:

- proposed activities are within the overall scope of the project,
- the proposed contract amount is within the established budget,
- the bidding documents, specifications, and proposed contracts contain the required clauses and provisions,
- the best use is made of State monies - through competitive bidding or proper justification for the proposed expenditure, and adequate specifications.

To this end the Department will review all proposed obligations prior to solicitation of bids or prior to contract award.

The following pages list the requirements for review of various contracts, agreements, and other means:

- | | |
|--|---------|
| • Open-bid third-party contracts | • p. 24 |
| • Bid-exception contracts | • p. 25 |
| • Single-source contracts | • p. 25 |
| • Carrier agreements | • p. 26 |
| • Cooperative agreements | • p. 27 |
| • Professional service contracts | • p. 27 |
| • Acquisition contracts (and eminent domain) | • p. 28 |
| • Force-account work (and materials) | • p. 28 |
| • Contract change-orders (and options) | • p. 29 |
| • Subcontracts | • p. 30 |

The advertisement for bid, the proposed contract, and the plans and specifications shall include the required standard clauses and provisions applicable for each (see "Standard Clauses and Provisions").

Rev: July 1, 1979

Open-bid third-party contracts: Pre-bid review

An Open-bid third party contract is defined as any contract or agreement between the grantee and another party for procurement or construction that meets the intent of open competitive bidding.

Prebid review is required for contract for procurement or construction exceeding \$10,000. Post-award notification is required.

The grantee shall submit the following documents to the Department for review:

- a. a cover letter or form (see Appendix);
- b. the proposed advertisement for bid;
- c. the plans and specifications;
- d. the proposed contract; and
- e. related bidding documents.
- f. pre-bid checklist [see appendices]

Open-bid third-party contracts: Pre-award review

Pre-award review is required for contracts for procurement or construction exceeding \$100,000. Post-award notification is required.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. a cover letter
- b. a certified copy of the advertisement for bid;
- c. a certified tabulation of all bids received;
- d. a copy of the bid proposal selected for award;
- e. a copy of the proposed contract and related documents;
- f. a copy of the plans and specifications;
- g. a copy of the certificate of insurance (construction); and
- h. a copy of the performance bond (construction).
- i. pre-award checklist [see appendices].

Unusual conditions shall be handled as specified under Bid-exception or Single-source contracts or other applicable means listed below.

Rev: August 30, 2000

Bid-Exception Contracts

A Bid-exception contract is defined as any contract between the grantee and any other party for procurement or construction activities which is to be awarded to other than the apparent low bidder, for any reason, and which as a result may not meet the intent of competitive bidding, or for which only a single bid has been received despite all attempts at solicitation of additional bids.

Pre-award review is required. Post-award notification is required.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. a cover letter or form (see Appendix);
- b. a certified copy of the advertisement for bid;
- c. a certified tabulation of all bids received;
- d. a copy of the bid proposal selected for award;
- e. a copy of the proposed contract and supporting documents;
- f. a copy of the plans and specifications;
- g. a full statement of the reasons for not awarding to the apparent low bidder, together with any supporting documentation; and
- h. statement demonstrating that all attempts have been made to comply with the intent and guidelines for unrestricted open bidding.

Single-source contracts

A Single-source contract is defined as any contract that can only be awarded to a single source for any of the reasons listed below. The reasons for such single-source award may be:

- the items are only available from a single source and no other item will meet project requirements; or
- it is clearly established that substantial and quantifiable economies in operation or maintenance can be affected because of standardization of the items.

Pre-award review is required. Post-award notification is required.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. a cover letter or form (see Appendix);
- b. a copy of the proposed contract and supporting documents;
- c. a copy of the plans and specifications, and
- d. a statement supporting the reasons for use of a single-source contract, documenting as applicable:
 - that the items are only available from a single source and no other item will meet project requirements;

or

- that substantial economies in operation or maintenance will be effected.

Carrier agreements

A carrier agreement is defined as a contract between the grantee and a carrier or operator of public transportation (public or private) for the performance of construction or service activities (unusual for procurement).

Pre-award review is required. Post-award notification is required. Department concurrence is required on all subcontracts prior to award.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. a cover letter or form (see Appendix);
- b. a copy of the proposed contract and supporting documents;
- c. a copy of the plans and specifications;
- d. detailed estimates of the costs;
- e. the reason for contracting with the carrier or operator rather than an independent contractor;
- f. evidence of the ability of the carrier or operator to perform the work;
- g. assurance that the materials, equipment, or improvements will remain available for public transportation use; and
- h. other agreements between the grantee and the carrier or operator which relate to the proposed contract (i.e., lease or subsidy contracts).

See "Subcontracts," p. 30, for requirements of work and contracts performed under Carrier Agreements.

Cooperative agreements

A cooperative agreement is defined as a contract between the grantee and a public body (other than a carrier or operator) for the performance of construction or service activities (unusual for procurement).

Pre-award review is required. Post-award notification is required. Department concurrence is required on all subcontracts prior to award.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. a cover letter or form (see Appendix);
- b. a copy of the proposed contract and supporting documents;
- c. a copy of the plans and specifications;
- d. a detailed estimate of the costs;
- e. the reasons for contracting with a public agency instead of a private contractor; and
- f. evidence of the ability of the public agency to perform the work.

See "Subcontracts," p. 30, for requirements of work and contracts performed under Cooperative Agreements.

Professional service contracts

A professional service contract is defined as a negotiated contract for any of the following activities: architectural/engineering, inspection, appraisal, construction supervision, and legal services for acquisition (only). Professional service contracts may not include procurement, construction, or acquisition activities. Professional service contracts shall be awarded after competitive bidding, using the guidelines established by FTA. At least three proposals are required.

The Request for Proposals should be reviewed by and on file with the department before it is issued. Pre-award review is required. Post-award notification is required.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award:

- a. A cover letter or form (see Appendix).
- b. A copy of the request for proposal; (unless previously provided).
- c. Copies of the three top-ranked proposals.
- d. A copy of the proposed contract and supporting documents.
- e. A list of persons or firms considered prior to final selection.
- f. A summary of the proposals received (a minimum of three proposals are required).
- g. A narrative history of the selection and ranking process.

- h. The weighted evaluation criteria.
- i. The composition of the evaluation committee, and copies of both the individual and composite scores.
- j. A detailed contract cost proposal, showing tasks, assigned staffs, staff hours, hourly rate, and total cost.
- k. An FAA4400 form: (see Appendix 6.1): a cost summary with contractor salaries, overhead, profit, subcontracts and direct costs.

[Revised January 26, 2001]

Acquisition contracts (and eminent domain)

Acquisition contracts are defined to include real estate contracts and any contracts leading to the acquisition of any property not normally acquired through competitive bidding (such as used buses) or property already in public transit use, and eminent domain proceedings.

Pre-award review is required. Post-award notification is required.

The grantee shall submit the following documents to the Department for review and concurrence prior to contract award or institution of eminent domain proceedings:

- a. a cover letter or form (see Appendix);
- b. a copy of the proposed contract and supporting documents;
- c. a description of the property involved;
- d. a detailed record and documentation of all negotiation and a summary;
- e. two appraisals as detailed under "Project Activities - Acquisition"; and
- f. before instituting eminent domain proceedings: an opinion of the grantee's attorney that all requirements of state and local law, and the policies detailed under "Project Activities - Acquisition" of this manual have been met.

Force-account work

Force-account work is defined as the performance of project activities (generally construction and service) by the forces of the grantee, rather than by independent contractors. Force-account work may include materials supplied from the stores of the grantee.

Review and concurrence is required before work may start. Certified payrolls are required as work progresses.

The grantee shall submit the following documents to the Department for review and concurrence prior to starting work:

- a. a cover letter or form (see Appendix);
- b. a copy of the plans and specifications;

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Force Account Concurrence Requests

Request for grantee, ^{other public agency} or railroad forces to provide services ~~(usually engineering or construction services)~~ rather than utilizing a private consultant or contractor.

Requirement:
Must be approved by IDOT/DPT prior to any expenditure of funds. Unless waived, expenditures prior to approval are ineligible for reimbursement. Notification of award is required.

Documentation Required:

- o Cost estimate;
- o Justification;
- o Draft agreement, if required;
- o Labor, burden and overhead rates, with supporting documentation;
- o Cost and Price analysis;
- o Description of work (plans or specifications, if available);
- o Verification of insurance coverage, if required for work;
- o Statement detailing reasons for utilizing force account instead of a private contractor;
- o Evidence of the grantee's ^{agency's forces'} ~~(or railroad's)~~ ability to perform the work;

IDOT Review Areas:

- o Scope of work same as described in grant application/agreement;
- o Cost within budget;
- o Budget format allows FA work;
- o Agreement acceptable;
- o Justification acceptable (see below);

Special Considerations:

- o The use of force account can be justified on the basis of price (i.e., its less expensive), time (i.e., its faster, and there is a demonstrable need for it to be done fast), contractual obligations (e.g., 13 (c) Agreement), unique needs (and the proposed work force has the unique qualifications necessary for the work), or "public good".
- o Cost must be within budget. If not, a budget revision is required.

- c. detailed estimates of costs, including
 - direct labor rates,
 - rates for labor overhead charges, and
 - materials charges, including "stores" and "transfer" charges as applicable;
- d. a statement detailing the reasons for using force-account in lieu of a private contractor;
- e. evidence of the grantee's ability to do the work;
- f. evidence that the grantee carries insurance or can offer such other protection to guarantee the protection and completion of the proposed activity.

Contract change-orders

Contract change-orders are defined as any changes in specifications, scope, or cost which may be ordered, negotiated, or awarded as a change to any contract or agreement for major procurement, construction, or service activities after the prime contract or agreement has been awarded. Exercising of a contract option is a change-order. See the appendices for additional information of department criteria and procedures.

Department review is required prior to issuance by the grantee.

The grantee shall submit the following documents to the Department for review and concurrence prior to issuance of any contract change-order:

- a. a cover letter
- b. change order request and review [see Appendix]
- c. a copy of the proposed change order with appropriate contract identification;
- d. a narrative explanation of the proposed change and its effect upon the prime contract and the project; and
- e. a statement of the cost of this change-order, the cumulative cost of all prior change-orders, and estimates of any further anticipated change-orders and associated costs.

Under some circumstances, prior concurrence will not be required. These circumstances are:

- In an emergency, the grantee may issue a change order after verbal (phone) concurrence by the Department. The grantee shall immediately forward the change-order for review to determine its eligibility for inclusion in the project budget. The nature of the emergency must be clearly indicated.
- Minor change-orders may be issued without Department review. A minor change-order neither changes the contract scope nor increases the contract cost.

Each minor change-order shall be completely documented in the project files for later on-site audit.

Rev: August 20, 2000

Subcontracts

Subcontracts are defined as any contracts or agreements relating to the project which are of a lower tier than a third-party contract.

Department review and concurrence is required prior to award or prior to solicitation of bids by the third party of any subcontracts, where the third party has contracted with the grantee under a Cooperative Agreement or a Carrier Agreement. The subcontracts shall be subject to the same guidelines and limitations as apply to third-party contracts, agreements, or other means, as detailed in this Manual.

Work performed directly under a carrier agreement or a cooperative agreement shall be considered as force-account work, and handled as such.

The third party shall submit documents appropriate to the type of activity and instrument (as per lists, above) to the grantee for approval prior to submittal to the Department for review.

Summary of Required Review and Concurrence

| <u>Contract type</u> | <u>Pre-Bid Review</u> | <u>Pre-Award Review</u> |
|--------------------------------|-----------------------|-------------------------------|
| Open-bid third-party contracts | Over \$10,000 | over \$100,000 and exceptions |
| Bid-exception contracts | --- | Required |
| Single-source contracts | --- | Required |
| Cooperative agreements | --- | Required |
| Carrier agreements | --- | Required |
| Professional services | --- | Required |
| Acquisition contracts | --- | Required |
| Force-account work | --- | Required (before startup) |
| Contract change-orders | --- | Required (before issuance) |
| Subcontracts | See text | See text |

Award notification is required within 30 days of award (or issuance) for all contracts, agreements, and other means.

AWARD NOTIFICATION

Following award of any contract or agreement, the grantee shall notify the Department within thirty days of the award. The following documents, as applicable, shall be submitted as part of the notification:

- a. cover letter or form (see Appendix);
- b. a certified copy of the advertisement for bid;
- c. a certified tabulation of all bids received;
- d. a copy of the bid proposal selected for award;
- e. a copy of the executed contract and supporting documents;
- f. a copy of the plans and specifications;
- g. a copy of the contractor's Notice to Proceed;
- h. a copy of the certificate of insurance;
- i. a copy of the performance bond.

STANDARD CLAUSES AND PROVISIONS

Standard clauses and provisions required for specifications, solicitation for bids, and third-party contracts are listed below.

The grantee is advised to check the grant contract for additional clauses and provisions pertaining to specifications, solicitations for bids, and third-party contracts.

Specifications, Requests for Proposals

Applicable to procurement, construction, and services.

