

ARIZONA DEPARTMENT OF TRANSPORTATION

# Section 5311 Handbook

Application Instructions

Grant Guidelines

## Rural Public Transit Program

### FFY 2013



**September 2012**

**FTA Grant Section 5311 – Formula Grant for Non-Urbanized Areas**

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## PART I. INTRODUCTION

### A. FORWARD

The Multimodal Planning Division (MPD) of the Arizona Department of Transportation (ADOT) administers the Federal Transit Administration (FTA) Non-Urbanized Area Formula Program, commonly known as the Section 5311 Program or as the Rural Public Transit Program. This program provides funds for public transportation and intercity bus projects serving rural areas. The purpose of these funds is to address the mobility needs of Arizona's rural population. Section 5311 grants are intended to provide access to employment, education, health care, shopping, and recreation.

This handbook is intended to inform the reader about the Section 5311 Program. It includes information on:

- The purpose of the program
- Who is eligible for the program and expectations of applicants
- Program administration
- Responsibilities of program participants
- How to apply for funding
- Support and resources available to program participants

### B. PROGRAM UPDATES – NEW FOR 2013

**Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21)** was signed into law by President Obama on July 6, 2012. It extends current law (SAFETEA-LU) through September 30, 2012. The law goes into full effect October 1, 2012.

FTA has not yet released formal guidance. Go to <http://www.fta.dot.gov/map21/> for the most up to date information.

**Regional approach to the 5311 Program** - ADOT is introducing a new, regionally focused, approach to managing the 5311 Program. The Program has been divided into three Regions, North, Central and South. See contact information on page 6.

**Reimbursement requests** - Effective October 1, 2012 reimbursement requests must be submitted to [Transitinvoice@azdot.gov](mailto:Transitinvoice@azdot.gov). The request must include the invoice, budget spreadsheet and system generated documentation identifying invoiced request amounts. Hard copies are not required

**New Project Requirements** – New projects must submit a feasibility study and implementation/operations plan with the application.

**Budget Worksheets** must be submitted in Excel with the application. The budget worksheet has been removed from the body of the application and can only be submitted as a separate file along with the Word format application.

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- *Revised application timeline.* See the timeline table below for current deadlines. Applications must be submitted in early December 2012 and applicant workshops are now being held in September 2012.

Guidelines / Application Distribution	September 2012
Applicants' Conference Workshops	September 11-12 Flagstaff September 25-26 Tucson
Application Deadline	December 7, 2012
Comments due from COGs	January 3, 2013
Review Panel	January 24-26 (tentative)
Budget Discussion Meetings	February/March 2013
Deadline for Budget Modifications	March 2013
Budget Applications due to FTA	April 2013
ADOT notify Applicants of status	May 2013
Mail Contracts to Applicants	May 2013
Federal Fiscal Year Begins/Project Start-Up	October 1, 2013

**C. CONTACT INFORMATION**

<b>For inquiries regarding the Section 5311 Program</b>		
Arizona Department of Transportation Multimodal Planning Division		
Northern AZ Tracy Young <a href="mailto:TYoung@azdot.gov">TYoung@azdot.gov</a> 602-712-7106	Central AZ Sara Allred <a href="mailto:SAllred@azdot.gov">SAllred@azdot.gov</a> 602-712-4498	Southern AZ Nicole Patrick <a href="mailto:NPatrick@azdot.gov">NPatrick@azdot.gov</a> 602-712-8947
206 South 17 <sup>th</sup> Avenue, Mail Drop 340 B Phoenix, Arizona 85007		

**Website**

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The ADOT 5311 grant program and public transit website can be accessed through the ADOT home page at [www.azdot.gov/Transitprograms](http://www.azdot.gov/Transitprograms). The website is the primary source of information for participants in the Section 5311 Program.

This handbook is available on the website along with information on related programs and initiatives. From this site, users can link to numerous other local and national transit web sites, including the U.S. DOT/FTA websites. Recipients should periodically check this site for Section 5311 and other ADOT Transit Program updates.

### Civil Rights

When an applicant accepts Section 5311 Program funds, the agency agrees to comply with all applicable Federal and State Civil Rights statutes and regulations, including but not limited to Title VI—Nondiscrimination, Equal Employment Opportunity (EEO), Americans With Disabilities Act (ADA), Disadvantaged Business Enterprise (DBE), Limited English Proficiency (LEP) and other Civil Rights components of the grant program.

