

ARIZONA DEPARTMENT OF TRANSPORTATION
Multimodal Planning Division
Public Transportation
State Management Plan
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Arizona Department of Transportation
Multimodal Planning Division
206 South 17th Avenue, MD 340 B
Phoenix, AZ 85007

Public Transportation State Management Plan

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I. Introduction

A. STATE MANAGEMENT PLAN

The State Management Plan documents the procedures of the State of Arizona in managing and utilizing federal funds to assist public, Tribal, private for-profit and private non-profit passenger transportation systems in Arizona. The Arizona Department of Transportation (ADOT) Multimodal Planning Division (MPD) manages the programs described in this document.

This document includes the State's objectives, policies, procedures, and administrative requirements, in a form that is readily accessible to ADOT staff, the Federal Transit Administration (FTA), potential subrecipients, and the public. The State Management Plan serves four purposes:

1. Provides a basis for FTA state level management reviews of the programs;
2. Serves as an internal reference document for the management of the various grant programs. It can be used for new employees to gain a broad understanding of the programs and as a tool for cross-training current employees;
3. Provides public information on grant management administrative processes; and
4. Provides information to subrecipients in regards to State and federal program requirements.

FTA requires a State Management Plan for the Section 5311 Rural Public Transportation Program; and the Coordinated Mobility Programs (Section 5310) for Elderly Individuals and Individuals with Disabilities. ADOT has also chosen to document information related to the management of other federal transportation grant funds that the Transit Program oversees in this State Management Plan.

ADOT's Multimodal Planning Division also serves as the State Safety Oversight Agency. On December 27, 1995 the FTA published [49 CFR Part 659](#), subsequently referred to as the State Safety Oversight (SSO) Rule. This rule requires states to administer a safety and security oversight program for all rail fixed guideway systems in its jurisdiction. ADOT MPD was designated by the State to serve as the SSO agency for Arizona. As a requirement of 49 CFR Part 659, ADOT developed the Arizona Department of Transportation System Safety Program Standard, a separate and freestanding document which identifies the State's policies, procedures, and processes for fixed guideway systems safety and security oversight.

The State Management Plan is accompanied by a set of appendices. The appendices include the complete ADOT Grant Guidebooks for the Section 5310 (Coordinated Mobility) and Section 5311 programs. The Guidebooks are provided to potential subrecipients to assist them in understanding the grant programs and program requirements, to provide the information necessary to complete applications for funding under these programs, and to provide subrecipients with guidance in the ongoing management of their projects.

The contents of the State Management Plan are updated on the following basis:

- The State Management Plan is reviewed on an annual basis to ensure that any new federal regulations are reflected in the Plan;
- The State Management Plan is more thoroughly revised approximately every six years, or upon re-authorization of the federal transportation funding bill;
- Guidebooks and Application materials, included in the Appendices are amended and issued annually to reflect changes in state or federal regulations and policy direction; and
- The System Safety Program Standards for Light Rail Safety Oversight comply with the 49 CFR Part 659, and are reviewed and updated annually.

Prior to this document, the State Management Plan was last updated on August 12, 2012. The current update addresses changes to program requirements arising from the Moving Ahead in the 21st Century (MAP-21) Act, signed into law on July 6, 2012. A public review and comment period is incorporated with this update given the nature of the revisions.

B. AUTHORITY

The Arizona Department of Transportation (ADOT) has been designated by the Governor of Arizona as the principal authority and Designated Recipient for administering FTA programs within the state. With the exception of the 5310 program for the Maricopa Association of Governments (MAG) region, for which the City of Phoenix is the Designated Recipient, and small-urban and urbanized area transit programs and tribal transit programs for which others are Designated Recipients.

The unit within ADOT that is responsible for administering FTA programs is the Transit Programs and Grants unit which is part of the Multimodal Planning Division. The Transit Program and Grants unit is the primary entity, supported by the Multimodal Planning Division (MPD), Business Engagement and Compliance Office (BECO), Civil Rights Office and other administrative support offices.

The Transit Programs and Grants unit is overseen by a unit director. The Director of the Transit Programs and Grants Unit reports to the Division Director of the ADOT Multimodal Division. Program managers oversee the FTA funded programs including RTAP, Coordinated Mobility, 5311, Light Rail Safety Oversight, and Grant Administration. Additional staff include planners and Management Analysts and other staff as needed.

Major functions of the Transit Programs and Grants unit include all phases of grant administration for FTA-funded programs, including Sections 5303, 5304, 5307, 5309, 5310, 5311, 5320, 5329, and 5339. The unit provides general oversight of all FTA state-apportioned, transferred, and competitively awarded funds for the Section 5307, 5309 and special re-investment acts. Transit Programs and Grants also serves as the State Safety Oversight Agency for light rail services within Arizona, establishing state safety and security standards for light rail transit systems. The unit is also responsible for

identifying agency/division discretionary grant opportunities including the application process.

Within the ADOT Multimodal Planning Division, the Administration Unit provides accounting and contract support to FTA programs. The Financial Management Support Group provides financial support paying the invoices and drawing funds from ECHO. The ADOT Civil Rights Office and BECO provides support for our Civil Rights and DBE functions including DBE, Title VI, ADA, LEP and other civil rights reporting and oversight functions. The Equipment Services and Procurement offices provide asset management and procurement assistance. ADOT Human Resources supports personnel recruitment/retention. Individual COGs and MPOs provide technical assistance to grantees as well as outreach support.

ADOT provides a broad range of training programs to ADOT staff and subrecipients in an effort to ensure capacity to administer FTA programs. Training records are kept through the agency's Y.E.S. (Your Employee Services) system. Subrecipients are required to maintain a log of all training provided to employees. Training offered is documented through logs and records. ADOT-required driver and transit program training is outlined in the annual program guidebooks. ADOT provides RTAP scholarships for all required trainings. In addition, webinars, conferences, workshops, and other trainings are regularly held. Train the trainer programs and on-line trainings are also supported by ADOT's RTAP program. An annual conference is held. Roadeos and other events to support driver and maintenance support are held when possible. Training/certification courses offered through ADOT and scholarships are provided. ADOT strongly supports safety trainings for rail/transit agencies and subrecipients coordinated by the State Safety Oversight Officer or other ADOT staff/consultants.

C. AGENCY MISSION

The mission of the Arizona Department of Transportation is to provide a safe, efficient, cost-effective transportation system. Specific goals include the following:

Advance and protect the transportation system. To ensure that the existing public investment in the transportation system is maintained to improve mobility and safety through better operations, management and innovation.

Make transportation personal. To build an understanding by the public, stakeholders and employees about how Arizona's quality of life is directly impacted by an efficient and safe transportation system and that our role in delivering that system is tremendously important.

Create a high-performing organization. Build a nimble organization by evaluating, adapting supporting and allocating funding and resources. Every group, team and individual is dedicated to quality services to stakeholders and each other.

In addition, ADOT has identified several strategic focus areas, including:

- **Safety:** Improve safety throughout the transportation system and within ADOT.

- **Workforce Development:** Support, engage and empower our employees as fundamental to achieving a high-performing organization.
- **Infrastructure Health:** Target resource support and allocation to ensure organization and system efficiency.
- **Innovation:** Challenge the organization to yield more efficient, effective and transformational change.
- **Financial Resources:** Cross-department focus on prioritizing funding allocations, pursuing cost savings through efficiency improvements and exploring innovative revenue sources.

ADOT's Multimodal Planning Division oversees the transit programs within ADOT and management responsibility is delegated to the Transit Programs Section. MPD's Transit Programs Section staff coordinate closely with other divisions within ADOT to oversee and provide the financial and civil rights oversight that FTA requires. MPD has multiple functions, including the following FTA grant administrative responsibilities:

- Administering Federal transit programs which provide local transit systems with capital and operating assistance;
- Providing technical assistance and expertise to local transit agencies and decision makers;
- Coordinating and funding transit and rail planning efforts in rural and urban areas;
- Serving as the State Safety Oversight Agency for light rail; and
- Ensuring a multi-modal approach in addressing problems of mobility, congestion and air quality throughout the state.

D. TRANSIT PROGRAM GOALS AND OBJECTIVES

ADOT developed a strategic plan focused on building capacity. Key objectives include:

- Taking advantage of cutting-edge technology to fulfill Transit functions;
- Improving communication within MPD;
- Assessing, updating, and operating the grant programs effectively;
- Pursuing strong internal and external partnerships;
- Improving coordination with financial services, specifically grant financial management coordination;
- Maintaining a "Customer Service Focus";
- Empowering staff to grow as experts in their emphasis areas; and
- Developing programs that can be modeled by other agencies and states.

Additionally, ADOT seeks to:

Do more with limited existing resources: A key to coordination is tapping the underutilized capacity of existing transportation assets. This begins with an inventory of vehicles and their utilization. This helps in sharing space on agency vehicles, which allows more people to be served by available resources.

Enhance mobility within and between communities: Mobility management has always been a critical element in economic growth and wellbeing. Reducing individual isolation and improving the connectivity of people and communities can lead to important economic and social benefits.

Increase access to jobs and job training: Research has documented transport barriers facing the unemployed and working poor. Coordinated transportation can improve self-reliance and productivity by helping to overcome existing spatial mismatches between where people live and where they work.

Preserve individual independence: The lack of transportation alternatives contributes to increased dependency, especially among seniors and people with disabilities. The mobility of all citizens can be enhanced through local one-call centers coupled with local practices designed to assure independence and freedom of movement.

Enhance quality of life: Improving people's access and availability to get to basic services and jobs while meeting other daily needs can have major impacts on their overall quality of life.

Long range goals are established as part of the agency's Long-Range Transportation Plan. Published as "[What Moves You Arizona](#)" and adopted in November 2011, the current LRTP spans a 25-year planning horizon (2010 to 2035).

E. ROLES AND RESPONSIBILITIES

Federal Transit Administration (FTA)

The FTA provides overall policy and program guidance. The FTA is responsible for apportioning funds annually to the State; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation. The FTA regional offices have day-to-day responsibility for interface with state transit program managers.

The Arizona Department of Transportation (ADOT)

ADOT has been designated by the Governor to administer the FTA-funded Section 5303, 5304, 5310, 5311, 5316, and 5317 programs in Arizona. ADOT MPD administers and provides oversight for the FTA programs, as well as the Rural Transit Assistance Program, and other federal grant programs such as Surface Transportation Program funds that have been "flexed" to support Arizona's transit programs. The State Safety Oversight program and Section 5339 programs area also administered by ADOT.

To administer these programs ADOT MPD works with Regional Transportation Planning Agencies (in Arizona these are Metropolitan Planning Organizations and rural Councils of Governments) and directly with subrecipients.

Duties of ADOT MPD include assistance throughout the grant processes, as well as subsequent monitoring of successful applicants. MPD also provides information, oversight, and technical assistance to Arizona communities, transportation planning agencies, transit agencies, and intercity carriers.

Transportation Planning Agencies

In Arizona, the responsibilities of Transportation Planning Agencies are assumed by regional government organizations: Metropolitan Planning Organizations (MPOs) in the urban areas, and regional Council of Governments (COGs) in rural areas.

There are currently nine urbanized areas (as defined by the US Census Bureau) with designated MPOs in Arizona: Phoenix, Tucson, Yuma, Flagstaff, Casa Grande, Lake Havasu, Sierra Vista, Avondale, and Prescott. Each of the Metropolitan Planning Organizations are recipients of Section 5303 planning assistance and are responsible for coordination of FTA programs within their respective areas. Requests for FTA funding from within an urbanized area are submitted to the MPO for inclusion in the MPO's Transportation Improvement Program (TIP). The MPO staff reviews each application for coordination, conformity and fiscal constraint in relation to TIP goals and objectives.

For rural areas, MPD works with the COGs to complete transportation planning functions using FTA Section 5304 Statewide Transportation Planning Program funds. These efforts include transit feasibility studies, short-range transit development plans, capital project assessments, and special studies that include a statewide rural transit needs study and statewide rail inventory and assessment. The COG's primary role is to assist MPD in coordination and outreach with local agencies and transit providers. MPD takes the lead on coordinating the completion of transit development plans with the COGs and local agencies, and these plans are integrated into the State Transportation Improvement Program (STIP).

F. STATE SAFETY OVERSIGHT AGENCY

The designated State Safety Oversight (SSO) Agency, established under [49 USC §5329](#), performs several distinct functions as discussed below. The following activities constitute the core of FTA's State Safety Oversight requirements:

- Yearly review of System Program Standard.
- Yearly review of each transit agency's System Security Program Plan, System Safety Program Plan, Emergency Management Plan, Accident Incident Investigation Plan and supporting documents and procedures; that complies with the Oversight Agency's Program Standard at each rail transit system.
- Require each rail transit system to report the occurrence of accidents and unacceptable hazardous conditions within a period of time specified by the System Program Standard.
- Require the rail transit system to implement a Corrective Action Plan (CAP's) and regularly review the CAP's and Hazard logs.
- Conduct onsite visits at each rail transit system at a minimum of every three years to perform a formal Safety and Security Review.
- Require the rail transit system to conduct safety audits according to the Internal Safety Audit Process detailed in the American Public Transit Associations Manual.
- Review of each transit agency's operating and maintenance rules and procedures to determine if they are updated regularly and if training on these procedures is appropriate.

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- Review of documentation and record keeping systems to ensure that safety and security plan implementation is being properly tracked and monitored.
- Interviews with personnel, including management, to assess the organizational commitment and ability to support safety functions.
- On-site observations of the transit system and facilities to evaluate the implementation of plans, procedures, and rules.
- Inspections of infrastructure and facilities, as appropriate, to ensure that maintenance best practices are being followed.
- FTA Yearly Annual Reporting for collecting State Safety Oversight (SSO) program information for the Calendar Year.

The role of the SSO agency is to evaluate the effectiveness and level of compliance of safety and security programs for each of its rail fixed guideway systems. The SSO agency reviews findings and recommendations and recommends corrective actions, which can be taken by the transit agencies to address deficiencies.

Additional details regarding ADOT as the State Safety Oversight Agency can be found online at <http://azdot.gov/planning/TransitProgramsandGrants/safety-oversight>.

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II. Program Management

A. APPLICATION PROCESS

Each year, MPD posts the announcement of the annual Section 5310 and 5311 program via the ADOT website and email. Additionally, COGs/MPOs are notified and publish the announcements locally. Public notice requirements are outlined in each program guidebook according to FTA circulars. This is also communicated at the coordination council meetings and ADOT workshops.

Outreach is conducted throughout the state to identify new Section 5311 subrecipients in areas of populations of less than 50,000. Coordination meetings are held locally as to include all providers including tribal governments. With respect to the Section 5310 program, the census data is used in reference to the elderly populations regionally.

Beginning with FY 2015, the application and subsequent documents are managed through ADOT's online E-Grants system. All applicants are required to obtain login information to access the system and submit all application forms and documents through the E-Grants system. Hard copy applications are no longer accepted.

Each application includes criteria to ensure that potential grantees are eligible for the project and eligible to receive FTA funds. Coordination through the MPO/COG coordinating councils is strongly encouraged for all programs and required for the Section 5310 program. Applications are made available for review by COG/MPO's when appropriate.

The application award process and review criteria is outlined in each program guidebook and/or announcement. Reviews are conducted on each application by a minimum of three reviewers per state requirement. These reviewers' "scores" are added together and weighed, where applicable, to rank each application/project for funding. They are then reviewed for internal compliance with ADOT policies. ADOT follows all State and Federal Review required processes.

Prior to award, a Title VI assessment is conducted on the basis of the applications and projects demographic information to ensure that projects are appropriately awarded.