Provisions to be included:

- a. Scope and description
Specifications or requests for proposals shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- b. Product restrictions (Procurement and construction)
Description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand name or equal" description may be used only as a means to define the performance or other salient requirements of a procurement, and when it is so used, the specific features of two brand names which must be met by offerors or should be clearly specified
- c. Unrestricted supply
Specifications and other bidding documents shall contain no limitations on the use of foreign or domestic sources of material, equipment or supplies. **NOTE:** *No longer applicable since Buy-America legislation enacted. Instead, identify where Buy-America requirements are addressed in bid document.*
- d. Motor vehicles (Procurement of motor vehicles only)
Motor vehicles shall meet local, state, and federal regulations on air pollution, noise, and safety.
- e. Exclusion of procurement (Construction only)
Specifications and bidding documents for building construction shall include only that work and the furnishing of those items necessary to the construction. Items that are integral to the construction, such as garage lifts, may be included. However, items such as shop equipment, office equipment or furniture, or others not considered to be "real estate" shall be bid separately, as procurements.

Solicitation of bids, advertisement for bid:

Applicable to procurement, construction, and services, except as indicated below.

Provisions and clauses to be included:

a) Bidding time

A time span shall be used for submittal of bids which will allow preparation of submittals from enough parties to insure competitive bidding.

b) Scope and description

An adequate description of the materials, project, or services desired, including options, shall be given.

c) Specifications

Advertisements for bids shall include directions for obtaining specifications, requirements and contract documents.

d) Rejection of bids (to quote) "The right is reserved to accept any bid or any part or parts thereof or to reject any and all bids. Acceptance of any bid is subject to concurrence by the Illinois Department of Transportation (and the United States Department of Transportation)."

e) Financial assistance (to quote)

"Any contract resulting from these bids is subject to financial assistance contracts between (Grantee's name) (and the United States Department of Transportation) and the Illinois Department of Transportation."

f) E/E/O compliance (to quote)

"Contractor will be required to comply with all applicable Equal Employment Opportunity laws and regulations."

Rev: July 1, 1979

Requirements for all third party contracts

Applicable to procurement, construction, service, and acquisition, except as indicated below.

Provisions and clauses to be included:

- a) Scope
An adequate description of the materials, project, scope of service, or property to be obtained, with necessary reference to appropriate specifications, plans, drawings, etc.
- b) Compensation
The maximum compensation or reimbursement payable under the contract shall be shown.
- c) Unit basis (applicable to Service only)
The unit basis, or other data in support of the amount of compensation, shall be shown or explained.
- d) Method of payment (not applicable to procurements under \$10,000)
The method of paying for work performed and the submission of estimates or invoices to support payment shall be specified.
- e) Contract period
A reasonable period of time for the completion of the contract shall be set forth. The period shall start with the signing of the contract (for construction: at the issuance of the notice to proceed) and end within a reasonable time.
- f) Termination all contracts over \$10,000
All contracts in excess of \$10,000 shall contain suitable provisions for termination by the grantee including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- g) Financial assistance (to quote)
"This contract is subject to financial assistance contracts between (grantee's name) (and the United States Department of Transportation) and the Illinois Department of Transportation."

h) Interest of Members of Congress (to quote)

"No member of or delegate to the Illinois General Assembly (or the Congress of the United States) shall be admitted to any share or part of this contract or to any benefit arising therefrom."

i) Prohibited Interests (to quote)

"No member, or officer, or employee of (grantee's name) or a local public body with financial interest or control in this contract during their tenure or for one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof."

j) Contract Changes (to quote)

"Any proposed change in this contract shall be submitted to the (name of grantee) for its prior approval."

k) Subcontracts (Cooperative and Carrier Agreement) (to quote)

"The (third party: agency, carrier, contractor) shall not enter into any sub-contracts or agreements, or start any work by the work forces of (the third party) or use any materials from the stores, of (the third party), with respect to this contract, without the prior concurrence of the Illinois Department of Transportation. All such subcontracts, agreements, and force work and materials shall be handled as prescribed for third-party contracts, agreements, and force-account work by the IDOT manual for Public Transportation Capital Improvement Grants. All request for concurrence shall be submitted to (name of grantee) for approval prior to submittal to IDOT."

l) Escalation

Escalation clauses are not allowed as part of specifications or contracts, with the following exceptions, subject to prior concurrence by the Department for each contract:

- Procurement for rail vehicles, where the contract price exceeds \$10,000,000 and completion of delivery exceeds one year; and
- Procurement of metal products from a mill or manufacturer where quotations based on "price at time of shipment" have historically been used.

Rev: July 1, 1979

m) Equal Employment Opportunity (to quote):

In the event of the Contractor's non-compliance with any provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act Rules and Regulations of the Illinois Department of Human Rights ("Department"), the contractor may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the contractor agrees as follows:

- 1) That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
- 2) That, if it hires additional employees in order to perform this contract or any portion thereof, it will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
- 3) That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, national origin or ancestry, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.
- 4) That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organizations or representative of the contractor's obligations under the Illinois Human Rights Act and the Department's Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the contractor in its efforts to comply with such Act and Rules and Regulations, the contractor will promptly notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.

- 5) That it will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 6) That it will permit access to all relevant books, records, accounts, and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 7) That it will include verbatim or by reference the provisions of this ITEM in every subcontract it awards under which any portion of the contract obligations are undertaken or assumed, so that such provisions will be binding upon such subcontractor. In the same manner as with other provisions of this contract, the contractor will be liable for compliance with applicable provisions of this clause by such subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply therewith. In addition, the contractor will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.
- 8) The Grantee shall have written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment, under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the Grantee's internal complaint process including penalties; (v) the legal recourse, investigative, and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Department upon request."

Additional requirements for Construction and Service contracts

Provisions and clauses to be included:

- a. Audit and Inspection of Records (to quote)
"The contractor shall permit the authorized representatives of (grantee's name) and the State of Illinois to inspect and audit all data and records of the contractor relating to his performance under the contract."
- b. Assignment (to quote)
"Assignment of any portion of the work by Subcontract must be approved in advance by (grantee's name)."
- c. Retention of records
(to quote) Service contracts only: "The contractor shall maintain records to show actual time devoted and cost incurred."
All contracts: duration of retention of accounting records , see grant agreement requirements under Accounting Records Item.
- d. Ownership of records (Service contracts only) (to quote)
"(Grantee's name) shall retain ownership of all plans, specifications, and related documents."

Additional requirements for Construction contracts

Provisions and clauses to be included:

- a. Government Inspection (to quote)
"Representatives of the State of Illinois shall have access to the site of construction and shall have the right to inspect all project works."
- b. Performance Bond (construction over \$100,000)
The contractor shall furnish a performance bond in an amount equal to 100 percent of his contract price.
- c. Insurance
The contractor and his subcontractors shall maintain Workmen's Compensation, Public Liability Property Damage, and Vehicle Liability Insurance in amounts and on terms satisfactory to the Department and the grantee. The contractor (or the grantee, at the grantee's option) shall carry Builders' Risk Insurance, including fire and extended coverage, on 100 percent of the completed value of the insurable portion of construction. Such insurance coverage is required to remain in effect until the construction has been accepted by the grantee.

- d. Prime Contractor Participation (to quote)
"The prime contractor shall perform on the site, with his own staff, work equivalent to at least 10 percent of the total amount of construction work at the site. Only pay items of the construction contract will be used in computing the total amount of construction at the work site." (The grantee may increase this minimum amount of prime contractor participation depending upon the degree of specialization required to perform this work.)
- e. Warranty of Construction (to quote)
"For a period of one year from the date of completion, as evidenced by the date of final acceptance of the work, the Contractor warrants that work performed under this contract conforms to the contract requirements and is free of any defect of equipment, material or workmanship performed by the Contractor or any of his subcontractors or suppliers.
Under this warranty, the Contractor shall remedy at his own expense any such failure to conform or any such defect. Nothing in the above intends or implies that this warranty shall apply to work which has been abused or neglected by (the grantee)."
- f. Certified Payrolls (to quote)
"(The grantee) shall obtain from the contractor and each subcontractor a certified copy of each weekly payroll within seven days after the regular payroll date. Following a review by (the grantee) for compliance with state and federal labor laws, the payroll copy shall be retained at the project site for later review by the authorized representatives of the State of Illinois."
- g. Project Sign (to quote)
"The contractor shall erect and maintain signs satisfactory to the Illinois Department of Transportation identifying the project and indicating state participation." (Sign specifications can be found in the Appendix.)

Summary of Required Provisions and Clauses

Specifications, Requests for Proposals

- a. Scope and description
- b. Product restrictions (procurement, construction)
- c. Unrestricted supply (procurement and construction)
- d. Motor vehicles (motor vehicle procurement only)
- e. Exclusion of procurement (construction only)

Solicitation of bids, advertisement

- a. Bidding time
- b. Scope and description
- c. Specifications
- d. "Rejection of bids"
- e. "Financial assistance"
- f. "EEO compliance"

All third party contracts (procurement, construction, service, acquisition)

- a. Scope
- b. Compensation
- c. Unit basis (service only)
- d. Method of payment (except procurement under \$10,000)
- e. Contract period
- f. Termination (contracts over \$10,000)
- g. "Financial assistance"
- h. "Interest of members of Congress"
- i. "Prohibited interests"
- j. "Contract changes"
- k. "Subcontracts" (Cooperative and carrier)
- l. Escalation
- m. "I.F.E.P. Act"

Additional for Construction and Service contracts

- a. "Audit and inspection of records"
- b. "Assignment"
- c. "Retention of Records" (Service contracts only)
- d. "Ownership of records" (Service contracts only)

Additional for Construction contracts

- a. "Government inspection"
- b. Performance bond (over \$100,000)
- c. Insurance
- d. "Prime contractor participation"
- e. "Warranty of construction"
- f. "Certified payroll"
- g. "Project sign"

INSTRUCTION FOR EXHIBIT 1.0

APPLICATION FOR CAPITAL IMPROVEMENT GRANT

APPLICATION FOR CAPITAL GRANT (front)

1. Applicant. The Applicant is the party who will apply for the state (and federal) grant and administer and coordinate all efforts necessary for the execution and completion of the project. Please show the correct mailing address, contact person whom the Department may use for general contacts, and phone number.
2. Project Description. Please supply a brief description, such as: "Purchase of twenty 45-passenger buses, maintenance tools, office equipment; construction of garage bus washer, purchase and installation of 20 passenger shelters." This brief description should highlight the major categories shown on the back of the application form.
3. Project Funding Shares.
 - Net Project Cost - The total of federal share, state share, and local matching share as described below.
 - Federal Share Requested - Show the amount of federal funds requested for this project.
 - State Share Requested - Because administrative expenses are not eligible, administration should be deducted from the Net Project Cost before the state share is calculated.
 - Local Matching Share - The amount of the Net Project Cost not covered by state and federal grant requests.

The total of Federal Share, State Share and Local Matching Share should add up to the Net Project Cost.

NOT SENT TO GRANTEES: NEED DELETION OR REPLACEMENT

Exhibit 3.3 - Instructions for Requisition and Form C . would need to be recreated?

Exhibit 4.0 - Allocation of Expenditures

Exhibit 5.0 - Financial Statements (cover form)

Exhibit 5.1 - Quarterly Progress Report (sample)

Exhibit 5.2 - Cash Flow Estimates (sample)

Exhibit 5.3 - Status of Project Account (sample)

EXHIBIT 5.0 FINANCIAL STATEMENTS AND AUDIT REPORTING

State law requires that any municipality, district carrier receiving or applying for capital assistance from the State shall submit to the Department annual statements of assets, revenues, and expenses, and annual audit reports. (Illinois Revised Statutes (1975), Chapter 127, Section 49.20.

CASH FLOW ESTIMATES

CAP-00-000-Fed.
(IL-03-000)

GREATER PODUNK TRANSIT WORKS

Quarter ending March 31, 1978

| | <u>Obligations</u> | <u>expenditures</u> |
|-----------------|--------------------|---------------------|
| Through 3/31/78 | \$15,000 (20%) | \$6,500 (11%) |
| Required for | | |
| Quarter ending | | |
| 6/30/78 | 22% | 12% |
| 9/30/78 | 24% | 18% |
| 12/31/78 | 16% | 14% |
| 3/31/79 | 8% | 15% |
| 6/30/79 | ----- | 16% |
| 9/30/79 | ----- | 14% |
| | <u>100%</u> | <u>100%</u> |

Prepared by _____ Date _____

NOTES on the sample

obligations represent: the award of contracts, as for construction or rolling stock, the start-up of force account work.

**Expenditures represent the actual billings for obligations.

PLEASE NOTE: If Cash Flow Estimates have been updated during the quarter (as part of a requisition submittal), a Cash Flow Estimate is not required at the end of the quarter.

- SAMPLE -

QUARTERLY PROGRESS REPORT
CAP-00-000-Fed.
(IL-03-000)
WEST PODUNK TRANSIT DEPARTMENT
Quarter ending March 31, 1996

ACCOMPLISHMENT FOR QUARTER

1. Completed 5% of construction of garage.
2. Completed deliveries of new buses (24)
3. Completed preliminary design phase of office building

STATUS OF PROJECT ITEMS

| <u>ITEM</u> | <u>STATUS</u> |
|------------------|------------------------------|
| Buses | - Complete |
| Bus washer | - Complete |
| Bus stop signs | - Complete |
| Garage | - Construction Underway |
| Turn around | - No Progress - See problems |
| Repair equipment | - Bids advertised |

PROBLEMS

1. Turn around - Weather delaying construction.

OUTLOOK FOR NEXT QUARTER

1. Complete garage construction
2. Award bid for repair equipment
3. Complete design of office

COMPLETION STATUS

Based on delivered improvements, the project is 51.4% complete.
Based on obligations, the project is 70.0% complete.