For more detailed information pertaining to civil rights, including Disadvantaged Business Enterprise (DBE) requirements, you may also contact:

Civil Rights Office  
Arizona Department of Transportation  
1135 N 22<sup>nd</sup> Ave, 2<sup>nd</sup> Floor Mail Drop 154 A  
Phoenix, Arizona 85009  
Telephone: (602) 712-7761  
Fax: (602) 712-8429  
Email: [Civilrights@azdot.gov](mailto:Civilrights@azdot.gov)

### Contracts

If an applicant or recipient has any questions in regards to the contract or stated requirements, please contact:

Multimodal Planning Division  
Arizona Department of Transportation  
Attention: Sally J. Palmer, Contract Administrator  
Mail Drop 310B, 206 S. 17<sup>th</sup> Avenue  
Phoenix, AZ 85007  
Telephone: 602-712-6732  
Email: [SPalmer@azdot.gov](mailto:SPalmer@azdot.gov)

## State and Regional Contacts

Prospective Rural Public Transit participants and those already participating in the Program may obtain planning assistance, demographics information, and information about other providers through the council of government(s) or metropolitan planning organization(s) in their region(s).

CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS (CAAG)  
1075 South Idaho Road, Suite 300  
Apache Junction, AZ 85219  
Mark Griffin (520) 474-9300 (FAX) 480-474-9306  
[mgriffin@caagcentral.org](mailto:mgriffin@caagcentral.org)

CENTRAL YAVAPAI METROPOLITAN PLANNING ORGANIZATION (CYMPO)  
1971 Commerce Center Circle – Suite E  
Prescott Valley, AZ 86301  
Chris Bridges (928) 442-5730  
Christopher.Bridges@yavapai.us  
Vicky.McLane@yavapai.us  
  
[www.cympo.com](http://www.cympo.com)

FLAGSTAFF METROPOLITAN PLANNING ORGANIZATION (FMPO)  
211 West Aspen  
Flagstaff, AZ 86001  
Martin Ince (928) 213-2685 (FAX) 928-779-7696  
[mince@flagstaffaz.gov](mailto:mince@flagstaffaz.gov)

YUMA METROPOLITAN PLANNING ORGANIZATION (YMPO)  
502 S. Orange Ave.  
Yuma, AZ 85364  
Anne MacCracken (928) 783-8911 (FAX) 928-329-1674  
[mamacracken@ympo.org](mailto:mamacracken@ympo.org)

MARICOPA ASSOCIATION OF GOVERNMENTS (MAG)  
302 North 1<sup>st</sup> Avenue, Suite 300  
Phoenix, Arizona 85003  
Alice  
(602) 254-6308 FAX: (602) 254-6490

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG)

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119 East Aspen Avenue  
Flagstaff, Arizona 86001  
Jason Kelly (928) 774-1895 FAX: (928) 773-1135  
[jkelly@nacog.org](mailto:jkelly@nacog.org)

PIMA ASSOCIATION OF GOVERNMENTS (PAG)  
177 North Church, Suite 405  
Tucson, Arizona 85701  
Jeremy Papuga (520) 792-1093 FAX: (520) 620-6981  
[jpapuga@pagnet.org](mailto:jpapuga@pagnet.org)

SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION (SEAGO)  
118 Arizona Street  
Bisbee, Arizona 85603  
Chris Vertrees (520) 432-5301 FAX: (520) 432-5858  
[cdvertrees@seago.org](mailto:cdvertrees@seago.org)

WESTERN ARIZONA COUNCIL OF GOVERNMENTS (WACOG)  
208 North 4th Street  
Kingman, Arizona 86401  
Sharon Mitchell (928)-377-1070 FAX: (928) 753-7038  
Cell: (928) 919-1695  
[sharonm@WACOG.com](mailto:sharonm@WACOG.com)

## PART II. PROJECT APPLICATION AND CONTRACT

### A. GENERAL INSTRUCTIONS

Each fall an announcement is made of 5311 Rural Public Transit funding and application availability. The announcement is made via email to all Councils of Governments, Metropolitan Planning Organizations, Tribal Governments and related Tribal communities, and to local governments located in Non-Urbanized Areas of Arizona. The announcement is also made on the ADOT Multimodal Planning Division website.

Applications are only available on the ADOT Multimodal Planning Division website. The applications include general instructions, application forms for new and continuing applicants, contract documents, and a set of required certifications and assurances. Application forms are in Microsoft Word (narrative) and Excel (budget).

**One original signed document (two, if the agency would like an executed copy returned) must be submitted as well as one electronic version (FTP site, email or disk).** Original signatures are required for the federal certifications and assurances as well as the contract signature pages. **Please allow adequate time to obtain the necessary signatures and approvals and to mail or hand deliver a copy of the application to**



**ADOT Multimodal Planning Division by December 7, 2012. Arizona Department of Transportation, 206 S 17<sup>th</sup> Ave, Mail Drop 340 B, Phoenix, AZ 85007-3213**

## **B. NEW AND CONTINUING PROJECTS**

Separate narrative application forms are provided for new and continuing applicants. This recognizes the differences between the two while still addressing needed key information. The new project application narrative is only for projects that are applying for the first year and have completed a transit feasibility study and transit implementation/operations plan.

