

**INTERGOVERNMENTAL AGREEMENT  
FOR TAX INCREMENT ALLOCATION FINANCING FOR THE CTA BRYN MAWR STATION  
PROJECT**

This Intergovernmental Agreement (the "Agreement") is entered into as of May 24, 2013 (the "Closing Date") by and between the City of Chicago, a municipal corporation (the "City"), acting through its Department of Housing and Economic Development ("HED"), and the Chicago Transit Authority ("CTA"), an Illinois municipal corporation duly organized and existing under the laws of the State of Illinois.

WHEREAS, the City is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is authorized, under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to the ordinance adopted on December 11, 1996 and published at pages 35413-35511 of the Journal of Proceedings of the City Council (the "Journal") of such date, the City Council of the City: (i) approved a certain redevelopment plan and project (the "Plan") for the Bryn Mawr/Broadway Redevelopment Project Area (the "Area") within the City; (ii) designated the Area as a redevelopment project area; and (iii) adopted tax increment allocation financing (the "TIF Adoption Ordinance") for the Area; and

WHEREAS, under the Act and the TIF Adoption Ordinance, certain taxes are allocated and, when collected, are paid to the Treasurer of the City for deposit by the Treasurer into the Bryn Mawr/Broadway TIF Fund established to pay redevelopment project costs incurred in the Area, which taxes may be used to pay all or a portion of the costs of construction of public improvements within the Area that are incurred or that are to be incurred in furtherance of the objectives of the Plan, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, pursuant to the Plan, certain TIF-funded City programs and redevelopment agreements have been established by the City Council of the City as of the Closing Date, which programs and agreements pledge portions of the Bryn Mawr/Broadway TIF Fund (collectively, the "Prior Obligations"); and

WHEREAS, the CTA proposes to undertake the rehabilitation of its Bryn Mawr rapid transit station (the "Project") on the Red Line, which project is located within the Area, and which is described in more detail in Exhibit A, incorporated and attached hereto; and

WHEREAS, the budget for the Project is approximately \$25,000,000, of which \$15,000,000 thereof will be paid for by the CTA with proceeds of a grant it has received from the Illinois Department of Transportation ("IDOT Grant"), a copy of which IDOT Grant is attached hereto as Exhibit B; and

WHEREAS, the City and the CTA have agreed that the City will pay not more than

\$10,000,000 toward the Project (the "City Contribution") from Available Incremental Taxes (as defined below) or from any other source of funds available to and selected by the City; and

WHEREAS, the Project is the type of public improvement that is contemplated by the Plan, and therefore the costs of the Project ("Project Costs") qualify as "Redevelopment Project Costs" under the Plan, as defined in Section 5/11-74.4-3(q) of the Act; and

WHEREAS, the City and the CTA wish to enter into this Agreement; and

WHEREAS, the City and the CTA have authority to enter into this Agreement pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., and

WHEREAS, on March 13, 2013, the City Council adopted an ordinance (the "Authorizing Ordinance") authorizing the execution of this Agreement; and

WHEREAS, on December 12, 2012, the Chicago Transit Board passed an ordinance (the "CTA Ordinance") authorizing the execution of this Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**SECTION 1. RECITALS**

The foregoing recitals are hereby incorporated into this Agreement by reference.

**SECTION 2.** [intentionally omitted]

**SECTION 3. THE PROJECT**

(a) The parties acknowledge that the Project shall begin in 2013 with design work and shall be completed not later than January 31, 2018.

(b) The CTA shall provide the City any plans and specifications pertaining to the Project that the City may reasonably request from time to time during the Term of this Agreement, and shall notify HED of any significant changes to said plans.

(c) The CTA hereby certifies that the Project has to date and shall continue to comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders as may be in effect at the time of the Project's completion.

(d) The CTA hereby certifies to the City that the City Contribution, together with available CTA funds from the IDOT Grant or other CTA funds, shall be sufficient to complete the Project.

**SECTION 4. FINANCING**

(a) City Funds shall be used only to pay the CTA for its costs of TIF-Eligible Improvements, contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs. "TIF-Eligible Improvements" means those

improvements of the Project which (i) qualify as Redevelopment Project Costs as defined in the Act, (ii) are eligible costs under the Plan, and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. The City agrees that Exhibit A hereto represents certain TIF-Eligible Improvements for the Project and sets forth, by approximate line item amounts, the minimum amount of TIF-Eligible Improvements the CTA plans for the Project. The CTA may implement changes to the Project that cause variations in the line item amounts shown on Exhibit A, provided that all the changes qualify as TIF-Eligible Improvements.

(b) Subject to the terms and conditions of this Agreement, the City shall pay to the CTA an amount not to exceed \$10,000,000 in City funds from Available Incremental Taxes ("City Funds") to pay the City Contribution toward the Project Costs. If the actual Project Costs total less than \$10,000,000, then the maximum the City shall be liable for under this Agreement is 100% of those Project Costs that constitute TIF-Eligible Improvements. If the actual Project Costs exceed \$10,000,000, then the CTA shall be solely responsible for such excess costs.

(c) "Available Incremental Taxes" means such taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Bryn Mawr/Broadway TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, and which are not encumbered or pledged for the payment of Prior Obligations.

(d) The City warrants that it has available and has segregated on the books of the City an amount of City Funds sufficient to make the City Contribution, and covenants that the City Funds will not be used for any purpose other than the City Contributions during the Term of this Agreement.

(e) The City Funds being provided hereunder are being granted on a conditional basis, subject to the CTA's compliance with the provisions of this Agreement.

(f) Only those expenditures made by CTA with respect to the Project prior to the Closing Date hereof, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the budget for the Project, shall be considered as previously contributed CTA funds ("Prior Expenditures"). Exhibit D hereto sets forth the prior expenditures approved by HED as of the date hereof as Prior Expenditures.

## **SECTION 5. PAYMENT of CITY FUNDS**

(a) The CTA shall prepare and provide to HED, on an annual basis, a payment requisition similar to the form set forth on Exhibit C hereto, not later than October 31st of the years 2013, 2014 and 2015, stating: (i) the TIF-Eligible Improvements actually incurred by the CTA on the Project to the date of the report, if any, and (ii) the estimated amounts of TIF-Eligible Improvements likely to be undertaken by the CTA in connection with the Project during the next succeeding twelve months ("Request for Payment"). Requests for Payment shall consist solely of likely expenditures that qualify as TIF-Eligible Improvements, such as design and planning fees and rehabilitation construction costs. If such annual report has been timely received by the City, then, not later than December 31 of each of the years 2013, 2014 and 2015, HED will process the Request for Payment for that year and remit payment of the aggregate City Funds thereby requested to the CTA, provided the yearly aggregate request is equal to or less than:

Year-end 2013:	\$2,900,000
Year-end 2014:	\$4,200,000
Year-end 2015:	\$2,900,000

In the event that City Funds have not been paid to the CTA by December 31 of each relevant year following the receipt of such Requests for Payment, the CTA shall have the right to suspend its performance under this Agreement until payment is received.

(b) The CTA will deposit such funds in a segregated sub-account it controls and will use such funds to pay TIF-Eligible Improvements costs of the Project from time to time. The CTA shall provide the City with a cash flow analysis of the segregated sub-account for the Project upon request.

(c) Any balance remaining in the segregated sub-account 90 days after the date of final completion of the Project shall be promptly repaid to the City upon demand of HED.

(d) Once per quarter, the CTA shall submit documentation to HED substantiating its applicable incurrence and payment, during the prior 90 days, of Redevelopment Project Costs (including TIF-Eligible Improvements) and of progress on the Project as a whole. This documentation will include substantiation of CTA's incurrence and payment of costs of the Project from IDOT grant proceeds. In addition to the items expressly set forth therein, such documentation shall constitute a certification to the City that:

(i) the costs represent the actual amount already incurred by the CTA for its own work or incurred by the CTA by its general contractor(s), subcontractors or other parties who have performed work on or otherwise provided goods or services in connection with the Project for the CTA;

(ii) the CTA has approved all work and materials for the Project reflected in the report; and

(iii) the work was performed in accordance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders at the time of its completion; and

(iv) the approximate ratio of CTA payments of Project costs is 60% from IDOT Grant proceeds, and 40% from City Funds.

HED shall review each report for, among other things, evidence that the CTA incurred and paid TIF-Eligible Expenditures in an amount that equals or exceeds the amount of City Funds that had been pre-paid to the CTA prior to that time, and HED shall inform the CTA of any questions or comments about same as soon as practicable.

## **SECTION 6. TERM**

The term of this Agreement ("Term") shall commence on the Closing Date and shall expire on December 11, 2019 or on the date of termination of this Agreement according to its terms, whichever occurs first.

## **SECTION 7. ENVIRONMENTAL MATTERS; SAFETY; INSPECTION**

(a) The City makes no covenant, representation or warranty as to the environmental condition of the Project or the suitability of the Project for any public rapid transit use whatsoever.

(b) The CTA shall be solely responsible for the safety and protection of the public in connection with the Project.

(c) The City reserves the right to inspect the Project from time to time as it is being undertaken or after its completion.

## **SECTION 8. INSURANCE**

(a) The CTA is self-insured. During the term of this Agreement, the CTA shall provide and maintain, at the CTA's own expense, or cause to be provided, insurance or self-insurance equivalent to the coverages and requirements specified below concerning all operations related to this Agreement.

(b) Workers Compensation and Employers Liability. Workers Compensation as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

(c) Commercial General Liability (Primary and Umbrella). Commercial General Liability Insurance or equivalent self-insurance with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insureds, defense, and contractual liability. The City of Chicago will be considered an additional insured on a primary, non-contributory basis for any liability arising directly from the work. For those contracts already let or for work already performed prior to the Closing Date, the CTA shall recognize the City of Chicago as an additional insured on a primary, non-contributory basis for any liability arising directly from such work.

(d) Automobile Liability (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the CTA shall provide self-insured Automobile Liability coverage with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage.