Prepared by _____ Date _____

Editorial note.

Possible addition to p.16, request for payment.

- before the payment of the final requisition, an inspection of the items funded by the state and/or invoice records may be required.

APPENDIXES

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APPENDIXES

Instructions for Exhibit 1.0

Exhibit 1.0 - Application for Capital Improvement Grant (instructions and form)

Exhibit 1.1 - Applicant's Legal Opinion: Filing (sample)

Exhibit 1.2 - Applicant's Legal Opinion: Execution (sample)

Exhibit 1.3 - Authorization for filing (sample)

Exhibit 1.4 - Authorization for execution (sample)

Exhibit 2.0 - Proposed Project Budget (sample)

Exhibit 2.1 - Budget Revision Checklist (form)

Exhibit 2.2 - Proposed Project Budget Revision (sample)

Exhibit 3.0 - Pre-bid Review and Checklist (form)

Exhibit 3.1 - Pre-award Review (form)

Exhibit 3.2 - Post Award Notification (list)

Exhibit 4.1 - Requisition for Capital Grant Payment (form)

Exhibit 4.2, 4.3 - Instructions for Request for Payment forms

Exhibit 4.2 - Request for Payment - Capital State share (form)

Exhibit 4.3 - Request for Payment - Capital Federal share (form)

Exhibit 6.0 - Change Order Criteria, Procedure, and form

Exhibit 6.1 - FAA4400 Form

Exhibit 7.0 - Project Sign Specifications

Addendum No. 1 - Trolley procurements

1/24/01: NOT SENT TO GRANTEES: NEED DELETION/REPLACEMENT

Exhibit 3.3 - Instructions for Requisition and Form C delete?

Exhibit 4.0 - Allocation of Expenditures

Exhibit 5.0 - Financial Statements (cover form)

Exhibit 5.1 - Quarterly Progress Report (sample)

Exhibit 5.2 - Cash Flow Estimates (sample)

Exhibit 5.3 - Status of Project Account (sample)

EXHIBIT 1.1 APPLICANT'S LEGAL OPINION

(FILING A CAPITAL GRANT APPLICATION)

OPINION OF COUNSEL

I, the undersigned, am an attorney, licensed by and duly admitted to practice law in the State of Illinois ("State") and am counsel and attorney for the (name of applicant) ("Applicant"). In this capacity, my opinion has been requested concerning the eligibility of the Applicant for grant assistance under the provisions of the Civil Administrative Code of Illinois (Part 8.5), 20 ILCS 2705/49 et seq.; the Civil Administrative Code of Illinois (Part 9), 20 ILCS 5/51; and the General Obligation Bond Act, 30 ILCS 330/4 ("Acts"). You are hereby advised as follows:

1. The Applicant is an eligible "participant" as defined in the Acts.
2. There are no provisions in the Applicant's charter or by-laws or in the statutes of the State, the United States of America, or any municipal or other local ordinances that preclude or prohibit the Applicant from making said application for or contracting with the State for the purpose of receiving a State capital improvement grant.
3. The undersigned has no knowledge of any pending or threatened litigation, in either Federal or State courts, which would adversely affect this application, or which seeks to prohibit the Applicant from contracting with the State for the purpose of receiving a State capital improvement grant.

Based upon the foregoing, I am of the opinion that the Applicant is an eligible recipient under the provisions of the Acts, and that it is fully empowered and authorized to apply for and to accept the grant from the State.

Signature: _____

(Attorney's name)

Attorney for (name of applicant)

Date: _____

EXHIBIT 1.2 APPLICANT'S LEGAL OPINION
(CAPITAL GRANT AGREEMENT EXECUTION)

OPINION OF COUNSEL

I, the undersigned, am an attorney licensed by and duly admitted to practice law in the State of Illinois, and am counsel and attorney for the (name of grantee) ("Grantee"). In this capacity, my opinion has been requested relative to the eligibility of the Grantee for grant assistance under the provisions of the Civil Administrative Code of Illinois (Part 8.5), 20 ILCS 2705/49 et seq.; the Civil Administrative Code of Illinois (Part 9), 20 ILCS 5/51; and the General Obligation Bond Act, 30 ILCS 330/4 ("Acts"). I have also reviewed the grant contract (#) (CAP- - -FED) ("Agreement") tendered by the State of Illinois ("State") to the Grantee. You are hereby advised as follows:

1. The Grantee is an eligible "participant" as defined in the Acts.
2. There are no provisions in the Grantee's charter or by-laws or in the statutes of the State, the United States of America, or any municipal ordinances, that preclude or prohibit it from entering into such Agreement.
3. The Grantee is fully empowered and authorized to enter into the aforementioned grant Agreement and that Agreement, when executed by both parties, will be legally binding upon the Grantee and its successors and assigns.
4. The undersigned has no knowledge of any pending or threatened litigation, in either Federal or State courts, which would adversely affect this grant contract, or which would prevent the Grantee from contracting with the State for the purpose of receiving a State capital improvement grant.

Based upon the foregoing, I am of the opinion that the Grantee is an eligible recipient under the provisions of the Acts, and that it is fully empowered and authorized to accept the grant from the State.

Signature: _____

(Attorney's name)
Attorney for (name of applicant)

Date: _____

EXHIBIT 1.3 AUTHORIZATION FOR FILING
(FILING OF A CAPITAL GRANT APPLICATION)

CERTIFICATE

I, (name of certifying officer), do hereby certify that I am the fully qualified and acting (title of certifying officer) of the (name and legal description of applicant), and as such (title of certifying officer), I am the keeper of the seal, records and files of the (name of applicant).

I do further certify that at a duly constituted and legally convened meeting of the (governing body, e.g., Board of Trustees, Board of Directors, Executive Committee, etc.) of the (name of applicant) held on the (day-month-year), a resolution was adopted in full accordance and conformity with the (by-laws, ordinances, etc.) of the (name of applicant) and the statutes of the State of Illinois, as made and provided, and that the following is a full, complete and true copy of the pertinent provisions of said Resolution.

BE IT RESOLVED by the (governing body) of the (name of applicant):

1. That the (name of applicant) file an application with the State of Illinois in order to obtain grant assistance under the provisions of the Civil Administrative Code of Illinois (Part 8.5), 20 ILCS 2705/49 et seq.; the Civil Administrative Code of Illinois (Part 9), 20 ILCS 5/51; and the General Obligation Bond Act, 30 ILCS 330/4.
2. That (name and/or title of designee) of the (name of applicant) is hereby authorized and directed to execute and file on behalf of (name of applicant) such application.
3. That the (name and/or title of designee) of the (name of applicant) is hereby authorized to furnish such additional information as may reasonably be required by the Division of Public Transportation in connection with aforesaid application.

I further certify that the original of the complete said Resolution is on file in the records of the (name of applicant) in my custody.

I do further certify that the foregoing Resolution remains in full force and effect and has not been rescinded, as amended or altered in any manner since the date of its adoption.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal (if appropriate) of the (name of applicant) this (day-month-year).

(Title)

EXHIBIT 1.4 AUTHORIZATION TO EXECUTE
(EXECUTING A CAPITAL GRANT AGREEMENT)

CERTIFICATE

I, (name of certifying officer), do hereby certify that I am the fully qualified and acting (title of certifying officer) of the (name and legal description of grantee), and as such (title of certifying officer), I am the keeper of the seal, records and files of the (name of grantee).

I do further certify that at a duly constituted and legally convened meeting of the (governing body, e.g., Board of Trustees, Board of Directors, Executive Committee, etc.) of the (name of grantee) held on the (day-month-year), a resolution was adopted in full accordance and conformity with the (by-laws, ordinances, etc.) of the (name of grantee) and the statutes of the State of Illinois, as made and provided, and that the following is a full, complete and true copy of the pertinent provisions of said Resolution.

BE IT RESOLVED by the (governing body) of the (name of grantee):

1. That the (name of grantee) enter into grant contract (#) (CAP-
- -FED) ("Agreement") with the State of Illinois in order to obtain grant assistance under the provisions of the Civil Administrative Code of Illinois (Part 8.5), 20 ILCS 2705/49 et seq.; the Civil Administrative Code of Illinois (Part 9), 20 ILCS 5/51; and the General Obligation Bond Act, 30 ILCS 330/4 ("Acts").
2. That (name and/or title of designee) of the (name of grantee) is hereby authorized and directed to execute the Agreement on behalf of (name of grantee).
3. That (name and/or title of designee) of the (name of grantee) is hereby authorized to provide such information and to file such documents as may be required to perform the Agreement and to receive the Grant.

I further certify that the original of the complete said Resolution is on file in the records of the (name of grantee) in my custody.

I do further certify that the foregoing Resolution remains in full force and effect and has not been rescinded, as amended or altered in any manner since the date of its adoption.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal (if appropriate) of the (name of grantee) this (day-month-year).

(Title)

Manual/dispo.doc p.1
Dale Fitschen
Fitschen 9/6/97

Note:

In the following pages of

EXHIBIT 10.0 IDOT PROJECT EQUIPMENT DISPOSITION GUIDELINES

disposition concurrence requirements are not completely clear.

David Spacek and Neil Ferrari have determined that the guideline **DOES NOT REQUIRE CONCURRENCE PRIOR TO DISPOSAL AFTER USEFUL LIFE.** This is clearer on the disposition chart, in which concurrence is required for retention of vehicles after replacement.

IV Sales Procedure probably needs to be amended to make this clear.

The requirement for determining fair market value for disposition such as by appraisal or sale is clear.

Notification of disposition is required, with reported proceeds and a statement of amounts owed the state: None, if each bus was disposed for less than \$5,000.

EXHIBIT 2.1 BUDGET REVISION CHECKLIST

Grantee: _____ Date Request Received: _____
Grant No: CAP- _____ Budget Revision No: _____
Submitted By: _____

Brief explanation of proposed budget revision and scope/line items affected by this revision:

1. Is the request consistent with the grant agreement, scope and intent: IF YES, GO TO QUESTION #4 _____ yes _____ no

2. Is a scope amendment required? _____ yes _____ no

3. If "yes", briefly describe the nature of the scope amendment: _____

4. Why is the current budget inadequate to meet the expected obligations?

5. Has the line item amount been exceeded prior to this request for revision? _____ yes _____ no

6. Is there an attached budget in IDOT three column format, with 2nd column showing the changes? (see Exhibit 2.2) _____ yes _____ no

7. Is there an attached cover letter requesting a revision, clearly explaining the change and why the change is needed? _____ yes _____ no

8. For the lines items to be changed: Is the activity complete? _____ yes _____ no

9. If the activity in the line to be reduced is not complete, does the cover letter state that the grantee guarantees to provide any additional funding needed to complete the activity? _____ yes _____ no

10. Are all computations correct? _____ yes _____ no

11. Does the proposed revision change the required amount of Bonds or GRF in the grant budget? _____ yes _____ no

Comments: _____

Reviewed By: _____ Approved By: _____ Date: _____

Concurrence by: () Stamp () Letter Date: _____

EXHIBIT 2.0 PROPOSED PROJECT BUDGET

GRANTEE NAME:
 PROJECT: CAP-98-001-FED IL-03-0198
 CONTRACT NO:
 CONTRACT EXECUTED:
 CONTRACT EXPIRES:

| BUDGET LINE ITEM NUMBER | DESCRIPTION | APPROVED BUDGET | FEDERAL SHARE % | FEDERAL SHARE | STATE SHARE % | STATE SHARE | LOCAL SHARE % | LOCAL SHARE |
|-------------------------------|---------------------------------|--------------------|-----------------------|--------------------|---------------------|------------------|---------------------|----------------|
| 11.12.01 | Purchase eight heavy-duty buses | \$2,000,000 | 80% | \$1,600,000 | 20% | \$400,000 | 0% | \$0 |
| 11.33.03 | Construct Transfer Center | 1,000,000 | 80% | 800,000 | 20% | 200,000 | 0% | 0 |
| | TOTAL PROJECT COST | \$3,000,000 | | \$2,400,000 | | \$600,000 | | \$0 |

PROJECT FINANCING

| | |
|---------------------------|--------------------|
| FEDERAL | \$2,400,000 |
| STATE | 600,000 |
| LOCAL | 0 |
| TOTAL PROJECT COST | \$3,000,000 |