ADOT continues to provide technical assistance in the form of workshops, webinars, and written instruction manuals to assist FTA program applicants. A call center provides technical support for the online application and program managers and Mobility Managers provide support for the application process and transit development.

B. SUBRECIPIENT AGREEMENTS

Each successful applicant is provided funds through a grant contract agreement with ADOT that has specific terms and conditions. The Agreement identifies the responsibilities of ADOT and the subrecipient, lists the performance expectations and contract deliverables, and includes all Federal requirements. This Agreement is entered

into at the time of application. By signing the application, the applicant is committing to a legal binding Agreement with ADOT if awarded funding.

Agreements are effective from October 1 to September 30 each year, consistent with the Federal fiscal year. Agreements must be executed before October 1 of the contract year in order for subrecipients to be eligible for reimbursement of costs incurred beginning October 1. ADOT Multimodal Planning Division will not assume financial obligation or liability until the Agreement is executed.

Approved subrecipients are responsible for all expenses incurred prior to the eligible date established in the Agreement. No Federal funds will be available until the contract is executed. Agencies that use local funds to cover expenses before the Agreement is signed need to be aware that these funds will not count toward their local match requirements for federal funds available after the Agreement is executed. Per the Agreement, ADOT has the authority to re-distribute funds if the Agreement is not executed by December 31 of each year.

C. SUBRECIPIENT MONITORING

ADOT oversight begins at the time of the application and contracting process, ensuring that all required information is submitted. Reviewing reports, invoices, and other contract deliverables are other areas where ADOT monitors grantee performance. ADOT staff will participate in Transit Advisory Committee meetings when possible and ADOT staff/contractors/mobility managers will also conduct desk reviews, telephone conferences, and on-site visits to observe the systems and to ensure that programs are complying with program requirements. ADOT, as the administrative agent for Federal funds, is required to monitor grantees on a regular basis using on-site visits, vehicle inspections, and/or desk reviews when appropriate. Desk reviews of subrecipient documents and/or site visits are used to determine if all requirements, as specified in the contracts, are being met. All reimbursements require back-up documentation from the general ledger and other documentation where required. Audits and/or on-site visits include a detailed review of receipts for invoices to verify the reimbursement costs; ridership statistics; funding; transit service operation; and service to the elderly, disabled, and the general public. ADOT staff conducts short visits as staff availability allows to provide technical assistance and to confirm compliance in any area of concern. ADOT has a policy of conducting site visits every three years of high risk grantees. This includes all Section 5311 programs that have been in operation at least three years, and other grantees as identified in a review of needed site visits. Site visits are conducted for drug and alcohol and for other purposes on other schedules.

Sections 5303, 5304, and 5305

Each Section 5303 recipient submits for reimbursement on a monthly or quarterly basis. MPD's oversight function ensures that MPO expenditures are tied to specific study projects identified in their overall work plan. Section 5304 funds may be distributed through an application process and must also follow their contracts.

Section 5304 and 5305 projects may be managed directly by ADOT, and MPO or COG, or by the local government agency requesting funding. In either circumstance, ADOT staff participates on advisory committee meetings, playing an active role in project

guidance. For directly managed projects, ADOT is responsible for procurement of (consultant-related) services. When funds are passed through to a local entity, ADOT provides support for the procurement process, to assure it meets Federal guidelines. ADOT MPD monitors the expenses for planning projects on a monthly or quarterly basis. Each Section 5305 subrecipient contract outlines the requirements of the program which grantees must follow.

Sections 5309 and 5339

Under MAP-21, Section 5339, Bus and Bus Facilities Program, funds are available through the ADOT competitive pool process to fund capital projects. ADOT administers the state's Section 5339 program, where small urban-designated UZAs are considered eligible. Section 5339 grantees follow the guidance as outlined in the ADOT grant agreement and are overseen by ADOT as subrecipients. Section 5307 funds unclaimed by small urbanized areas which do not have transit programs are included in the pool of funds and are distributed with the Section 5339 funds during and application process. Section 5309 grant funds are managed by FTA Direct Recipients within the urbanized areas. Additional information is available on ADOT's website at <http://www.azdot.gov/planning/TransitProgramsandGrants/program-handbook-applications-and-awards>.

Section 5310

Quarterly performance reports are submitted with invoices for capital and operating projects. Quarterly progress reports are submitted with invoices for mobility management projects. These reports are reviewed closely by the program manager to ensure continued eligibility before the invoice is paid.

Subrecipient reporting requirements and monitoring processes are detailed in Section II, Part II, and Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

Section 5311

Participants in the Section 5311 program are required to monitor and report to ADOT on a variety of items, including ridership, expenses and revenues, vehicle insurance, vehicle maintenance costs, vehicle lien status and drug and alcohol testing procedures. ADOT also informally monitors progress being made toward service coordination and how well Transit Advisory Committees are functioning. Subrecipients are closely monitored and contact is made frequently with each Subrecipient. Section 5311 participants receive regular technical assistance and training. Each monthly invoice includes the revenues and expenditures as well as ridership and other reporting information. Program Managers reach out often to work with subrecipients and provide customer service on the transit programs. Each Section 5311 grantee is assigned to a program manager who regularly provides oversight and outreach to resolve concerns and ensure compliance with all program requirements.

Part III of [ADOT's Section 5311 Grant Guidebook](#) details current reporting requirements and monitoring processes for Section 5311 programs.

Continuing Control of FTA-Funded Facilities and Assets

When facilities are acquired, built, or improved through Section 5311 funding, ADOT ensures satisfactory continuing control of the capital facility through the site visit process.

ADOT ensures that there is no degradation or failure to maintain the federal investment, facilities are available to the public, and that subrecipients comply with ADA and other federal requirements. ADOT requires a facility maintenance plan be in place and ensures that the agencies continue to maintain their facilities.

ADOT also maintains liens on all FTA-funded vehicles for the Section 5310 and 5311 programs as outlined in each guidebook.

In Good Standing

It is the policy of MPD to administer state and federal grants in compliance with all appropriate federal and state regulations and use best practices in the management of public funds and public accounting. Section 5310 and 5311 subrecipients are expected to maintain a “good standing” status to continue to receive grant funds.

Criteria for maintaining “good standing” status are described in Section II, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) and Part III of [ADOT's Section 5311 Grant Guidebook](#).

Reporting and Record Retention Requirements

There are a number of required routine reports, including fiscal, performance, and vehicle status. There are also special purpose reports, such as for the National Transit Database, which are associated with specific types of funds, and unique program measures for several of the programs. The special purpose reports are detailed in the individual program guidebooks.

MPD recently implemented E-Grants, an online grants management software that requires the same information as the traditional paper application, yet in a different format. As of 2015, all grant applications and reporting had transitioned to E-Grants.

Record Retention

ADOT records, pertinent to grants, are retained by the division for a period of five years or as required by the grant and outlined in the State's Record Retention Policy. If any litigation, claim or audit starts before the expiration of the five-year period or as required by the record retention policy, ADOT extends the retention period until all litigation, claim, or audit findings have been resolved. All records are readily available to authorized representatives of the State of Arizona, the U.S. Department of Transportation, and the Comptroller General of the United States.

ADOT Responsibilities

- Maintain records sufficient to manage the programs and report to the FTA, including the annual program of projects status reports and financial status reports.
- Report annually as required to National Transit Database (NTD), Drug and Alcohol MIS, and also as required for the Section 5310 program.
- Maintain grant reports a minimum of five years after project completion.
- Require subrecipients to maintain reports and to report, as required.

Reporting and record retention requirements and responsibilities for Section 5310 subrecipients are included in Section III, Part I, of [ADOT's Coordinated Mobility Program](#)

[\(Section 5310\) Grant Guidebook](#). Section 5311 subrecipient reporting and record retention requirements and responsibilities with respect to record retention are detailed in Part II of [ADOT's Section 5311 Grant Guidebook](#) details.

Additional resources regarding program reporting for all grant programs are available online at <http://azdot.gov/planning/TransitProgramsandGrants/program-handbook-applications-and-awards>.

D. AGENCY CAPACITY

There are eight Full-Time Equivalent (FTEs) assigned to the Transit Programs and Grants Unit. Additional administrative staff in the Multimodal Planning Division (4.5 FTE) work on the transit programs, including a staff accountant, a contract administrator, and other staff assigned in support roles. ADOT also utilizes contractors to assist in meeting its FTA obligations to administer grant programs.

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III. FTA Section 5303 and 5304: Metropolitan and Statewide Planning Programs

Section 5303, Metropolitan Transportation Planning Program

Section 5303 funds provide financial assistance to states and local public bodies to support planning in Metropolitan areas. There are currently eight MPOs in the State of Arizona: Central Yavapai Metropolitan Planning Organization (CYMPO), Flagstaff Metropolitan Planning Organization (FMPO), Lake Havasu Metropolitan Planning Organization (LHMPO), Maricopa Association of Governments (MAG), Pima Association of Governments (PAG), Sun Corridor Metropolitan Planning Organization (SCMPO), Sierra Vista Metropolitan Planning Organization (SVMPO), and Yuma Metropolitan Planning Organization (YMPO).

Specifically, the Section 5303 Program provides financial assistance, through the states, to MPOs to support the costs of preparing long-range transportation plans and financially feasible transit improvement projects. Section 5303 Program assistance is used to conduct balanced and comprehensive intermodal transportation planning and technical studies for the movement of people and goods in the metropolitan area.

The State allocates the Section 5303 funds to the MPOs based on a FTA-approved formula developed by the State in cooperation with the MPOs. The formula considers population and related factors.

Section 5304, Statewide Transportation Planning Program

Section 5304 funds MPD's technical assistance for rural public transportation planning and research. Examples of Section 5304 Program funded projects and support include: statewide planning and technical assistance; new system development and demonstration projects for eligible non-urbanized communities (including regional rural to urban connector systems); planning and technical assistance related to ADOT's Planning Assistance for Rural Areas (PARA); and program administration.

This chapter incorporates federal guidance for Metropolitan and Statewide Planning programs as set forth in [FTA Circular 8100.1C, Program Guidance for Metropolitan Planning and State Planning and Research Program Grants](#).

A. Program Goals and Objectives

Funds are available for planning activities that address the following goals:

- Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;
- Increase the safety of the transportation system for motorized and non-motorized users;
- Increase the security of the transportation system for motorized and non-motorized users;

- Increase the accessibility and mobility of people;
- Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns;
- Enhance the integration and connectivity of the transportation system, across and between modes;
- Promote efficient system management and operation; and
- Emphasize the preservation of the existing transportation system.

B. Eligible Subrecipients

Section 5303 funds are to be administered by MPOs and may be re-granted to local public bodies and agencies by the MPO or used internally for planning efforts.

Section 5304 funds are administered by the State for specific planning projects primarily in rural areas and in planning throughout the state. ADOT uses these funds to support public agencies, COGs, MPOs, and tribal governments in completing transit planning. ADOT may award these funds to plan on their behalf for transit throughout the state.

C. Project Selection Criteria and Method of Distributing Funds

For Section 5303 urbanized planning grants, MPD requests Unified Work Programs (UWP's) from the MPOs. ADOT then reviews, comments, and requests any needed changes with the intent of finalizing the Section 5303 UWP each year.

Section 5311 applicants may request planning funds at time of their Section 5311 application. Section 5304 funds are prioritized first for rural transit planning. A separate planning application is available through E-Grants and will also be used to award Section 5304 funds. ADOT may also fund planning studies requested as part of the PARA program when transit is the primary purpose of the study. ADOT may fund Section 5304 funds upon request when funds have not been fully allocated through the application processes. The NOFA outline the project selection criteria.

For Section 5304, MPD completes a UWP based on on-going projects and local agency priorities solicited from the COGs. This is packaged together with the Section 5303 portion of the grant for submission to FTA as a unified Program of Projects.

D. Subrecipient Responsibilities

ADOT subrecipients are required to do the following:

- Develop a scope for each planning project;
- Provide local match funding; and
- Participate in the management of the project, once funded.

E. Reporting Requirements

ADOT submits quarterly planning milestone reports to FTA.

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IV. FTA Section 5311: Formula Grants for Rural Areas

Section 5311, Rural Public Transportation Program

Section 5311 formula funding supports mass transportation projects serving the general public in rural and small urban areas. Section 5311 funds may be used to support transit capital, administrative, operating, intercity, planning, and mobility management expenses. Rural and small urban areas include everything outside of areas defined as urbanized (greater than 50,000 population) by the US Census.

Generally, counties represented by COGs in Arizona meet this definition of rural. Counties represented by MPOs are predominantly urban as certified by the US Census Bureau. However, census-defined urbanized areas are usually not coterminous with county borders so the rural portions of Maricopa, Pima, Yuma, and Coconino counties may be eligible for funding from the Section 5311 Program. While Section 5311 funding is limited to projects serving non-urbanized area transportation needs, projects may include transportation to and from urbanized areas, if riders live in non-urbanized areas. Application for Section 5311 funds is through an application process managed by ADOT MPD.

The Section 5311 Program also funds the Intercity Bus Program: Section 5311(f) and the Rural Technical Assistance Program: Section 5311(b)(3).

Surface Transportation Program (STP)

The Surface Transportation Program (STP) provides flexible funding that may be used by States and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. ADOT's State Transportation Board makes a portion of STP funding available for use in funding transit programs statewide. The emphasis for ADOT's portion of this funding allocation is designed to meet the needs for rural and specialized transportation. The funds augment the Section 5310 and 5311 programs, and are awarded to the Section 5310 and Section 5311 applicants demonstrating a need for additional capital assistance (e.g., facilities, vehicles or other equipment).

A. PROGRAM GOALS AND OBJECTIVES

The Section 5311 Program provides funds for public transportation and intercity bus projects serving rural areas. Section 5311 grants are intended to provide access to employment, education, health care, shopping, and recreation.

Program goals include:

- Assist in the development and improvement of public transportation services.
- Promote the orderly, efficient, and economical operation of small city and rural transit systems.
- Distribute the funds fairly and equitably to all areas of the state.

- Assure rural transportation providers have financial stability that limits interruptions in established services.
- Develop strategies to diminish duplication of services and enhance coordination to maximize available funding.

B. ROLES AND RESPONSIBILITIES

Part II of [ADOT's Section 5311 Grant Guidebook](#) defines the roles and responsibilities of subrecipients with respect to the Section 5311 program. Key responsibilities for subrecipients include involving local stakeholders, planning, public and private sector involvement, safety, and recordkeeping.

Consistent with industry standards, ADOT expects subrecipients to provide an effective training program. These requirements are outlined in Part III of [ADOT's Section 5311 Grant Guidebook](#) and include training as required by the Americans with Disabilities Act (ADA), FTA, and ADOT.

Subrecipient project management, monitoring, and reporting requirements are also detailed in Part III of [ADOT's Section 5311 Grant Guidebook](#).

C. COORDINATION

It is a stated goal of Arizona's public transit program that all recipients of FTA grants coordinate and cooperate with other programs operating or planning to establish transportation systems in their service areas.

ADOT coordinates the annual application processes for Section 5311 funds. Applicants for FTA transportation programs must coordinate their proposed service plans at the local level. ADOT strongly encourages regional transit programs. In addition, State transportation program requirements call for local agencies, particularly those submitting applications, to provide reasonable notice to transportation providers (including private for profit, private nonprofit, and public agencies) regarding proposed and/or changes in their transit services.

Subrecipient coordination requirements can be found in Parts II and III of [ADOT's Section 5311 Grant Guidebook](#).