(e) Professional Liability. When any architects, engineers or professional consultants engaged by the CTA perform work in connection with this Agreement, the CTA shall provide self-insured Professional Liability covering acts, errors, or omissions with limits of not less than \$1,000,000.

(f) Prior to the Closing Date, the CTA will furnish the City a letter of self insurance evidencing the required coverage to be in force on the Closing Date. After the Closing Date, the CTA will furnish the City similar evidence if the coverages change from self-insurance to purchased insurance during the term of this Agreement and prior to the completion of the Project. The receipt of any self-insurance does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the self-insurance is in

compliance with all Agreement requirements.

(g) Non-conforming self-insurance shall not relieve the CTA of the obligation to provide or cause to be provided insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to stop the CTA's work until proper evidence of insurance is provided, or this Agreement may be terminated.

(h) The required general liability self-insurance shall provide for sixty (60) days prior written notice to be given to the City or the CTA in the event coverage is substantially changed, canceled, or non-renewed. The CTA shall promptly notify the City in the event the CTA receives any such notice.

(i) Any and all self-insured retentions on referenced insurance coverages shall be borne by the CTA and its contractors.

(j) The CTA shall waive its rights of subrogation against the City, its employees, elected officials, agents, or representatives.

(k) The CTA expressly understands and agrees that any coverage and limits furnished by the CTA shall in no way limit the CTA's liabilities and responsibilities specified by this Agreement or by law.

(l) The CTA expressly understands and agrees that any insurance or self insurance programs maintained by the City shall not contribute with insurance provided by the CTA under this Agreement.

(m) The required self-insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

(n) The CTA shall require all contractors for the Project to provide the insurance required herein or the CTA may provide the coverages for contractors. All contractors shall be subject to the same insurance requirements as is the CTA unless otherwise specified herein. In all contracts relating to the Project that are let after the Closing Date, the CTA agrees to require the contractor to name the City as an additional insured on insurance coverages as provided above and to require the contractor to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the Project by the contractor or contractor's suppliers, employees, or agents.

## **SECTION 9. EMPLOYMENT OBLIGATIONS**

9.01 Employment Opportunity. CTA, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its general contractors, subcontractors or any Affiliate of the CTA operating in connection with the Project (collectively, with CTA, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to CTA and during the period of any other party's provision of services to CTA in connection with the construction of the Project, to the extent not in conflict with CTA's procurement requirements or applicable federal and state law:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time ("Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) As required by 49 U.S.C. 5332 (which prohibits discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity), by Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d, and by U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act," 49 CFR part 21 at 21.7, the Employer ensures that it will comply with all requirements imposed by or issued pursuant to 49 U.S.C. 5332, 42 U.S.C. 2000d, and 49 CFR part 21, so that no person in the United States, on the basis of race, color, national origin, creed, sex, or age will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in any program or activity (particularly in the level and quality of transportation services and transportation-related benefits) for which the Employer receives Federal assistance awarded by the U.S. DOT or FTA.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate undertaking any portion of the Project, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

9.02 Construction Worker Hours. The CTA may have affirmative action requirements or

goals for the Project that impose construction worker hours participation by utilization of minorities and women, respectively. The CTA shall comply, and shall cause its general contractors to comply, therewith.

9.03 [intentionally omitted.]

9.04 CTA's DBE Commitment. The CTA agrees for itself and its successors and assigns, that because the construction of the Project involves use of federal funds as part of CTA's contribution, CTA will comply with the U.S. Department of Transportation regulations set forth at 49 CFR Part 26, as it pertains to the participation of Disadvantaged Business Enterprises in federally funded contracts. CTA's obligation to comply with said regulations pertain to all work performed under this Project.

## **SECTION 10. INDEMNIFICATION**

Except for the City's own negligence or wrongful acts, the CTA shall release, indemnify and hold harmless, to the maximum extent permitted by law, the City and its officials, employees and agents (the "City Indemnitees") from and against any and all claims, suits, liabilities, losses and damages, including court costs and attorneys' fees and expenses incidental thereto, of whatever nature, arising out of or in connection with the CTA's construction of the Project, and any failure of performance or negligent or wrongful performance by the CTA, or any contractor or subcontractor for the CTA, and their respective officers, agents or employees, in connection with the Project, including, but not limited to, claims for damage to property, and/or injury to or death of any person or persons.

## **SECTION 11. NOTICES**

(a) All notices and demands by the CTA to the City shall be in writing and shall be delivered personally or sent by United States mail or reputable overnight or same day courier service, postage prepaid, addressed to the City as specified below, or to such other address as the City may from time to time designate by notice to the CTA hereunder:

To the City:                   City of Chicago  
                                      Department of Housing and Economic Development  
                                      Attention: Commissioner  
                                      City Hall, Room 1000  
                                      121 N. LaSalle Street  
                                      Chicago, Illinois 60602  
                                      (312) 744-9476  
                                      (312) 744-2271 (Fax)

With copies to:               City of Chicago  
                                      Department of Law  
                                      Attention: Finance and Economic Development Division  
                                      City Hall, Room 600  
                                      121 N. LaSalle Street  
                                      Chicago, Illinois 60602  
                                      (312) 744-0200  
                                      (312) 744-8538 (Fax)



(b) All notices and demands by the City to the CTA shall be in writing and shall be delivered personally or sent by United States mail or reputable overnight or same day courier service, postage prepaid, addressed to the CTA as specified below, or to such other address as the CTA may from time to time designate by notice to the City hereunder:

To the CTA:                    President  
Chicago Transit Authority  
567 W. Lake Street  
Chicago, IL 60661  
(312) 681-5000  
(312) 681-5005 (Fax)

With copies to:            General Counsel  
Chicago Transit Authority  
567 W. Lake Street  
Chicago, IL 60661  
(312) 681-2900

**SECTION 12. GENERAL PROVISIONS**

(a) This Agreement constitutes the entire understanding of the parties with respect to the Project and the payment of the City Contribution, and no representations or promises have been made that are not fully set forth herein. The parties understand and agree that no modification of this Agreement shall be binding unless duly accepted and executed by both parties in writing.

(b) This Agreement will be governed in all respects in accordance with the laws of the State of Illinois. A court located in Chicago, Illinois, will hear any disputes which arise hereunder.

I Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions of this Agreement. Words of any gender will be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document will be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms hereof and thereof. All references to any person or entity will be deemed to include any person or entity succeeding to the rights, duties, and obligations of such person or entity in accordance with the terms of this Agreement.

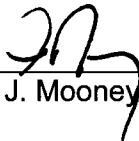
(d) The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

(e) This Agreement may be executed in one or more counterparts, and all such counterparts will constitute one and the same Agreement.

[the remainder of this page is intentionally blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, through their duly authorized representatives, as of the date set forth at the beginning of this Agreement.

CITY OF CHICAGO, a municipal corporation, through its  
Department of Housing and Economic Development

  
\_\_\_\_\_  
Andrew J. Mooney, Commissioner

CHICAGO TRANSIT AUTHORITY, a municipal corporation

\_\_\_\_\_  
Terry Peterson, Chairman

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, through their duly authorized representatives, as of the date set forth at the beginning of this Agreement.

CITY OF CHICAGO, a municipal corporation, through its  
Department of Housing and Economic Development

\_\_\_\_\_  
Andrew J. Mooney, Commissioner

CHICAGO TRANSIT AUTHORITY, a municipal corporation


  
\_\_\_\_\_  
Terry Peterson, Chairman

Exhibit A  
Project Description  
[see attached]

## **PROJECT DESCRIPTION**

### **Bryn Mawr Station Reconstruction/Rehabilitation Scope Outline**

The CTA will receive \$10,000,000 of Tax Increment Financing (TIF) District funds for improvements at Bryn Mawr Station on the Red Line. The work will primarily consist of rehabilitation and reconstruction efforts.

Improvements will include:

- A new elevator, station house, and platform surface.
- Alterations to the track, platform and mezzanine levels.
- Alterations to the Bryn Mawr viaduct.

**Exhibit B**

**IDOT Grant Agreement to CTA for Project costs**

RECEIVED  
MAY 20 2013  
ARW

**PUBLIC TRANSPORTATION CAPITAL  
GRANT AGREEMENT**  
between  
**THE REGIONAL TRANSPORTATION AUTHORITY**  
and  
**THE CHICAGO TRANSIT AUTHORITY**  
**Contract No.: CTA-2012A**  
**Federal Grant No.: None**

This Agreement is made by and between the Regional Transportation Authority, a Municipal Corporation created under the laws of Illinois (hereinafter referred to as the "RTA") and the Chicago Transit Authority created under the laws of Illinois (hereinafter referred to as the "Grantee", which term shall include its successors and assigns).

WHEREAS, the Grantee wishes to undertake one or more public transportation capital projects; and

WHEREAS, the Grantee has made application to the RTA for financial assistance for the Project(s) in accordance with the procedures established by the RTA; and

WHEREAS, the Grantee's final application has been approved by the RTA;

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, this Agreement is made to provide financial assistance to the Grantee in the form of a capital grant, to set forth the terms and conditions upon which the capital grant will be made, and to set forth the agreement of the parties hereto as to the manner in which the Project(s) will be undertaken, completed, and used.

**ARTICLE I**  
**DEFINITIONS**

1.1 "Allowable Cost" means an expense with respect to a Project which meets the requirements of Article VIII of this Agreement.

1.2 "Application" means the grant application submitted by the Grantee with respect to the Project(s).

1.3 "Five Year Program", means the Program required by Sections 2.01 and 4.01 of the RTA Act, as amended, 70 ILCS 3615.

1.4 "Grant" means those funds paid to or on behalf of the Grantee by the RTA under the provisions of this Agreement.

1.5 "Net Project Cost" means the sum of the Allowable Costs incurred in performing the work on each Project, including work done by the Grantee, less proceeds from sale of scrap and replaced facilities as set forth in the Project Budget.

1.6 "Project(s)" means the scope of specific activities for which the funds provided in this Agreement are to be expended, as set forth in Exhibit A.

1.7 "Project Budget" means the anticipated Net Project Cost for each Project shown in Exhibit B, as amended from time to time.