While new projects are developed on the basis of planning estimates, continuing projects have the benefit of actual operating experience. Developing effective transit services is a challenging process. It is expected that over time grantees will strengthen their management capability and the effectiveness of their services. In addition, as communities grow and change, transit services need to respond in order to remain a vital part of the community infrastructure.

Applicants must complete all sections, including the budget pages. The narrative questions explain to reviewers: 1) the transit services provided and the role transit plays in the community, 2) management capability, and 3) your commitment to comply with Federal and State requirements.

ADOT recognizes the difficulty new applicants may have in providing detailed budget information. Nevertheless, your best estimates will provide an idea of the magnitude of the project and its cost-effectiveness. Your transit feasibility plan should also provide solid information to base your estimates upon.

## **C. APPLICATION/CONTRACT CONTENTS**

Applications for new and continuing projects include the following:

- A **Checklist** of required documentation;
- **Agency Contact** and organizational structure information;
- **Legal Agency Name** provided repeatedly throughout the application. The legal agency name should be listed on pages 2 and 7. In addition, it should be listed in all applicable forms and letters in Section 7 and included in all Certificates and Assurances signatures pages (pages 58-63), as well as the Contract signature pages (pages 64-65).
- **Narrative Pages** in which applicants are requested to describe their transit programs. There are two sets of narrative pages, one for continuing projects and one for new projects. Only complete the set appropriate for your project;
- **Civil Rights** section in which applicants demonstrate compliance with federal Civil Rights requirements;
- **Budget Pages** for administrative, operating, and capital expenses. The substance abuse budget is included on the administrative budget page;
- A description of any **Capital Requests**;

- **Federal Certifications and Assurances**
- **Contract Signature Pages**

## **USING ELECTRONIC FILES**

The application consists of an electronic Microsoft Word file and an Excel file. Choose the file type and complete the necessary forms.

The Word file contains form fields including checkboxes and text fields that scroll to allow additional room. A few simple tools will assist you in completing the application in the Word format. Form fields are used on the electronic Word file to accommodate responses to application questions.

1. First, remember that when working on computer files, it is important to save your file frequently. This protects you in case of a power outage or other system failure. If you save your file every 15 minutes, you will not risk losing large amounts of work.
2. The document will require you to fill text into form fields and checkboxes to answer application questions. This is why the document is locked and you cannot type in any other section of the document. You will have to unlock the document to complete or use the sample forms in Section 7 and to complete the Contract and Certificates and Assurances pages as well as perform a “Find and Replace” for “(AGENCY NAME)”. To unlock the document, simply go to the “forms” toolbar and click the “unlock” button.

## **D. APPLICATION PROCESS AND AWARDS**

**Applications will be considered for funding based on the evaluation and selection criteria listed in Part III-D of this Handbook.** The information submitted in your application will be the primary source for determining your score and rating priority. However, on-site visits to applicants and current performance of existing projects will also be considered as part of the evaluation of current projects.

In order to facilitate the grant development and approval process, the Federal Transit Administration allows projects to be listed in two different categories, depending on how completely requirements have been satisfied:

**CATEGORY A** includes those projects certified by ADOT as having met all the statutory and administrative requirements for approval.

**CATEGORY B** includes those projects that ADOT anticipates approving during the current year, but that have not yet met all statutory and or administrative requirements. As the necessary requirements are satisfied, these projects may be advanced to Category A.

**The final decision on project selection and funding will be made by the Director of the ADOT Multimodal Planning Division. ADOT retains sole discretion to determine which projects will be funded and the amount of funds awarded to any given project.**

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The Division may award full funding as requested, a percentage of the requested funding, or no funding at all. All applicants will be notified of this decision within one week after the final decision is made, anticipated to be in **May 2013**.

The Division may request additional information from applicants to clarify what was submitted in their applications.

After applications are reviewed the Review Panel will make recommendations to the ADOT Multimodal Planning Division.

Each applicant will be notified of the State and/or Federal requirements for developing a final project agreement. This may include a more refined scope of work, budget clarification, additional information, a requirement to hold a public hearing, signatures on federal certifications and assurances, inclusion in locally developed Coordinated Services Transportation Plan for your region or other items.

### **E. APPLICATION ASSISTANCE**

Please contact the ADOT Multimodal Planning Division if you need assistance with your application. See contact information on page 6.

