

Larry Sanborn

From: Sherman, Michael (FTA) <michael.sherman@dot.gov>
Sent: Tuesday, May 9, 2023 7:33 AM
To: Hamilton, Cathy CTR (FTA); Larry Sanborn
Cc: Kaitlyn McClanahan; Brian Higdon
Subject: [EXTERNAL] RE: FTA Circular 4220.1f - Chapter IV Section 2.b.(5)(b) 2 b - Customary Advance Payments - ITS Cloud Transit Scheduling/Dispatching Software

Thanks so much, Cathy!

Larry – please use our emails to serve as FTA concurrence.

Let us know if you have any additional follow up questions.

Mike

From: Hamilton, Cathy CTR (FTA) <cathy.hamilton.ctr@dot.gov>
Sent: Tuesday, May 9, 2023 8:04 AM
To: Larry Sanborn <Larry.Sanborn@tn.gov>; Sherman, Michael (FTA) <michael.sherman@dot.gov>
Cc: Kaitlyn McClanahan <Kaitlyn.McClanahan@tn.gov>; Brian Higdon <Brian.Higdon@tn.gov>
Subject: RE: FTA Circular 4220.1f - Chapter IV Section 2.b.(5)(b) 2 b - Customary Advance Payments - ITS Cloud Transit Scheduling/Dispatching Software

Good Morning all,

I have reviewed all of the corresponding document and they appear to be satisfactory and compliant. In one of the attachment, I see that Mr. Tye spoke with the recipient and gave his guidance and concurrence. With that being said, I find no issues.

From: Larry Sanborn <Larry.Sanborn@tn.gov>
Sent: Monday, May 8, 2023 1:59 PM
To: Sherman, Michael (FTA) <michael.sherman@dot.gov>
Cc: Kaitlyn McClanahan <Kaitlyn.McClanahan@tn.gov>; Brian Higdon <Brian.Higdon@tn.gov>; Hamilton, Cathy CTR (FTA) <cathy.hamilton.ctr@dot.gov>
Subject: RE: FTA Circular 4220.1f - Chapter IV Section 2.b.(5)(b) 2 b - Customary Advance Payments - ITS Cloud Transit Scheduling/Dispatching Software

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Hi Mike,

I've attached the following documents:

- ITSProcurement_NASPO_TNParticipatingAddendumConsulting_EmailThread.pdf – This document provides an email thread of the discussion with Dwight and Tye for context to the history.
- ITSProcurement_Comprehensive Cloud Business case final.pdf – This document is the Tennessee business case mentioned in the previous email thread document.

- Procurement_350 Attachment A - Utah -SHI Master_Agreement.pdf – this is the Utah master agreement with SHI
- Procurement_350 Attachment B - SHI - TN Participating Addendum.pdf – this is the Tennessee participating addendum
- Procurement_350 Attachment C - Participating Addendum Amendment - FTA Clauses.pdf – this is Amendment 1 to the Tennessee participating addendum where we added the federal clauses

Please let me know if you need anything more or have further questions.

Thank you,
Larry



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From: Sherman, Michael (FTA) <michael.sherman@dot.gov>
Sent: Monday, May 8, 2023 1:09 PM
To: Larry Sanborn <Larry.Sanborn@tn.gov>
Cc: Kaitlyn McClanahan <Kaitlyn.McClanahan@tn.gov>; Brian Higdon <Brian.Higdon@tn.gov>; Hamilton, Cathy CTR (FTA) <cathy.hamilton.ctr@dot.gov>
Subject: [EXTERNAL] RE: FTA Circular 4220.1f - Chapter IV Section 2.b.(5)(b) 2 b - Customary Advance Payments - ITS Cloud Transit Scheduling/Dispatching Software

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Hey Larry,

Sounds good. Please share the contract in its entirety for our new procurement specialist, Cathy Hamilton, to review before we can provide our concurrence.

I included Cathy on this email to ensure she can receive the contract for review.

Mike

From: Larry Sanborn <Larry.Sanborn@tn.gov>
Sent: Monday, May 8, 2023 12:18 PM
To: Sherman, Michael (FTA) <michael.sherman@dot.gov>
Cc: Kaitlyn McClanahan <Kaitlyn.McClanahan@tn.gov>; Brian Higdon <Brian.Higdon@tn.gov>
Subject: FTA Circular 4220.1f - Chapter IV Section 2.b.(5)(b) 2 b - Customary Advance Payments - ITS Cloud Transit Scheduling/Dispatching Software

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Hi Mike,

TDOT Multimodal Division is preparing to launch the Intelligent Transit Systems (ITS) procurement for our subrecipients and state grantees of a cloud transit scheduling/dispatching software-as-a-service (SaaS) solution through a Tennessee purchasing schedule acquired through Tennessee's statewide participating addendum to the Utah NASPO Cloud Solutions contract, as discussed with Dwight and Tye. Our subrecipients may be purchasing this solution using either 5311 program funds, 5339 program funds, or both.

Under the 5311 Program software is an eligible capital expense as seen under FTA Circular 9040.1G, FORMULA GRANTS FOR RURAL AREAS: PROGRAM GUIDANCE AND APPLICATION INSTRUCTIONS, Chapter III. Section 3.b.(10). Under the 5339 Program software is an eligible capital expense as seen under FTA Circular 5100.1 BUS AND BUS FACILITIES FORMULA PROGRAM: GUIDANCE AND APPLICATION INSTRUCTIONS Chapter III, Section 5.p.

Chapter IV Section 2.b.(5)(b) 2 b of FTA Circular 4220.1f describes the following exception to the advance payments for sound business reasons,

"FTA recognizes that advance payments are typically required for, but are not limited to, public utility connections and services, rent, tuition, insurance premiums, subscriptions to publications, software licenses, construction mobilization costs, transportation, hotel reservations, and conference and convention registrations. Accordingly, the recipient may use FTA assistance to support or reimburse the costs of such acquisitions.

FTA concurrence is required only when such advance payment or payments customarily required in the marketplace exceed \$100,000."

Due to the payment by subrecipients will be for ITS software-as-a-service at the outset of the term of service and that we are estimating that most systems will exceed \$100,000, we are requesting an FTA concurrence under this circular's guidance for all subrecipients who use this process to purchase the ITS software systems.

Let us know if you need further information.

Thank you,

Larry



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