1.8 "Project Facilities" means any facilities, equipment, or real property purchased, acquired, constructed, improved, renovated, or refurbished as part of each Project through the application of the RTA's Grant funds.

## **ARTICLE II**

### **THE GRANTEE'S COMMITMENT**

2.1 The Grantee agrees to undertake and complete the scope of each Project in accordance with the Project Budget set out as Exhibit B, and to provide for the use of Project Facilities and equipment as described in Grantee's final Application approved by the RTA, in accordance with this Agreement and all applicable laws. The scope of each Project is more particularly described in Exhibit A and in the plans, specifications, and schedules set forth in the Grantee's final Application.

## **ARTICLE III**

### **CAPITAL GRANT**

#### ~~3.1~~ RTA Grant Commitment.

(a) Pursuant to Section 2.01 of the RTA Act, as amended, the RTA has adopted one or more Five Year Programs which contain the Project(s) described in Exhibit A and the Budget(s) for the Project(s) as listed in the table described in Exhibit B. Subject to the receipt of funds from the Illinois Department of Transportation and the appropriation of funds by the RTA, the RTA hereby commits to provide the funds pursuant to paragraph 3.1 (b) and as listed in Exhibit B for the Project(s) in Exhibit A.

(b) The RTA Grant amounts described above provide that portion of the actual Net Project Cost of each Project as set forth in Exhibit B, or \$219,884,289, whichever is less. The RTA shall have no liability regarding any Project funded by this Agreement in excess of the funds actually appropriated for the Project. The final percent of RTA participation in the Project shall be determined by the RTA upon completion of the Project. The amount of the Grant is for reimbursement of the actual costs of certain line items in the Grant, to be calculated as follows:



- (1) The following item(s) will be funded by this Grant at a rate of 17% of actual net project costs in federal funds and 83% of actual net projects costs in RTA funds:

Project Number	Project Scope
8457	Rehabilitate Wilson Station and Infrastructure

- (2) The following item(s) will be funded by this Grant at a rate of 0% of actual net project costs in federal funds and 100% of actual net project costs in RTA funds:

Project Number	Project Scope
8458	Rehabilitate North Red Line Stations-Sheridan and Bryn Mawr
8459	Rehabilitate Track-Purple Line Express

- (3) The following item(s) will be funded by this Grant at a rate of 66% of actual net project costs in federal funds and 34% of actual net project costs in RTA funds:

Project Number	Project Scope
8460	Milwaukee Avenue Blue Line Track Improvements

(c) This Grant is valid until January 1, 2018, and grant funds are available to the Grantee and may be expended by the Grantee until said date unless the RTA, at its discretion, grants an extension of time. Any grant funds which are not expended or legally obligated by the Grantee by the expiration of the period of time grant funds are available for expenditure or obligation shall be returned to the RTA within 30 days. Project close-out shall be in accordance with Article X of this Agreement. This date is subject to further revision at the sole determination and discretion of the RTA.

### 3.2 Grantee Commitment to Complete Project(s) or Seek Amendment.

(a) Subject to the RTA's appropriation of the funds described in paragraph 3.1, the Grantee agrees to complete the scope of all the Projects described in paragraph 3.1 for the RTA Grant amount, or to seek an amendment in accordance with this subparagraph. The Grantee shall request an amendment to the Grant in order to add or delete a Project, significantly change the scope of any Project, change the Grant amount or change the percentage of Local Share for any Project. When requesting amendment under this subparagraph, the Grantee shall submit a proposed revision to the then current Five Year Program showing a suggested reprogramming of funds.

### 3.3 Conformity with Project Budget.

(a) The Grantee shall carry out each Project and shall incur obligations against and disburse Project funds only in conformance with the Project Budget(s) attached hereto as

Exhibit B. A proposed revised Project Budget shall accompany any request to amend this Agreement.

(b) The Grantee must also seek the prior approval of the RTA to revise the Project Budget(s) to increase or decrease the estimated Net Project Cost of any Project in this Grant. In making this request the Grantee must demonstrate the following:

- (1) A justifiable rationale for the revision in a particular Project;
- (2) The revised budget for the Project covers the full scope of the Project funded under this Grant, i.e., the revised budget of the Project is intended to be adequate for the completion of the Project (including, but not limited to, all engineering, material procurement, manufacturing and construction);
- (3) There are sufficient unspent funds in the Grant contingency, if any, or any other Project which may be reallocated to the revised budget of the revised Project;
- (4) The funds remaining in the Grant contingency, if any, or any other Project after reallocation of funds to the revised budget for the Project are sufficient to provide for the uncompleted portions of all other Projects within the Grant; and
- (5) The proposed transfer will not cause the Grant amount, as reflected in Article III, to be exceeded.

(c) In all other cases the Grantee may revise a Project Budget upon notification of the change to the RTA, along with the submission of the information contained in subparagraph (b)(1) to (5) above.

#### **ARTICLE IV** **METHOD OF FUNDING**

4.1 The RTA may finance its obligations, or any portion thereof, under this Agreement in any way it deems, in its sole discretion, to be most advantageous and fiscally sound, provided that nothing in this Agreement shall cause the Grantee to be obligated to any creditor of the RTA with respect to such financing. The RTA shall consult with the Grantee with respect to any financing of RTA obligations under this Agreement.

4.2 All or part of any share of the Net Project Cost to be contributed by the Grantee may, with the express written prior approval of the RTA, be provided by the Grantee in the form of contributions of professional, technical or other services. The amount or value of any share of the Net Project Cost contributed by the Grantee is shown in Exhibit B.

4.3 In the event that the Grantee receives funds from any source with respect to the completion of the Project which do not appear in Exhibit B and were not included in determining the RTA Grant amount under Article III of this Agreement, the amount of this

Grant shall be recalculated and, if applicable, a proportionate amount of the RTA Grant refunded to the RTA. Such funds include, but are not limited to, the proceeds of any sale and leaseback arrangement with respect to Project Facilities.

**ARTICLE V**  
**ACCOMPLISHMENT OF THE PROJECT(S)**

5.1 General.

(a) The Grantee shall commence, carry on, and complete the Project(s) with all practicable dispatch, in a sound, economical and efficient manner, and in accordance with the provisions of this Agreement. The Grantee shall cause all contractors involved with the Project to deliver and complete the Project in accordance with the Project schedules submitted at time of application or as revised.

(b) In performance of its obligations pursuant to this Agreement, the Grantee and the contractors shall comply with all applicable provisions of federal, state and local law. All limits and standards set forth in this Agreement to be observed in the performance of a Project are minimum requirements and shall not affect the application of more restrictive standards to the performance of the Project.

(c) At or prior to the time that funds are needed to meet Project Costs, the Grantee shall initiate and prosecute to completion all proceedings necessary to enable the Grantee to provide any share of the Net Project Cost which is to be provided by the Grantee.

(d) Nothing in this Agreement is intended to subject the RTA to any obligations or liabilities to contractors of the Grantee, or its subcontractors, or any other person not a party to this Agreement in connection with the performance of any Project pursuant to the provisions of this Agreement, notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

5.2 Project Completion.

(a) Any failure to make progress which significantly endangers substantial performance of a Project within a reasonable time shall be deemed to be a violation of the terms of this Agreement.

(b) The Grantee shall complete each Project in accordance with the project completion date provided at time of application or as revised. In the event the Grantee determines that, for whatever reason, a Project cannot be completed by the completion date provided in the Application or as previously revised, the Grantee shall immediately notify the RTA in writing within thirty days of: 1) the nature and extent of the delay; 2) the reason or reasons for the delay; 3) the adjustments to the schedule which can be made to ensure that the Project is completed on schedule; and 4) if the Project cannot be completed on schedule, the implications on the Project Budget due to the delay.

### 5.3 Use of Facilities.

(a) The Project Facilities shall be used by the Grantee for the provision of public mass transportation service within the Grantee's service area substantially as described in the Grantee's final, approved Application, and the Grantee shall submit, from time to time as requested by the RTA, a certification that the Project Facilities are still being used in accordance with the terms of this Agreement.

(b) The Grantee agrees to maintain any Project Facilities at a high level of cleanliness, safety, and mechanical soundness and in accordance with any guidelines, directives, or regulations that the manufacturer, contractor, or the RTA may issue, the stricter standard shall apply unless excused by the RTA. For vehicles, the manufacturer's suggested maintenance and inspection schedule will be considered the minimum maintenance standard that must be adhered to. For vehicles, the Grantee must establish and follow a written maintenance plan which includes, pre-trip inspections, a preventive maintenance program, and documentation of repairs. The RTA shall have the right to conduct periodic inspections for the purpose of confirming proper maintenance pursuant to this Section. The RTA reserves the right to require the Grantee to restore, repair or replace Project Facilities or pay for damage as a result of abuse, neglect, or misuse of such Project Facilities.

(c) The Grantee agrees to use its best efforts to continue to provide, either directly or by contract or service agreement, as the case may be, the service(s) for which these Project Facilities are being acquired or constructed, as such services(s) is described in the Grantee's final, approved Application. No reduction or termination of such service shall be made without compliance with all applicable statutory and regulatory provisions. At least 45 days prior to (i) any reduction or termination of such service or (ii) the filing of a request for such reduction or termination with the appropriate regulatory agency, whichever comes first, the Grantee shall give written notice of the proposed action (or shall require the operator of such service to give such notice) to the RTA.

(d) If during the service life, the Project Facilities are not used in this manner, are sold or are otherwise disposed of, or are withdrawn from mass transportation service at the initiative of the Grantee, the Grantee shall immediately notify the RTA and shall, at the RTA's discretion, remit to the RTA a proportional amount of the fair market value, if any, of the Project Facilities (determined on the basis of the ratio of the Grant made by the RTA to the total Net Project Cost). The fair market value shall be deemed to be the value of the Project Facilities as determined by a competent appraisal conducted as soon as feasible after such withdrawal or misuse occurs, or the actual proceeds from the public sale of such property, whichever is approved by the RTA; or, for rolling stock, the unamortized value of the remaining service life per unit based on straight-line depreciation of the original purchase price. Any appraiser employed for such purposes shall be subject to disapproval by the RTA on the grounds that it is not an independent appraiser.