EXHIBIT 2.2 PROPOSED PROJECT BUDGET REVISION

**EXHIBIT B
APPROVED PROJECT BUDGET**

GRANTEE NAME: CAP-XX-XXX
 PROJECT: IL-90-Xxxx
 CONTRACT #: REVISION #1 EXECUTED:
 CONTRACT EXECUTED:
 CONTRACT EXPIRES:

| BUDGET LINE ITEM NUMBER/DESCRIPTION | APPROVED BUDGET | CHANGE | REVISION #1 BUDGET | % | FEDERAL SHARE | % | STATE BOND SHARE | % | STATE GRF SHARE | % | LOCAL SHARE |
|---|--------------------|------------|-----------------------|-----|--------------------|-----|---------------------|-----|--------------------|----|----------------|
| 11.12.01 Five heavy-duty buses | \$1,100,000 | (\$10,000) | \$1,090,000 | 80% | \$872,000 | 20% | \$218,000 | 0% | \$0 | 0% | \$0 |
| 11.13.15 Three paratransit vehicles | 225,000 | 0 | 225,000 | 80% | 180,000 | 0% | \$0 | 20% | \$45,000 | 0% | \$0 |
| 11.41.03 Architectural Engineering | 5,000 | 0 | 5,000 | 80% | 4,000 | 20% | 1,000 | 0% | \$0 | 0% | \$0 |
| 11.43.04 Installation of storage tanks | 50,000 | 10,000 | 60,000 | 80% | 48,000 | 20% | 12,000 | 0% | \$0 | 0% | \$0 |
| 11.42.07 Computer system improvements | 50,000 | 0 | 50,000 | 80% | 40,000 | 0% | 0 | 20% | \$10,000 | 0% | \$0 |
| 11.44.03 Construct facility improvements | 60,000 | 0 | 60,000 | 80% | 48,000 | 20% | 12,000 | 0% | \$0 | 0% | \$0 |
| 11.62.03 Radio system replacement | 385,000 | 0 | 385,000 | 80% | 308,000 | 0% | 0 | 20% | \$77,000 | 0% | \$0 |
| TOTALS | \$1,875,000 | \$0 | \$1,875,000 | | \$1,500,000 | | \$243,000 | | \$132,000 | | \$0 |

PROJECT FINANCING

| | | | |
|---------------|--------------------|------------|--------------------|
| FEDERAL | \$1,500,000 | \$0 | \$1,500,000 |
| STATE BOND | 243,000 | 0 | \$243,000 |
| STATE GRF | 132,000 | 0 | \$132,000 |
| LOCAL | 0 | 0 | \$0 |
| TOTALS | \$1,875,000 | \$0 | \$1,875,000 |

**EXHIBIT 3.0 PRE-BID REVIEW OF THIRD PARTY CONTRACTS
PROCUREMENT AND CONSTRUCTION ONLY**

(Page 1 of 2)

PROVIDE THE FOLLOWING INFORMATION AND ATTACH TO CONCURRENCE REQUEST:

| | | |
|------------------------------------|--------------------|--|
| <u>PRE-BID REVIEW</u> | <u>is required</u> | <u>for all contracts exceeding \$10,000</u> |
| <u>PRE-AWARD REVIEW</u> | <u>is required</u> | <u>for all contracts exceeding \$100,000</u> |
| <u>POST-AWARD NOTIFICATION</u> | <u>is required</u> | <u>for all contracts</u> |

See Capital Grant Manual for complete requirement details.

Grantee: _____

Project No: _____

Scope of Work: _____

Line Item Number _____ Line Item _____

Bid Opening Date _____ Bid Expiration _____
(# days after advertisement) (# days after bid opening)

The following documents must be submitted to the Department for review and concurrence:

- | | |
|---|--|
| _____ a. A cover letter containing all pertinent information: request, grant number, award info, etc. | |
| _____ b. This form | _____ e. Related bidding documents |
| _____ c. The proposed advertisement for bid | _____ f. RFP (if applicable) |
| _____ d. The proposed contract or Purchase Order | _____ g. FAA 4400 Form (if applicable) |

Basis of Award:

- _____ a.) Qualifications and technical criteria
_____ b.) Price (lowest responsive bidder)
_____ c.) Evaluation process using both (a) and (b)
_____ d.) Other:

- | | | |
|--|-----------|----------|
| 1. Are quantities consistent with approved state budget? | _____ yes | _____ no |
| 2. Is IDOT concurrence required? | _____ yes | _____ no |
| 3. If brand names are used, does the bid solicitation and contract permit "approved equals"? | _____ yes | _____ no |

FOR DPT USE ONLY

Comments: _____

Reviewed by: _____ Approved by _____ Date _____

Concurrence by () Stamp () Letter Date:

IDOT pre-bid checklist covering state required provisions and clauses

The following required provisions and clauses must be included in all Requests for Proposals, Advertisements for Bids, and Third Party Contracts. **Any provision or clause in quotation marks must be quoted exactly** as it appears in the September 1982 IDOT Capital Grant Manual.

INDICATE THE PAGE or PARAGRAPH # where the required provision appears In your submittal:

Solicitation of Bids (Advertisement) (pp. 33 of Grant Manual)

| <u>Par. #</u> | | | |
|---------------|-------------------------|-------|--------------------------------------|
| _____ | a. Bidding time | _____ | d. "Rejection of bids" [to quote] |
| _____ | b. Scope of description | _____ | e. "Financial assistance" [to quote] |
| _____ | c. Specifications | _____ | f. "EEO compliance" [to quote] |

Specifications and Requests for Proposals (p. 32 of Revised Grant Manual)

| <u>Page #</u> | |
|---------------|---|
| _____ | a. Scope and description |
| _____ | b. Motor vehicles (motor vehicle procurement only) |
| _____ | c. Exclusion of procurement (construction only) |
| _____ | d. Location of clear statement of the basis of award. |
| _____ | e. Architect/Engineer's detailed estimate |

All Third-Party Contracts (pp. 34-38 of Revised Grant Manual)

| <u>Page #</u> | | |
|---------------|--------------------------------------|---|
| _____ | a. Scope | _____ h. "Interest of members of Congress" [to quote] |
| _____ | b. Compensation | _____ i. "Prohibited interests" [to quote] |
| _____ | c. Unit basis (service only) | _____ j. "Contract changes" [to quote] |
| _____ | d. Method of payment | _____ k. "Subcontracts" [to quote] |
| _____ | e. Contract period | _____ l. No escalation provisions are included |
| _____ | f. Termination | _____ m. Equal Employment Opportunity [to quote] |
| _____ | g. "Financial assistance" [to quote] | _____ o. Accounting records retention duration |

Add'l Requirements for Construction & Service Contracts only (p. 38 of Revised Grant Manual)

| <u>Page #</u> | | |
|---------------|--|------------|
| _____ | a. "Audit and inspection of records" | [to quote] |
| _____ | b. "Assignment" | [to quote] |
| _____ | c. "Retention of Records" (Service contracts only) | [to quote] |
| _____ | d. "Ownership of records" (Service contracts only) | [to quote] |

Add'l Requirements for Construction Contracts (pp. 39-40 of Revised Grant Manual)

| <u>Page #</u> | | | |
|---------------|--|------------|---|
| _____ | a. "Government inspection" | [to quote] | _____ e. "Warrantee of construction" [to quote] |
| _____ | b. Performance bond (Contracts over \$100,000) | _____ | _____ f. "Certified payroll" [to quote] |
| _____ | c. Insurance | _____ | _____ g. "Project sign" [to quote] |
| _____ | d. "Prime contractor participation" | [to quote] | |

EXHIBIT 3.1 PRE-AWARD REVIEW OF THIRD PARTY CONTRACT

Grantee: _____ Date Received: _____
 Grant No. _____ Line Item Number: _____ Line Item Amount _____
 Proposed Contract Amount: _____ Bid Opening Date: _____
 Bid Expire. Date: _____
 Scope of Work: _____

Concurrence requested on:

- Concurrence on low responsive bid
- Concurrence on other than lowest bid
- Concurrence on single bid
- Concurrence on criteria point tabulation

Pre-award review is required for contracts for all professional service contracts, and for procurement or construction exceeding \$100,000. The grantee shall submit the following documents to the Department for review and concurrence.

- a. A cover letter stating the request, the grant number, & a brief summary of the bid facts and the amount of the award requested
- b. A certified copy of advertisement for bid (letters to previously selected firms)
- c. A certified tabulation of all bids received
- d. A copy of the bid proposal selected for award
- e. A copy the proposed contract and supporting documents
- f. A copy of the plans and specifications
- g. A copy of certificate of insurance (construction)
- h. A copy of the performance bond (construction)

For professional service contracts:

- i. Request for proposal (should have previously been reviewed by and on file with the department.
- j. A narrative history of the selection and ranking process
- k. Weighted evaluation criteria
- l. Composition of the evaluation committee, and copies of individual and composite scores.
- m. Copies of top three ranked proposals
- n. Detailed contractor cost proposal: tasks, assigned staff, staff hours, hourly rate, total cost
- o. FAA4400 form (cost summary: salaries, overhead, profit, subcontracts)

- | | | |
|---|-----------|----------|
| 1. Is action consistent with approved scope? | _____ yes | _____ no |
| 2. Is action the same scope as in the pre-bid package? | _____ yes | _____ no |
| 3. Is the proposed contract amount within the amount budgeted for the line item? | _____ yes | _____ no |
| 4. If "no", has Grantee submitted Budget Revision and obtained approval? | _____ yes | _____ no |
| 5. Is grantee proposing to award to other than low responsive bidder or top ranked professional service contractor? | _____ yes | _____ no |
| 6. If "yes", has grantee provided adequate justification for rejecting low bid (or top ranked professional)? | _____ yes | _____ no |
| 7. If "yes" to 6, other than low bidder, has grantee provided an opinion of counsel? | _____ yes | _____ no |
| 8. Are there any pending bid protests? | _____ yes | _____ no |

Comments: _____

Reviewed by: _____ Approved By: _____ Date: _____

Concurrence via () Stamp () Letter Date: _____

Date: _____

Exceptions _____

EXHIBIT 4.1 REQUISITION FOR CAPITAL GRANT PAYMENT

REQUISITION FOR CAPITAL IMPROVEMENT GRANT PAYMENT

STATE GRANT NO. CAP-98-001-FED
REQUISITION NUMBER: 1

FEDERAL GRANT NUMBERS: IL-03-0198
CONTACT/PHONE:
DATE CURRENT BUDGET APPROVED:

GRANTEE NAME:
PROJECT DESCRIPTION:
CONTRACT NUMBER:

| BUDGET LINE ITEM NUMBER | DETAIL - TO DATE | | | | DETAIL - THIS REQUISITION | | | | | | | | | |
|-------------------------------|----------------------------------|----------------------------------|---------------------------------------|--|---------------------------------------|--------------------------------------|---------------|----------------------------------|-------------------------|---|-------------------------|---|------------------|----------------------------------|
| | 1 STATE APPROVED BUDGET | 2 AMOUNT UNDER CONTRACT | 3 AMOUNT OF THIS REQUISITION | 4 AMOUNT OF PREVIOUS REQUISITIONS | 5 TOTAL REQUISITIONS TO DATE | 6 BALANCE AMOUNT UNEXPENDED | 7 FED % | 8 FEDERAL SHARE (3 x 7) | 9 STATE BOND % | 10 STATE BOND SHARE (3 x 9) | 11 STATE GRF % | 12 STATE GRF SHARE (3 x 11) | 13 LOCAL % | 14 LOCAL SHARE (3 x 13) |
| 11.12.01 | \$2,000,000 | \$2,000,000 | \$1,500,000.00 | \$0.00 | \$1,500,000.00 | \$500,000.00 | 80% | \$1,200,000.00 | 20% | \$300,000.00 | 0% | \$0.00 | 0% | \$0.00 |
| 11.33.03 | 1,000,000 | 900,000 | 500,000.00 | 0.00 | 500,000.00 | 500,000.00 | 80% | 400,000.00 | 20% | 100,000.00 | 0% | 0.00 | 0% | 0.00 |
| TOTALS | \$3,000,000 | \$2,900,000 | \$2,000,000 | \$0 | \$2,000,000.00 | \$1,000,000.00 | | \$1,600,000.00 | | \$400,000.00 | | \$0.00 | | \$0.00 |
| FEDERAL | \$2,400,000 | | \$1,600,000.00 | \$0.00 | \$1,600,000.00 | \$800,000.00 | | | | | | | | |
| STATE BOND | 600,000 | | 400,000.00 | 0.00 | 400,000.00 | 200,000.00 | | | | | | | | |
| STATE GRF | 0 | | 0.00 | 0.00 | 0.00 | 0.00 | | | | | | | | |
| LOCAL | 0 | | 0.00 | 0.00 | 0.00 | 0.00 | | | | | | | | |
| TOTALS | \$3,000,000 | \$2,900,000 | \$2,000,000.00 | \$0.00 | \$2,000,000.00 | \$1,000,000.00 | | \$1,600,000.00 | | \$400,000.00 | | \$0.00 | | \$0.00 |

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____ TITLE _____ DATE _____

IN SUPPORT OF THIS REQUISITION, I OFFER THE ABOVE DATA AND SUPPORTING DOCUMENTATION AS REQUIRED. I CERTIFY THAT THE STATEMENTS HEREIN AND THE SUPPORTING DOCUMENTS ARE CORRECT AND COMPLETE, AND THAT THE PROJECT IS BEING CARRIED OUT IN CONFORMITY WITH THE GRANT CONTRACT AND THE STATE APPROVED BUDGET.