D. ELIGIBLE SUBRECIPIENTS

Eligible subrecipients for the Section 5311 Program are generally local public bodies and agencies (e.g., counties and municipalities), State agencies, Tribal governments and related Tribal communities, private non-profit agencies, private for-profit agencies (intercity bus), and operators of public transportation services. They must provide general public transit and fit the criteria for rural service and intercity service outside census-defined urbanized areas. All Section 5311 subrecipients are eligible for RTAP funding.

ADOT's requirements for the effective administration and management of transit systems are outlined in Part III of its [Section 5311 Grant Guidebook](#).

E. ELIGIBLE SERVICES AND SERVICE AREAS

The transportation services funded under Section 5311 must be open to the general public and marketed to the general public. Projects or portions of projects which exclude certain groups of the general public, or are intended to benefit a specific group to the exclusion of others, are not eligible for funding. Providers of special needs transportation (e.g., elderly or disabled clients) are eligible to apply if they open their transportation services to the general public.

Eligible services and service areas, including intercity bus projects, are detailed in Part II of [ADOT's Section 5311 Grant Guidebook](#).

F. ELIGIBLE ASSISTANCE CATEGORIES

The Section 5311 program will reimburse eligible capital, administration, operating, intercity, and planning expenses directly attributed to system operations. Eligible expenses are determined at time of award and confirmed at time of reimbursement. Eligible project expenses and revenue categories are detailed in Part III of [ADOT's Section 5311 Grant Guidebook](#).

G. LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

A local match is required for all FTA-funded programs except for RTAP. The local match is not listed in the State Management Plan, as per FTA it is on a sliding scale, determined annually per available funding and requested demand. The FTA allows a greater federal share on some projects, particularly in areas with large areas of tribal or public lands. Additional detail regarding the local match sliding scale is provided in [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

The local match follows all FTA guidelines for each program. Local match ratios and definitions are outlined in Part II of [ADOT's Section 5311 Grant Guidebook](#). Part II also details examples of federal and non-federal sources for local match funds as well as guidelines for in-kind contributions.

H. PROJECT SELECTION CRITERIA, METHOD OF DISTRIBUTING FUNDS, AND PROGRAM OF PROJECTS

Part II of [ADOT's Section 5311 Grant Guidebook](#) describes in detail the project selection project for Section 5311 grants, including evaluation criteria, the review process, and the

appeals process. ADOT staff provides information to project applicants through outreach to cities, regional government agencies, and other interested parties.

I. INTERCITY BUS TRANSPORTATION

Each state is required to spend fifteen percent of its annual Section 5311 apportionment “to carry out a program to develop and support intercity bus transportation.” Arizona exceeds the 15% apportionment to support operating costs of intercity services in Arizona. Many of the rural transit services in Arizona are intercity in nature or provide intercity feeder routes, and these are considered for funding along with other Section 5311 services. Outreach to private intercity operators is part of the Section 5311 intercity program. Further discussion of intercity bus programs in Arizona is included within Part IV of [ADOT’s Section 5311 Grant Guidance](#). Complete federal program guidance can be found in Chapter VIII of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

J. FUNDS TRANSFERS

Method of Distributing Funds to Subrecipients

All operating and administrative payments made under the Section 5311 program are on a cost reimbursement basis, up to the authorized amounts described in the subrecipient’s contract with ADOT. Reimbursement to subrecipients requires submission of information in a uniform format specified by ADOT MPD, with full description and information required to verify the billing. Only expenses incurred during the contract period can be reimbursed.

Invoices for reimbursement of operating and non-operating expenses are submitted to ADOT MPD on a monthly basis. Section 5311 projects are distributed on a cost reimbursement basis, with the subrecipient responsible for the procurement and purchase directly with the exception of planning, some capital such as vehicles, and ADOT-provided technical assistance contracts.

Deobligated Funds

If funds awarded and programmed for a specific project are not completely spent within the grant period, ADOT may deobligate those funds from an approved program of projects and those funds remain available to existing subrecipients for alternate projects during the period that the funds were originally available to ADOT.

If deobligated funds from a program are available at the close of the project period, ADOT can consider previously identified alternate approved projects as well as special requests from subrecipients.

Any Section 5311 funds remaining at the end of a contract cycle, without an approved contract extension, will be rolled over as part of the statewide total for the specific grant in the following year and made available for allocation.

Transfer of Federal Funds

ADOT must notify the FTA Regional Administrator of its intent to have funds transferred in order for FTA to initiate the transfer. When FHWA program funds are transferred to

FTA-sponsored programs, they are transferred to either the Section 5311 or the Section 5310 program. For transfer of STP funds, ADOT notifies both the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) and request that FHWA transfer the funds. The State may also transfer funds from its apportionment to FTA when requested such as required by [FTA's Circular 9040.1G](#) for Federally Reconnized Tribes.

K. STATE ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE

ADOT is the State agency designated by the Governor to administer FTA's grant programs. ADOT receives a formula allocation of funds annually, a portion of which is used to administer the programs. ADOT's administrative roles and responsibilities under the Section 5311 program are detailed in Part IV of its [Section 5311 Grant Guidebook](#).

Technical Assistance

MPD staff, COG/MPO liaisons, and consultants provide technical assistance to potential applicants and subrecipients receiving Section 5311 funds to assist with activities such as project planning and preparation of applications, project management and improvement, and compliance with federal requirements. Each grant manager documents requests for technical assistance and provides follow-up with the requesting subrecipient.

Training is an extremely important part of any transit program. Participation in ADOT-sponsored training workshops is part of the grant application review process. An effective training program must include driver training to ensure passenger safety, staff training to ensure that clients are handled in an efficient, firm, yet sensitive manner, and client training in terms of how to use the system.

ADOT has staff and training resources to assist grantees in meeting the training requirement. The Rural Transit Assistance Program (RTAP) is designed to provide an enhanced level of training and technical assistance to Section 5310 and Section 5311 transit providers. RTAP is a nationwide technical assistance program that focuses on training issues. RTAP funding is allocated to ADOT for the development of training materials and courses. Current RTAP services include a resource library, a training scholarship program, networking meetings, conference attendance, webinars, on-line services, train the trainer programs, and on-site technical assistance. ADOT provides a training budget for all approved Section 5311 projects funded at 100 percent. Grantees can request assistance from ADOT with any aspect of the Section 5311 Program by contacting the Section 5311 Program Manager. Also, a wide array of training and technical support services is available through ADOT's FTA-funded Rural Technical Assistance.

The annual Section 5310 and Section 5311 program workshops provide clarity and instruction on application procedures and program requirements. Additionally, COG/MPO provides technical assistance to subrecipients to understand application and program requirements.

ADOT offers a mandatory training program for Section 5311 programs that provides training for drivers, managers, dispatchers, and maintenance staff. ADOT provides an annual Spring conference, Fall workshops, and on-going train-the-trainer program. ADOT also attends regional coordination meetings when available and provides training at these events.

Training is provided as requested by subrecipients and ongoing by ADOT. Additionally, webinars are provided to support specific technical training periodically as well as one-on-one technical assistance as needed.

ADOT regularly evaluates subrecipient needs and provides consultant and technical assistance such as planning, marketing, financial reporting, coordination, and other technical assistance where appropriate. ADOT uses the State Administration funds to support these technical assistance and outreach programs.

Planning

Regionally: ADOT is responsible to assist regions in the development and maintenance of transit plans that identify the overall public and specialized transit needs in the region and the level of service required to meet these needs. This information is incorporated into the Transit Element of the State Transportation Improvement Program (STIP).

ADOT has coordinated the preparation of the transit plans for each of the applicable rural Council of Governments' planning areas within the State. The plans provide a "road map" to address the transportation needs and coordination of public transportation and specialized transportation services for the elderly and persons with disabilities in the regions. In addition, they are oriented to achieve the most efficient and effective management of the funding programs for public transportation. These plans include an assessment of local transit needs, achievable coordination and consolidation opportunities, and a significant public involvement process. Ad-hoc Technical Advisory Committees have been established in each of the four areas. These committees provide additional opportunities to network with social service agencies (and others) involved with provision of human service programs which have transportation-related components.

ADOT Planning and Support to Subrecipients: ADOT provides two types of planning assistance. First, MPD provides assistance through its Planning Assistance for Rural Areas (PARA) program. Second, MPD assists local entities in developing specific transit plans. These plans are designed to evaluate and plan for new transit services in a community, to update and re-assess the direction of an existing transit program, to address changing conditions (such as community growth or new or changing employment locations), or to address the need for new regional service connections. Transit systems change as communities change. As a result, MPD requires subrecipients to do regular planning. Existing subrecipients are expected to do routine planning as part of the management of their systems. ADOT coordinates with subrecipients relative to specific planning needs.

L. RTAP

The Rural Transit Assistance Program (RTAP) is intended to be a broad and flexible program of training, technical assistance, research, and other support services for non-

urbanized area transit. ADOT receives an annual allocation to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Program. The funds are used to sponsor annual training conferences and provide scholarships for eligible transit providers in the Section 5310 and Section 5311 programs. Additional information regarding ADOT's RTAP program, including ADOT's RTAP Policy Manual, is available online at <http://webbuilder.nationalrtap.org/azdot>. The RTAP program is also discussed in Chapter IX of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

M. PRIVATE SECTOR PARTICIPATION

Private-for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of projects to the maximum extent feasible. A more detailed discussion of private sector participation can be found in Part IV of [ADOT's Section 5311 Grant Guidance](#).

N. CIVIL RIGHTS

Subrecipients must demonstrate that they understand and have met all of the civil rights requirements as a condition of receipt of funding. The requirements listed in the following sections address FTA only. Additional and/or different requirements may apply for FHWA and FAA funded projects.

All recipients of FTA assistance are responsible for compliance with all Civil Rights requirements applicable to transit related projects, including 49 U.S. 5332 (Nondiscrimination), Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, Disadvantaged Business Enterprise (DBE) program requirements, and DOT policy guidance concerning recipient's responsibilities to Limited English Proficient (LEP) persons (FRAC 5010.1D pg. II.8).

The FTA's complete civil rights requirements for Section 5311 are provided in Chapter XI of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#). Recipients also must include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties. Recipients and subrecipients are required to have internal agency written policies in place to address compliance with these requirements.

Subrecipients must comply with current Title VI, DBE, EEO, LEP and ADA regulation requirements, as identified in the respective assurances enclosed in the application/contract package. Failure by the subrecipient to carry out the terms of Title VI, DBE, EEO, LEP, and ADA programs will be treated as a violation of the Grant Agreement.

See also **Section XIV, Title VI**, and **Section XV, Equal Employment Opportunity**, for further discussion of civil rights policies and requirements.

O. MAINTENANCE

All Section 5311 subrecipients are required to plan for and document vehicle and facilities maintenance. Vehicle Maintenance Plans and policies are submitted with the Section 5311 applications. Maintenance plans, preventive maintenance logs, Daily vehicle inspection forms, and maintenance records are examined as part of ADOT's comprehensive site visits. Maintenance costs are examined for reasonableness and maintenance activities for compliance with the manufacturer's recommended maintenance standards. Subrecipients are required to provide training in vehicle maintenance reporting procedures. These requirements are detailed in Part IV of [ADOT's Section 5311 Grant Guidebook](#).

P. CHARTER RULE

See **Section XII, Charter Bus/School Bus Regulations**, for a discussion of the Charter Rule with respect to Section 5311. Additional guidance is also provided in Part IV of [ADOT's Section 5311 Grant Guidebook](#).

Q. SECTION 504 AND ADA COMPLIANCE

All ADOT recipients of vehicles and other FTA grant assistance must comply with the [Americans with Disabilities Act of 1990](#), as amended. The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. In addition, any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired. Recipients can stay apprised of ongoing ADA requirements by visiting the following website and subscribing to the online ADA newsletter published by the FTA at: <http://www.fta.dot.gov/civilrights/12325.html>.

Service Provisions: The ADA requires of transportation providers a number of specific service provisions to be in place and operational. ADOT requires all facility construction/rehabilitation to be in compliance with ADA standards. A review of proposed facilities blueprints is considered for ADA requirements. Submission of ADA policies is required with the applications. ADA complaints are reported to ADOT for review. ADA training is required for every driver, dispatcher, and transit personnel who interact with the public. ADOT provides regular ADA training through the required driver training, as well as at the workshops and conferences for transit management. During site reviews of program subrecipients, ADOT staff interviews subrecipients regarding the status of the ADA transportation service provisions set forth in [49 CFR 37.165](#).

Recipients should undertake all reasonable means to provide for the needs of sight and hearing-impaired individuals in their communication within their facilities. Braille-etched signs and other forms of written communication as well as telephone devices for the hearing impaired are some examples of facility improvements, which are covered under the ADA.

If a subrecipient is operating fixed-route transit, the subrecipient must describe how it will meet the ADA Complementary Paratransit requirement in its application.

The Civil Rights Office and Transit Staff provide support for meeting ADA requirements and work to ensure that grantees' policies and practices meet the ADA requirements.

R. NTD REPORTING

The FTA requires each recipient and subrecipient under the Section 5311 program to submit annual rural data through the National Transit Database (NTD). The NTD is the system through which the FTA collects uniform data needed by the Secretary of Transportation to administer department programs.

Mandatory reporting, due to **FTA** each year, requires each State DOT receiving funds under the Section 5311 program to submit an annual report for each Section 5311 transit agency. Each subrecipient must provide information on annual revenue, operations, fleet size, service miles, and ridership. **The reporting period is July 1 through June 30** and subrecipients must submit their data to ADOT each year. Subrecipients are required to use the reporting form located on the MPD webpage to submit their transit data. As the Section 5311 recipient, ADOT compiles the rural data and submits to the NTD.

Additional information is provided in Part IV of ADOT's Section 5311 Grant Guidance as well as FTA Circulars [C 2710.1A](#) (Sampling Procedures for Obtaining Fixed-Route Bus Operating Data) and [C 2710.2A](#) (Sampling Procedures for Obtaining Demand Response Bus System Operating Data). The NTD Rule ([49 CFR Part 630](#)) is also hereby referenced as a key guidance document.

S. OTHER FTA PROVISIONS

ADOT incorporates federal guidance regarding FTA-required provisions in its management of federal grant programs. Specific federal guidance is incorporated into each section below.

Certificates and Assurances

All local and State applicants must comply with the various Federal requirements. These certificates and assurances, which are required to be signed by an authorized public official, are part of the grant funding application submitted to the ADOT Multimodal Planning Division.

If a local application is approved, these assurances become a part of the subrecipient project contract.

Local applicants are also required to submit an opinion of counsel indicating the statutory authority of the applicant to apply for and receive a Federal grant, along with a resolution of the applicant's governing body to authorize the applicant to file the application and assurances, and to execute a grant agreement with the FTA.

ADOT MPD, when submitting State grant applications to FTA, is also required to execute certifications and assurances both on behalf of the State and with respect to local applicants. ADOT annually agrees to comply with all requirements of the [Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements](#).

Safety and Security

Safety has always been a priority for the Federal Transit Administration (FTA). The FTA has made it clear that all transit systems in the Section 5311 program must identify their role in their respective communities by being ready to respond to a crisis; be it man-made or natural disaster. Under MAP-21, all FTA subrecipients are required to develop a Transit Agency Safety Plan, which is then certified by the state. ADOT has the responsibility to assure that written plans are prepared and implemented. Additional details about ADOT's role in State Safety Oversight are available online via at <http://azdot.gov/planning/TransitProgramsandGrants/safety-oversight>.

Labor Protection

[Section 13 of the Urban Mass Transportation Act of 1964](#), as amended, specifies that as a condition to any financial assistance, fair and equitable arrangements be made to protect the interests of employees of transit providers, who may be affected by the project receiving such assistance.