(e) The Grantee shall maintain, in an amount and form satisfactory to the RTA, insurance or self-insurance with such reserves as will be adequate to protect Project Facilities throughout the period of their useful lives. The cost of such insurance shall not be an Allowable

Cost for the Projects. Grantee shall provide evidence of such insurance to the RTA upon request, and failure to maintain such insurance shall constitute a default under this Agreement.

5.4 Lease of Real Property.

(a) Real property leased for the duration of the Project for the following purposes shall be reimbursable as an Allowable Cost:

- (1) For the storage of supplies, materials, equipment, or other construction staging activities;
- (2) To gain access to the Project Facilities; or
- (3) For use as a field office.

**ARTICLE VI**  
**PASS-THROUGH PROVISIONS**

6.1 If this Grant provides the local share for a Project which is also funded by the Federal Transit Administration (FTA), the provisions of any FTA Grant are hereby incorporated by reference and made a part of this Agreement. Nothing in this Agreement is intended to impose any obligations on the Grantee which are inconsistent with its obligations under any FTA agreement for any Project, and the Grantee shall carry out each Project in such a manner as to comply with the requirements contained herein and the requirements of any FTA grant agreement applicable to this Project. If it is not possible to carry out the Project in such a manner, the Grantee shall immediately notify the RTA in writing of the specific provisions of each agreement in conflict and reasons for conflict in order that appropriate arrangements may be made between the parties hereto and FTA to permit the Project to proceed.

6.2 The provisions of any Agreement between the RTA and the Illinois Department of Transportation pursuant to which this Grant is funded are hereby incorporated by reference and made a part of this Agreement.

**ARTICLE VII**  
**PROJECT ADMINISTRATION AND MANAGEMENT**

7.1 Project Management.

- (a) The Grantee is responsible for administration and management of each Project.
- (b) RTA or its designee may conduct periodic on-site inspections of each Project to evaluate the effectiveness of the Grantee's arrangement for supervision and inspection and to evaluate the work done on the Project and adherence to this Agreement. The Grantee shall cause its contractors to provide reasonable access to their premises for the RTA and its designee to permit these inspections. Inspection of, or concurrence by, RTA in Project work does not

relieve the Grantee of its responsibilities and liabilities. Any inspection must be coordinated with the Grantee's personnel for purposes of adhering to safety regulations.

(c) Any Project Management Plan or amendment to such plan prepared for any Project in this Grant shall require written approval of the RTA.

(d) The Grantee shall report to the RTA regarding all Projects in this Grant in accordance with the RTA Program Management Guidelines for State Bond-funded Projects in effect as of August 27, 2010 or as thereafter amended by the RTA in its sole discretion upon notice to the Grantee.

#### **ARTICLE VIII**

#### **REQUISITION, PAYMENT PROCEDURES, RECORD KEEPING AND AUDITS**

8.1 The Grantee shall establish and maintain as a separate set of accounts, or as an integral part of its current accounting scheme, accounts for each Project in conformity with requirements established by the RTA.

#### 8.2 Allowable Costs.

Grant funds shall only be used to pay or reimburse the Grantee for Allowable Costs for a Project which meet all of the requirements set forth below:

(a) Be made in conformance with the final, approved Exhibits A and B, and all other provisions of this Agreement;

(b) Be necessary in order to accomplish the Project;

(c) Be reasonable in amount for the goods or services purchased;

(d) Be actual net costs to the Grantee (i.e., the price paid minus any refunds, rebates, or other items of value received by the Grantee which have the effect of reducing the cost actually incurred);

(e) Be incurred after the effective date of this Agreement, unless specific authorization from the RTA to the contrary is received;

(f) Be satisfactorily documented;

(g) Be treated uniformly and consistently under accounting principles and procedures approved or prescribed by generally accepted accounting principles, and those approved or prescribed by the Grantee for its contractors; and

(h) Be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in detail the nature and propriety of the charges. (In the event that it may

be impractical to determine exact costs of indirect or service functions, Allowable Costs will include such allowances for these costs as may be approved by the RTA.)

(i) Be in conformance with a cost allocation plan which is submitted annually to the RTA.

### 8.3 Payment Procedures.

(a) The Grantee may make requests for payment of Allowable Costs from the RTA Grant, and the RTA shall honor such requests in the manner set forth in this paragraph. In order to receive payments, the Grantee shall:

- (1) Execute and submit to the RTA a requisition for approval by the RTA;
- (2) Have submitted all financial, progress and other reports required by the RTA; and
- (3) Have received approval by the RTA for any budget revisions required to cover all costs to be incurred by the end of the requisition period.

(b) Upon receipt of the completed requisition form and the accompanying information in satisfactory form, the RTA shall process the requisition. If the Grantee is complying with its obligations pursuant to this Agreement, the RTA shall reimburse apparent Allowable Costs incurred by the Grantee up to the maximum amount of the RTA Grant. However, reimbursement of any cost pursuant to this paragraph shall not constitute a final determination by the RTA of the allowability of such cost and shall not constitute a waiver of any violation of the terms of this Agreement committed by the Grantee. The RTA will make a final determination as to the allowability of costs only after a final audit of the Grant has been conducted pursuant to Article X of this Agreement.

(c) In the event that the RTA determines that the payment should not be made, it shall promptly notify the Grantee stating the reasons for such determination.

### 8.4 Records Retention.

(a) Financial records, supporting documentation, statistical records, and all other records pertinent to a Grant must be retained by recipients and be made readily available to authorized representatives of the RTA with the following qualifications:

- (1) All records must be retained until final audit is completed and all audit findings are resolved, unless otherwise agreed to by the RTA;
- (2) If any litigation or claim is initiated before completion of the final audit, records must be retained until all litigation or claims involving these records have been resolved; and

- (3) Records of property acquired with RTA funds must be retained for three years after final disposition of the property.

#### 8.5 Audits.

The Grantee shall permit, and shall require its contractors to permit, at any time, the RTA, or any representative authorized by the RTA to perform such audit and inspection, to inspect all work, materials, payrolls, and other data and records, including computer or electronically generated records, documents and data, with regard to each Project, and to audit the books, records, and accounts of the Grantee and its contractors with regard to each Project. The RTA also may require the Grantee to furnish at any time prior to closeout of the Grant, audit reports with respect to the Grant prepared according to generally accepted accounting principles. The Grantee agrees to promptly comply with recommendations contained in any RTA audit report.

### **ARTICLE IX** **RIGHT OF THE RTA TO TERMINATE**

9.1 Upon written notice to the Grantee, the RTA reserves the right to suspend or terminate all or any part of the financial assistance herein provided for when the Grantee is, or has been, in violation of the terms of this Agreement. Termination of any part of the Grant will not invalidate obligations properly incurred by the Grantee and concurred in by the RTA prior to the date of termination, to the extent they are non-cancelable. Neither the acceptance of a remittance by the RTA of any or all Project Funds from the Grantee or the closing out of RTA financial participation in the Project shall not constitute a waiver of any claim which the RTA may otherwise have arising out of this Agreement.

Upon the occurrence of any condition or conditions listed in this Article for termination or suspension, the parties hereto agree that the RTA, by written notice to the Grantee, may elect to withhold or delay payment as provided in the Project Budget, or any portion thereof; or, if payment or payments have already been made pursuant hereto, to recall such payment or payments or any portion thereof. The Grantee agrees that upon receipt of such notice of recall the Grantee shall immediately return such Grant payment or payments, or any portion thereof, which the Grantee has received pursuant hereto.

The foregoing remedies shall become available to the RTA if the Grantee violates the terms of this Agreement and/or if one or more of the following occurs:

(a) There is any misrepresentation of a material nature in the Grantee's Application, or amendment thereof, or otherwise in respect to this Agreement, or in any document or data furnished pursuant hereto, or in any other submission of the Grantee required by the RTA in connection with the Grant;

(b) There is pending litigation which, in the opinion of the Executive Director of the RTA, may jeopardize the Grant or the carrying out of this Agreement;



(c) There has been, in connection with the Grant, any violation of the state or federal regulations, ordinances or statutes applicable to the Grantee, its officers or employees which, in the opinion of the Executive Director of the RTA, affects this Agreement;

(d) Any funds provided by the RTA pursuant to this Agreement are used for an ineligible purpose;

(e) The Grantee is unable to substantiate the proper use of the Grant provided pursuant to this Agreement;

(f) The Grantee is in default under any of the provision of this Agreement;

(g) There is a failure to make progress which, in the judgment of the RTA, significantly endangers substantial completion of performance of the Project within a reasonable time;

(h) The Grantee has failed to maintain the Project Facilities as required by this Agreement;

(i) The State of Illinois fails to make sufficient appropriations or release sufficient funds for this Grant.

## **ARTICLE X** **SETTLEMENT AND CLOSE-OUT**

10.1 Upon receipt of notice of successful completion of the Grant or upon termination by the RTA, the RTA will perform or contract for the performance of a final audit to determine the final allowability of costs incurred, and shall make final settlement of the RTA Grant described in this Agreement. If the RTA has made payments to the Grantee in excess of the aggregate amount of all Allowable Costs for all Projects funded under this Agreement, the Grantee shall remit such excess amount to the RTA within ninety (90) days of the completion of the final audit or within forty-five (45) days of the termination of this Agreement, whichever is sooner. The Grant close-out occurs when the RTA notifies the Grantee and forwards the final Grant payment or when an appropriate refund of RTA Grant funds has been received from the Grantee and acknowledged by the RTA. Grant close-out shall be subject to any continuing obligations imposed on the Grantee by this Agreement or contained in the final notification or acknowledgment from the RTA.