(Reserved for IDOT use)
"Checked by: _____ "Date: _____
"Verified by: _____ "Date: _____

APPLICATION REVIEW CHECKLIST

STATUS AS OF: 12/04/01

Bi-State Champaign Decatur Peoria Rock Island Springfield South Central

Project Scope:

Request from IDOT:

Date application received:

First review:

Followup review:

Cover letter:

Application Form:

Authorizing Resolution:

Opinion of Counsel:

Project Budget:

Project Description:

Project Justification:

Proj. Milestone Schedule:

Vehicles Replacement:

Classification of Fleet:

Disposition Schedule:

FTA Certifications:

TIP / STIP :

Public Notice:

Other:

Comments:

- 1 A cover letter requesting the department for the total project funding
- 2 Application Form
- 3 Authorizing Resolution
- 4 Opinion of Counsel
- 5 Project Budget



Illinois Department of Transportation

Memorandum

To: Stephen E. Schindel
From: David Spacek By: Dale Fitschen
Subject: Proposed Capital Funding Guideline; Ineligibility of
Trolley Replica Procurements for State Capital Funding
Date: April 15, 1999

Issue

Occasionally, grantees apply for trolley replica buses under the capital program. The requests for these type of vehicles often represent local business community or board member's interest in specialty needs, rather than the highest priority need of the grantee.

Background

Unlike fixed-route buses, the trolleys are used intermittently to provide seasonal service for downtown circulator routes running through the business district and for special events. The cost for this type of vehicle ranges considerably, from \$100,000-300,000, reflecting a range of quality and useful lives. However, the cost of any trolley replica is high enough, that the same funding could be utilized to replace a fixed-route bus. Typically, trolleys also require costly maintenance due to the amount of natural wood seating and siding exposed to the elements.

Recommendation

In accordance with the Downstate Capital Funding Program, the department's highest capital funding priority is to provide funds for the replacement of fixed-route and paratransit buses. With the high costs of buses and limited state capital funding, the procurement of trolley buses decreases the ability of the state and downstate grantees to replace other buses. Given their limited use in the provision of transit service, the procurement of this type of vehicle results in a cost-ineffective use of state and/or federal capital funds. Current policy practice has been to debit the funding of a trolley vehicle against the grantees number of eligible bus replacements, when determining discretionary bus funding awards. This practice has proved ineffective over the long term. Staff therefore recommends that the department adopt a policy that establishes all future procurement of trolley replica buses to be ineligible for state capital funding.

Upon approval, downstate grantees will be notified of the new policy by means of a policy guideline.

Approved

Director, Division of Public Transportation

Date

Addendum No. 1

Ineligibility of trolley-replica vehicles

The department's Downstate Capital Funding Program priority is to provide funds for the replacement of fixed-route and paratransit buses. With the high cost of bus replacements and limited state capital funding, the procurement of trolley-replica buses decreases the ability of the state and downstate grantees to replace buses needed to provide primary services.

Given the limited use of trolley-replica buses in the provision of transit service, the procurement of this type of vehicle results in a cost-ineffective use of state and/or federal capital funds. Therefore the department adopted a policy on May 1, 1999 that establishes all future applications for procurement of trolley-replica buses to be ineligible for state capital funding or federal Section 5309 discretionary funds awarded through the department.

May 1, 1999

EXHIBIT 3.2 POST-AWARD NOTIFICATION

Following the award of any contract or agreement, the grantee shall notify the Department within thirty days of the award. The following documents, as applicable, shall be submitted as part of the notification. (Documents previously submitted as part of the Pre-Bid and Pre-Award review need not be included)

- a. cover letter
- b. a certified copy of the advertisement for bid ;
- c. a certified tabulation of all bids received;
- d. a copy of the bid proposal selected for award;
- e. a copy of the executed contract and supporting documents;
- f. a copy of the plans and specifications;
- g. a copy of the contractor's Notice to Proceed;
- h. a copy of the certificate of insurance;
- i. a copy of the performance bond.

November 15, 2000

Exhibit 4.2, 4.3 INSTRUCTIONS: REQUEST FOR PAYMENT (RFP) FORMS

1. For grants passing through federal Section 5309 funding, there are two capital RFP forms. Both RFP forms must be submitted to the Department, one for the federal share and one for the state share.

The federal share RFP must cite both the state CAP number and the federal IL number. The maximum compensation amount to be reflected on the federal RFP is the total sum of all federal funds in the grant according to the state approved budget.

The state share RFP will identify the amount of state reimbursement being requested, and need only reflect the state CAP project number, but it is useful to include the federal IL number. The maximum compensation amount to be reflected on the state RFP is the total of all state funding in the grant according to the state approved budget.

2. In addition, two state RFP forms are needed when requesting state share for items funded with Bond and General Revenue Funds (GRF), i.e. one RFP for the reimbursement of items funded with Bonds, and one for the items funded with GRF. The RFP details will be the same except for amount of funds being requested for reimbursement. The maximum compensation amount on the RFPs will be the sum of all state funds, both Bond funds and GRF, according to the state approved budget.

3. After FROM: the grantee must enter the Vendor Address. That is, the address for the agency that is registered with the department for transmitting reimbursements. These addresses are in the Illinois Comptroller's system, and the system may stop payments if the vendor address is not consistent with the address on file.

4. All RFP forms include a brief project description, which provides an indication to the Comptroller of the project activity. This description should be for one or more of the line items in the grant which represent the largest items for which reimbursement is requested, for example, "purchase eight heavy-duty buses." For a construction project that includes A/E, CM, miscellaneous equipment, etc., the same description could be used each time, for example, "Construction of Decatur Transfer Center"

Attached are two exhibits of filled out RFP forms, followed by two blank forms which you may wish to copy and use.

1. Capital Assistance - State share (Exhibit 4.2)
2. Capital Assistance - Federal share (Exhibit 4.3)
3. Capital Assistance - State share
4. Capital Assistance - Federal share

EXHIBIT 4.2 CAPITAL - STATE SHARE

REQUEST FOR PAYMENT

FROM: _____

TO: Division of Public Transportation
Illinois Department of Transportation
310 South Michigan Avenue, Suite 1608
Chicago, Illinois 60604

The maximum State of Illinois compensation for the purchase of eight heavy-duty buses,
under project CAP-98-001-FED is \$600,000. Please remit \$400,000.00,
for the period September 1, 1998 through December 31, 1998

Signature
Authorized Agency Representative

Title

Date

Division of Public Transportation
Approval for payment by:

Signed

Date

EXHIBIT 4.3 CAPITAL - FEDERAL SHARE

REQUEST FOR PAYMENT

FROM: Bi-State Development Agency
c/o Accounting Department
707 N. First Street
St. Louis, MO 63102-2595

TO: Division of Public Transportation
Illinois Department of Transportation
310 South Michigan Avenue, Suite 1608
Chicago, Illinois 60604

The maximum Federal compensation for the purchase of eight heavy-duty buses,
under project CAP-98-001-FED / IL-03-0198 is \$2,400,000. Please remit \$1,600,000.00,
for the period September 1, 1998 through December 31, 1998

Signature
Authorized Agency Representative

General Manager
Title

Date

Division of Public Transportation
Approval for payment by:

Signed

Date

REQUEST FOR PAYMENT

FROM: Bi-State Development Agency
c/o Accounting Department
707 N. First Street
St. Louis, MO 63102-2595

TO: Division of Public Transportation
Illinois Department of Transportation
310 South Michigan Avenue, Suite 1608
Chicago, Illinois 60604

The maximum State of Illinois compensation for _____
under project _____ is \$ _____. Please remit \$ _____
for the period _____ through _____.

Signature
Authorized Agency Representative
General Manager

Title

Date

Division of Public Transportation
Approval for payment by:

Signed

Date

REQUEST FOR PAYMENT

FROM:

TO: Division of Public Transportation
Illinois Department of Transportation
310 South Michigan Avenue, Suite 1608
Chicago, Illinois 60604

The maximum Federal compensation for _____
under project _____ is \$ _____. Please remit \$ _____
for the period _____ through _____.

Signature
Authorized Agency Representative

Title

Date

Division of Public Transportation
Approval for payment by:

Signed

Date

QUARTERLY REPORTS

Regular progress reports are required for the project. Special reports may also be required if considered necessary.

Quarterly reports are due within 30 days of the end of each quarter. Quarters end on March 31, June 30, September 30, and December 31.

The grantee is responsible for submitting one copy of the following regular progress reports (see appendix for sample format):

Status of the Project Account

Show the beginning and ending balances of the project account for the quarter. Show the deposits and withdrawals made during this quarter, identifying the sources of deposits and withdrawals separately, by total project funds. Also show on the same sheet the name of the bank where the funds are deposited, the address of the bank, and the account number. Identify any project funds held as investments during this quarter by amount and manner of investment, and show the interest accrued.

Cash Flow Estimates

Show the total project funds obligated (contracted out) and the total disbursed to the end of the reporting quarter. For the remainder of the project show:

- the funds expected to be obligated in each remaining quarter; and
- the funds expected to be disbursed in each remaining quarter.

Percentage may be used in lieu of dollar amounts for the projections.

An update of the Cash Flow Estimate is required with each requisition, and at least quarterly. Thus quarterly updates of the Cash Flow Estimate are required only if the grantee has not submitted a requisition during a quarter.

Progress Report

This is a brief summary (one or two pages will suffice) describing the progress made in the reporting quarter and the project status through the end of this quarter.

Documentation or reference to other sources is to be avoided. The report shall include information on all contracts let, started, continuing, or completed during the reporting quarter, as well as an overall account of completion of the project through the end of the quarter, broken down into major project activities.

1/24/01: DF: Exhibit 5 is out of date and not being used.

EXHIBIT 5.2 CASH FLOW ESTIMATES

CAP-XX-XXX-FED
(IL-XX-XXXX)

CITY TRANSIT DISTRICT

Quarter ending March 31, 1996

| | <u>OBLIGATIONS</u> | <u>EXPENDITURES</u> |
|-----------------|--------------------|---------------------|
| Through 3/31/96 | \$15,000 (20%) | \$6,500 (11%) |
| Required for | | |
| Quarter ending | | |
| 6/30/96 | 22% | 12% |
| 9/30/96 | 24% | 18% |
| 12/31/96 | 16% | 14% |
| 3/31/97 | 8% | 15% |
| 6/30/97 | 5% | 16% |
| 9/30/97 | 5% | 14% |
| | 100% | 100% |

Prepared by _____ Date _____

Notes

Obligations represent: the award of contracts, as for construction or rolling stock, the start-up of force account work.

**Expenditures represent the actual billings for obligations.

PLEASE NOTE: If Cash Flow Estimates have been updated during the quarter (as part of a requisition submittal), a Cash Flow Estimate is not required at the end of the quarter.

EXHIBIT 5.1 QUARTERLY PROGRESS REPORT

CAP-XX-XXX-FED
(IL-XX-XXXX)

CITY TRANSIT DISTRICT

Quarter ending March 31, 1996

ACCOMPLISHMENT FOR QUARTER

1. Completed 5% of construction of garage
2. Completed deliveries of new buses (24)
3. Completed preliminary design phase of office building

STATUS OF PROJECT ITEMS

| <u>ITEM</u> | <u>STATUS</u> |
|------------------|----------------------------|
| Buses | Complete |
| Bus washer | Complete |
| Bus stop signs | Complete |
| Garage | Construction Underway |
| Turn around | No Progress - See problems |
| Repair equipment | Bids advertised |

PROBLEMS

1. Turn around - Weather delaying construction.

OUTLOOK FOR NEXT QUARTER

1. Complete garage construction
2. Award bid for repair equipment
3. Complete design of office

COMPLETION STATUS

Based on delivered improvements, the project is 51.4% complete.
Based on obligations, the project is 70.0% complete.

Prepared by _____ Date _____

EXHIBIT 5.3 STATUS OF PROJECT ACCOUNT

CAP-XX-XXX-FED
(IL-XX-XXXX)

CITY TRANSIT DISTRICT

Quarter ending March 31, 1996

| <u>TRANSACTION</u> | <u>DEPOSIT</u> | <u>WITHDRAWALS</u> | <u>BALANCE</u> |
|-------------------------------|----------------|--------------------|----------------|
| Beginning balance (1/1/96) | | - | \$ 500.00 |
| 1/15 Fed. requisition | 10,000.00 | - | 10,500.00 |
| 1/16 State requisition | 1,600.00 | - | 12,100.00 |
| 1/17 Local Share | 800.00 | - | 12,900.00 |
| 1/20 Sales of scrap | 500.00 | - | 13,400.00 |
| 1/22 Invoice paid | - | 12,000.00 | 1,400.00 |
| 1/31 Return of invested funds | 5,000.00 | - | 6,400.00 |
| 1/31 Earned interest | 400.00 | - | 6,800.00 |
| 2/10 Construction invoice | - | 5,500.00 | 1,300.00 |
| Ending balance | | | \$ 1,300.00 |

INVESTED FUNDS

| | |
|--|------------|
| 1/1 held since 12/1/95: COD - 8% | 5,000.00 |
| interest accrued to 1/1/96 | 300.00 |
| 1/31 returned to project account | (5,000.00) |
| interest accrued to 1/31/96 | 100.00 |
| 1/31 interest deposited to project account | (400.00) |
| 3/31 investments held | -0- |
| 1/31 interest accrued | -0- |

Bank: City State Bank, 12 Main Street, City, Illinois
Account: 360-30-1784

Prepared by _____

Date _____

Exhibit 6.0
Illinois Department of Transportation, Division of Public Transportation
Change Order Review Criteria

The general criteria on which IDOT bases its evaluation of change orders for state participation are as follows:

- Change order concurrence must be received prior to executing any change order work. Costs associated with work executed prior to IDOT concurrence (written or verbal), are ineligible for reimbursement under the state grant.
- Contractors' prices must be fair and reasonable. The cost of change order work must be demonstrably not greater than the likely cost for the same work if bids were taken.
- The work must be of such a nature that it is unreasonable to take bids to find the best price. Such a case might occur when certain project work must be completed to permit other construction to proceed. It must be clear that delays would result in an increase to the cost of the project contract. Any work necessary to ensure safety would also meet this criterion.
- The work must directly relate to the work for which the contractor was hired. The change order must be for work which would logically have been part of contract, had its necessity been foreseen.
- The change order must not be for work which requires the removal, relocation, or significant alteration of work previously constructed through the subject contract, or of any other IDOT funded project with remaining useful life. In such a case, IDOT can participate only in either the original work, or the modification, but will not participate in both.
- The work cannot be of such a nature that it is required because of an error on the part of the contractor or the grantee, or a lack of coordination between contracts on the part of the grantee.
- IDOT will concur in change orders required due to errors in design only upon written assurance that the grantee will take all necessary legal action to recover appropriate damages from the original designer. Failure of the grantee to provide such assurances or failure to legally pursue the original designer shall result in a denial of state participation in the change orders. All legal action shall be completed and documentation submitted to IDOT prior to the final grant audit.
- Work required due to omissions on the part of the grantee or the designer are generally acceptable.