Applicants must provide the required labor protection information. On an annual basis ADOT is required to certify to the Department of Labor that Section 5311 recipients are in compliance with the terms and conditions of the Special Section 13(c) Warranty.

Environmental Protection

FTA's environmental impact regulation requires different levels of analysis and documentation for the various types of projects funded through its programs. The great majority of projects and activities funded through the Section 5311 program do not normally involve significant environmental impacts. Such projects are termed "categorical exclusions" in FTA's procedures because they are types of projects that have been categorically excluded from the requirement to prepare an environmental document.

Subrecipients of Section 5311 programs must submit declarations of environmental assessments for approval by FTA through their respective application process, as necessary. Specific requirements are detailed in Chapter XI of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

Lobbying

Recipients of federal grants, from any source, exceeding \$100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering programs certify to FTA and subrecipients certify to the state. State agencies and subrecipients must also impose lobbying restrictions on their third-party contractors and must obtain certifications. The restrictions are outlined in Chapter XI of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

Currently, subrecipients certify to ADOT through the grant agreements and the annual [certifications and assurances](#). Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying. Activities such as submitting grant applications, status inquiries, and professional and technical services are not lobbying and do not need to be disclosed. Efforts to influence Federal officials about specific grants and contracts or to ask Congressional representatives for support of a particular application or bid must be disclosed. Also, lobbying restrictions do not apply to activities that might influence policy issues.

Debarment and Suspension

To prevent fraud, waste, and abuse in federal transactions, persons or entities that, by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participation in FTA-assisted programs.

ADOT will not enter into any third-party contract or agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. Listing of excluded parties can be located at: <http://www.epls.gov/>.

Subrecipients receiving more than \$25,000 through a project from ADOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual [certifications and assurances](#).

Public Transportation State Management Plan

ARIZONA DEPARTMENT OF TRANSPORTATION

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V. Coordinated Mobility Program (FTA Section 5310¹)

Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities Program

Section 5310 funds projects providing transportation services to persons who are elderly (age 60 and over) and persons with disabilities for whom mass transportation services are unavailable, insufficient, or inappropriate. Eligible projects provide capital assistance and mobility management to agencies providing specialized transportation to the elderly and people with disabilities. These agencies are generally private non-profit agencies. However local government units, including Tribal governments and related community agencies, have strong participation in the Program as well. Funds may also be used to provide public transportation projects that exceed the requirements of the ADA, improve access to fixed-route transit service, and decrease reliance on paratransit services. This program is available to agencies statewide, through an application process managed on ADOT's behalf by the MPOs in urbanized areas and COGs in rural areas.

In previous years, ADOT managed three grant programs as part of the Coordinated Mobility Programs, to include the Section 5316 and the Section 5317 programs. New federal requirements under the current federal transportation law, MAP-21, repealed both of these grant programs and these grant funds for operating projects are no longer available.

Section 5316, Job Access and Reverse Commute (JARC) Program

Section 5316 funds were provided to assist states and localities in developing new or expanded transportation services that connect welfare recipients and other low-income persons to jobs and other employment related services. JARC funds provided capital, operating, and planning assistance for services, equipment, facilities, and associated mobility management projects which provided access to jobs. Under MAP-21, JARC projects are now eligible for funding under the Section 5307 and Section 5311 formula funds. ADOT expects to close out all Section 5316-funded projects in FY 2016.

Section 5317, New Freedom Program

Section 5317 assistance provided funds for services and facility improvements that address the transportation needs of persons with disabilities, including capital, operating expenses, and mobility management functions related to new public transportation services targeted to people with disabilities **and** public transportation alternatives that go beyond those required by the Americans with Disabilities Act (ADA). Under MAP-21, Section 5317 was consolidated into Section 5310. ADOT expects to close out all Section 5317-funded projects in FY 2016.

¹ This chapter also applies to Section 5316 and Section 5317 funds allocated under SAFETEA-LU until all existing projects are closed out.

A. PROGRAM GOALS & OBJECTIVES

The overall goal of the Section 5310 program is to improve mobility for seniors and persons with disabilities by removing barriers to transportation services and expanding available mobility options. These populations have transportation needs which are often not met by conventional automobile or public transportation, and may require specialized assistance in order to access services, employment, and medical care.

All Section 5310 projects must provide service to elderly persons (60 years and over) and/or persons with disabilities of all ages. Agencies may transport a broader range of clientele, but the services provided must be accessible by individuals who are elderly or have disabilities.

B. ROLES AND RESPONSIBILITIES

Subrecipient roles and responsibilities for the Section 5310 Coordinated Mobility Program include coordination of transportation services, asset management, safety and training, reporting, and financial management.

Section II, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) defines the roles and responsibilities of subrecipients with respect to the Section 5311 program. Key responsibilities for subrecipients include coordination of transportation services, safety and training, reporting, and financial management.

Subrecipient performance, vehicle maintenance, and reporting requirements are also detailed in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

C. COORDINATION

It is a stated goal of Arizona's public transit program that all recipients of FTA grants coordinate and cooperate with other programs operating or planning to establish transportation systems in their service areas.

ADOT coordinates the public transit programs through MPOs and COGs and the annual application processes for Section 5310 funds. Applicants for FTA transportation programs must coordinate their proposed service plans at the local level. In addition, State transportation program requirements call for local agencies, particularly those submitting applications, to provide reasonable notice to transportation providers (including private for profit, private nonprofit, and public agencies) regarding proposed and/or changes in their transit services. In Pima and Maricopa counties, the MPO conducts the notifications.

Regional Transportation Coordination Plans

All projects funded under the Coordinated Mobility Program must be included in a locally developed, coordinated public transit-human services transportation planning process. A complete discussion of Regional Transportation Coordination Plans is provided in Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

New applicants, as well as existing subrecipients, are required to participate in activities related to their region's coordination plan even if they are not applying for grant assistance for a particular year **and** as long as they have a vehicle(s) on lien, or other grant assistance, that is still active. In addition, subrecipients are encouraged to continue to participate regardless of their status, i.e., even when they are inactive/past their lien as an ADOT subrecipient, but still providing the same or similar special needs transportation (or are partners with others that provide this service for them). The regional transportation coordination plans are not intended just for ADOT subrecipients, but are for *all* public and human service transportation agencies and their partners, including private-for-profit providers.

Local Coordination

Subrecipients must participate in local and/or regional efforts to coordinate services in an effort to make the best use of transportation resources in Arizona. A full discussion of required coordination activities is provided in Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

D. ELIGIBLE SUBRECIPIENTS

Eligibility for Section 5310 funds is limited primarily to private non-profit organizations. Public and private agencies are eligible in certain circumstances. Funding is available under "traditional" Section 5310 (capital and mobility management) and "other" Section 5310 (operating).

See Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) for full eligibility requirements, including certification of eligibility and technical capacity for managing the existing or proposed Section 5310 project.

E. ELIGIBLE SERVICES AND SERVICE AREAS

Section 5310 funding is available to fund costs for mobility management activities, the purchase of capital equipment (e.g., vehicles and dispatch software), and operations for transportation services that address the mobility needs of seniors and individuals with disabilities.

See Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) for a complete overview of eligible regions and activities/projects, including mobility management, vehicle requirements, and eligible trip purpose.

F. ELIGIBLE ASSISTANCE CATEGORIES

Section 5310 funding is available to fund costs for mobility management activities, the purchase of capital equipment, and operations for transportation services that address the mobility needs of seniors and individuals with disabilities. A full description of eligible activities and projects is provided in Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

G. LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

ADOT uses two types of Section 5310 funding to support eligible projects: Section 5310 Formula funds and Section 5310 STP funds. Formula funds can be used for all eligible Section 5310 project in both rural and urbanized areas of the state. STP funds can be used for capital equipment and mobility management projects only in the rural areas of the state. Local match varies depending upon the type of funds used. Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) provides complete information regarding eligible sources for local matching funds (including cash and in-kind).

H. PROJECT SELECTION CRITERIA, METHOD OF DISTRIBUTING FUNDS, AND PROGRAM OF PROJECTS

ADOT works closely with regional transportation planning agencies to solicit, review and award grant applications under the Coordinated Mobility Programs. In rural areas of Arizona these agencies are Council of Governments (COG). In urbanized areas, Metropolitan Planning Organizations (MPO) fill this role.

Eligible applicants are encouraged to apply on an annual basis, usually in the fall of each year. Applications are released by ADOT for distribution to eligible applicants in the respective regions of the state. The COG/MPO determines the needs defined in the regional Human Service Transportation Coordination Plan and makes a list of projects by priority.

ADOT receives from the COG/MPO a prioritized list of projects from their coordination plans, reviews potential awards within a statewide context, and finalizes an application to the FTA. ADOT conducts a review of fund distribution per region based on population, defined coordination needs, and previous distributions prior to the awards to ensure that funds will be distributed equitably and fairly.

State priorities for the selection of projects under Section 5310 are detailed in Section II, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#). [The Guidebook](#) also provides comprehensive project selection and evaluation information, including project threshold and evaluation criteria and ADOT's award and appeal processes.

I. FUNDS TRANSFERS

All payments made under the Section 5310 program are on a cost reimbursement basis, up to the authorized amounts described in the subrecipient's contract with ADOT. Reimbursement to subrecipients requires submission of information in a uniform format specified by ADOT MPD, with full description and information required to verify the billing. Only expenses incurred during the contract period can be reimbursed.

Complete information regarding the transfer of funds to Section 5310 subrecipients can be found in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#). Additional resources regarding quarterly invoicing are available online at <http://azdot.gov/planning/TransitProgramsandGrants/program-handbook-applications-and-awards>.

J. STATE ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE

State Administration and Technical Assistance

ADOT is the State agency designated by the Governor to administer FTA's grant programs. ADOT receives a formula allocation of funds annually, a portion of which is used to administer the programs. ADOT's general responsibilities for grant program administration include:

- Establish and document the State's procedures in the State Management Plan.
- Effectively manage FTA funds, and complete all FTA reports.
- Develop project selection procedures in accordance with FTA requirements, and manage annual grant application processes.
- Provide program information and technical assistance to local and regional government agencies and transit providers, for project development, implementation, and operation.
- Monitor all grant recipients through project completion, overseeing projects by audits and site visits, and monitoring project close out.
- Encourage and facilitate the most efficient use of all federal funds to provide passenger transportation through the coordination of programs and services.
- Coordinate vehicle purchases through competitive bid.
- Coordinate FTA programs administered by ADOT.
- Assist in the development and support of intercity bus transportation.
- Facilitate coordination between ADOT subrecipients and other local transportation providers.
- Stay apprised of federal regulations by attending State, national, and FTA-sponsored conferences.

MPD staff, COG/MPO liaisons, and consultants provide technical assistance to potential applicants and subrecipients receiving Section 5310 funds to assist with activities such as project planning and preparation of applications, project management and improvement, and compliance with federal requirements. Quarterly mobility manager meetings are held to support coordination and training. Each grant manager documents requests for technical assistance and provides follow-up with the requesting subrecipient.

Training is an extremely important part of any transit program. Participation in ADOT-sponsored training workshops is part of the grant application review process. An effective training program must include driver training to ensure passenger safety, staff

training to ensure that clients are handled in an efficient, firm, yet sensitive manner, and client training in terms of how to use the system.

ADOT has staff and training resources to assist grantees in meeting the training requirement. The Rural Transit Assistance Program (RTAP) is designed to provide an enhanced level of training and technical assistance to Section 5310 and 5311 transit providers. RTAP is a nationwide technical assistance program that focuses on training issues. RTAP funding is allocated to ADOT for the development of training materials and courses. Current RTAP services include a resource library, a training scholarship program, networking meetings, conference attendance, and on-site technical assistance.

The annual Section 5310 and 5311 program workshops provide clarity and instruction on application procedures and program requirements. Additionally, COG/MPO provides technical assistance to subrecipients to understand application and program requirements.

ADOT offers a mandatory training program for Section 5311 programs that provides training for drivers, managers, dispatchers, and maintenance staff. The training for the Section 5311 program is also available for the Section 5310 program. They are required to train to proficiency in the key areas as mandated by FTA. However, they are allowed to meet their training with greater flexibility recognizing the constraints and varieties of programs that participate in the program.

ADOT provides an annual Spring conference, Fall workshops, and on-going train-the-trainer program. ADOT also attends regional coordination meetings and provides training at these events.

Training is provided as requested by subrecipients and ongoing by ADOT. Additionally, webinars are provided to support specific technical training periodically as well as one-on-one technical assistance as needed.

Planning

Regionally: ADOT is responsible to assist regions in the development and maintenance of transit plans that identify the overall public and specialized transit needs in the region and the level of service required to meet these needs. This information is incorporated into the Transit Element of the State Transportation Improvement Program (STIP).

ADOT has coordinated the preparation of the transit plans for each of the applicable rural Council of Governments' planning areas within the State. The plans provide a "road map" to address the transportation needs and coordination of public transportation and specialized transportation services for the elderly and persons with disabilities in the regions. In addition, they are oriented to achieve the most efficient and effective management of the funding programs for public transportation. These plans include an assessment of local transit needs, achievable coordination and consolidation opportunities, and a significant public involvement process. Ad Hoc Technical Advisory Committees have been established in each of the four areas. These committees provide additional opportunities to network with social service agencies (and others) involved with provision of human service programs which have transportation-related components.

ADOT Planning and Support to Subrecipients: In addition, ADOT provides two types of planning assistance. First, MPD provides assistance through its Planning Assistance for Rural Areas (PARA) program. Second, MPD assists local entities in developing specific transit plans. These plans are designed to evaluate and plan for new transit services in a community, to update and re-assess the direction of an existing transit program, to address changing conditions (such as community growth or new or changing employment locations), or to address the need for new regional service connections. Transit systems change as communities change. As a result, MPD requires subrecipients to do regular planning. Existing subrecipients are expected to do routine planning as part of the management of their systems. ADOT coordinates with subrecipients relative to specific planning needs.

K. PRIVATE SECTOR PARTICIPATION

Private for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of projects to the maximum extent feasible. Further guidance is provided in provided in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

L. CIVIL RIGHTS

Subrecipients must demonstrate that they understand and have met all of the civil rights requirements as a condition of receipt of funding. The requirements listed in the following sections address FTA only. Additional and/or different requirements may apply for FHWA and FAA funded projects.

All recipients of FTA assistance are responsible for compliance with all Civil Rights requirements applicable to transit related projects, including 49 U.S. 5332 (Nondiscrimination), Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, Disadvantaged Business Enterprise (DBE) program requirements, and DOT policy guidance concerning recipient's responsibilities to Limited English Proficient (LEP) persons ([FTA Circular 5010.1D, Grant Management Requirements](#), pg. II.8).

The FTA's complete civil rights requirements for Section 5310 are provided in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#). Recipients also must include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties. Recipients and subrecipients are required to have internal agency written policies in place to address compliance with these requirements.

Subrecipients must comply with current Title VI, DBE, EEO, LEP and ADA regulation requirements, as identified in the respective assurances enclosed in the application/contract package. Failure by the subrecipient to carry out the terms of Title VI, DBE, EEO, LEP, and ADA programs will be treated as a violation of the Grant Agreement.

See also **Section XIV, Title VI**, and **Section XV, Equal Employment Opportunity**, for further discussion of civil rights policies and requirements.