## **ARTICLE XI** **PROCUREMENT**

### 11.1 Procurement Procedures.

(a) If the Grantee is a Service Board other than the Chicago Transit Authority, it shall ensure that all construction or acquisition of services or public transportation facilities

(other than real estate) involving a cost of more than \$10,000, and the disposition of all property shall comply with the requirements of Section 4.06 of the RTA Act. (70 ILCS 3615/4.06)

(b) If the Grantee is the Chicago Transit Authority, it shall ensure that all construction or acquisitions of services or public transportation facilities (other than real estate) involving a cost of more than \$10,000 and the disposition of all property shall comply with the requirements of Section 32 of the Metropolitan Transit Authority Act. (70 ILCS 3605/.32)

(c) The Grantee shall ensure that all procurements undertaken on a Project comply with all applicable requirements of Public Act 85-1295 (720 ILCS 5/33E-1), relating to interference with public contracting, as now or hereafter amended, including the requirement of a prime contractor certification, as required by that Act, that it is not presently barred from contracting with any unit of state or local government due to certain criminal violations.

#### 11.2 Procurement Review.

(a) The Grantee must obtain procurement approvals from the RTA for all Projects in this Grant in accordance with the RTA Program Management Guidelines for State Bond-funded Projects in effect as of August 27, 2010 or as thereafter amended by the RTA in its sole discretion upon notice to the Grantee. No approval granted by the RTA pursuant to the RTA Program Management Guidelines for State Bond-funded Projects shall be a binding determination of the eligibility of the underlying expenses to be treated as Allowable Costs, and the allowability of such expenses shall be subject to the final audit of this Grant provided for in Article X.

#### 11.3 Performance Bonds.

(a) The Grantee agrees to require that each prime contractor performing construction work on the Project shall furnish a performance bond in an amount equal to at least one hundred percent (100%) of the contract price as security for the faithful performance of the contract. However, the requirements of this paragraph shall be satisfied by the filing with the RTA of certified copies of such bonds of equal or better coverage required by the terms of any federal capital grant contract applicable to the Project.

### **ARTICLE XII** **SETTLEMENT OF THIRD PARTY CONTRACT** **DISPUTES OR BREACHES**

12.1 The RTA has a vested interest in the settlement of disputes, defaults, or breaches involving any RTA-assisted third party contracts for any Project. The RTA retains a right to a proportional share, based on the percentage of the RTA share committed to any Project, of any proceeds derived from any third party recovery, after taking into account any costs incurred by the Grantee in securing the recovery. Therefore, the Grantee shall avail itself of all legal rights available under any third party contract. The Grantee shall notify the RTA of any litigation pertaining to any third party contract. The RTA reserves the right to concur in any compromise or settlement of the Grantee's claim(s) involving any third party contract. If the third party

contract contains a liquidated damages provision, such proportional share of any liquidated damages recovered shall be credited to the Project account unless the RTA permits otherwise.

**ARTICLE XIII**  
**ASSIGNMENT OR MODIFICATION OF CONTRACTS**

13.1 The Grantee agrees that no contract of any kind in connection with a Project funded by this Grant shall be assigned, transferred, conveyed, sublet, or otherwise disposed of without the prior written consent of the RTA.

13.2 After approval by the RTA of a contract funded by this Grant, where required pursuant to the RTA Program Management Guidelines for State Bond-funded Projects as currently in effect, no change or modification of the scope of the work or cost thereof shall be made and no work shall commence and no costs or obligations shall be incurred in consequence of such change or modification except as provided in the RTA Program Management Guidelines for State Bond-funded Projects as currently in effect, unless such change or modification is specifically approved in writing by the RTA, and, where required, until the Project Budget has been amended by the RTA as may be necessary to accommodate such change or modification.

**ARTICLE XIV**  
**INDEMNIFICATION**

14.1 The Grantee agrees to save harmless and indemnify the RTA from and against any and all losses, expenses, damages (including loss of use), demands and claims, and shall defend any suit or action, whether at law or in equity, brought against it based on any alleged injury (including death) or damage relating to or arising out of any act or omission of the Grantee, its officers, employees and agents with respect to the Project Facilities and shall pay all damages, judgments, costs, and expenses, including attorney's fees, in connection with any demands and claims resulting therefrom; provided, however, that the Grantee shall not be required to save harmless, indemnify or defend the RTA in respect of the negligence or misconduct of the RTA or its successors, assigns, agents or employees or their respective failure to reasonably perform under this Agreement.

**ARTICLE XV**  
**NON-COLLUSION**

15.1 The Grantee warrants that it has not paid and agrees not to pay any bonus, commission, fee, or gratuity for the purpose of obtaining any approval of its Application for any Project pursuant to this Agreement. No Grantee officer or employee, or member of any unit of local government which contributes funds to any Project funded by this Grant shall be admitted to any share or part of this Agreement or to any benefit arising therefrom other than nominal.

**ARTICLE XVI**  
**LABOR LAW COMPLIANCE**

16.1 The Grantee agrees to comply with the Labor Law Compliance provisions of any FTA Grant Contract pertaining to any Project, funded by this Grant, and all applicable federal and state labor laws and regulations including, but not limited to, such laws and regulations relating to minimum wages to be paid to employees, limitations upon the employment of minors, minimum fair wage standards for minors, payment of wages due employees, and health and safety of employees.

16.2 The Grantee also agrees to require any contractor doing construction work or performing professional or consulting service in connection with any Project to agree to adhere to the requirements of this Article. Each contract and subcontract for construction shall contain a project labor agreement (PLA) approved by the RTA unless the RTA agrees to proceed with a contract otherwise.

**ARTICLE XVII**  
**CIVIL RIGHTS**

17.1 Disadvantaged Business Enterprises.

(a) It is the policy of the RTA that Disadvantaged Business Enterprises (DBE's), as defined in (Federal) 49 CFR Part 26, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with funds under this Agreement.

(b) If the Grantee has submitted and the RTA has approved a DBE program which the Grantee agrees to carry out regarding any Project funded by this Grant, this DBE program is incorporated into this Agreement by reference.

(c) The Grantee agrees, pursuant to the State Finance Act, 30 ILCS 105/45, to comply with Section 6(d) of the Business Enterprise for Minorities, Females and Persons with Disabilities Act, 30 ILCS 575 and Section 2-105 of the Illinois Human Rights Act, 775 ILCS 5/2-105. Each contract for construction or for professional or consulting services shall contain a provision clearly identifying a Disadvantage Business Enterprise (DBE) goal approved by the RTA prior to contract solicitation and must be conspicuously set forth in contract solicitation documents. The formulation, implementation and documentation of the DBE goals shall be approved by the RTA.

Grantee shall procure the services of a consultant approved by the RTA for the purpose of monitoring compliance with DBE, workforce diversity and utilization goals. The scope of contract with said consultant must be approved by the RTA before solicitation. Half of the funding of the DBE compliance monitoring consultant shall be reimbursed from the Grant with the other half to be provided by the Grantee.

In addition, prior to the execution of this Agreement, the Grantee will submit to the RTA the written certification which is made a part hereof as "Exhibit C".

17.2 Title VI Civil Rights Act of 1964.

The Grantee will comply and will assure the compliance by contractors and subcontractors, with contracts funded in whole or in part with funds under this Agreement, with all the requirements imposed by Title VI of the Civil Rights Act of 1964.

17.3 Equal Employment Opportunity.

(a) In connection with implementation of each Project, the Grantee may not discriminate against any employee or applicant for employment because of race, color, age, creed, sex, or national origin. The Grantee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(b) The Grantee's equal employment opportunity program is incorporated into this Agreement by reference. Such program shall be treated as a contractual obligation; and failure to carry out the terms of that equal employment opportunity program shall be treated as a violation of this Agreement.

(c) The Grantee shall comply with the "Equal Employment Opportunity Clause" as required by the Illinois Department of Human Rights.

17.4 IDOT Training Program Graduates.

(a) Each contract for construction or for professional or consulting services shall contain the Illinois Department of Transportation Training Program Graduate On-The-Job Training Special Provision unless otherwise approved by the RTA. The number of training hours required will be determined by the Grantee, after consultation and approval by the RTA. This Special Provision is attached hereto as "Exhibit D".

**ARTICLE XVIII**  
**SIGNS AND IDENTIFICATION**

18.1 Subject to Section 19.1(c), when a Project involves construction work, the Grantee shall cause to be erected at the site of construction, to be maintained during construction, signs satisfactory to the RTA identifying the Project and indicating that the RTA is participating in the development of the Project. Further, subject to Section 19.1(c), all vehicles, buildings, stations, equipment and other items acquired under this Grant will display identification satisfactory to the RTA indicating the RTA's role in the acquisition and operation of the transit facility or equipment.

**ARTICLE XIX**  
**ETHICS AND LOBBYING**

19.1 Ethics.

(a) Code of Conduct

(1) Personal Conflict of Interest – The Grantee shall maintain a written code or standard of conduct which shall govern the performance of its employees, officers, board members or agents engaged in the award and administration of contracts supported by federal or state funds. Such code shall provide that no employee, officer, board member, or agent of the Grantee may participate in the selection, award, or administration of a contract supported by federal or state funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the parties hereto set forth below has a financial or other interest in the firm selected for award:

- (i) The employee, officer, board member, or agent;
- (ii) Any member of his or her immediate family;
- (iii) His or her spouse or partner; or
- (iv) An organization that employs, or is about to employ, any of the above.

The conflict of interest restriction for former employees, officers, board members and agents shall apply for one year.

The code shall also provide that the Grantee's employees, officers, board members or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. The RTA may waive the prohibition contained in this subsection, provided that any such present employee, officer, board member, or agent shall not participate in any action by the Grantee or the locality relating to such contract, subcontract, or arrangement.

The code shall also prohibit the officers, employees, board members, or agents of the Grantee from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

(2) Organizational Conflict of Interest – The Grantee will also prevent any real and apparent organizational conflict of interest. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract or subcontract may without some restriction on future activities, result in an unfair competitive advantage to the third party contractor or grantee or impair the objectivity in performing the contract work.

(b) Bribery - Nongovernmental grantees and third party contractors shall certify that they have not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois or local government, nor has the Grantee made an admission of guilt of such conduct which is a matter of record, nor has an official, agent or employee of such grantees or third party contractors committed bribery or attempted bribery on behalf of the firm and pursuant to the direction or authorization of a responsible official of the grantee. Such grantees or third party contractors shall further certify that they have not been barred from contracting with a unit of state or local government as a result of a violation of Section 33E-3 or 33E-4 of the Illinois Criminal Code.