### **F. APPLICATION SUBMITTAL**

For your final application and contract submission, bind together only the pages that need to be submitted for your project, including the contract and support documentation requested. Do not include these instruction pages or sections that are not appropriate for your project.

**Applicants must submit an original and one (1) copy of the application, along with an electronic copy of the spreadsheet containing the budget worksheets.**

### **WHEN ARE APPLICATIONS DUE?**

Applications must be received at the ADOT by 5:00 p.m. Friday, December 7, 2012 to: Arizona Department of Transportation Multimodal Planning Division Attention: Section 5311 Program Manager 206 South 17th Avenue, Mail Drop 340 B Phoenix, Arizona 85007-3213
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## **PART III. PROGRAM DESCRIPTION**

### **A. OVERVIEW AND PURPOSE**

The Section 5311 grant program provides funding to support the **administrative**, **operating** and **capital** costs of operating public transit services in rural areas. Federal

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funds for the 5311 Program are apportioned to the States on a formula basis. States have the primary responsibility for administering the program. In Arizona, the Arizona Department of Transportation (ADOT), Multimodal Planning Division manages the Program. FTA defers most of the responsibility for developing grant program standards, funding criteria, and state management policies and procedures to the State in order to provide maximum flexibility to distribute funds based on the State's needs.

Funds may be used only to support public transit service in Non-Urbanized Areas, which are defined as under 50,000 in population (as defined by the U.S. Census). Grants are available on a competitive basis to address the mobility needs of the general public and 5311 Program services are expected to coordinate with human service transportation and other providers in their service areas.

Funds may be used for public transit services operating: a) within rural communities, b) among rural communities, and c) between rural communities and Urbanized Areas. Section 5311 funds cannot be used for public transit services that operate exclusively within an Urbanized Area, as those services are funded through another FTA program.

Nationally, it is recognized that many rural communities do not have access to an automobile and need transportation in order to access services, employment, and medical care. **ADOT is committed to assisting local communities in building effective transit services through a combination of technical support, training, and funding.** As part of that commitment, the ADOT Multimodal Planning Division strongly encourages coordination of services to facilitate the most efficient use of Federal, State and local resources. ADOT's goal is to support the development of a statewide multi-modal transportation system that is economically efficient and environmentally sound.

## B. APPLICANT/PROJECT ELIGIBILITY

### ELIGIBILITY CRITERIA

The following eligibility criteria should be considered before applying for Section 5311 Rural Transit Program funding.

**Public Bodies** - Eligible applicants for Rural Public Transit funds include local public bodies (e.g., counties and municipalities), State agencies, Tribal governments and related Tribal communities and private non-profit agencies.

**General Public Service** – 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 are a government entity (e.g. City, County, Tribe) and open their transit services to the general public (e.g., a city or county operated senior center or similar organization).

**Rural Service Area** – Section 5311-funded rural public transit operations must serve areas outside of "Urbanized Areas." The U.S. Census Bureau defines an "Urbanized Area" as an area with a central city of at least 50,000 population, and includes the surrounded closely settled area. Transit services which operate exclusively within Urbanized Areas are

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not eligible for Section 5311 funding.

**Planning** – Historically, successful applicants for Section 5311 funds have been involved in multi-modal transportation planning processes. ADOT now requires that projects in rural areas be included in a five-year transit plan covering their service areas. Applicants serving Non-Urbanized portions of metropolitan areas should contact their Metropolitan Planning Organization (MPO) for assistance. If you are unsure as to your status in terms of meeting planning requirements, please contact the ADOT Section 5311 Program Manager. In addition, new programs should have completed a feasibility study and have an operations plan.

**Coordination** - Section 5311 funds may be used in conjunction with, or to support, services provided under a variety of human service initiatives. Services funded under these initiatives potentially include a large group of economically disadvantaged clientele. Section 5311 Program applicants should work with local Department of Economic Security (DES) representatives to identify unmet transportation needs, investigate opportunities to coordinate service, and leverage funding opportunities available through these programs. Section 5311 Program participants are required to coordinate their services with other transportation providers in their areas, including potential purchase-of-service arrangements.

### SPECIAL PROJECT ELIGIBILITY

In addition to the typical Section 5311 eligibility criteria described above, there are two other options for potential grantees to consider prior to applying for funds; intercity bus projects and pilot projects.

**Intercity Bus Services** - A subsection of the overall 5311 program, Section 5311(f), requires states to spend 15% of their annual Section 5311 apportionment to address intercity bus service unmet needs. FTA defines intercity bus service as regularly scheduled bus service for the general public that operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.

