



Date of Memo: April 09, 2024  
Current Meeting: April 18, 2024  
Board Meeting: April 25, 2024

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** Interim President/CEO Jennifer Pyrz  
**FROM:** Manger of Special Projects and Regional Mobility Integration Ryan Wilhite  
**SUBJECT:** Consideration and approval of Procurement of Transit Vehicles for FTA’s Section 5339 Grantees – 2023 Call for Projects

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**ACTION ITEM A – 4**

**RECOMMENDATION:**

IPTC staff, on behalf of the designated subrecipients listed herein, is requesting that the Board authorize the Interim President and CEO to enter into a purchase contract agreement with Midwest Transit Equipment, Inc. for the purchase of nine accessible transit vehicles as illustrated in *Table 1: 2023 Section 5339 Call for Projects Vehicle Order* for a total not to exceed amount of \$671,140.

**BACKGROUND:**

The Grant for Bus & Bus Facilities grant program (49 U.S.C. 5339) is administered by the Federal Transit Administration (FTA). The program is commonly referred to as Section 5339. Section 5339 funds help transit agencies with capital expenditures, such as purchasing vehicles, related equipment, or bus facility projects.

Prior to 2022, IPTC was the only recipient of Section 5339 funding allocated to the Indianapolis urbanized area. Beginning in 2022, transit providers operating in Hamilton, Hancock, Hendricks, and Johnson Counties no longer utilized Section 5311 funds (Rural) and instead started using Section 5307 funds (Urban); the transition made these entities eligible to receive Section 5339 funds administered by IPTC. IPTC serves as the designated recipient of Indianapolis urban area Section 5339 grant funding, which IPTC receives directly from the FTA. Similar to Section 5307 and Section 5310 funds, as the designated recipient, IPTC is responsible for distribution and oversight of the FTA funds. As part of the region’s rural to urban transition, the Section 5339 grant program now includes a discretionary portion for public transit providers operating within Indianapolis’ urbanized area, which IPTC makes available through a competitive grant process.

To ensure that the use of this funding is compliant with federal and state procurement rules and regulations, IPTC has assumed responsibility for the vehicle purchases made with these funds. Specifically, IPTC routinely orders vehicles on behalf of subrecipients using an Indiana state quantified purchase agreement, wherein the subrecipient is responsible for the local match requirement and the full cost of any accessories. Vehicles are delivered to IPTC’s West Campus and then picked up by the subrecipients. IPTC requires that the transit agency is listed as a lienholder on the vehicle title. Subrecipients are also required to list IPTC as an insured on all vehicles. Prior to placing a vehicle order, IPTC requires subrecipients to deliver a local match check and before delivery, subrecipients sign a grant agreement with IPTC that outlines the terms of the Section 5339 sub-grant award.

When IPTC issues a call for projects, the amount available is provided to potential applicants. If the total awarded amount is less than the amount made available, IPTC staff decide how to proceed with the remaining FTA funds. IPTC

can reserve all or some of the remaining funds for a future call for projects or it can use some or all of the remaining funds to cover its own capital expenses, provided they are eligible expenses under the Section 5339 program.

**DISCUSSION:**

The 2023 Call for Projects for Section 5339 was the IPTC’s first call for projects for Section 5339 funds. IPTC staff intended to hold a 2022 CFP, however due to unstable vehicle pricing, IPTC staff cancelled the 2022 CFP. The funds for 2022, 2023, and 2024 were combined into the 2023 CFP. The 2024 monies was included due to the timing of the CFP schedule. And while funding made available under 49 U.S.C. Section 5339 can be used by transit agencies to replace, rehabilitate, or purchase buses and related equipment and to construct bus-related facilities, IPTC elected to limit the call for projects to vehicles and equipment only. The decision was made because of the demand for vehicles and equipment.

IPTC staff conducted an official Call for Projects that opened December 15, 2023, with submissions due February 9, 2024. A committee of IPTC staff reviewed applications from three area providers and subsequently chose to award funding to all three. All the projects were vehicle purchases to replace existing, end-of-life vehicles. Hamilton County identified a need for equipment, specifically vehicle cameras; Hamilton County will procure the equipment directly.

The amount of federal funding made available was \$1.2 million and the subrecipients’ project submissions federal request totaled \$566,100. Federal rules allow a higher federal share for ADA accessible vehicles, such as those being ordered. Normally, the base vehicle is matched at 80% federal and 20% local. With the undersubscription of the available funds, IPTC staff decided to increase the federal match for the base vehicle to 85%, reducing the local requirement for the base vehicle to 15%. All options added are funded by the subrecipient at 100%. IPTC staff anticipate carrying \$200,000 to the next Section 5339 Call for Projects in 2025.

Like it has for its own vehicle purchases, IPTC intends to use the Indiana Department of Administration’s (IDOA) Quantity Purchase Agreement (QPA) to make these vehicle purchases. Based on the current QPA, Midwest Transit Equipment, Inc. (MTE) is the approved vendor for this order. The costs contained herein are estimates. In conversations with MTE, the current fixed QPA pricing is being amended. The estimate was provided by MTE and should be sufficient to cover the amended pricing. If the final cost to purchase the vehicles is above the IPTC board threshold, then IPTC staff will seek the Boards’ approval a second time. If the total estimated cost is less than approved and the local match is therefore less, then IPTC will issue a check to the subrecipients. The 2023 Call for Projects vehicle purchases for Section 5339 are as follows:

*Table 1: 2023 Section 5339 Call for Projects Vehicle Order*

<b>Subrecipient</b>	<b>Vehicle Type</b>	<b>No. of Vehicles</b>	<b>Total Estimated Cost</b>	<b>Federal Share</b>	<b>Local Match</b>	<b>Options Added</b>
<b>Hamilton County</b>	Low-floor minivan	6	\$444,000	\$377,400	\$66,600	No
<b>Hancock County</b>	Low-floor minivan	1	\$75,540	\$62,900	\$14,230	Yes – Rear Ramp, Running Boards, Extra Q Straint
<b>Hendricks County</b>	Low-floor minivan	2	\$151,600	\$125,800	\$25,800	Yes – Middle Seat
<b>Total</b>		<b>9</b>	<b>\$672,730</b>	<b>\$566,100</b>	<b>\$106,630</b>	

The federal share is based on the base vehicle price. The local match is based on the 15% of the base vehicle plus 100% of any options added. Both Hancock and Hendricks Counties added options to each vehicle. Therefore, the total estimated cost for those two counties and the resulting federal/local splits will not be 85% federal and 15% local.

**ALTERNATIVES:**

It is likely that there are no alternatives as IPTC staff cannot identify an alternative that would not undermine the competitive process established for the Section 5339 program where the subrecipients get the vehicles that they need.

**FISCAL IMPACT:**

This action item has no fiscal impact for IPTC.

**DBE/XBE DECLARATION:**

Not applicable.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee and Service Committee on April 18, 2024 and will be recommended for the Consent Agenda.