M. MAINTENANCE

ADOT requires subrecipients to maintain vehicles at an optimal level through its annual vehicle inspection program. All vehicles purchased with Coordinated Mobility Program grant funds must be regularly maintained and serviced in order to provide safe operations. Subrecipients must document routine maintenance and maintain all aspects of the vehicle in accordance with the manufacturer's recommended maintenance standards. A full discussion of vehicle maintenance, inspection, and reporting requirements is provided in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

N. CHARTER RULE

See **Section XII, Charter Bus/School Bus Regulations**, for a discussion of the Charter Rule. Additional guidance is provided in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

Monitoring of this requirement is included in on-site reviews. Trip records, contracts, income statements, and marketing materials will be reviewed for any evidence of chartering in the absence of authority to do so. Lack of compliance will result in disciplinary action and a plan of correction.

O. SECTION 504 AND ADA COMPLIANCE

All ADOT recipients of vehicles and other FTA grant assistance must comply with the [Americans with Disabilities Act of 1990](#), as amended. The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. In addition, any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired. Recipients can stay apprised of ongoing ADA requirements by visiting the following website and subscribing to the online ADA newsletter published by the FTA at: <http://www.fta.dot.gov/civilrights/12325.html>.

Additional details regarding ADA compliance with respect to the Coordinated Mobility Program can be found in Section III, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

P. PROGRAM MEASURES

The FTA identified specific and separate performance goals for "traditional" and "other" Section 5310 projects under the Government Performance Results Act. These indicators fulfill the FTA's obligations under this act. Reporting requirements include an annual report to ADOT and must describe progress relative to the key reporting areas. Reporting is completed using an ADOT provided template, as documented in Appendix D.

Complete program measure requirements are provided in Chapter II of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

Q. OTHER FTA PROVISIONS

ADOT incorporates federal guidance regarding FTA-required provisions in its management of federal grant programs. Specific federal guidance is incorporated into each section below.

Certificates and Assurances

All local and State applicants must comply with the various Federal requirements. These certificates and assurances, which are required to be signed by an authorized public official, are part of the grant funding application submitted to the ADOT Multimodal Planning Division.

If a local application is approved, these assurances become a part of the subrecipient project contract.

Local applicants are also required to submit an opinion of counsel indicating the statutory authority of the applicant to apply for and receive a Federal grant, along with a resolution of the applicant's governing body to authorize the applicant to file the application and assurances, and to execute a grant agreement with the FTA.

ADOT MPD, when submitting State grant applications to FTA, is also required to execute certifications and assurances both on behalf of the State and with respect to local applicants. ADOT annually agrees to comply with all requirements of the [Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements](#).

Labor Protection

[Section 13 of the Urban Mass Transportation Act of 1964](#), as amended (49 USC 533(b)), specifies that as a condition to any financial assistance, fair and equitable arrangements be made to protect the interests of employees of transit providers, who may be affected by the project receiving such assistance. However, in 1974, the Secretary of Transportation determined that it was not "necessary or appropriate" to apply the conditions of Section 5333(b) to Section 5310 subrecipients. This guidance is presented in Chapter IV of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

Environmental Protection

FTA's environmental impact regulation requires different levels of analysis and documentation for the various types of projects funded through its programs. The vehicles, radio and computer equipment and other related equipment items routinely purchased under the Section 5310 program are considered categorical exclusions from FTA's requirements to prepare environmental documentation.

Subrecipients of Section 5310 programs must submit declarations of environmental assessments for approval by FTA through their respective application process, as necessary. Specific requirements are detailed in Chapter VIII of [FTA Circular 9070.1G](#),

[Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions.](#)

Lobbying

Recipients of federal grants, from any source, exceeding \$100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering programs certify to FTA and subrecipients certify to the state. State agencies and subrecipients must also impose lobbying restrictions on their third-party contractors and must obtain certifications. The restrictions are outlined Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#) and referenced in Section III, Part I, of ADOT's Section 5310 Grant Guidance.

Currently, subrecipients certify to ADOT through the grant agreements and the annual [certifications and assurances](#). Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying. Activities such as submitting grant applications, status inquiries, and professional and technical services are not lobbying and do not need to be disclosed. Efforts to influence Federal officials about specific grants and contracts or to ask Congressional representatives for support of a particular application or bid must be disclosed. Also, lobbying restrictions do not apply to activities that might influence policy issues.

Debarment and Suspension

To prevent fraud, waste, and abuse in federal transactions, persons or entities that, by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participation in FTA-assisted programs.

ADOT will not enter into any third-party contract or agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. Listing of excluded parties can be located at: <http://www.epls.gov/>.

Subrecipients receiving more than \$25,000 through a project from ADOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual [certifications and assurances](#).

VI. Grant Administration

A. REPORTING

When subrecipients submit required monthly reimbursement requests, project information is taken from their report and compiled. This detail is used to create progress reports for entry into TEAM.

The Program of Projects is developed using the program application requests for a first draft. Once the eligible subrecipients receiving funds have been identified as well as the amounts they are receiving, the Program of Projects is revised to reflect the costs.

All programs are required to report yearly in TEAM. This is coordinated by transit staff to ensure all reports are entered in a timely manner. The exception is quarterly financial reporting for construction projects using Section 5339 funds.

B. CATEGORY C FUNDS

Region 9 does not allow use of Category C funds.

C. GRANT ADMINISTRATION

As part of the development of the annual Program of Projects, the state looks at available funds in existing grants before applying for new funds. Old grant funds are reviewed to determine what funding can be utilized first, prior to obligation of newer funds. Subrecipients' budgets and capital requests are reviewed prior to awarding of new funds. This ensures that duplicate requests are not being entered in the Program of Projects for the current grant request.

So as to take into account the status of current projects before awarding a subrecipient a grant for a new project, the evaluation matrix/scoring process applies set of criteria for both new applications and ongoing projects. Past financial capacity/performance is reviewed and taken into consideration. The regional coordination plans prioritize the projects applied for and determine if an existing project should remain or a new one should take its place.

Grant status (including open dates, expected closing dates, and any delays) is coordinated through the grant close-out team.

Emergency Relief Funds (Section 5324)

ADOT has not received nor requested on behalf of any subrecipient any emergency relief funds from the FTA. ADOT may have received FHWA funds, but those are not covered under this document.

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VII. Project Management

A. TECHNICAL OVERSIGHT OF CAPITAL PROJECTS

Several types of State- and subrecipient-managed capital projects have been initiated and/or completed since the prior State Management Plan. These include a bus storage facility/bus wash (Section 5339); bus stops/terminal, maintenance facilities, and vehicle purchases (Section 5311); and an electronic grant management software system. Potential projects include sidewalk construction, intersection upgrades to accommodate bus egress, parking lots for buses, maintenance facilities, bus stops/shelters/pull-outs, multi-modal terminal rehabilitation, and vehicles (van/transit), as well as ongoing updates to grant management software.

ADOT coordinates with district offices to provide oversight on construction projects. ADOT also contracts with a consultant to provide project management oversight, especially on larger projects.

Rolling stock information is kept within each subrecipient grant file. A list of state-procured vehicles is also kept, along with VIN information. Subrecipients which procure their own vehicles must follow procurement requirements as outlined in the grant agreements. Program Managers work closely with subrecipients to ensure that the procurements meet federal requirements.

B. FORCE ACCOUNT ACTIVITIES

Force Account activities refer to capital project work done with an in-house work force. ADOT does not typically rely on its own work force for the delivery of capital projects. Subrecipients are required to notify ADOT if they are using their own workforce to complete capital projects in excess of \$10,000.

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VIII. Financial Management and Financial Capacity

A. SPECIALTY REVIEWS

A state-level audit of the Coordinated Mobility Program was completed in 2013, with FTA input on audit findings.

B. FINANCIAL MANAGEMENT

ADOT Roles and Responsibilities

ADOT is responsible for the development of a Five-Year Work Program for each of the federal funding programs it administers. The Five-Year Work Program is a lineup of projects that is revised annually. The current version of the Five-Year Work Program is available online in the [Transportation Programming](#) section of the ADOT website.

ADOT MPD, in conjunction with the Fiscal Operations Group of ADOT, also maintains a system of accounting and internal controls to assure an accurate and timely cash flow to local projects.

Uniform financial reporting is required of all Sections 5303/5304, 5310, 5311, 5316, and 5317 projects with a separate project code established for each grant. The project codes are established per State of Arizona standard accounting and record keeping procedures immediately upon notification of grant approval.

ADOT MPD and the Fiscal Operations Group perform financial reconciliation monthly. The FTA monthly report used to reconcile between TEAM and ADOT Advantage financial system. Reconciliation is also completed at grant close-out. Any discrepancies are researched and resolved.

ADOT requests federal fund reimbursement payments through the Electronic Clearing House Operation (ECHO) system. The department follows the Department of Treasury regulations 31 CFR Part 205 and FTA Guidelines for Disbursements (as detailed in the [FTA ECHO-Web User Manual](#)). Draw forms are prepared in coordination with reimbursements. Multiple reimbursements are compiled to prepare an ECHO draw. At least two reviewers conduct preparation and approval for ECHO draw. ECHO draw-downs are completed regularly.

ADOT submits annual Financial Status Reports on all open grants as required by FTA. Closure of the federal grant occurs as soon as work activities for the programs are completed and after all federal funds are expended.

All subrecipient reimbursement requests are submitted through E-Grants or MPDinvoice@azdot.gov. Each E-Grants reimbursement submission contains guidance for reporting and filing a reimbursement request through E-Grants. Subrecipients are also provided training in the system. Other reimbursements have had training and forms to fill out to assist in providing the correct information.

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ADOT reviews subrecipients' quarterly revenues and expenditures, verifies funds used for match, and makes payments to subrecipients on a reimbursement basis. It reviews subrecipients' financial procedures during on-site visits, and recommends corrective action if necessary.

ADOT's financial records are supported by appropriate documentation. All FTA reimbursements are coded by General Ledger in the financial system. All documentation is maintained during the life of the grant.

Included in the application process, ADOT reviews each project for the following:

- Determine that the subrecipient's accounting system is adequate and capable of segregating, accumulating, and maintaining allocable and allowable costs as they apply to the project, and/or contract, and to document necessary facts that might be needed in past audits;
- Establish procedures or issue any necessary specific instructions to the project that would help prevent any future misunderstanding;
- Establish that proposed costs are reasonable and in line with those that the subrecipient is currently incurring;
- Establish that the subrecipient has the financial capability to perform the services required;
- Determine that the applicant has an inventory procedure to assure that equipment purchased with federal and/or state funds can be accounted for at any time (documentation of the inventories should be on file at all times);
- Assure that the applicant can comply with the provisions of OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations;
- Review grant projects for compliance with statutory and program guidance;
- Review documentation supporting project expenditures for eligibility and ensure program match requirements are met;
- Review invoices, when appropriate to the grant award, from subrecipient and reimburse subrecipient within 30 days after receipt and approval of invoices, in a total amount not to exceed the approved invoiced costs of the grant award; and
- Communicate with the subrecipient and FTA as necessary to facilitate program compliance and procedural efficiency.

ADOT's Audit and Analysis division reviews subrecipient audits to identify findings and assure those findings are resolved. Audit and Analysis prepares statements that are reviewed and followed up by administration, finance, and transit staff. These statements are then retained by Audits and Analysis. Project managers work directly with subrecipients to resolve any findings.

Subrecipient Roles and Responsibilities

Subrecipients receiving funds from MPD must manage their projects to conform to the most stringent of applicable state or federal laws, rules, and other requirements. Subrecipients are required to conform to Office of Management and Budget regulations.

Subrecipients must:

- Administer the grant from award to closeout;

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- Develop internal policies and systems to ensure effective management of awards and compliance with grant requirements;
- Establish strong internal controls for accounting and compliance with grant terms and conditions;
- Demonstrate that funds are expended for eligible and allocable activities;
- Track receipts, disbursements, assets, liabilities, and balances;
- Track and report program income;
- Ensure that the organization has a financial management system and any other systems that are appropriate to implement the project;
- Establish a budget of the costs required to perform the program/project and a method for monitoring actual costs against the budget;
- Submit payment of grant required match and administration fees upon receipt of executed contract for ADOT funded capital purchases; and
- Review documentation supporting project expenditures for eligibility and ensure program match requirements are met.

To be allowable for reimbursement from state and federal grants, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of the project;
- Be an eligible expense;
- Be treated consistently. A cost may not be assigned to the grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a grant as an indirect cost;
- Be determined in accordance with generally accepted accounting principles;
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period;
- Be the net of all applicable credits; and
- Be adequately documented to include a system generated financial summary, or Excel spreadsheet accompanied by appropriate backup documentation (i.e. invoices, payroll, etc.), disclosing an expense amount that matches the invoice amount.

Indirect cost eligibility. Indirect costs charged to Section 5310 and 5311 program grants must meet all criteria for eligible project expenses as set forth in Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) and Part III of [ADOT's Section 5311 Grant Guidebook](#).

Internal controls. Internal controls are the responsibility of the subrecipient agency. Internal control procedures for subrecipients will reflect the culture and size of the agency. Smaller agencies may have less formal structure, but will emphasize integrity and communication. Smaller agencies may rely on compensating controls due to low numbers of employees. Internal controls are defined as reliability of financial reporting and compliance with applicable rules and laws. There are generally five elements of internal control: control environment, risk assessment, control activities, information and communication, and monitoring.

Internal control procedures should address the following: cash management, fixed assets, procurement, accounts payable, payroll, overhead, budget controls, grants management, project management and information technology.

C. FINANCIAL CAPACITY

ADOT ensures subrecipients have the financial management systems to carry out the programs and receive and disburse Federal funds at the time of application. Financial capacity requirements are described in the application and verified at the time of the site visit. ADOT requires subrecipients submit system-generated back-up documentation with all reimbursement requests. This documentation is reviewed and approved by MPD Finance for [2 CFR Part 225](#) compliance. Program Managers and staff review and approve for compliance with grant and scope of work. ADOT Financial Management Services codes and processes reimbursement to subrecipients.

D. AUDITS/REVIEWS

Audit Requirements

State agencies are responsible for ensuring that audits are performed pursuant to the requirements of [OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations](#) (incorporating the most current Compliance Supplement); resolving audit findings; and bringing problems to FTA's attention. FTA does not require an annual financial audit of a subrecipient when assistance is provided solely in the form of capital equipment procured directly by the State.

However, as recipients of federal funds and/or state assistance, ADOT's programs are subject to an audit and in any given year ADOT or federal auditors may choose to review financial records of subrecipients. These actions are designed to ensure tighter budget-process control, asset inventory management and enhanced ADOT-FTA reporting capability.

A financial audit is required of subrecipients each year an agency expends over \$750,000 in federal financial assistance in accordance with OMB Circular A-133.

The ADOT Audit and Analysis Division reaches out to subrecipients who have reached the annual threshold and are required to have a single audit conducted. If the amount of FTA funds granted to a particular subrecipient does not trigger the requirement for an A-133 audit, the State may still request a review.

IX. Procurement

A. POLICIES AND PROCEDURES

Procurement procedures used by ADOT MPD and its subrecipients comply with applicable State law and Federal requirements contained in [FTA Circular 4220.1F, Third Party Contracting Guidance](#). Every year, ADOT MPD ensures the most recent federal clauses and certifications from FTA are included in every bid packet and purchase order.

Section 5304, 5310, 5311, 5307, and 5339 capital procurements are conducted or evaluated by ADOT to ensure all projects meet the FTA requirements. Procurements are competed per the Arizona Procurement Code and ADOT Procurement Policy.

[A.R.S. §§41-2533 and 2534](#) outline rigorous guidelines to ensure open competition. Bids are required to be advertised for at least 14 days and registered bidders on the States procurement website are electronically notified. When subrecipients' procurements are conducted locally, they must follow the program procurement requirements. Depending on the program, prior to conducting a procurement larger than a micro-purchase, the documents are reviewed by ADOT. ADOT strongly encourages the use of RTAP's Procurement Pro and also provides a capital procurement handbook.