**Pilot Projects** - Concern has been expressed by a number of providers, and other entities, that critical gaps now exist in transit service in their communities and between these locales and their proximate urban centers. Services impacted include critical-purpose trips such as those meeting medical, employment and nutrition needs. Therefore, ADOT will consider pilot projects that demonstrate the viability of transit services that address these needs. In order to increase the opportunity for early-phase success for a particular project, ADOT may elect to modify or waive certain performance and evaluation criteria for pilot projects.

Pilot project applications will be judged by the standard Section 5311 evaluation criteria and by how the following concerns are addressed in the planning process:

- Area wide scope of plans, documenting demand by user group and/or trip origins and destinations.
- Coordination of planning and articulation of demand among employers, businesses,

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social service agencies and user groups.

- Consolidation opportunities with social service transportation providers.

To request pilot projects status, local governmental agencies need to contact the ADOT Program Manager. ADOT will then schedule a meeting to review the proposal. Based on unmet transit needs and budget availability, ADOT may be able to assist applicants in developing necessary plans to support the funding request. Pilot projects must meet all requirements in the Section 5311 program for initial funding. Once beyond pilot status, the transit service must continue to be managed by a local governmental agency if funded by ADOT through the 5311 Program.

### **TRIBAL TRANSIT PROGRAM**

The FTA Tribal Transit funding program is a separate funding program that allows federally-recognized Tribes to receive funds directly from FTA. FTA makes the funds available directly through a separate application process with the FTA.

Recipients of Tribal Transit funds may use the funds for any purpose that is eligible under Section 5311, which includes planning, capital, and operating assistance for rural public transit services and support for rural intercity bus service.

Only Federally recognized tribes are eligible recipients for funds under the FTA Tribal Transit Program. However, tribes which are not Federally recognized are eligible for Section 5311 funds through ADOT.

Federally recognized tribes may elect to apply for funds from either ADOT for the Section 5311 program or from FTA for the Tribal Transit Program to provide public transit services, or both.

## **C. APPLICANT RESPONSIBILITIES**

Successful applicants for Rural Public Transit funding must meet Federal, State and local requirements. Seven key program elements are presented below. A full list of federal requirements is presented later in this Handbook.

### **Local Stakeholder Involvement – Transit Advisory Committee (TAC)**

Obtaining and sustaining community support is an important part of developing and growing an effective rural public transit system. Section 5311 program applicants are responsible for garnering support from a broad number of stakeholders – local governments, local businesses, the medical community, agencies serving seniors and people with disabilities, as well as others. A Transit Advisory Committee (TAC), made up of key stakeholders, is required. The TAC's role is to advise the grantee agency on the operation of the system. This includes ensuring that the service responds to changing local needs, commenting on service quality and effectiveness, soliciting community participation, helping the system achieve financial sustainability, and related issues. TAC members should be ambassadors for the transit program and serve as the Transit Manager's eyes and ears in the community.

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Besides the Transit Manager, the committee membership must include representation from the elderly, persons with disabilities community, local business, and other key stakeholders. Transit Managers are required to conduct meetings at least on a quarterly basis and submit minutes of the meetings to ADOT. Meeting topics should include, but not be limited to: fare structures, monthly passenger statistics, training requirements, procurement, staffing issues, route structure, and any other transit concerns.

A video entitled “Boards that Perform” is available on the ADOT training website

[www.azdot.gov/transit](http://www.azdot.gov/transit)

It is strongly encouraged that this be reviewed by new TACs and new members of TACs.

### Local Financial Support

Sustained local financial support is needed for effective transit systems. The Section 5311 program covers 52% of the subsidy needed to operate transit services, 80% of the cost of administering the service, and up to 80% of the cost of capital equipment (A higher ratio of Federal funds may be available for capital projects under certain conditions). Local financial support is needed to cover the balance of the expenses. More detailed information on local funding sources is located on page 23.

### Planning

All projects require early, coordinated and comprehensive planning and they should involve participation by a variety of stakeholders. Projects receiving FTA Section 5311 funds are no different. This comprehensive approach is strongly encouraged at the federal and state levels so that transportation investments are maximized to provide the most effective and efficient use of resources. ADOT’s Statewide and Rural Transit Planning program provides assistance to local entities for initial transit planning activities or plans for growing and changing transit systems.

**Five Year Transit Plans:** Five-year plans must have specific accountability elements and appropriate analysis to support accomplishment of goals established by the transit managers and stakeholders. For on-going projects, an updated copy of the implementation plan schedule/matrix, from the Five Year Transit Plan that includes your project, must be submitted with annual applications. The implementation plan schedule/matrix will include a detailed schedule of activities, steps to accomplish tasks, responsible persons and completion dates. New applicants must submit appropriate transit planning documents. Five-Year Plan elements are listed below.