Illinois Department of Transportation, Division of Public Transportation
Change Order Procedure
(page 1 of 2)

Grantees are to have a written change order procedure that has been communicated to the contractor. Contractors are also to be informed of the state concurrence requirement.

All change orders require prior IDOT concurrence. Concurrence must precede the execution of any change order work. Upon receipt of a written request for change order, the standard procedure for change order requests shall apply as follows:

1. Requests are to be detailed to the degree necessary for understanding the reasons for the change. This should include a written description of the proposed change and its effect on the overall project, a summary of cost factors (see no. 4 below), and the standard AIA Change Order form. All change orders should be authorized in writing in advance of submittal, by the Board of Directors unless the Board has authorized someone to execute change orders.
2. If the Board authorizes someone to execute change orders, the grantee should prior to the commencement of construction activity, identify the authorized representative and indicate the extent to which the authority is limited (in terms of dollars per change order). All change orders exceeding this amount should be authorized by the Board, and change order submittals must contain proof of Board approval.
3. The grantee's authorization must appear on the AIA form or by separate cover letter, along with the authorization of the A&E firm or Construction Manager. Requests can be faxed to IDOT - Division of Public Transportation (fax no: 312-793-1251) and originals mailed.
4. A detailed estimate from the contractor completing the work, showing unit costs for materials, labor, overhead, and profit, for the proposed change order, as well as the architect/engineer's estimate, should be attached to support the summary of cost factors. The contractor's estimate should be compared with the architect/engineer's estimate for similar work, to establish that the price is fair and reasonable.
5. All requests shall be reviewed by the IDOT project manager. The project manager reviews the request, completes the Change Order Request and Review Form, attaches a budget revision as needed, and a proposed concurrence letter to the grantee, and submits these items to the Section Chief for approval. After approval, the Section Chief recommends the concurrence letter for execution by the Bureau Chief.
6. In those situations where the turnaround time involved would result in substantial delay and subsequent increase in project costs, the grantee may issue a change order directive after obtaining a contingent verbal concurrence from IDOT. The issuance of a verbal concurrence by the Bureau Chief, or by the Section Chief in his absence, is limited to an additive amount not to exceed 5% of the contingencies line item or \$2,500, whichever is less.

**Illinois Department of Transportation, Division of Public Transportation
Change Order Procedure
(page 2 of 2)**

7. If there is an emergency situation in which the grantee must act immediately, the grantee must notify IDOT of the action to be taken. Submission of the required written request and supporting documentation by the grantee must follow immediately.

In all situations, state participation in cost will be dependent upon receipt of the required documentation and subsequent approval by the Department. Upon approval, a retroactive written concurrence and a revised budget as necessary will be issued by this office.

8. Minor change orders may be issued without IDOT review. A minor change order is defined as one which neither changes the contract scope nor increases the contract cost.

**Illinois Department of Transportation, Division of Public Transportation
Change Order Request and Review
(page 1 of 2)**

| | | |
|--------------------|---------------|------------------|
| Grantee & Project: | | |
| CAP | Bid Group No. | Change Order No. |

Grantee Submission
Prepared By: _____

Indicate (with authorized representative's initials) that the following general criteria which IDOT uses to base its evaluation of change orders for appropriateness for State participation have been met by the grantee:

- | | <u>Initials</u> |
|---|-----------------|
| 1. IDOT concurrence will be received prior to executing change order work. Costs associated with work executed prior to IDOT concurrence (written or verbal) are ineligible for reimbursement under the state grant. | _____ |
| 2. Contractor's price must be fair and reasonable. The grantee has provided evidence with detailed estimates from the contractor performing CO work, that the cost of a CO is demonstrably not greater than the likely cost for similar work if bids were taken. The architect/engineer's estimate is the most frequently used for comparison and evaluation. Other evidence may be needed, e.g., for procurement. | _____ |
| 3. The grantee has provided evidence that the work is of such a nature, that it is unreasonable to take bids to find the best price. This includes work that must be completed to permit other construction to proceed. It must be clear that delays would result in an increase to the cost of the project. Any work necessary to ensure safety would also meet this criterion. | _____ |
| 4. The work directly relates to work that the contractor was hired to complete. The CO must be work which would logically have been part of the contract had its necessity been foreseen. | _____ |
| 5. The CO is not for work which would require the removal, relocation, or significant alteration of work previously constructed through the subject contract, or any other IDOT funded transit project contract. In such cases, IDOT can participate in either the original work or the modification, but not both. | _____ |
| 6. The work is not caused by grantee or contractor error, or a lack of coordination between contracts on the part of the grantee, and it is reasonable for IDOT to participate in the cost of the change. | _____ |
| 7. The grantee has provided evidence that the work required is due to omissions on the part of the grantee or designer. Omissions are generally acceptable for IDOT participation. | _____ |
| 8. The grantee has provided written assurance that it will take all necessary legal action to recover appropriate damages from the original designer for design error. IDOT will concur on COs caused by design error only if grantee provides written assurance that it will take all necessary legal action to recover appropriate damages from the original designer. Grantee failure to provide such assurances or failure to legally pursue the original designer shall result in denial of state participation in the COs. All legal action shall be completed and documentation submitted to IDOT prior to final grant audit. | _____ |

TOTAL (Sections A+B+C+D+E+F+G)

| |
|--|
| |
|--|

Sample Form FAA4400

EXHIBIT 6.1 - FAA4400 Form needed as part of submittal for pre-award concurrence of design awards.

Example Summary totals sheet, if there are multiple phases]

DESIGN CO & ASSOCIATES

| Scope | Direct Labor | | Salary Burden [1] | Gen. Admin. Expenses | Direct Costs | Fixed Fee | Travel | Subcontracts | Total | A&E Contract |
|-------------------------|---------------|--|-------------------|----------------------|--------------|---------------|----------|---------------|---------------|---------------|
| | Labor | | | | | | | | | |
| Demolition - Phase I | 4,921 | | 2,151 | 5,159 | 5,500 | 2,439 | 0 | 0 | 20,170 | 20,170 |
| Construction - Phase II | 23,206 | | 10,146 | 24,331 | 2,700 | 8,131 | 0 | 11,000 | 79,513 | 79,517 |
| Total | 28,126 | | 12,297 | 29,491 | 8,200 | 10,569 | 0 | 11,000 | 99,683 | 99,687 |

[1] Audited overhead rate.

()

()

(

EXHIBIT 6.1 - FAA4400 Form

ATTACHMENT NO. 2 - SCHEDULE OF FEES & ESTIMATED EXPENSES

**Task 1 Program Development
STV/FB Joint Venture**

\$59,390

| | Labor Hrs. | Labor Rate | Sched. value |
|-----------------------------|------------|------------|--------------|
| A1. STV DIRECT LABOR | | | |
| Project Director | 40 | 36.02 | 1,441 |
| Architect | 20 | 40.00 | 800 |
| Sr. Equipment Engineer | 40 | 49.22 | 1,969 |
| Sr. Structural Engineer | 8 | 44.60 | 357 |
| Architect | 20 | 39.00 | 780 |
| Technician | 0 | 24.00 | 0 |
| Project Administrator | 12 | 21.00 | 252 |
| Environmental Engineer | 8 | 35.00 | 280 |
| Environmental Technician | 0 | 24.00 | 0 |
| Structural Engineer | 0 | 39.00 | 0 |
| Structural Technician | 0 | 24.00 | 0 |
| | <u>148</u> | | <u>5,878</u> |

B1. SALARY OVERHEAD/ BURDEN [1] (125.00% OF SECTION A1) 7,348

C1. GENERAL & ADMIN. EXPENSE - INCLUDED IN B1

A2. PB DIRECT LABOR

| | | | |
|------------------------|------------|-------|---------------|
| Project Manager | 104 | 51.92 | 5,400 |
| Construction Manager | 0 | 41.15 | 0 |
| Equipment Engineer | 104 | 30.46 | 3,168 |
| Equipment Engineer | 40 | 27.91 | 1,116 |
| Equipment Technician | 120 | 17.27 | 2,072 |
| Project Administrator | 8 | 25.00 | 200 |
| Site - Civil Engineer | 16 | 34.62 | 554 |
| Site - Civil Engineer | 0 | 26.87 | 0 |
| Civil Technician | 0 | 23.00 | 0 |
| MEP Engineer | 8 | 34.98 | 280 |
| Mechanical Engineer | 0 | 29.00 | 0 |
| Mechanical Technician | 0 | 24.00 | 0 |
| Sr. Equipment Engineer | 8 | 39.20 | 314 |
| Electrical Engineer | 0 | 29.00 | 0 |
| Electrical Technician | 0 | 24.00 | 0 |
| Plumbing Engineer | 8 | 29.00 | 232 |
| Plumbing Technician | 0 | 24.00 | 0 |
| | <u>416</u> | | <u>13,336</u> |

B2. SALARY OVERHEAD/ BURDEN [1] (153.00% OF SECTION A2) 20,404

34,751 38226.593

| | |
|---|--------|
| C2. ESCALATION FACTOR (3% of A2+B2) | 1,012 |
| D. OTHER DIRECT COSTS | |
| Printing | 1,500 |
| Communications | 375 |
| Delivery | 150 |
| | <hr/> |
| | 2,026 |
| E. FIXED FEE (10.0%[0.1 X SECTION A1 + A2+B1+B2+C2]) | 4,798 |
| F. TRAVEL | 3,410 |
| G. SUBCONTRACTS | 1,178 |
| | <hr/> |
| TOTAL | 59,390 |

[1] Audited overhead rate

For future use when project is active:

| | |
|------------------------------------|-------------------------------------|
| Original contract sum | 59,390 |
| Net change by Change Orders | 0 |
| Contract sum to date | 59,390 |
| Total Completed & stored to date | <input type="text" value="0"/> |
| Retainage | 0 |
| Total earned less retainage | 0 |
| Less previous payment | 0 |
| Current payment due | 0 |
| Balance to complete plus retainage | <input type="text" value="59,390"/> |

ST. CLAIR COUNTY JOINT BUS / RAIL FACILITY
 Bi-State Development Agency
COST PROPOSAL SUMMARY
 November 15, 2000

| | Task 1 | Task 2 | Task 4 | Task 5 | Subtotal Design | % of Design | Task 6 | % of Const. | Total | % of Total |
|----------------------------------|------------------|-------------------|-------------------|-------------------|---------------------|---------------|-------------------|---------------|---------------------|--------------|
| STV Architectural Design | \$ 12,974 | \$ 58,168 | \$ 108,401 | \$ 202,960 | \$ 382,503 | 38.8% | \$ 164,106 | | \$ 546,609 | |
| STV Environmental | \$ 693 | \$ 4,415 | \$ - | \$ - | \$ 5,108 | 0.5% | \$ - | | \$ 5,108 | |
| STV Structural Design | \$ 883 | \$ 12,583 | \$ 29,363 | \$ 43,283 | \$ 86,112 | 8.7% | \$ 31,788 | | \$ 117,900 | |
| Subtotal STV | \$ 14,550 | \$ 75,166 | \$ 137,764 | \$ 246,243 | \$ 473,723 | 48.0% | \$ 195,894 | 29.7% | \$ 669,617 | 40.7% |
| PB Equipment Design | \$ 34,273 | \$ 32,078 | \$ 43,094 | \$ 45,345 | \$ 154,790 | 15.7% | \$ 139,399 | | \$ 294,189 | |
| PB Civil Design | \$ 1,588 | \$ 5,954 | \$ 55,016 | \$ 55,866 | \$ 118,424 | 12.0% | \$ 22,934 | | \$ 141,358 | |
| PB Mechanical Design | \$ 802 | \$ 8,001 | \$ 15,970 | \$ 32,446 | \$ 57,219 | 5.8% | \$ 23,039 | | \$ 80,258 | |
| PB Electrical Design | \$ 899 | \$ 9,033 | \$ 16,181 | \$ 28,803 | \$ 54,916 | 5.6% | \$ 23,954 | | \$ 78,870 | |
| PB Plumbing/FP Design | \$ 665 | \$ 4,311 | \$ 9,494 | \$ 24,399 | \$ 38,869 | 3.9% | \$ 16,156 | | \$ 55,025 | |
| Subtotal PB | \$ 38,227 | \$ 59,377 | \$ 139,755 | \$ 186,859 | \$ 424,218 | 43.0% | \$ 225,482 | 34.1% | \$ 649,700 | 39.4% |
| KBG Cost Estimating (DBE) | \$ 1,178 | \$ 8,837 | \$ 11,783 | \$ 11,783 | \$ 33,581 | 3.4% | \$ 239,008 | 36.2% | \$ 272,589 | 16.6% |
| Surveying (DBE) | | \$ 30,000 | | | \$ 30,000 | 3.0% | | 0.0% | \$ 30,000 | 1.8% |
| Geotechnical Investigation (DBE) | | \$ 25,000 | | | \$ 25,000 | 2.5% | | 0.0% | \$ 25,000 | 1.5% |
| Total Labor | \$ 53,955 | \$ 198,380 | \$ 289,302 | \$ 444,885 | \$ 986,522 | 100.0% | \$ 660,384 | 100.0% | \$ 1,646,906 | |
| Other Direct Cost (ODC) | \$ 5,435 | \$ 4,915 | \$ 5,280 | \$ 8,480 | \$ 24,110 | | \$ 14,960 | | \$ 39,070 | |
| TOTAL | \$ 59,390 | \$ 203,295 | \$ 294,582 | \$ 453,365 | \$ 1,010,632 | | \$ 675,344 | | \$ 1,685,976 | |
| % of Total Design | 5.9% | 20.1% | 29.1% | 44.9% | 100.0% | | | | | |
| % of Total Design & Construction | 3.5% | 12.1% | 17.5% | 26.9% | 40.1% | | | | 100.0% | |
| Total DBE | | | | | | | | | | 19.9% |