(c) Consistent with Section 5-20 of the State Officers and Employees Ethics Act, 5 ILCS 430/5 20, no public service announcement or advertisement related to or on behalf of the Project that is either (i) broadcast or aired on radio or television, (ii) printed in a commercial newspaper or a commercial magazine, or (iii) displayed on a billboard or electronic message board at any time, shall contain the proper name, image, or voice of any executive branch constitutional officer of the State, member of the Illinois General Assembly, or any officer of the City of Chicago, Regional Transportation Authority or Chicago Transit Authority.

Public service announcements or advertisements related to or on behalf of the Project shall identify by name and logo the RTA, Illinois Department of Transportation, Grantee and/or subgrantee provided that no name or logo is more prominent than the other in a format preapproved by the RTA, Illinois Department of Transportation, Grantee and subgrantee.

#### 19.2 Restrictions on Lobbying.

(a) If this Grant provides the local share for a Project which is also funded by the Federal Transit Administration, the Grantee agrees to comply with Section 319 of the 1990 Department of Interior and Related Agencies Appropriations Act, Pub. L. 101-121, as amended (31 ILCS 1352) relating to restrictions on influencing or attempting to influence federal officials in connection with grants, cooperative agreements or contracts. By executing this Agreement the Grantee certifies its compliance with this Act as specifically described in subparagraphs (b) and (c) below.

(b) The Grantee agrees that no federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

(c) The Grantee further agrees that if any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan,

or cooperative agreement, the undersigned shall complete and submit OMB Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

**ARTICLE XX**  
**SEVERABILITY**

20.1 If any provision of this Agreement is held invalid for any reason whatsoever, the remaining provisions shall not be affected thereby if such remainder would continue to conform to the purposes, terms, and requirements of applicable law.

**ARTICLE XXI**  
**ASSIGNMENT AND AGREEMENT**

21.1 This Agreement shall not be assigned, transferred, conveyed, sublet or otherwise disposed of by the Grantee without the prior written consent of the RTA.

**ARTICLE XXII**  
**AMENDMENT**

22.1 The parties hereto agree that no change of total Grant amount or modification in scope of this Agreement, or any Exhibits or Attachments hereto, shall be of any force or effect unless such amendment is dated, reduced to writing, executed by both parties, and attached to and made a part of this Agreement. No work shall be commenced and no costs or obligations incurred in consequence of any amendment to this Agreement or any attachments hereto unless and until such amendment has been executed and made a part of this Agreement and the Project Scope (Exhibit A), or Budget (Exhibit B) for each Project as appropriate, have been amended to conform thereto.

**ARTICLE XXIII**  
**TITLES**

23.1 The parties hereto agree that the titles of the articles and paragraphs of this Agreement are inserted for convenience of identification only and shall not be considered for any other purpose.

**ARTICLE XXIV**  
**DOCUMENTS FORMING THIS AGREEMENT**

24.1 The parties hereto agree that this constitutes the entire agreement between the parties hereto, that there are no agreements or understandings, implied or expressed, except as specifically set forth or incorporated by reference in this Agreement and that all prior arrangements and understandings in the connection are merged into and contained in this



Agreement. The parties hereto further agree that this Agreement consists of this "Public Transportation Capital Grant Agreement", and Exhibits A, B, C and D, all of which are by this reference incorporated herein and made a part hereof, as if they were attached hereto.

**ARTICLE XXV**  
**INDEPENDENCE**

25.1 In no event shall the Grantee or any of its employees, agents, contractors or subcontractors be considered agents or employees of the RTA, the Illinois Department of Transportation or the State of Illinois. Furthermore, the Grantee agrees that none of its employees, agents, contractors or subcontractors will hold themselves out as, or claim to be, agents, officers or employees of the RTA, the Illinois Department of Transportation or the State of Illinois, and will not by reason of any relationship with the Grant make any claim, demand or application to or for any right or privilege applicable to an agent, officer or employee of the RTA, the Illinois Department of Transportation or the State of Illinois, including but not limited to, rights and privileges concerning worker's compensation and occupational diseases coverage, unemployment compensation benefits, Social Security coverage or retirement membership or credit.

**ARTICLE XXVI**  
**PATENT RIGHTS**

26.1 Any patentable result arising out of this Agreement, as well as all information, design, specifications, know-how, data and findings shall be made available to the RTA, the United States of America and to the State of Illinois for public use, unless the RTA and the Illinois Department of Transportation shall determine, in a specific case where it is legally permissible, that it is in the public interest that it not be so made available.

**ARTICLE XXVII**  
**DRUG FREE WORKPLACE**

27.1 The Grantee agrees to comply with the Illinois Drug Free Workplace Act (30 ILCS 580/1 et seq.) and to provide a signed State of Illinois Drug Free Workplace Certification upon the request of the RTA.

**ARTICLE XXVIII**  
**SCHOOL BUS OPERATIONS**

28.1 Pursuant to 20 ILCS 2705/305(f), and as a condition of receiving grant monies under this Agreement, the Grantee certifies, by signing this Agreement, that it is not engaged in school bus operations exclusively for the transportation of students and school bus personnel in competition with private school bus operators where such private school bus operators are available to provide adequate transportation at reasonable rates in conformance with applicable

safety standards. If the Grantee does engage in school bus operations exclusively for the transportation of students and school bus personnel as described above, then the Grantee certifies that it operates a school system in the area to be served thereby and operates a separate and exclusive school bus program for the school system. The Grantee further agrees and certifies that it shall immediately notify the RTA in writing of its involvement in or its intention to become involved in any school bus operation prohibited by Section 305(f) after the date of this certification and this Agreement.

**ARTICLE XXIX**  
**SPECIAL CONDITIONS**

29.1 None

**ARTICLE XXX**  
**EFFECTIVE DATE OF THIS AGREEMENT**

30.1 The effective date of this Agreement is the date that the Agreement is signed by the RTA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the 19<sup>th</sup> day of February, 2013.

**GRANTEE: CHICAGO TRANSIT AUTHORITY:**

Attest: [Signature]  
SEAL

By: [Signature]  
FORREST CLAYPOOL

Date: 2/05/2013

Title: PRESIDENT

**REGIONAL TRANSPORTATION AUTHORITY:**

Attest: [Signature]  
SEAL

By: [Signature]  
JOSEPH G. COSTELLO *n.w.*

SECRETARY OF THE AUTHORITY  
REGIONAL TRANSPORTATION AUTHORITY

Date: 2-19-13

Title: EXECUTIVE DIRECTOR

# **EXHIBIT A**

**RTA Grant Number:** CTA-2012A

**Project Name:** Rehabilitate Wilson Station and Infrastructure

**Project Number/ J.O.:** 8457 141.273

**Location:** Wilson Station on the North Red Line branch.

**Asset Category:** 5 Stations & Passenger Facilities

**Useful Life:** 40

**Project Scope:**

The proposed scope of work would include construction of a new accessible Wilson Station and the realignment/reconstruction of the adjacent infrastructure between Montrose and Lawrence to provide for a better use of the CTA property with the potential for future development. The proposed station would be redesigned to include vertical access (elevator) between the platforms and street level, escalator and new stairs. The existing stationhouse located inside the Gerber Building will be closed and the main station will be located on the south side of Wilson Street. An auxiliary entrance is being investigated to the south towards Sunnyside Avenue and/or on the north side of Wilson Avenue. The overall project reconstruction would include significant structure/viaduct/track system improvements associated with the reconstruction of the station.

**Project Justification:**

The original station was built on this location in 1900, and has not been significantly modified since it was rebuilt in 1923, aside from minor improvements and repairs. It is difficult to maintain and CTA riders have indicated that it is viewed as one of the worst on the system. Additionally, it has been identified as one of the highest priority stations to make accessible, given its location, demographics, and ridership (among other aspects). The investment at Wilson Station will be in coordination with other long-term improvements being planned for the North Red/Purple Line, as well as with other developments planned and underway for the community.

**RTA Grant Number:** CTA-2012A  
**Project Name:** Rehabilitate North Red Line Stations-Sheridan and Bryn Mawr  
**Project Number/ J.O.:** 8458 141.273  
**Location:** Sheridan and Bryn Mawr Stations on the North Red Line branch.  
**Asset Category:** 5 Stations & Passenger Facilities  
**Useful Life:** 40

**Project Scope:**

The purpose of this project is to make improvements to these two stations and adjacent track structure in order to provide safe and dry conditions with aesthetic improvements as appropriate. This work will provide for ease of maintenance, passenger comfort, safety and security. Work may include but not be limited to: lighting repairs; repairing or replacing canopy roofs; repairing or replacing platform decking; repairing or replacing stationhouse roofs; painting canopy roofs; painting and repairing canopy supports and possibly improving accessibility to the station area where possible. This program may also include required structural rehabilitation at Sheridan and critical viaduct repairs at Bryn Mawr to provide for a safe environment conditions.

**Project Justification:**

The North Red Line stations included in this project are some of the oldest stations in the CTA system and have reached the end of their useful life. These stations are located under a deteriorating track (Sheridan) or embankment structure (Bryn Mawr) built in the 1920s and water intrusion has accelerated major deterioration. This funding is part of a larger program of improvements for the North Main Line stations.

**RTA Grant Number:** CTA-2012A

**Project Name:** Rehabilitate Track-Purple Line Express

**Project Number/ J.O.:** 8459 181.500

**Location:** Clark Junction to Howard on Evanston Express and from Howard to Linden on the Evanston branch.

**Asset Category:** 2 Track & Structure

**Useful Life:** 15

**Project Scope:**

The intent of this project is to replace aging and deteriorating components in order to improve transit service by removal of existing slow zones. Many components are at the end of their useful life. Tie replacement, partial or complete replacement of running rails where deemed necessary, and special track work at various locations are included in this project. This project is not a complete renewal of the project limits, but a heavy maintenance repair scheme until additional funding is secured for complete replacement.