<b>Five-Year Plan Elements</b>	
<b>Service Area Characteristics</b>	<ul style="list-style-type: none"><li>• Local activity centers</li><li>• Trip origin and destination data</li></ul>
<b>Service Design</b>	<ul style="list-style-type: none"><li>• Routes</li><li>• Modes</li><li>• Accessibility</li><li>• Performance Standards</li><li>• ADA Compliance</li></ul>

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<b>Coordination Opportunities</b>	<ul style="list-style-type: none"> <li>• Social service agencies</li> <li>• Other transportation providers</li> </ul>
<b>Cost/Revenue Factors and Forecasting</b>	<ul style="list-style-type: none"> <li>• Capital replacement costs</li> <li>• Potential efficiencies</li> <li>• Service change</li> <li>• Local government involvement</li> <li>• Financial involvement/support</li> </ul>
<b>Marketing Component</b>	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Surveys</li> <li>• Outreach</li> <li>• Economic development</li> </ul>
<b>Operational Monitoring</b>	<ul style="list-style-type: none"> <li>• Performance evaluation</li> <li>• User data</li> <li>• Maintenance planning</li> <li>• Civil Rights                             <ul style="list-style-type: none"> <li>○ Title VI</li> <li>○ EEO</li> <li>○ DBE Opportunities</li> </ul> </li> </ul>

**Coordination**

Coordination is a key to providing strong and effective transportation networks in communities. A comprehensive approach to planning and managing transit services will enable communities to identify how coordination would assist them in making the best use of their resources and strengthen their programs. The Multimodal Planning Division is continually strengthening its emphasis on coordination to reflect federal goals.

Participants in the Section 5311 Program are expected to actively work to coordinate services with other local providers. There are several transportation and social service programs to assist entities in meeting their community mobility needs. Many employment and social service programs also have transportation components, providing an incentive for communities to build coalitions of human service, business, and other stakeholders to develop a strong transit system. Together these programs and initiatives provide the communities with a variety of ways to meet mobility needs. Not all programs are appropriate for all communities or agencies. A review of mobility needs will help identify which programs are most appropriate in your community.

Effective communication among human service agencies and transportation providers is critical to the coordination of transportation services. In some cases those in need of service are unaware of the transportation resources that are available within their own communities. The establishment of service contracts and coordination activities should be an ongoing activity of providers using FTA funds. Assistance in establishing a coordinated system is available from ADOT and local COG and/or MPO planners.

The ADOT Multimodal Planning Division will continue to take a leadership role in coordinating transportation resources for employment services, for people with disabilities, and for seniors. As regulatory guidance on the new programs is available, the Multimodal



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Planning Division will work with Councils of Governments, Metropolitan Planning Organizations, municipalities, Indian Tribes, and local transit providers to implement these programs at a local level.

ADOT encourages active transit systems to work with their local Department of Labor Jobs Programs, Department of Health and Human Services, Arizona Department of Economic Security Temporary Assistance to Needy Families (TANF), and local Area Agencies on Aging to coordinate local and regional transportation activities.

***Regional Transportation Coordination Plans*** Per federal regulations, *Regional Transportation Coordination Plans* have been developed in each region of Arizona. Inclusion in a *Coordination Plan* is required for the FTA 5310 program and strongly encouraged for 5311 program participants. The rural COGs and the MPOs in Urbanized Areas are responsible for maintaining and updating *Transportation Coordination Plans* in each region.

Section 5311 funded programs are responsible for evaluating how well their current transit services meet the needs of transit-dependent individuals, including the clients of the various human services programs. The following should be among the activities included in developing coordinated services:

- Participating in coordinated human services/transportation planning processes;
- Evaluating unmet needs for additional transportation services for human service agency clients;
- Obtaining funding commitments from human service providers and existing transportation providers;
- Sharing responsibility for ensuring that human service agency clients can access transportation services;
- Assessing potential open-market mechanisms to give all providers an opportunity to participate and allow for cost comparisons so that purchasers-of-service arrangements can achieve the least expensive trip most appropriate to individual customer needs; and
- Flexibility in using available vehicles in the community, ensuring that the ability to transport individuals is not restricted by categorical claims to vehicles.

Specific activities or intended activities in coordination efforts must be identified in the application for Section 5311 funding. This includes:

- How you promote communication with human service programs in your community;
- How you have designed or modified services to better serve human service agency clientele;
- How you have accessed and leveraged funding from human service programs to support your local public transit service; and

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- The extent to which your area has coordinated transportation services to reduce or eliminate duplication of service and maximize use of available resources.