Policy and checklists are followed to ensure the procurement process is completed accurately. Audits conducted through site visits ensure compliance. ADOT provides training and oversight. Each project must be approved or it will not be reimbursed.

Micro-purchases follow the FTA guidelines that must justify their method of purchase and put it into the file. They must continue to follow DBE rules. Procurement requirements are outlined in subrecipients' contracts. Micro-/small purchases cannot exceed \$100,000 and must be awarded to a small business when practicable; justification must be provided if not awarded to a small business (§41-2535).

Purchases expected to exceed \$100,000 are bid competitively in accordance with §§41-2533 and 2534.

Section 5310

ADOT conducts the procurement process for most vehicle purchases. Subsequent to ADOT's submittal of the Program of Projects to the FTA on behalf of the selected recipients, MPD works with ADOT's Procurement Office to begin a vehicle procurement process for the vehicle types requested. Complete details are provided in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

For specialized vehicles and other types of equipment not normally procured by ADOT, Section 5310 subrecipients must qualify for and utilize the procurement guidance outlined in their grant agreement and ADOT Section 5311 Program's Capital Procurement Process, which is outlined in a [Capital Procurement Handbook](#) available online and included as Appendix C.

Applicants who procure equipment on their own must comply with all steps associated with major capital procurements, including, but not limited to, selecting an appropriate method of

solicitation, advertisement, conducting a federally approved bidding process, contracting, and obtaining appropriate federal Buy America, Bus Testing, Lobbying and Debarment certifications. Subrecipients are advised to contact the ADOT Coordinated Mobility Programs Manager prior to engaging in any procurement activity, as all procurements require final ADOT approval.

Section 5311

ADOT offers a vehicle contract that agencies may use to purchase vehicles. Local match must be provided prior to vehicle order. Section 5311 subrecipients are responsible for directly procuring other goods and services (which may include vehicles) and must comply with state law and federal procurement requirements before ADOT will approve reimbursement.

Subrecipients in the Section 5311 Program procure a variety of operating and capital items. In doing so, purchasing policies must comply with a variety of regulations. Details of the procurement requirements are provided in Part III of [ADOT's Section 5311 Grant Guidebook](#). Section 5311 subrecipients are required to follow federal and State procurement requirements, as outlined in the ADOT Multimodal Planning Division annual Grant Agreement and Grantee Guidebook. The [Capital Procurement Handbook](#) is another resource provided, and grantees are encouraged to use Procurement Pro, a National RTAP product. The Capital Procurement Handbook is included as Appendix C.

The [Capital Procurement Handbook](#) incorporates complete information on capital purchase requirements, including Buy America provisions, Pre-Award and Post-Delivery Audits, and Bus Testing requirements. Any updates to procurement provisions are outlined in the annual grant agreement and Guidebooks.

B. ROLLING STOCK

The state obtains bus testing reports (Altoona testing) showing the bus model purchased meets the FTA's bus testing requirements prior to award. Vendors are required to provide such certifications in their bids.

ADOT staff conducts pre-award and post-delivery audits on all vehicles purchased with FTA funds under ADOT-led procurements. All pre-award and post-delivery certifications are held by MPD staff.

Once ADOT Procurement awards vehicle contracts, MPD staff can determine what vendors will best meet grant needs. MPD staff contacts the vendors and requests they sign Buy America, Lobbying, and Debarment and Suspension documents. With the Buy America certification, vendors also submit documents detailing level of domestic content and final assembly. MPD staff reviews these submissions and determines if they meet FTA requirements. If so, MPD staff completes a Pre-Award Certification internal form, attaches the appropriate back-up documentation, and keeps this information in the MPD procurement files. At the time of delivery, the vendor is to submit the same documentation provided at the time of pre-award along with the vehicle invoice. This information is collected by MPD staff to complete the Post-Award Certification internal form and attach the appropriate back-up documentation to keep in the MPD program procurement file.

C. PROCUREMENT OVERSIGHT

ADOT leads the vehicle procurement process for Section 5310-funded vehicles. The majority of Section 5311 vehicles are also purchased by ADOT. Section 5311 and 5339 subrecipients are allowed to conduct their own procurements, but those procurements must be conducted in accordance with the policies and procedures outlined in the subrecipient grant agreement and as outlined in the [Capital Procurement Handbook](#). Section 5311 subrecipients must also have all procurement documents approved ahead of bid by the Section 5311 Program Manager.

FTA-Funded Procurement Planning

Need is established by the Multimodal Transit Division. Each year, ADOT Procurement notifies MPD regarding the projected bid process time so MPD can start its planning process. Anticipated procurements frequently include vehicle contracts, planning studies, and program support functions.

ADOT is encouraging subrecipients to use RTAP's Procurement Pro application software. The State may handle procurements for Section 5310/5311/5339 subrecipients. Program managers coordinate with subrecipients.

Procurement Provisions

Applicable clauses regarding FTA-funded procurements are listed in subrecipients' Special Terms and Conditions. Subrecipients submit their bid documents to ADOT for review prior to solicitations being issued. Bids less than FTA and State thresholds for small purchases are reviewed at the discretion of ADOT staff as time allows. When documentation is submitted to ADOT, staff checks for FTA required clauses. Through site visits, ADOT confirms small purchases include required FTA clauses as well as for complete procurement files on bid documents. Subrecipient agreements are based on a template and are all identical and contain these clauses in the exhibit. MPD does not have a history of using FTA funds for intergovernmental agreements.

Geographic preferences are not allowed by the FTA and are therefore never included in the solicitation process. ADOT monitors compliance through training and contracts, as well as through document review, to ensure no geographic preference is included.

Buy America provision are included in the Federal Terms and Conditions of the solicitation along with the Buy America Attachment required by FTA. When subrecipients procure vehicles, they are required to submit a checklist and certification which includes the Buy America requirements. Buy America certification is obtained from vendors during both pre-award and post-delivery audits. Before an order is placed, the vendor is required to provide a signed certification meeting Buy America requirements as well as a subcomponent list and final point of assembly list to verify Buy America compliance. At the time of delivery, the vendor is also to provide post-delivery certification documents. ADOT verifies receipt of those documents and completes pre-award and post-delivery checklists based on the certifications and documentation received from the vendor.

Every proposal received goes through a responsiveness determination. ADOT's procurement office ensures awards go to responsible and responsive contractors. Requirements are established in the state's Procurement Code.

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Prior to contract award, ADOT Procurement checks the System for Award Management (SAM) to verify subrecipient or contractors are not suspended or disbarred.

All change orders for scope of work and task assignments go through a cardinal change review. Federally Impermissible scope changes are not allowed. Permissible changes require sole source justification. Subrecipients administering FTA-funded projects are monitored through site visits.

X. Disadvantaged Business Enterprise

A. DBE PROGRAM

ADOT complies with all federal requirements of the DBE Program, included having an approved FTA DBE program, plan, and annual goal.

The state's DBE program was approved by the FTA. ADOT's FTA DBE Plan and associated goals are available online at <http://azdot.gov/business/business-engagement-and-compliance/disadvantaged-business-enterprise-program>. The program has been uploaded in TEAM. ADOT's Business Engagement and Compliance Office (BECO) Manager is the state's DBE Liaison Officer (DBELO). This position reports to the ADOT Director.

Information about ADOT's 2015 Disparity Study is also available online at <http://azdot.gov/business/business-engagement-and-compliance/dbe-disparity-study>. A Final DBE Goal is one of the primary products of this study. A consultative process including advertisement and a 45-day public comment period are included in the state's efforts. ADOT FTA programs have consistently met the state's goal.

A small business program has also been developed and submitted in TEAM. The state has held extensive outreach to DBEs and small businesses. Strategies include multi-year design-build contracts, requiring the prime contractor to provide subcontracting opportunities, and ensuring a reasonable number of prime contracts are of a size that small businesses and DBEs can reasonable perform. Information about ADOT's Small Business Concern program is available online at <http://azdot.gov/business/business-engagement-and-compliance/business-registration-and-certification/small-business-concern-%28sbc%29-registration>.

All approved subrecipients for funding that involve contracts with vendors outside of the vehicle procurement ADOT oversees (i.e., Mobility Management, Operations) must either already have adopted ADOT's DBE program or have a policy stating they will adopt ADOT's DBE program. The subrecipient shall agree to abide by the statements in Paragraph (1) and (2) which follow. These statements shall be included in all subsequent agreements between the subrecipient and any sub-consultant or contractor.

(1) As required by 49 CFR 26.13, the subrecipient shall not discriminate on the basis of race, color, national origin, religion, gender, age or disability in the award and performance of any USDOT assisted contract or in the administration of its DBE program or the requirements of 49 CFR 26. The subrecipient shall take all necessary and reasonable steps under 49 CFR 26 to ensure nondiscrimination in the award and administration of USDOT assisted contracts. The subrecipient's DBE program, as required by 49 CFR 26 and as approved by USDOT, is incorporated by reference in the Planning Funds Agreement between the subrecipient and ADOT.

(2) Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of the Agreement. Upon notification to the subrecipient of its failure to carry out its approved program, the USDOT may impose sanctions as provided for under 49 CFR 26 and may, in appropriate

cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

ADOT and the subrecipient shall prepare and retain all records in accordance with the federal and state requirements, including but not limited to 23 CFR 420 and 49 CFR 18.

B. DBE GOALS AND REPORTS

Local Public Agencies (LPAs) and subrecipients will require prime contractors, consultants, and vendors to maintain records and documents of payments to DBE and non-DBE subcontractors. In accordance with [ARS §35-214](#), records must be maintained for a minimum of five years following FTA closeout of the project. These records should be made available for inspection upon request by any authorized ADOT Civil Rights Office (CRO) representative. Subcontractors are required to maintain payment information for any lower-tier subcontractors for the same five-year duration.

For projects receiving federal aid, LPAs and subrecipients are required to collect data on DBE and non-DBE participation and report the data to the CRO. Contractors, consultants, and vendors performing on federal-aid projects are required to provide monthly reports documenting amounts earned by and paid to all DBEs and non-DBEs. All DBE and non-DBE subcontractors working on federal-aid transportation projects are required to verify receipt of payment. Furthermore, first-tier subcontractors are required to report amounts earned by and paid to all lower-tier DBE and non-DBE subcontractors. Lower-tier subcontractors are required to verify receipt of payment. Contractors, consultants, and vendors should provide the required information for the current month by the fifth day of the following month. The required information must be submitted through the online LPA DBE Data Collection and Reporting System.

Additionally, LPAs and subrecipients will submit project data in support of each semiannual and annual submission made by the CRO. Subrecipients are required to submit this data through the online LPA DBE Data Collection and Reporting System. Semiannual report data must be audited by LPAs and subrecipients for accuracy and completeness by May 1 and November 1 of each year. Semiannual reports will be prepared by ADOT and reviewed with LPAs and subrecipients on an as-needed basis.

Reporting language is included in program contracts. Program managers and the BECO office review LPA system entries every six months.

ADOT coordinates with the state engineer's office, district engineers' offices, and the BECO office as well as field reports to oversee construction projects. Monitoring of construction projects is closely monitored by ADOT staff. Monitoring for all contracts occurs through ADOT's LPA reporting system and at time of site visit. ADOT is constantly providing outreach and training to ensure understanding of the requirements and improve its reporting. ADOT has a process in place to address complaints regarding DBE firms, but no requests for termination or substitution have been received.

Contract language addresses prompt payment and return of retention as well as prior written consent for changes to DBEs. This monitoring is done throughout the procurement process, ADOT's LPA system, and site visits.

ADOT has a formal Commercially Useful Function process in place for oversight. Transit managers review records and ensure that the DBEs have been completing the work. The majority of the work awarded to DBEs has been prime contracts.

ADOT receives documentation and construction office oversight reports. For operations contracts, the state works with the DBEs providing the work.

Full details regarding ADOT's FTA and FHWA goals and reporting requirements are included in the [ADOT FHWA DBE Plan](#) and the [ADOT FTA DBE Plan](#).

C. PROCUREMENT

Each Local Public Agency, subrecipient, and federal-aid subrecipient must complete a Subrecipient DBE Program Compliance Statement agreeing to adopt ADOT's DBE program and have its executive officer sign the statement. In accordance with the compliance statement, all LPAs and subrecipients agree to the following:

- Use of solicitation language provided by ADOT defining DBE requirements for all construction, professional services, and procurement contracts;
- Submittal of DBE goal requests using the DBE Goal Request Form, when required;
- Conduct post-award monitoring and reporting using the online LPA DBE Data Collection and Reporting System;
- Ensure post-award compliance with commercially useful functions; and
- Designate a single point-of-contact for DBE compliance purposes.

Additionally, all LPAs and subrecipients agree to collect the following information for each solicitation for which a DBE contract goal has been established:

- Names and contact information of DBE firms that will participate in the contract;
- Description of the work that each DBE will perform;
- Dollar amount of the participation of each DBE firm participating on the project;
- Written and signed documentation of commitment to use a DBE subcontractor whose participation meets a contract goal;
- Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and
- Evidence of good-faith efforts if the contract goal is not met.

Good faith efforts submissions have not been required. If such submissions are required, the ADOT Civil Rights Office would intervene and determine whether or not a good faith effort is sufficient.

D. CERTIFICATION

ADOT is the lead agency for the state's Unified Certification Program (UCP), along with the Cities of Phoenix and Tucson. The Certification Unit of ADOT's Business Engagement and Compliance Office (BECO) verifies that applicants meet the criteria to be certified as

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Disadvantaged Business Enterprises under [49 CFR Part 26](#). DBE certification must be updated annually and reviewed every five years.

The state uses the correct application (online only), conducts site visits, obtains annual affidavits to ensure that eligibility requirements continue to be met, complies with interstate certification requirements, and includes NAICS codes in its UCP directory.

XI. Asset Management

All property acquired using federal funds must be utilized and disposed of in accordance with specific ADOT program guidance as well as the following federal guidance (as applicable):

- [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#),
- [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#),
- [FTA Circular 5010.1D \(as amended\), Grant Management Requirements](#), and/or
- [2 CFR §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Title to all property purchased with federal funds must be vested in the name of the subrecipient with ADOT as the first and only lien holder. ADOT MPD retains the title to all rolling stock until the vehicle(s) meets federal useful life requirements.

Subrecipients are required to maintain the property at a high level of cleanliness, safety, and mechanical soundness. Each subrecipient must establish a maintenance program that, at a minimum, meets the equipment manufacturer's recommendations. ADOT has the right, and obligation, to review the transit system's maintenance and safety programs and to conduct periodic audits of equipment and facilities funded with state and federal funds administered by ADOT.

The subrecipient must have the requisite fiscal capability to carry out the project and is responsible for maintaining required insurance coverage, property records, conducting physical inventories, implementing adequate property control systems and maintaining the equipment in proper working condition. Documentation must be available upon request.

Asset management procedures are outlined in the program guidebooks and grant agreements, including site visits, lien release, and transfer of vehicles between grantees. ADOT's Equipment Services Division (EQS) sends out yearly required maintenance inspection notifications and conducts inspections. Section 5311 vehicles are inspected at time of site visit.

Vehicle Inventory Management

ADOT manages an inventory of vehicle information for all vehicles funded under the Coordinated Mobility Programs. Grant agreement requirements are kept up-to-date via annual reports filed with ADOT by subrecipients, and incorporated into project database files for program management use. This asset management system promotes proper vehicle maintenance and use and identifies problems or issues related to fleet defects or improper vehicle management.