**Project Justification:**

CTA's North Main Line was constructed nearly 100 years ago and is clearly in need of modernization. Much of the infrastructure is dilapidated and continued degradation could increase the cost of maintenance and compromise service in the future. As a result, transit trips are delayed and unreliable due to antiquated infrastructure. Currently 24% of the Evanston Express Track and 11% of the Evanston Branch Track are under slow zones. The objective of this program is to systematically replace and upgrade these components, which will reduce the need to impose slow zones due to the deteriorating condition of right-of-way elements. This project will mitigate slow zones while a more permanent solution to the deteriorating track conditions is developed. When completed, train speed can be increased and reliability will be greatly improved. After nearly 100 years of service, we must identify how best to reconstruct and improve the Purple Line for the next 100 years.

**RTA Grant Number:** CTA-2012A

**Project Name:** Milwaukee Avenue Blue Line Track Improvements

**Project Number/ J.O.:** 8460 181.500

**Location:** Damen Avenue Station on the south to Belmont Avenue Station on the north.

**Asset Category:** 2 Track & Structure

**Useful Life:** 15

**Project Scope:**

This project will replace aging track components along a 3.6 mile section of the O'Hare Track improvements will generally include replacement of timber track ties, footwalk ties, timber guards, tie plates, fasteners and associated materials between Damen Station and the abutment of the Milwaukee/Kimball Subway south incline. The reverse curves north of Damen Station will have running rails transposed, restraining rails re-gauged and shims replaced. Curves north of Western Station will be re-shimmed and Armitage and California crossovers will have ties, timber guard, deck planking and fasteners replaced. Incidental work will include re-support of existing footwalks, contact rails and signal equipment as well as structural modifications to improve track profile and alignment.

Additional track improvements may be included to the extent achievable within the budget such as replacing ballast, ties and fasteners on the south incline (abutment to south portal), replacement turnouts in the Belmont double crossover (rails, fasteners & possibly ties), and selective contact rail replacement.

**Project Justification:**

Timber ties have deteriorated in many areas resulting in loose/skewed fasteners, ties and plates. Slow zones have been imposed periodically in recent years requiring stop-gap remedial measures by CTA maintenance forces. Future slow zones, and related service impacts, can be anticipated within the project limits in the absence of this major renewal.

Major track renewals have occurred recently north of this segment to the O'Hare Terminal as well as southward to the Loop through Dearborn Subway. Track renewal in this segment will serve to fill a significant gap in restoring the Blue Line O'Hare Branch to a state of good repair.

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*RTA/ Chicago Transit Authority Grant Contract*

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**RTA Grant Number:** CTA-2012A  
**Project Name:** Contingencies  
**Project Number/ J.O.:** 9999            301.268  
**Location:** Systemwide  
**Asset Category:** 8 Contingencies & Administration  
**Useful Life:** 0

**Project Scope:**

Provide for contingencies associated with the RTA Grant Number CTA-2012A.

**Project Justification:**

Provide for contingencies associated with the RTA Grant Number CTA-2012A.



# **EXHIBIT B**

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**Exhibit B**

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**RTA Grant Number: CTA-2012A**

<b>Service Board</b>	<b>Project Number</b>	<b>Project Description</b>	<b>FTA Grant Amount</b>	<b>RTA Grant Amount</b>	<b>Net Project Budget</b>	<b>RTA Percent Participation</b>
CTA	8457	Rehabilitate Wilson Station and Infrastructure	34,709,830	169,959,391	204,669,221	83%
CTA	8458	Rehabilitate North Red Line Stations-Sheridan and Bryn Mawr	-	24,000,000	24,000,000	100%
CTA	8459	Rehabilitate Track-Purple Line Express	-	12,000,000	12,000,000	100%
CTA	8460	Milwaukee Avenue Blue Line Track Improvements	16,000,000	8,121,827	24,121,827	34%
CTA	9999	Contingencies	-	5,803,071	5,803,071	100%
<b>Grand Total</b>			<b>\$50,709,830</b>	<b>\$219,884,289</b>	<b>\$270,594,119</b>	

Exhibit C

**BUSINESS ENTERPRISE PROGRAM CERTIFICATION**

This Certification must be executed only if the amount of the state funds in the Grant is \$250,000 or more for construction and/or professional services

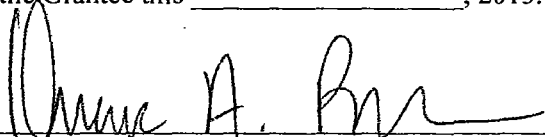
Pursuant to the State Finance Act, 30 ILCS 105/45, the Grantee hereby certifies that the Grantee complies with one of the following programs (check applicable program below):

- the Disadvantaged Business Enterprise program filed by the Illinois Department of Transportation (Department),
- the goals created by the Grantee in conjunction with the Department's Division of Public and Intermodal Transportation and the Office of Business and Work Force Diversity, which goals shall become a part of the Federal Section 5311 facility construction goal matrix,
- a Disadvantaged Business Enterprise program filed independently by the Grantee or, if applicable, by one or more of the Grantee's service boards, such as Metra, Pace and/or the CTA,

and that such program has been approved, to the extent required, by the relevant operating administration of the United States Department of Transportation pursuant to Section 6(d) of the Business Enterprise for Minorities, Females and Persons with Disabilities Act, 30 ILCS 575, and complies with Section 2-105 of the Illinois Human Rights Act, 775 ILCS 5/2-105, including its requirements related to providing equal employment opportunities, refraining from unlawful discrimination, and having written sexual harassment policies.

The Grantee understands and agrees that the program or goals checked above, and the goals included therein, are deemed to be part of this Grant Agreement between the Grantee and Department.

In witness whereof, I have hereunto affixed my official signature and the seal, if applicable, of the Grantee this \_\_\_\_\_, 2013.



Signature of Certifying Officer

Printed Name: OMAR A. BROWN

## Exhibit D

### **SPECIAL CONDITIONS -- IDOT TRAINING PROGRAM GRADUATE (TPG) ON-THE- JOB TRAINING**

In addition to the equal employment opportunity affirmative action requirements of Section [--] of this Contract, the Contractor is encouraged to participate in the incentive program described herein to provide additional on-the-job training to certified graduates of IDOT's community college pre-apprenticeship programs (the "IDOT TPG Program").

The intent of the IDOT TPG Program is to place certified graduates of the IDOT funded pre-apprentice training programs on IDOT-funded project sites when feasible, and provide the graduates with meaningful on-the-job training intended to lead to journey- level employment.

Participation by the Contractor or subcontractor in the IDOT TPG Program in accordance with these IDOT TPG Special Conditions entitles the Contractor or subcontractor to be reimbursed at \$10.00 per hour for qualified training provided to a certified graduate trainee ("TPG Trainee") on this contract. This reimbursement will be made even though the Contractor or subcontractor may receive additional training program funds from other sources, provided such other source does not specifically prohibit the Contractor or subcontractor from receiving other reimbursement. For purposes of these IDOT TPG Special Conditions the Contractor is not relieved of the requirements of the Illinois Prevailing Wage Act or Federal Davis Bacon Act. No training reimbursement shall be made to the Contractor if the Contractor or subcontractor fails to provide the required training. It is expected that a TPG Trainee will begin training on the project as soon as feasible after start of work utilizing the skill involved and remain on the project through completion of the contract, so long as training opportunities exist in the TPG Trainee's work classification or until the TPG Trainee has completed the training program. Should the TPG Trainee's employment end in advance of the completion of the contract, the Contractor shall promptly notify the designated CTA staff member [consider CTA consultant] under these IDOT TPG Special Conditions that the trainee's involvement in the contract has ended and supply a written report of the reason for the end of the involvement, the hours completed by the trainee under the Contract and the number of hours for which the incentive payment provided under these IDOT TPG Special Conditions will be or has been claimed for the trainee.

The Contractor will provide for the maintenance of records and furnish periodic reports documenting the Contractor's performance under these IDOT TPG Special Conditions.

**METHOD OF MEASUREMENT:** The unit of measurement is in hours.

**BASIS OF PAYMENT:** This work will be paid at the contract unit price of \$10.00 per hour for TPG Trainees.

The Contractor shall provide training opportunities aimed at developing full journeymen in the type of trade or job classification involved. In the event the Contractor subcontracts a portion of the work, the Contractor shall determine how many, if any, of the TPG Trainees are to be trained by the subcontractor, provided however, that the Contractor shall retain the primary

responsibility for compliance with these Special Conditions. The Contractor shall also ensure that these IDOT TPG Special Conditions are included in such subcontract if the trainees are to be trained by a subcontractor and that the incentive payment reimbursement is passed on by the Contractor to each subcontractor.

Prior to commencing construction, the Contractor shall submit to CTA for approval the certified TPG graduates to be trained in each selected classification. Furthermore, the Contractor shall specify the starting time for training in each of the classifications. No employee shall be employed as an on-the-job TPG trainee TPG in any classification in which he/she has successfully completed a training course leading to journeyman status or in which he/she has been employed as a journeyman. Notwithstanding the on-the-job training purpose of these IDOT TPG Special Conditions, some offsite training is permissible as long as the offsite training is an integral part of the work of the contract and does not comprise a significant part of the overall training.

Training and upgrading of TPG graduates of IDOT pre-apprentice training programs is intended to move the graduates toward journeyman status and is the primary objective of these IDOT TPG Special Conditions.. The Contractor will be responsible for demonstrating the steps taken in pursuance thereof, prior to a determination by [-----] as to whether the Contractor is in compliance and entitled to the IDOT TPG Special Conditions \$10.00 an hour incentive.

The Contractor or subcontractor shall provide each certified graduate TPG trainee with a certificate showing the type and length of training satisfactorily completed.

## **RTA Program Management Guidelines for State Bond-funded Projects**

The RTA Program Management Guidelines for State Bond-funded Projects, referenced hereto as Guidelines, are required to be implemented and executed by the Grantee receiving funds under a Public Transportation Capital Grant Agreement between the RTA and the Grantee, referenced hereto as Grant Agreement, as it relates to these Guidelines. The following sections describe the reporting and project management requirements. Attached to these Guidelines is a chart titled Capital Grant Concurrence Requirements for Third Party Contracts and Force Account Work that set specific requirements based on the obligation amount for Third Party Contract and/or Force Account work performed by the Grantee.