### **Public and Private Sector Involvement**

Section 5311 grantees must provide ways for active public involvement in the transit decision-making process. This is accomplished through your TAC, through public hearings, and other local government's citizen participation processes. Public hearings are required as part of the Section 5311 grant process.

As part of this process, private sector transportation providers must be notified of your intent to apply for Federal transit funding. They also must be given an opportunity to comment. The transportation network in rural Arizona includes both publicly funded and private for profit services. Most often, private carriers in Arizona serve intercity needs, provide tour services or operate local taxi services. Both public and private sector services are valuable components of a comprehensive passenger transportation network and private operators must be given an opportunity to participate in the development of public transportation services, to the extent feasible.

### **Safety**

A commitment to operating safe services is a fundamental component of rural transit. Effective driver training is one important element. Section 5311 agencies must have a driver training program.

There are a variety of resources available through ADOT (many are free) to assist you in developing a driver training program. Sara Allred is the ADOT staff person assigned to assist you in establishing your training program.

Contact Info: [sallred@azdot.gov](mailto:sallred@azdot.gov), Phone: 602-712-4498.

### **Reporting and Monitoring**

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. Some reports are required on a monthly basis and others quarterly or annually. ADOT also informally monitors progress being made toward service coordination and how well TACs are functioning. Further information regarding Contract Deliverables is provided in "Grantee Sub-Recipient Administrative Responsibilities" on page 31 of this Handbook.

## **D. PROJECT SELECTION PROCESS**

This section describes the project selection process for Section 5311 grants, including the evaluation criteria, the review process and the appeals process.

### **Project Evaluation Criteria**

ADOT's Multimodal Planning Division uses the same evaluation criteria for all projects.

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However, it is recognized that new systems may not be able to achieve the same service levels as systems that have been in place for several years. The ADOT Multimodal Planning Division expects new systems to begin with a firm foundation and to steadily improve over the first few years of operations.

The evaluation criteria address five specific areas: Appropriateness and Effectiveness of Service, Coordination, Financial and Managerial Capability, Local Commitment to Transit and Accessibility, and Safety and Training. Applicants from existing 5311 programs are evaluated based on current system performance, financial management, and contract deliverables. New applicants are evaluated on estimated performance and demonstrated financial management capability. The evaluation criteria are summarized below.

Criteria
<p><b>I. Financial and Management Capability</b></p> <p>Demonstrate effective management and administration skills. This includes all aspects of transit service operation, financial management, and compliance with Federal regulations.</p> <ul style="list-style-type: none"><li>• Qualifications and experience in fixed route transit or paratransit programs, as well as qualification and experience in grant administration, public service or governmental programs.</li><li>• Adequacy of management oversight and public involvement. What is the role and membership of the TAC? Do goals and objectives address current issues? Are objectives measurable and achievable?</li><li>• Adequacy of marketing plans and strategy. Do materials communicate effectively with all key market segments, including those who are elderly, have low incomes, or have disabilities?</li><li>• Adequacy of maintenance program and performance. Is routine preventive maintenance provided and documented? Are problems with vehicles, including accessibility equipment, addressed in a timely fashion?</li><li>• Past performance of ADOT contract activities. Are invoices submitted on a timely basis? Are all requirements met?</li><li>• Demonstrate compliance with applicable State and Federal requirements, including non-discrimination laws, statutes, and regulations. Assurance that persons employed and served by the agency are not discriminated against because of race, color, national origin, age, sex or disability.</li><li>• Compliance with hiring, terminating, and promoting in accordance with Equal Employment Opportunity and the Civil Rights Act.</li><li>• Past Civil Rights or Equal Employment Opportunity complaints and the outcome of such complaints. <b>Appropriateness and Effectiveness of</b></li></ul>
Criteria
<p><b>II. Coordination of Service</b></p> <p>Maximize the use of available resources through coordination and joint planning with all service area transportation providers and human service organizations.</p> <ul style="list-style-type: none"><li>• Level of coordination with city and county governments, regional councils of governments, transportation planning agencies and others. A coordination agreement is one way of illustrating the level of coordination.</li></ul>

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- Demonstration of actual or anticipated operating efficiencies, elimination of duplicative services and service extensions as the result of coordination.
- Demonstration of operating efficiencies produced should illustrate lower costs per unit of service.
- Demonstration of the level of involvement in coordinating public transit services, human service transportation, and employment transportation services.

**Criteria**

**III. Service**

Provide otherwise unavailable transit services that are appropriate to community needs and provided in an efficient manner.