Among other tasks, the fleet system flags agency vehicles that may be due for replacement and/or inspection. The objective of this system is to ascertain the statewide condition of the FTA funded vehicle fleet and help determine what current and future actions are most beneficial to ensure overall fleet service viability.

Driver and Vehicle Licenses

All subrecipients must use drivers that hold a current and valid Arizona Driver's License. The ADOT Motor Vehicle Division requires licensing in keeping with its Commercial Driver's License Program as follows:

Vehicles under 16 passenger capacity, including driver:

- Class D (Operator's) License

Vehicles 16 passenger capacity and over, including driver:

- Class B or C Commercial License with bus/school bus endorsement

ADOT encourages all agencies with vehicles in excess of 16-passenger capacity to have all drivers obtain a Class B or C Commercial License. Drivers who currently have a Chauffeur's License may continue to use such license until it expires. At that time, the appropriate license (as stated above) must be acquired.

Subrecipients are also required to comply with Arizona laws in the licensing of all agency vehicles.

A. TRANSIT ASSET MANAGEMENT

Transit Asset Management is a strategic and systematic approach to managing physical assets. Through MAP-21, FTA is required to implement an asset management system with policies and procedures that move toward determining how to best restore and replace aging transportation infrastructure. FTA is tasked with defining "state of good repair" and creating objective standards for measuring the condition of capital assets including equipment, rolling stock, infrastructure, and facilities. All FTA recipients will then be required to set performance targets and report on the progress toward meeting those targets.

[FTA Circular 5300.1, State of Good Repair Grant Program](#) was published in February 2015. This FTA grant program focuses on the repair, rehabilitation, and replacement of transit capital assets (codified in 49 USC 5337). It also provides funds for the implementation of Transit Asset Management (TAM) plans. Once Section 5326 TAM rulemaking is in effect, projects to be funded under the State of Good Repair program must be included in a Transit Asset Management plan in order to receive funding.

Transit Asset Management is discussed extensively in Section II, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) as well as in Part III of [ADOT's Section 5311 Grant Guidebook](#).

B. MAINTENANCE

ADOT MPD ensures that subrecipients are aware of and comply with the requirement that vehicles and other equipment purchased with Federal funds are maintained in a good state of repair and cleanliness. Each capital project agreement stipulates that the subrecipient shall maintain all project equipment at a high level of cleanliness, safety, and mechanical soundness. Subrecipients are required to document all vehicle maintenance activities in a format that is readily available and which includes copies of purchase orders, invoices, etc.; as evidence that required maintenance has been performed.

Maintenance requirements for the Section 5310 program are included in Section II, Part II, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#). Maintenance requirements for the Section 5311 program are detailed in Part III of [ADOT's Section 5311 Grant Guidebook](#).

Subrecipients are required to have a maintenance plan and maintenance is followed up at site visits and through review of receipts. Vehicles must be maintained based on the manufacturer's suggested maintenance guidelines. Each subrecipient must establish a maintenance program that, at a minimum, meets those recommendations. ADOT has the right and obligations to review the subrecipient's maintenance and safety programs and to conduct periodic inspections of equipment and facilities funded with federal funds administered by ADOT.

ADOT also requires that subrecipients have in place a pre-trip inspection program to ensure that safety and operational standards are consistently met for each system vehicle, and if so equipped, by all vehicle accessibility features, prior to being placed in revenue service. ADOT requires that documented daily inspections are included as part of the file for each vehicle acquired by subrecipients through the Coordinated Mobility programs.

ADA Vehicle Maintenance Guidelines: The Certificate of Compliance with the Manufacturer's Maintenance Schedule, located in the Application/Contract, requires the signing party to abide by, or exceed, all manufacturers' recommendations related to vehicle servicing and other maintenance, including accessibility-related components and equipment. The ADA requires that:

- Public and private entities providing transportation services shall maintain in operative condition those features of facilities and vehicles that are required to make them readily accessible to, and usable by, individuals with disabilities. These features include but are not limited to, lifts and other means of access to vehicles, securement devices, signage and systems to facilitate communications with persons with impaired vision or hearing.
- Accessibility features must be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, the entity must take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature.
- A system of regular and frequent maintenance checks of lifts is required. If a lift fails to operate when in service, the ADA requires the vehicle be taken out of service before the beginning of the vehicle's next service day. The lift must then be repaired before the vehicle returns to service. If a contract operator is used for ADA-related service, the subrecipient must ensure the contractor notifies the subrecipient immediately of any failure of the lift to operate in service.
- If there is no spare vehicle to take the place of a vehicle with an inoperable lift, the recipient may keep the vehicle in service for no more than five days if it serves an area of 50,000 or less population, or three days if it serves an area of 50,000 or more population.

C. USEFUL LIFE/DISPOSITION

Vehicle Title and Lien: Coordinated Mobility Programs

ADOT conducts all vehicle title and registration activities for the subrecipient agency as a part of the ADOT-led procurement process. In order that ADOT may act on behalf of the subrecipient for these transactions, a signed Power of Attorney must be submitted to MPD. This form is included in the application/contract documents and must be signed before an application is submitted.

In order to ensure proper use of grant-funded equipment throughout the useful life, ADOT holds a first lien on all equipment in the amount of the federal share of the equipment cost. The lien extends through the useful life of the capital equipment, until the remaining asset value is less than \$5,000. In the case of vehicles, the lien placed will remain in effect for *at least* four years or 100,000 miles.

Vehicle Title and Lien: Section 5311

ADOT retains a first lien equal to 80 percent (or its share in the purchase price if other than 80 percent) of the fair market value on all capital equipment purchased with Section 5311 funds. Capital equipment is defined as equipment that has a unit value over \$5,000 and is expected to last one year or more. Vehicle liens are retained according to the useful life standards provided in Part III of [ADOT's Section 5311 Grant Guidebook](#).

Subrecipients are expected to use equipment throughout its useful life or the duration of their contract.

When vehicles have reached the end of their useful life, subrecipients are required to submit a lien release request to ADOT. Subrecipients must not sell, discard, transfer, or dispose of equipment without a formal lien release approval from ADOT.

ADOT holds the original vehicle title. This enables ADOT to automatically release the vehicle within the time limit of the lien period, if appropriate. It also enables ADOT to retrieve the vehicle if the agency discontinues operations or fails to fulfill contractual requirements.

Vehicle and/or Equipment Disposition

Local public agencies may adopt their own rules and procedures for disposing of federally-funded surplus property as long as the disposal or sale is conducted in an open, public process. The revenues from the sale of property must be reinvested in the transit program for the same purpose (for instance, proceeds from a vehicle sold are used for purchasing a replacement vehicle; proceeds from office equipment would go towards purchase of new equipment).

D. INSURANCE

Section 5310

Recipients are responsible for acquiring and maintaining current, appropriate insurance on their capital equipment while under ADOT lien. Vehicles and large capital equipment purchases require the recipient to list ADOT as the Certificate Holder, Loss Payee and Additional Insured on its policy.

Vehicle collision and comprehensive insurance, to cover liability and under/uninsured motorists, is required in order to successfully apply for and operate an ADOT-funded vehicle. Fair Market Replacement Value, as well as Collision and Comprehensive insurance, including fire, theft, and vandalism, in an amount not less than the actual purchase price of equipment, **is required** as detailed in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

The Certificate of Insurance must be submitted to ADOT prior to taking delivery of the vehicle(s). In addition, a current copy of the Certificate must be sent to ADOT on an annual basis while the vehicle is under lien. A breakout of coverage, effective insurance dates and ADOT being listed as Certificate Holder, Additional Insured/Loss Payee and lien holder is then verified by ADOT.

Insurance: Section 5311

All Section 5311 Program participants must maintain adequate property and liability insurance coverage. Subrecipients must also maintain collision and comprehensive coverage for the full fair market value of each vehicle provided under this Program.

The current minimum requirement for automobile liability insurance, based on vehicle size, is provided in Part III of [ADOT's Section 5311 Grant Guidebook](#).

E. VEHICLE INCIDENT, CASUALTY LOSS, CHANGE IN STATUS REPORTING

Vehicle Incident or Casualty Loss

Subrecipient must report a vehicle incident, accident, or casualty to ADOT MPD staff within the timeframe identified in the program guidance.

Vehicles that are damaged, but repairable, must be repaired to the same or better condition prior to the incident.

If the vehicle is deemed a total loss, the following documentation must be submitted to the ADOT Program Manager within 10 working days of the incident:

- Vehicle Identification Number (VIN);
- The model year;
- The vehicle make;
- The mileage at the time of the incident;
- Arizona Accident Report or Incident Report forms; and
- Correspondence from the Insurance Company indicating the amount of the settlement of proceeds.

Participants in the Section 5311 program are required to report any accidents that require post-accident testing based on FTA Drug and Alcohol testing criteria to the ADOT Program Manager. Criteria for post-accident testing are provided in Part III of [ADOT's Section 5311 Grant Guidebook](#).

Change in Equipment Status or Condition

Any extraordinary change in the status or condition of a vehicle or other capital equipment (to include damage, operational failure, or legal involvement) must be reported to ADOT within five working days, even if satisfactory repair can be made within this period. Items such as flat tires, minor glass and paint scratches, minor “parking-lot dings,” other incidental body dents, and regular, non-accident related repair or normal replacement items are not subject to this requirement unless a vehicle is out of service for more than 24 hours.

F. ALLOWED AND PROHIBITED USE OF VEHICLES

Incidental Use

Notice must be provided to ADOT Program Manager of any incidental use of vehicles not related to the regularly scheduled service prior to providing the service.

Meal Delivery

Vehicles and related equipment may not be used **primarily** for the delivery of meals to persons in their homes. Any meal delivery provided may only be incidental to the primary vehicle use of transporting people.

Emergency Transport

The Section 5310 program is not intended to provide emergency medical transport or ambulance service on a regular basis.

G. FACILITIES

Facilities constructed, purchased, renovated or improved utilizing federal funds are the property of the subrecipient for the expected life of the facility or for as long as the facility is used for transportation purposes. FTA’s current useful life requirement for facilities is forty years. If for any reason the facility is no longer needed for the purposes of public transportation services in nonurbanized areas, the provisions of State statutes pertaining to the disposition of real property, provisions on facility ownership and use, and the [FTA Circular 5010.1D, Grant Management Guidelines](#), as amended or revised, shall apply.

ADOT conducts inspections every three years of all facilities, whether new construction, renovation or expansion of existing facilities. A reasonable amount of time shall be provided to correct any deficiencies because of the review.

Maintenance plans are required for any FTA-funded facility. They must be reviewed and certified annually through site visits.

H. REAL PROPERTY

Per the FTA, all real property is acquired, managed, and used in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, [42 USC §§ 4601-4655](#) and [49 CFR Part 24](#).

XII. Charter Bus/School Bus Regulations

A. CHARTER SERVICE

FTA and ADOT subrecipients are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies. Incidental use may include meal and parcel delivery, restricted client services, and FTA allowable charters. Charter service is an allowable activity on an incidental basis if the applicant successfully completes the charter public notice requirements and no private charter providers are available. Applicants must reference Federal Transit Act, as amended 49 CFR, 604.11(c).

A full discussion of the FTA's charter requirement, including definitions and exemptions, is included in Part IV of ADOT's Section 5311 Grant Guidebook. The full language of the Federal Transit Act, as amended, is provided in [49 CFR, Part 604](#).

The transit manager is contacted by the subrecipient to request limited charter services. Once approved, the transit manager monitors the service. Monitoring of this requirement is included in on-site reviews. Trip records, contracts, income statements, and marketing materials will be reviewed for any evidence of chartering in the absence of authority to do so. In such cases, the state notifies the subrecipient it is out of compliance and requires timely action. Lack of compliance will result in disciplinary action and a plan of correction, including additional training where warranted.

Any complaints regarding charter service are investigated by transit staff. Once the investigation is complete, an out-of-compliance remedial action is required that emphasizes timely corrective action.

B. SCHOOL BUS REGULATIONS

Under FTA school bus requirements, set out under [49 U.S.C. 5323\(f\)](#) and [49 CFR Part 605](#), recipients may not engage in school bus operations exclusively for the transportation of students. These provisions derive from 49 U.S.C. 5302(a), which authorizes FTA assistance for mass transportation, but specifically exclude school bus service from such Federal assistance.

School bus requirements are incorporated into ADOT's grant programs via Part IV of the [Section 5311 Grant Guidebook](#) and Section II, Part I, of the [Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

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XIII. Americans with Disabilities Act

A. GENERAL

The Americans with Disabilities Act (ADA) is a civil rights law mandating equal opportunity for individuals with disabilities. ADA prohibits a public entity from discriminating against qualified persons with disabilities in access to facilities and services that the public entity provides..

All ADOT subrecipients must comply with the [Americans with Disabilities Act of 1990, as amended](#). The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. For ADOT and its subrecipients, these services, facilities, or activities are related to the planning, design, construction, maintenance and operations of transportation systems. This can include but is not limited to public buildings, public conveyances such as buses or other passenger vehicles, related literature, and other communication pertaining to any of these. Any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired.

B. COMPLAINTS/LAWSUITS

The policy for disability-related complaints is a component of ADOT's Title VI Plan. The state ensures compliance at the time of application and during site visits. Any deficiencies are noted and followed up with to ensure compliance. Subrecipients are required to report ADA complaints to ADOT.

C. BUSES AND VANS

ADOT Procurement

ADOT conducts most of the procurements for Section 5310-funded capital. As such, vehicle types and sizes obtained for the Section 5310 program are usually predetermined by ADOT at the time of application. The types of vehicles typically obtained by ADOT for Section 5310 programs are nine- or 14-passenger cutaways (with lift), minivan with ramp, 12-passenger van with no lift, and minivan with no ramp.

Equivalent Service

Providing wheelchair and other mobility device accessibility to local areas is a high priority. Applications for non-accessible vehicles will only be considered if that type of vehicle best meets the subrecipient's needs and applicants can assure adequate ADA-compliant equivalent service. A full discussion of vehicle accessibility and the provision of equivalent service is provided in Section II, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

ADA Vehicle Maintenance Guidelines

During the course of a subrecipient's participation in the ADOT Section 5310 program, maintenance of a grant-funded vehicle(s) is a critical component of stewardship. The Section 5310 Grant Agreement, which must be agreed to and signed at the time of application, indicates that the signing party will abide by, or exceed, all manufacturers' recommendations related to

vehicle servicing and other maintenance, including accessibility-related components and equipment. Vehicle maintenance requirements are detailed in Section III, Part I, of [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

D. FACILITIES

When subrecipients construct or modify facilities, ADOT conducts site visits and meetings with contractors and grantees throughout design/construction to ensure compliance with ADA requirements.

E. SUBRECIPIENT OVERSIGHT

ADOT reviews general service provision requirements at the time of site visits and reviews policies at the time of application.

Training provided to-date is collected as part of the application process. ADOT supports PASS training for all grantees through the RTAP program. Additional training is provided on an as-needed basis. All new drivers are required to complete PASS training and continuing drivers recertify every three years. Training classes are offered online and through a Train the Trainer program. ADOT encourages the use of National RTAP training modules including regular training of drivers using the "To the Point" materials.

Grantees submit training plans/curricula at the time of application. ADOT meets with grantees and encourages robust driver training above and beyond the minimum requirements. ADOT verifies training records/schedule at the time of the site visit.

Section 5310 vehicles are inspected by ADOT Equipment Services annually. Section 5311 vehicle and facility maintenance plans are submitted annually at the time of application. Vehicles and facilities are inspected at the time of triennial site visits. ADOT requires a written procedure regarding lift and ramp failures (and provision of alternate transportation) in subrecipients' maintenance plans at the time of the site visit.