### **I Project Reporting**

- (a) The Grantee shall provide the RTA with quarterly progress performance reports within forty-five (45) days after the end of each calendar quarter. Depending on the magnitude and complexity of the Project, the RTA may also request other special reports or quarterly project management meetings. If requested by the RTA, the Grantee shall also provide such other special reports, documents, records, data or information as described in Article XXIX (Special Conditions) of the Grant Agreement, which the RTA determines are necessary to the proper monitoring of each Project. The Grantee shall provide a final project report for each Project before grant closeout.
- (b) Each quarterly progress report shall contain the following in a format agreed to by the RTA:
  - (1) a narrative which summarized the major accomplishments during the quarter; highlights any actions or decisions which are critical to meeting Project cost, schedule or quality objectives of the Project; explains reasons why Project cost or schedule objectives were not met; and identifies problem areas and the planned approach to resolution of the problems.
  - (2) a cost summary which shows the Project's budget, obligations, and expenditures for the quarter completed and cumulative to date. In addition, a summary which compares planned (original and revised) versus actual obligations and expenditures over the life of the project on a quarterly basis. This summary should also provide a comparison of cumulative planned versus actual obligations and expenditures. The "planned" obligations and expenditures that are

the base of these calculations shall be as revised on the first of the year in which the Grantee is reporting.

- (3) a summary schedule which compares major planned versus actual Project milestone activities, including where applicable, design start or award; specifications issuance; contract award; delivery start and completion; and project completion.
  - (4) the first report shall contain if required in Article XXIX (Special Conditions) of the Grant Agreement the critical path schedule to be used by the contractor(s) or vendor(s) and subsequent reports shall identify all deviations which are likely to affect the overall Project Schedule.
- (c) If any event occurs which may significantly impact the completion or the Net Project Cost of the Project, the Grantee shall inform the RTA as soon as possible after the event becomes known.
  - (d) If the quarterly progress reports for any Project show, over four consecutive quarters, no activity with regard to the Project, the Grantee shall submit a statement showing cause why the RTA should not terminate the Project and close out the Project in accordance with articles IX and X of the related Grant Agreement. Upon review of this statement, the RTA shall determine if the Project should be terminated and closed out and shall in its sole discretion determine where such remaining Project funds will be reprogrammed. If a decision is made to terminate a Project, the Grantee may request to reprogram the funds consistent with Article III, Section 3.2 [Grantee Commitment of Complete Projects (s) or Seek Amendment] of the related Grant Agreement.

## **II Procurement Review**

In seeking RTA concurrence, the Grantee must follow the thresholds set forth in the attached chart titled Capital Grant Concurrence Requirements for Third Party Contracts and Force Account Work.

- (a) Except as specifically approved in writing by the RTA, the Grantee must obtain pre-bid approval from the RTA. The Grantee agrees that, prior to advertising for any bids for any work to be performed under Item (d), the Grantee shall submit one copy each of the proposed contract, plans and specifications, proposed advertisement for bids, and all related bidding documents, to the RTA for approval. The bid invitation or advertisement shall include a statement that the contract to be let is subject to the terms and conditions of this Grant Agreement between the Grantee and the RTA.

- (b) Except as specifically approved in writing by the RTA, the Grantee must obtain pre-award review and approval (i) prior to making any award to other than the low bidder, including but not limited to, instances in which the Grantee determines that the low bid is not responsive or that the low bidder is not responsible or should be disqualified for other reasons; (ii) prior to award of any contract valued at \$100,000 or more; and (iii) prior to award of any contract not competitively bid. Also, the Grantee shall obtain the RTA's approval prior to instituting eminent domain proceedings.
- (c) The Grantee agrees to give full opportunity for free, open and competitive bidding for each contract to be let by the Grantee calling for the construction or furnishing of any materials, supplies, or equipment to be paid for with Project funds, and the Grantee shall give such publicity in its advertisements or calls for bids for each such contract as will provide adequate competition. The award of each such contract shall be made by the Grantee as soon as practical to the lowest responsible bidder, except as otherwise provided in these Guidelines or as otherwise specifically approved in writing by the RTA. Contracts for professional or consulting services and contracts for the purchase of land, real estate, transit property, or other real or personal property not normally acquired through competitive bidding are specifically excluded from the requirements of this section, except that contracts for professional and consulting services shall be awarded only after competitive solicitation of proposals from at least three qualified firms.
- (d) In seeking RTA concurrence for non-competitive negotiations in excess of \$100,000, the Grantee shall submit to the RTA, after the Grantee determines to whom it proposes to award the contract, a justification statement that:
- (1) explains the requirement, including details about the unique features, that results in only one source existing that is capable of meeting the need;
  - (2) describes the alternatives that the Grantee considered (i.e., a market survey) and why each alternative was rejected;
  - (3) explains the selected contractor's unique capability that results in it being the only available source;
  - (4) describes the actions the Grantee is taking to ensure that future procurements for like or similar supplies, equipment, or services will be competitive; and



- (5) states that the price is fair and reasonable and provides a basis for that determination (i.e., a cost or price analysis and, if appropriate, a negotiation memorandum).
- (e) In seeking RTA concurrence for a single bid, the Grantee shall submit to the RTA after the Grantee determines to whom it proposes to award the contract, the following documentation:
  - (1) a statement that the Grantee has analyzed the specification and concludes that there are no items in the solicitation that inhibit or eliminate competition or, if the analysis shows that the solicitation contains a restrictive item, a justification that the Grantee needs the item to meet the Grantee's minimum needs;
  - (2) evidence of the Grantee's request of all vendors that were expected to compete to submit their reasons for not competing and the vendors' responses thereto; and
  - (3) a statement that the price is fair and reasonable and the basis for that determination (i.e., a cost or price analysis).
- (f) In reviewing the Third Party Contracts, the RTA will take into consideration the factors listed in Chapter III, Paragraph 5 of FTA Circular 4220.1F, as amended, as well as any relevant state or local procurement requirements.
- (g) The RTA may require the Grantee to submit pre-bid specifications or the documentation listed in subparagraph II(b), for any specific procurement in addition to those listed in subparagraph II(a), when such submission is in the interest of the agency. Failure to provide the information required or requested, or failure to comply with any RTA decision pursuant to a review under the Article, can result in the refusal of the RTA to provide funds under the related Grant Agreement for the procurement at issue.
- (h) Within thirty (30) days after award of any Third Party Contract, the Grantee shall submit a copy of the executed contract and any related documents or when otherwise requested by the RTA.

### III Contract Change Orders

After approval of any Third Party Contract thereafter by the RTA, no change or modification of the scope of the work or cost thereof shall be made to any contract of the Grantee and no work shall commence and no costs or obligations incurred in consequence of such change or modification except as provided in these Guidelines, unless such change or modification is specifically approved in writing

by the RTA, and, where required, until the Approved Project Budget has been amended by the RTA as may be necessary to accommodate such change or modification.

The Grantee shall obtain the concurrence of the RTA prior to executing any change order with a Third Party Contractor in excess of \$100,000, which is not within the scope of the original Third Party Contract funded with State Bonds funds. In submitting a request for such concurrence, the Grantee shall submit a justification statement showing the necessity for the change.

#### **IV Real Property Procurements**

The Grantee shall obtain the concurrence of the RTA prior to acquiring any interest in real property funded with State Bonds funds when the estimated just compensation is greater than \$250,000 or when a property transaction in excess of \$250,000 must be resolved through eminent domain proceedings. Prior RTA concurrence is also required when a settlement is \$50,000 higher than the Grantee's offer and an administrative settlement must be negotiated. Real property is to be acquired at its current fair market, established on the basis of independently prepared appraisal(s). At least one appraisal and a reviewer's analysis are required. An additional appraisal may be made if the Grantee finds the property complex and deems a second appraisal to be appropriate.

#### **V Use of Force Account**

The Grantee shall obtain the concurrence of the RTA prior to the use of force account for any activities funded with State Bond funds where the estimated value of the force account for the related Grant Agreement is in excess of \$500,000.



**Regional  
Transportation  
Authority**

175 W. Jackson Blvd. February 19, 2013

Suite 1650

Chicago, IL 60604

(312) 913-3200

Mr. Donald Gismondi

www.rtachicago.com

General Manager

Capital Grants

Chicago Transit Authority

567 West Lake Street

Chicago, IL 60680-7568

**RE: Executed Grant Agreement(s)**

Dear Mr. Gismondi:

Enclosed is your fully executed copy of the below referenced grant agreement(s).

Subgrant Number	Federal and Local Source	Federal Share	Local RTA Share	Subgrant Total
CTA-2012A-LI	100% IDOT	\$0.00	\$219,884,289.00	\$219,884,289.00
<b>TOTAL</b>		<b>\$0.00</b>	<b>\$219,884,289.00</b>	<b>\$219,884,289.00</b>

If you have any questions or need additional information, please contact Ms. Beth McCluskey, Manager of Capital Program Analysis Division, at 312-913-3179.

Sincerely,

John Goodworth  
Division Manager  
Programming, Oversight and Compliance

JG/BM/JV  
Enclosures



(ii) the CTA has approved all work and materials for the disbursement request for that portion of TIF-Eligible Improvements incurred to date;

(iii) the work that is the subject of the disbursement request herein was, or will be, performed in accordance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders at the time of its completion; and

(iv) the representations and warranties contained in the Agreement are true and correct and the CTA is in compliance with all applicable covenants contained therein.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

**Chicago Transit Authority**, an Illinois municipal corporation

By: \_\_\_\_\_  
Name  
Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

City of Chicago, by and through its Department of Housing and Economic Development

\_\_\_\_\_  
Andrew J. Mooney, Commissioner

Date: \_\_\_\_\_

**Exhibit D**

**Prior CTA Expenditures**

**None.**