The Cost Proposal shown above shall be valid for a period of 90 from January 2, 2001 with the further understanding that construction may also be delayed for 90 days.

| FEDERAL AVIATION AGENCY COST AND PRICE ANALYSIS - RESEARCH AND DEVELOPMENT CONTRACTS | | Form approved Budget Bureau No. O4-R128 | |
|--|--------------------|---|--------------------------------|
| This form is to be used in lieu of FAA Form 3515 as provided under FAPR 2-16-260-2, it will be executed and submitted with proposals in response to "Requests for Proposals", for the procurement of research and development services. If your cost accounting system does not permit analysis of costs as required contact the purchasing office for further instructions. | | PURCHASE REQUEST NUMBER | |
| NAME AND ADDRESS OF OFFERER Village of Deerfield 850 Waukegan Road Deerfield, IL 60015 | | TITLE OF PROJECT Deerfield Road Pedestrian Underpass Study | |
| DETAIL DESCRIPTION | ESTIMATED HOURS | RATE/ HOUR | TOTAL ESTIMATED COST (Dollars) |
| 1. DIRECT LABOR (Specify) | | | |
| Develop horizontal and vertical alignments | 40 | \$ 33.50 | \$ 1,340.00 |
| ADA compliance evaluation | 24 | \$ 33.50 | \$ 804.00 |
| Structural conceptual design | 40 | \$ 33.50 | \$ 1,340.00 |
| Construction feasibility | 24 | \$ 33.50 | \$ 804.00 |
| Meetings and coordination | 40 | \$ 33.50 | \$ 1,340.00 |
| Structural analysis of effects on existing Metra bridge | 24 | \$ 33.50 | \$ 804.00 |
| Preliminary cost estimates | 40 | \$ 33.50 | \$ 1,340.00 |
| Presentation of preferred alternative | 16 | \$ 33.50 | \$ 536.00 |
| TOTAL DIRECT LABOR | | | \$ 8,308.00 |
| 2. BURDEN (Overhead-specify) DEPARTMENT OR COST CENTER | BURDEN RATE | X BASE = | BURDEN |
| Payroll Burden and Fringe Costs | 37.45% | \$ 8,308.00 | \$ 3,111.35 |
| Overhead and Indirect Costs | 81.31% | \$ 8,308.00 | \$ 6,755.23 |
| | | | |
| | | | |
| TOTAL BURDEN | | | \$ 9,866.58 |
| 3. DIRECT MATERIAL | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL MATERIAL | | | |
| 4. SPECIAL TESTING (Including field work at Government installations) | | | |
| | | | |
| | | | |
| TOTAL SPECIAL TESTING | | | |
| 5. SPECIAL EQUIPMENT (If direct charge-specify in Exhibit B on reverse) | | | |
| 6. TRAVEL (If direct charge) | | | |
| a. TRANSPORTATION | | | |
| b. PER DIEM OR SUBSISTENCE | | | |
| TOTAL TRAVEL | | | |
| 7. CONSULTANTS (Identify - purpose - rate) | | | |
| | | | |
| | | | |
| TOTAL CONSULTANTS | | | |
| 8. SUBCONTRACTS (Specify in Exhibit A on reverse) | | | |
| 9. OTHER DIRECT COSTS (Specify in Exhibit B on reverse-explain royalty costs, if any) | | | \$ 500.00 |
| TOTAL DIRECT COST AND BURDEN | | | \$ 18,174.58 |
| 10. | | | |
| 11. GENERAL AND ADMINISTRATIVE EXPENSE (Rate % of item nos.) | | | TOTAL ESTIMATED COST |
| | | | \$ 18,674.58 |
| 12. | | | |
| 13. FIXED FEE OR PROFIT (State basis for amount in proposal) | | | \$ 2,843.22 |
| TOTAL ESTIMATED COST AND FIXED FEE OR PROFIT | | | \$ 21,517.80 |
| 14. | | | |

ATTACHMENT A

Deerfield Road Pedestrian Underpass Study
Village of Deerfield

November 16, 2001

Scope of Work: Pedestrian traffic along Deerfield Road under the pedestrian and Metra Bridges is a Village concern. The distance between Metra bridge abutments is 32 feet. This narrow width causes a bottleneck condition for Deerfield Road vehicular traffic and limits the width of the sidewalks to less than 4 feet. Sidewalk railings are in place to protect pedestrians from the 30 inch dropoff from the sidewalk to the pavement. The Village has requested that the feasibility of constructing pedestrian underpasses behind the Metra bridge abutment walls. If only one underpass proves to be feasible, the preferred location is the south side of Deerfield Road. Benefits of an underpass include increased safety due to the separation of vehicles and pedestrians, and a more user friendly pedestrian and bicycle access route.

| | Man-hours | Direct Costs |
|---|------------|------------------|
| Develop horizontal and vertical alignments | 40 | |
| ADA Compliance Evaluation | 24 | |
| Structural Conceptual Design | 40 | |
| Construction feasibility | 24 | |
| Meetings and Coordination | 40 | |
| Structural analysis of affects on existing Metra bridge | 24 | |
| Preliminary cost estimates | 40 | |
| Presentation of preferred alternative | 16 | |
| Printing | | \$ 500.00 |
| Sub-Total | 248 | \$ 500.00 |

| | |
|-------------------------------|-----------|
| Total Manhours | 248 |
| x Average Hourly Wage Rate \$ | 33.50 |
| Direct Labor (DL) \$ | 8,308.00 |
| Total Direct Costs (DC) | \$ 500.00 |

| Code | Employee Classification | IDOT Approved Average Rates | Percent Participation | Weighted Wage Rate |
|------|----------------------------|-----------------------------|-----------------------|--------------------|
| 12 | Civil Project Engineer | \$ 40.00 | 5% | \$ 2.00 |
| 23 | Structural Senior Engineer | \$ 42.00 | 25% | \$ 10.50 |
| 24 | Structural Engineer | \$ 30.00 | 70% | \$ 21.00 |
| | | | 100% | \$ 33.50 |

| FEDERAL AVIATION AGENCY COST AND PRICE ANALYSIS - RESEARCH AND DEVELOPMENT CONTRACTS | | Form approved Budget Bureau No. 04-R128 | |
|--|--|--|--------------------------------|
| This form is to be used in lieu of FAA Form 3515 as provided under FAPR 2-16-260-2, it will be executed and submitted with proposals in response to "Requests for Proposals", for the procurement of research and development services. If your cost accounting system does not permit analysis of costs as required contact the purchasing office for further instructions. | | | PURCHASE REQUEST NUMBER |
| NAME AND ADDRESS OF OFFERER City of Blue Island | | TITLE OF PROJECT 127 th Street Commuter Lot Rehabilitation | |
| DETAIL DESCRIPTION | ESTIMATED HOURS | RATE/HOUR | TOTAL ESTIMATED COST (Dollars) |
| 1. DIRECT LABOR (Specify) | | | |
| 3-man field crew - field topography and investigations | 48 | 17.13 | 822.00 |
| CADD Operator - engineering drafting of exist. Conditions, proposed design | 40 | 16.11 | 644.40 |
| Principal Engineer - project administration, quality control | 8 | 39.67 | 317.36 |
| Senior Engineer - engineering design, project meetings & coordination, bid review | 24 | 32.19 | 772.56 |
| Engineer - preparation of plans, specifications, cost estimates | 32 | 25.50 | 816.00 |
| TOTAL DIRECT LABOR | | | \$3,372.32 |
| 2. BURDEN (Overhead-specify) DEPARTMENT OR COST CENTER | | | |
| BURDEN RATE | X BASE = | BURDEN | |
| 1.4892 | 3,372.32 | 4,954.61 | |
| TOTAL BURDEN | | | \$4,954.61 |
| 3. DIRECT MATERIAL | | | |
| Pre-Final Design Plans | 20 sets x 10 sheets/set x \$2.50/sheet | 500.00 | |
| Pre-Final Specifications & Contract Documents | 10 sets x 150 pages/set x \$0.25/page | 375.00 | |
| Final Design Plans | 20 sets x 10 sheets/set x \$2.50/sheet | 500.00 | |
| Final Specifications & Contract Documents | 10 sets x 150 pages/set x \$0.25/page | 375.00 | |
| TOTAL MATERIAL | | | \$1,750.00 |
| 4. SPECIAL TESTING (Including field work at Government Installations) | | | |
| TOTAL SPECIAL TESTING | | | \$0.00 |
| 5. SPECIAL EQUIPMENT (If direct charge-specify in Exhibit B on reverse) | | | |
| TOTAL SPECIAL EQUIPMENT | | | \$0.00 |
| 6. TRAVEL (If direct charge) | | | |
| a. TRANSPORTATION | | | |
| b. PER DIEM OR SUBSISTENCE | | | |
| TOTAL TRAVEL | | | \$0.00 |
| 7. CONSULTANTS (Identity - purpose - rate) | | | |
| TOTAL CONSULTANTS | | | \$0.00 |
| 8. SUBCONTRACTS (Specify in Exhibit A on reverse) | | | |
| TOTAL SUBCONTRACTS | | | \$0.00 |
| 9. OTHER DIRECT COSTS (Specify in Exhibit B on reverse-explain royalty costs, if any) | | | |
| TOTAL OTHER DIRECT COSTS | | | \$0.00 |
| TOTAL DIRECT COST AND BURDEN | | | \$10,076.93 |
| 11. GENERAL AND ADMINISTRATIVE EXPENSE (Rate % of item nos.) | | | |
| TOTAL GENERAL AND ADMINISTRATIVE EXPENSE | | | 0.00 |
| TOTAL ESTIMATED COST | | | \$10,076.93 |
| 13. FIXED FEE OR PROFIT (State basis for amount in proposal) | | | \$1,511.54 |
| TOTAL ESTIMATED COST AND FIXED FEE OR PROFIT | | | \$11,588.47 |

EXHIBIT 7.0 PROJECT SIGN SPECIFICATIONS

1. One sign shall be erected at each major entrance to the project for maximum public identification of work, and shall be maintained in good condition until completion of the project. Upon project completion, the signs shall be removed.
2. Signs are to be cut from standard 4' x 8' waterproof plywood sheets, or other suitable material, and shall meet the sign standards shows in the drawing below.
3. The sign may be varied to meet special requirements of the situation, but proportions shall be maintained.
4. The center white panel will indicate briefly the nature of the project, such as "KEATING BUS GARAGE AND TERMINAL." Avoid maps or lengthy descriptions. Copy should be limited to two lines, if possible.
5. No information shall be included on the project signs except that stipulated in the above paragraph or the drawings below.

URBAN

MASS TRANSPORTATION

PROJECT

IMPROVEMENTS SPONSORED BY:

U.S. DEPARTMENT OF TRANSPORTATION
ILLINOIS DEPARTMENT OF TRANSPORTATION

U.S. PROJECT NO.

ILL. PROJECT NO.

Lettering:

Top: Futura Bold Italic, white on red;

Center: Futura Bold, blue on white;

Bottom: Futura Demi-Bold, white and blue background

[There is a drawing on the hard copy]

A new directive was issued on 3/15/2000, which outlined the procedures for installing project signs for Illinois FIRST projects [all state bonded projects beginning FY01].

District 8

Bi-State Development Agency:

The department has initially delivered 25 signs. This production may require supplementary deliveries over the next few years depending on usage. The Division should be notified when additional signs will be required.