Common deficiencies identified during site visits include deficiencies in lift maintenance and ADA complaint log compliance. ADOT works with subrecipients to correct such deficiencies. Site visits also include monitoring of other ADA compliance issues such as transporting persons with disabilities, service animals, and mobility devices.

Subrecipients submit their complementary paratransit plans annually for review and to recertify their plans. ADOT reviews these eligibility determinations, service criteria, service capacity, origin-to-destination service, visitors' service, and no-show policies as part of these plans. Any deviated fixed-route service is also reviewed for compliance with FTA.

XIV. Title VI

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin. Related laws and regulations, as cited below, prohibit discrimination on the basis of age, gender and disability. Together these requirements are commonly referred to as Title VI.

Specific citations for FTA provisions for subrecipients include:

- [Title VI of the 1964 Civil Rights Act, Section 601.](#)
- Section 19 of the Federal Transit Act provides guidance in the area of age and sex discrimination.
- [FTA Circular 4702.1A, Title VI Program Guidelines for FTA Recipients,](#) outlines specific State and subrecipient requirements.

As a condition of receiving federal aid, the U.S. Department of Transportation implementing regulations (49 CFR 21 and 23 CFR 200) require the following:

- A Title VI plan to prevent discrimination in the provision of benefits and services on federally funded transportation programs and activities. The Title VI Program is a system of policies and procedures designed to monitor agency compliance, address complaints, and eliminate discrimination when found to exist.
- Federal-aid recipients' execution of Title VI assurances signed by the recipient agency's chief executive officer.

A. IMPLEMENTATION

ADOT has a FTA approved Title VI plan on file. This plan can be accessed via ADOT's website at <http://azdot.gov/business/civil-rights/title-vi-nondiscrimination-program/Overview>.

ADOT is required to ensure that all subrecipients receiving federal funds are in compliance with the above regulations. Subrecipients receiving funds or equipment from the Federal government through ADOT are required to submit a Title VI plan. ADOT has developed a Title VI template and reviews all Title VI plans. The following information must be submitted as part of each subrecipient's application and annually thereafter, as long as a federal interest remains in their equipment or program:

- Assurances;
- Statistical breakdown of communities' populations;
- Beneficiaries of projects, including the race, ethnicity, gender, age, and disability of those who will benefit from projects and the mobility benefits that will result;
- Effects of transportation programs within the community such as transportation, social, and others beyond mobility;
- Process for public participation, specifically discussing efforts to reach out and to ensure participation of the transportation-disadvantaged;
- Composition of advisory boards having an impact on transportation programs, indicating the race, ethnicity, gender, age, and disability of the members;

- A listing of all complaints, claims, and lawsuits alleging discrimination; and
- Process for identifying and eliminating procedures that result in discrimination and for correcting deficiencies within 90 days.

Summary of Subrecipient Requirements Related to Title VI

- Appoint a Title VI Coordinator;
- Obtain Title VI training for Coordinator and other key staff;
- Proactively prevent discrimination as defined in Title VI and related authorities; disseminate Title VI Program information to staff and the public;
- Include Title VI language in all contracts with consultants and contractors for federally funded projects;
- Collect and maintain data on race, ethnicity, age, gender, disability, LEP, and income of populations in the service area;
- Provide information in other languages, as necessary;
- Proactively include traditionally underrepresented populations that are hard to reach through the traditional notification process in public involvement and informational processes;
- Analyze the benefits and burdens of activities and projects on the Title VI-protected population in the service area;
- Perform periodic self-assessments for Title VI compliance;
- Develop periodic Title VI reports;
- Correct any deficiencies identified during a review or complaint;
- Complaints;
 - Provide the public access to defined complaint procedures and a complaint form
 - Public Notices should include:
 - Process for filing complaints
 - Description of investigative process
 - Responsible agency staff
 - Time limits to submit complaints and complete investigations
- Maintain a complaint tracking procedure; and
 - Complaint log must contain the following information for each complaint filed:
 - Name and address of person who filed the complaint
 - Date of complaint
 - Basis of complaint
 - Disposition of complaint
 - Status of complaint
- Submit completed complaint investigations to ADOT.

Limited English Proficiency (LEP)

LEP is one of the bases covered under Title VI national origin. One type of national-origin discrimination is based on a person's limited ability to speak, read, write, or understand English. The federal government and those receiving federal financial assistance (recipients, subrecipients, and contractors) must take reasonable steps to ensure that LEP populations have meaningful access to the programs, services, and information those entities provide. This may require providing written and oral communications in a language other than English.

A number of indicators may (need to) be present which provide an operational definition of a person who is limited in their English proficiency for any particular region or locale; these factors and related information can be found at <http://www.fta.dot.gov/documents/Newlepguidance.doc>. An excerpt reads:

Recipients are required to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons. While designed to be a flexible and fact-dependent standard, the starting point is an individualized assessment that balances the following four factors: (1) The number or proportion of LEP persons eligible to be served or likely to be encountered by a program, activity, or service of the recipient or subrecipient; (2) the frequency with which LEP individuals come in contact with the program; (3) the nature and importance of the program, activity, or service provided by the recipient to people's lives; and (4) the resources available to the recipient and costs.

The applicant is required to certify that their agency provides reasonable alternate-language accommodation of individuals who are limited-English-Proficient or LEP, to the extent that the individuals represent a minority class that is sufficiently large enough to be described as a significant alternate language within the region or locale. This status can be determined in a number of ways, one of the most useful may be information obtained from the local *school district* regarding predominant classes (i.e., alternate languages) of LEP individuals.

Reasonable accommodation for persons with LEP may range from information provided in a commonly observed pamphlet(s) or flyer(s) regarding the agency's services to volunteer or contracted interpreters. Although each situation may present its own unique circumstances, typically the agency *does not need to provide all* of its communications in the alternate language, but sufficiently enough for their services to adequately and clearly be conveyed to the requesting individual(s). Visit www.lep.gov or contact the ADOT Civil Rights Office for further information.

Environmental Justice

Agencies receiving federal grant funds are required to assure nondiscrimination under Title VI of the Civil Rights and other related laws. Environmental justice specifically addresses minority and low income populations: a 1994 Presidential Executive Order directed every Federal agency to make environmental justice part of its mission by identifying and addressing the effects of all programs, policies, and activities on "minority populations and low-income populations."

Subrecipients support Title VI and environmental justice when they:

- Assure new investments and changes in transit facilities, services, maintenance, and vehicle replacement deliver equitable levels of service and benefits to minority and low-income populations.
- Avoid, minimize or mitigate disproportionately high and adverse effects on minority and low-income populations.
- Assure that public involvement activities identify and involve minority and low-income populations when making transportation decisions.
- When subrecipients engage in planning related to development of transit services and capital purchases, they are expected to include consideration of "environmental justice."

ADOT will assist subrecipients with environmental justice principles in their services. The department will help agencies look at demographics to identify unmet needs.

When applying for discretionary grants, applicants must demonstrate they have provided an opportunity for public involvement in the identification of potential projects.

Complaint Procedure

ADOT's Title VI Plan includes a complaint process. ADOT receives the Title VI Plans and complaint procedures with subrecipient applications and reviews them as part of the annual application cycle. Complaint procedures that are out of compliance must be revised prior to award or have a corrective action plan.

All agencies are required to keep a log of their Title VI complaints. Customers filing a complaint against a subrecipient can file the complaint with the subrecipient or elevate their complaint to ADOT and/or FTA.

B. OUTREACH

ADOT's Civil Rights Office has conducted and submitted a four factor analysis for applicability to its programs and activities. ADOT's four factor analysis identified the continued provision of language translation services.

ADOT ensures that meaningful access to services, benefits, and information is provided to the public by posting the "ADOT's Title VI Notice to the Public" poster at all public accessed buildings, offices, and public events. These notices are printed in English and Spanish. Title VI brochures are also made available in English and Spanish.

Each subrecipient also has an approved LEP plan which is reviewed annually to address the needs of the LEP individuals in their communities. All subrecipients post their notices to the public in their vehicles, in their brochures, and online where applicable. They also have them posted in their facilities.

ADOT Section 5310 and 5311 programs hold yearly application workshops throughout the state. Section 5311 applicants hold public hearings when required. Public notification is advertised on ADOT's website. ADOT coordinates with COGs and MPOs to provide advertisement of applications to eligible regional entities. In an effort to expand outreach notice, ADOT may use other outreach opportunities to broaden notice availability.

Technical advisory committees are encouraged to include representatives from minority and human service agencies. Representatives from human service agencies also sit on the coordinating councils. These councils help to determine the needs of the region and how the funds should be used most effectively in the region. These plans are used to set the transit awards (specifically Section 5310 applicants).

Language translators are made available when requested. This process is consistent with the approved Title VI program plan.

C. MONITORING

The State collects and maintains Title VI plans from subrecipients through E-Grants. The plans are uploaded and reviewed as part of the application cycle. Title VI plans are reviewed annually to ensure subrecipients are in compliance with Title VI. This is documented by the Civil Rights Office and in E-Grants. ADOT Civil Rights also attends site visits and reviews application and site visit materials.

Subrecipients submit signed assurances, plans, and Title VI complaint processes (including reports of complaints they have investigated) annually. Subrecipients are also asked on the annual grant application if there are any outstanding complaints. Monitoring also includes MPOs.

ADOT staff reviews the demographics of the applicants and the distribution of funds. Some of the areas considered include race, limited English proficiency, and income distribution as well as age. Staff then discusses whether there has been a disproportionate distribution to any population and whether the awards should be reconsidered in light of the distribution of funds considering Title VI analysis.

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XV. Equal Employment Opportunity

Only three of ADOT's subrecipients meet the threshold for submission of a formal Equal Employment Opportunity (EEO) Program. Historically, ADOT subrecipients that meet the threshold have a primary oversight agency other than ADOT. These agencies are required to submit their EEO plans to ADOT and ADOT coordinates review of these agencies with their primary funding direct recipient. ADOT reviews all agencies at time of site visit to ensure compliance. ADOT program managers receive and review an agency's triennial update and its compliance plan. Emphasis on the review is to correct triennial finding updates. The compliance plan is approved or returned for further enhancement.

While EEO plans are not required for most subrecipients, ADOT does ensure that subrecipients have EEO policies and comply with EEO requirements. EEO requirements are also included in applications, contracts, and site visits. Subrecipients are required to have EEO language posted in their facilities and made available for all employees, as well as included in all job announcements.

As part of the Certifications and Assurances section of the application, each subrecipient agrees that it will not discriminate against any participant on the grounds of race, color, creed, gender, disability, age, or national origin. The applicant also agrees to take affirmative action to ensure applicants and employees are treated without regard to their race, color, creed, gender, disability, age, or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. [FTA Circular 4704.1, Equal Employment Opportunity Program Guidelines for FTA Recipients](#), outlines FTA EEO objectives. Copies of this and other FTA circulars are available online or from the ADOT Multimodal Planning Division.

[Title I of the Americans with Disabilities Act](#) also contains specific provisions prohibiting employment discrimination on the basis of disability and requiring employers to make reasonable accommodations for persons with disabilities.

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XVI. DFWA/Drug and Alcohol Program

A. DRUG-FREE WORKPLACE ACT POLICY

The federal Drug-Free Workplace Policy is part of the federal government's effort to eliminate the use of illegal and controlled substances from the workplace. The regulations affect all federal government agencies, their contractors and their direct grant recipients and/or subcontractors.

The Arizona Department of Transportation has adopted a Drug & Alcohol-Free Workplace Policy (PER-11.03 Drug and Alcohol-Free Workplace Policy, 12/5/2007, last review 2/11/2010). In addition to the Department, subrecipients who receive FTA funds must comply with the regulations contained in [49 CFR Part 40](#), procedures for transportation workplace drug testing programs and [49 CFR Part 655](#), Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations. All subrecipients are required to post the Drug-Free Workplace certification in a publicly visible location, and must conduct basic employee orientation regarding the use/abuse of drugs and alcohol in/affecting the workplace.

Safety sensitive functions are defined as those employees who operate revenue vehicles (whether or not in revenue service), operate a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver's License, control the movement or dispatch of the vehicles, and maintain vehicles (unless in the case of the Rural Public Transportation programs 5311, 5307 or 5309 in an area less than 200,000 in population and contracts out such services), security personnel who carry firearms, and supervisors who could perform any of the above responsibilities.

ADOT additionally passes on its Drug-Free Workplace policy requirement to subrecipients. In the case of Section 5310, this functions as the subrecipient's primary compliance requirement.

B. Drug and Alcohol Program

ADOT requires all Section 5311 Program recipients to comply with FTA drug and alcohol program standards identified in ADOT guidelines. Program recipients must provide evidence of compliance and remain current in all required training. ADOT provides training, oversight, and compliance monitoring for all program components. Compliance monitoring is done on a biennial basis unless a subrecipient's prior audits warrant yearly follow-up. Management and Reasonable Suspicion Training are done on a triennial basis unless a subrecipient's staffing changes warrant more frequent training.

Policy

At a minimum, transportation operators and their subcontractors must adopt a policy which details the prohibited behaviors, testing requirements, identified sources of assistance for substance abuse problems, and the consequences for refusal to take tests and for positive drug and alcohol results.

Policies are reviewed by ADOT consultants and are being updated to ensure they are compliant with the latest guidelines and rules defined in 49 CFR Parts 40 and 655.

Employer and Supervisor Education

Transportation operators must have a training program for all employees in “safety sensitive” positions that are compliant with the regulation. Employees must be trained prior to assuming their duties. The policy must include a community service “hotline” telephone number and the name of a person where employees can obtain assistance. In addition, supervisors who have the responsibility and authority to refer employees for testing under reasonable cause must receive additional training in manifestations and behavioral cues indicative of drug and alcohol use and abuse.

Substance Abuse Testing Program

Each subrecipient manages its own FTA drug and alcohol testing program. ADOT provides technical assistance by providing access to a consultant that specializes in FTA drug and alcohol compliance (Precision Compliance, Inc.). It is a requirement of the contract.

Section 5311 transportation operators must test employees who perform safety sensitive functions for the use of six prohibited drugs (marijuana, cocaine, opiates, phencyclidine/PCP, MDMA/ecstasy, and amphetamines/methamphetamines) as well as for alcohol.

There are potentially six conditions under which testing is mandatory:

- Pre-employment/pre-duty,
- Reasonable Suspicion/Reasonable Cause,
- Post-Accident,
- Random,
- Return-to-Duty, and
- Follow-up.

Return-to-Duty and Follow-Up testing are mandatory if an agency chooses to retain an employee who refuses to test or has a positive drug or alcohol test result.

ADOT, with the assistance of a consultant team, annually reviews the testing statistics from subrecipients by means of the MIS report and uses that document to determine the proper amount of testing is being accomplished. In addition, a site visit is conducted at each subrecipient agency annually to ensure the required testing is completed appropriately. Collection sites are also visited as part of the site visit, with each reviewed for compliance with 49 CFR Part 40. Current service vendor certifications are kept by the subrecipients.

Reporting Procedures

Transportation operators must certify compliance and submit reports to ADOT on an annual basis as per 49 CFR Part 40.

Substance Abuse Compliance Audits

Consistent with FTA’s oversight responsibilities, FTA has initiated a program of transit system audits to assess compliance with Drug and Alcohol Testing requirements (49 CFR [Part 653](#) and [Part 654](#)). A team of FTA experts performs these audits, which are comprehensive in nature, including a review of each agency’s policies, procedures, and record-keeping. ADOT will assist subrecipients in preparing for FTA drug and alcohol audits, if needed.