The Division has provided the Springfield Office of DOH with the following name and number at Bi-State who will receive the delivery:

Chris Poehler
Project Director
Engineering & Construction
Bi-State Development Agency
707 North First St.
St. Louis, MO 63202-2595
[314] 982-1400 x1399

For other agencies in District 8, the Division will instruct them to pick up signs as needed at:

Kent Muskoph
Operations Engineer
IDOT – District 8
1102 Eastport Plaza Drive
Collinsville, IL 62234-6198
[618] 346-3100

EXHIBIT 10.0 IDOT PROJECT EQUIPMENT DISPOSITION GUIDELINES

I. DEFINITIONS

Project Equipment. All tangible property, with the exception of land, affixed land improvements, structures and appurtenances, which has a useful life of more than one year and an acquisition cost that exceeds \$300 per unit.

Acquisition Cost. The total purchase price of a piece of equipment. In other words, the invoice price, plus the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose of its acquisition. Other charges, such as the cost of inspection, installation, transportation, taxes, duty or protective in-transit insurance should be treated in accordance with the grantee's regular accounting practices. The cost of items separately installed and removable from rolling stock, such as fareboxes, radios and wheelchair lifts, is treated as a separate acquisition and not as part of the cost of the vehicle.

Excess Project Equipment. Project equipment which was initially purchased under an IDOT grant, and/or project equipment which has been replaced by equipment purchased under an IDOT grant, which the grantee determines is no longer required for its needs or discharge of its responsibilities.

Net Proceeds from the Sale of Project Equipment. The amount realized from the sale of excess project equipment, utilizing competitive sale procedure, less the cost of disposition. The cost of disposition must be justified by the grantee. When undocumented, it shall not exceed \$100 or 10 percent of the sale price, which may be deducted to cover the cost of disposition.

Incidental Use of Excess Project Equipment. The use, authorized by IDOT, of excess project equipment which has reached the end of its useful life.

Useful Life. The useful life of project equipment purchased or replaced with IDOT funds is usually determined in accordance with generally accepted accounting standards or twenty years, whichever is less. On a case-by-case basis, IDOT may approve a useful life which differs from this guideline, e.g., 30 years for rapid transit rail cars or 500,000 miles rather than 12 years for a standard size bus. In any case, the state should approve the useful life at the time of grant award. (Note: The calculation of an item's useful life begins with the date it is placed into service. This is the date of delivery, or acceptance if it is later, of the item. Exceptions to this must be concurred on by IDOT.)

IDOT Project Equipment Disposition Guidelines

III. CALCULATIONS OF AMOUNTS DUE TO IDOT

A. For project equipment which has reached the end of its useful life:

1. If an IDOT funded item is not replaced and is retained by the grantee for incidental purposes, concurrence is necessary. See Section VI. If it is retained for the same purpose, no action is necessary.
2. If an IDOT funded item is not replaced, and if it is disposed of by the grantee, and if the unit fair market value exceeds \$5,000 or if the salvaged or unused material from the grant as a whole has a total aggregate fair market value which exceeds \$5,000, then IDOT is due a proportionate share of the net sales proceeds of the sales of the item(s) equal to the proportion of IDOT's share of the funding for the original item. Alternatively, at IDOT's discretion, the grantee may be allowed to retain the net sales proceeds provided the grantee justifies, and IDOT concurs, on the future use of those proceeds. It is expected that those proceeds will be used for public transportation purposes.
3. If an IDOT funded item is replaced using other than IDOT funds, and is retained by the grantee for incidental purposes, concurrence is necessary. See Section VI. If it is retained for the same purpose, no action is necessary.
4. If an IDOT funded item is replaced using other than IDOT funds, and if it is disposed of by the grantee, and if the unit fair market value exceeds \$5,000 or if the salvaged or unused material from the grant as a whole has a total aggregate fair market value which exceeds \$5,000, then IDOT is due a proportionate share of the net sales proceeds of the sale of the item(s) equal to the proportion of IDOT's share of the funding for the original item. Alternatively, at IDOT's discretion, the grantee may be allowed to retain the net sales proceeds provided the grantee justifies, and IDOT concurs, on the future use of those proceeds. It is expected that those proceeds will be used for public transportation purposes.

IDOT Project Equipment Disposition Guidelines

- B. For IDOT funded project equipment which has not reached the end of its useful life:

An item may be withdrawn from service prior to the end of its useful life for either of three reasons: A grantee determines that the item is no longer required for its needs or discharge of its responsibilities; the item is unaccounted for or has been stolen; or the item is damaged beyond repair. When such a determination is made concerning IDOT funded item(s), the grantee is required to immediately notify IDOT.

The grantee is also required to remit to the State a proportional amount (equal to IDOT's share of the funding for the item) of the fair market value of the item. The method for determining the fair market value of an item is subject to IDOT concurrence, and is generally expected to fall into one of the following categories:

1. An appraised value, based upon a competent appraisal conducted as soon as feasible after the item is withdrawn from service. Any appraiser employed for such purposes is subject to the prior approval of the Department. This method may be appropriate for item(s) withdrawn from service as a result of damage or theft by basing the appraisal on replacement cost or comparable sales.
2. Actual proceeds from the public sale of the item (including sale of salvage). This method is not appropriate for items withdrawn from service as a result of damage.
3. The acquisition cost of the equipment adjusted by straight line depreciation for the period the equipment was in service. This method is appropriate for items withdrawn from service as a result of damage. The depreciated value can be calculated by dividing the acquisition cost by the months (or weeks, as appropriate) by the useful life of the item, and multiplying the result by the useful life still remaining (i.e., the period in use (based on actual delivery or acceptance date, whichever is later) subtracted from the useful life.) This can also be expressed as the following formula:

$$\text{Deprec. Value} = \frac{\text{Acquisition Cost} \times (\text{Useful Life} - \text{Period in Use})}{\text{Useful life}}$$

4. Insurance settlement amounts for damaged items, plus the associated deductible amount. This method is appropriate for items withdrawn from service as a result of damage.

IV. SALE PROCEDURES FOR PROJECT EQUIPMENT IN WHICH IDOT HAS AN INTEREST

Grantees are required to provide appropriate documentation (including the state grant number, element, state share rate, an estimated value of the project equipment to be sold and a copy of the proposed advertisement) to IDOT prior to advertising for bids. IDOT concurrence prior to advertisement is required.

Grantees are also required to obtain IDOT concurrence prior to entering into a contract. Requests for IDOT concurrence should include a copy of the bid tabulation and any other appropriate documentation as may be required.

V. PAYMENT PROCEDURES

When IDOT concurs on the amount due to it related to the sale or withdrawal from service of project equipment in which it has an interest, IDOT will provide an accounts receivable form. The grantee will prepare a check made payable to the Treasurer, State of Illinois, and transmit both the check and accounts receivable form to the Administrative Manager at IDOT-DPT. IDOT will forward the check to the Treasurer. Payment is due as soon as feasible. When project equipment is sold or an insurance settlement is required, payment is due as soon as feasible after the receipt of funds by the Grantee. The accounts receivable form must accompany the payment.

IDOT accounting procedures preclude the crediting of payments (i.e., from the grantee to the state) against specific grant accounts. Therefore, total expenditures against a grant should not be reduced nor will the total amount remaining to be spent under a grant be increased as the result of a payment.

VI. IDOT CONCURRENCE ON INCIDENTAL OR OTHER USES

IDOT concurrence is required for incidental or other uses of project equipment which has been funded in whole or in part by IDOT. For other project equipment in which IDOT has an interest, notification of IDOT is required. Requests for concurrence and letters of notification should describe the use for which the project equipment is desired. This includes the transfer of project equipment to another IDOT grantee.

IDOT Project Equipment Disposition Guidelines

VII. REPLACEMENT OF UNACCOUNTED FOR, DAMAGED, OR STOLEN PROJECT EQUIPMENT

If IDOT funded project equipment is unaccounted for, damaged, or stolen, a grantee may, with prior IDOT concurrence, use the sales proceeds and/or insurance proceeds, or any other source other than state funds, to purchase a replacement item of equal or greater value or quality. Unless otherwise agreed to by IDOT, IDOT's interest in the replacement item will be at the same funding rate as the original item and will extend until the end of the standard "useful life" of the ORIGINAL item. Thus, if a bus (a 12-year item) is damaged beyond repair after nine years and is replaced, IDOT would have a three year interest in the replacement bus.

12/98: Vehicle Disposition Guidelines

The following is a clarification of the vehicle disposition guidelines for vehicles purchased by grant recipients of Illinois capital improvement grants.

The current guideline does not require department concurrence for disposition of a vehicle that has exceeded its useful life. In order to guarantee that the department is able to track the status of grantee's vehicle inventories, we are adding the requirement that the grantee provide the department with prior notification of a planned disposition, at least one month prior to the disposition. This gives the department an opportunity to comment, if it chooses, and allows the grantee to continue its disposition process.

II. OUTLINE OF PROJECT EQUIPMENT DISPOSITION GUIDELINES

A. For items which have reached the end of their useful lives:

| Original Item Funding Source | Replacement Item Funding Source | Desired Action re To Original Item | Disposition Instructions |
|------------------------------|---------------------------------|--|---|
| IDOT | NOT REPLACED | <ol style="list-style-type: none"> 1) Dispose 2) Retain for incidental use 3) Retain for the same purpose | <ol style="list-style-type: none"> 1) IDOT may have an interest in the item(s). [Section III A 2] 2) IDOT concurrence is required. [Section III A 1 and Section VI] 3) No action is necessary. [Section III A 1] |
| IDOT | OTHER | <ol style="list-style-type: none"> 1) Dispose 2) Retain for incidental use 3) Retain for the same purpose | <ol style="list-style-type: none"> 1) IDOT may have an interest in the item(s). [Section III A 4] 2) IDOT concurrence is required. [Section III A 3 and Section VI] 3) No action is necessary. [Section III A 3] |
| IDOT | IDOT | <ol style="list-style-type: none"> 1) Dispose 2) Retain for incidental use 3) Retain for the same purpose | <ol style="list-style-type: none"> 1) IDOT may have an interest in the item(s). [Section III A 7 and Section III A 8] 2) IDOT concurrence is required. [Section III A 5 and Section VI] 3) If an item is retained for the same purpose, it has not been replaced. The Grantee must submit a revised justification, acceptable to IDOT, for the replacement item. [Section III A 6] |
| OTHER | IDOT | <ol style="list-style-type: none"> 1) Dispose 2) Retain for incidental use 3) Retain for the same purpose | <ol style="list-style-type: none"> 1) IDOT may have an interest in the item(s). [Section III A 9 and Section III A 10] 2) IDOT should be notified. 3) If an item is retained for the same purpose, it has not been replaced. The Grantee must submit a revised justification, acceptable to IDOT, for the replacement item. [Section III A 6] |

B. For items which have not reached the end of their useful lives:

| Original Item Funding Source | Replacement Item Funding Source | Desired Action re To Original Item | Disposition Instructions |
|------------------------------|---------------------------------|---|--|
| IDOT | OTHER | <ol style="list-style-type: none"> 1) Dispose 2) Retain for other uses. 3) Retain for the same purpose | <ol style="list-style-type: none"> 1) IDOT has an interest in the original item(s). [Section III 8 and Section IV] 2) IDOT concurrence is required. [Section VI] 3) No action is necessary. |
| IDOT OR OTHER | IDOT | | <p>The replacement of items prior to the end of their useful lives is generally not an eligible grant expense. IDOT may consider the award of funds for a replacement item if the Grantee commits, from other than State sources, an amount equal to IDOT's interest in The original item to the grant, thereby reducing the amount of funds requested from IDOT for the replacement item.</p> |

DEFINITIONS

Approved Project Budget -

A schedule of proposed expenditures approved by the Department as eligible, necessary, and reasonable for proper and efficient execution of the project.

Department -

The State of Illinois Department of Transportation.

Federal Application -

An application to FTA of the United States Department of Transportation for federal grant assistance in providing capital facilities for use in public transportation made under the Urban Mass Transportation Act of 1964, as amended.

Mass Transportation-

Transportation provided within the State of Illinois by rail, bus, or other conveyance, available to the general public on a regular and continuing basis. (Refer to Illinois Revised Statutes (1975), Chapter 127, Section 49.19(1a).) This includes regular city and suburban transit operations, rapid transit services, and commuter rail services. It does not include school bus, charter, or sightseeing services.

Project -

The planned undertaking of the grantee as stated in the application for state assistance and in the grant contract.

Revenue Financing

An estimate of the worth of items to be traded, scrapped, or sold and replaced in the project. The amount received for trade-in, scrapping, or sales must be used to reduce the net project cost. The action taken on the replaced item must have the concurrence of the Department; it must be fully documented.

Secretary

The Secretary of the Department of Transportation of the State of Illinois.

FTA

The Federal Transit Administration of the United States Department of Transportation.

Spare Parts:

FTA: Associated Capital Maintenance Items.

IDOT: Vehicle replacement parts purchased for inventory or immediate use.

Capital Expense:

Spare parts are eligible capital items for state GRF funding if they:

1. cost more than \$300 per unit; and
2. are part of a multiple-bus procurement and for those buses procured;
and
3. are for the purpose of stocking inventory.
4. are incidental to the budget, i.e., a small percent of the procurement.

Approval of capitalized spare part procurements is always subject to the availability of GRF.

Reasonable quantities must be established, such as 1 spare engine for every 5 buses purchased.

Operating Expense:

Spare parts are eligible operating items under the Downstate and Section 5311 Operating Assistance programs:

1. at the time of installation; and
2. if they were not funded under a state capital program.

[spares]