- Type of service is suited to community characteristics and ridership levels.
- Service indicators
- Vehicle service miles and hours
- Ridership levels
- Passengers per mile and hour
- Service miles per vehicle
- Cost indicators (estimates for new applicants)
- Cost per mile and service hour
- Cost per passenger trip
- Monthly fare revenues
- Trip purpose and passengers served
- Appropriateness of the routes and schedules for targeted ridership
- Service to populations that are disadvantaged, such as those with low levels of auto ownership or those with high levels of people who are elderly or have disabilities.
- Number and types of local activity and employment centers served, including new developments.

**Criteria**

**IV. Local Commitment to Transit**

Receive financial assistance for local transit operations and seek involvement in planning and policy decisions by local governments and community groups.

- Financial support from local government, and local match available to meet or exceed requirements. Are adequate local matching funds available to replace vehicles in a timely manner? Local financial support includes LTAF II funding and/or other local funds.
- Resolution of support from governing body of applicant agency and (ideally) others.
- Participation in local transportation planning and policy decisions.
- Breadth of local financial base and success in working with local governments, other providers, and other sectors of the community (human service organizations, education, employment and training, private sector providers, the business community, etc.)

**Criteria**

**V. Accessibility, Safety & Training**

Provide service that is safe and recognizes the needs of persons with disabilities. Demonstrated competence in driver training and driver ability is required.

- Awareness of the trip needs of people with disabilities in the planning and marketing of the service.
- Accessibility of project vehicles and service. Are accessible features kept in good repair? Is there a back-up vehicle available when accessible vehicles need repair? Does the system comply with training and service provisions of the Americans with Disabilities Act?
- Provisions for efforts that assure a drug and alcohol free workplace.
- Compliance with State and Federal Substance Abuse Requirements.
- Provision of training for safety-sensitive and supervisory personnel.
- Relationship between your agency's risk management program and transit operations.
- Attendance at ADOT sponsored training sessions and conferences.

**Application Review Process**

ADOT has established a Review Panel that ranks applicants according to the evaluation criteria listed and submits its recommendations to ADOT staff, who then contacts applicants to discuss any issues that have been identified. ADOT's Multimodal Planning Division invites COGs and MPOs to review and comment on preliminary recommendations for each application in their planning areas. ADOT considers COG/MPO comments in making its final funding decision.

Based upon this application review process, ADOT determines a fair and equitable distribution of available FTA funding using the following criteria:

- **Program Maintenance** – Maintain investment in administration and operations at least at the previous year's level recognizing economic factors such as decreased state and local revenues, inflation and conservation.
- **Program Growth** – Capacity for individual program growth to meet local community needs as well as state program growth to ensure new program entry based upon the application review process.
- **Capital Investment** – Provide long term program capacity to meet annual variations in capital purchases without impacting administration and operations budgets.

The Section 5311 Program Managers approve the final funding amounts for each project. ADOT then notifies each agency of final rankings and anticipated funding. Actual grant awards, however, cannot be made until the Federal Transit Administration (FTA) approves the State's overall 5311 grant request.

## Appeal Process

All applicants are notified in writing of funding decisions made by ADOT. They are also given the opportunity to appeal those decisions. If filing an appeal, applicants must use the following process in order for the appeal to be considered valid.

- Letters of appeal must clearly identify the applicant, contact person, address, phone number, project description and grounds for appeal.
- Letters of appeal must be postmarked within ten business days of notification of award and mailed to the Section 5311 Program Manager, Arizona Department of Transportation, 206 S. 17 Avenue, Mail Drop 340 B, Phoenix, Arizona 85007-3213.

ADOT reviews all appeals and notifies applicants of the decision within ten business days. If the applicant is not satisfied with the 5311 Program Manager's response, a further appeal may be made to the Multimodal Planning Division Director. **This appeal must be submitted and postmarked within ten business days of the notice of the 5311 Program Manager's decision.** A copy of the additional appeal must be sent to the 5311 Program Manager. The Multimodal Planning Division Director will then provide a written response to the applicant within 30 days of receipt of the appeal to the Director's Office.

## E. LOCAL FUNDING SOURCES AND MATCH RATIOS

Local government financial support is a key element in developing and sustaining an effective transit program. All applicants must provide a formal letter of support or resolution from its elected council, as well as from each chief executive officer or elected council within its service area. The letters and/or resolutions must state that organizations position with respect to the project and the amount of any committed funding.

Applicants are strongly encouraged to provide the majority of their match from local government sources. It is critical that local governments involve the transit program as part of their local multi-modal transportation process, consistent with the directives set by the Federal Transit Act, as amended. Applications lacking significant local public financial support generally do not rank as high as those with a solid base of local funding.

### MATCH FUNDING RESOURCES

Typically, local match funding comes from the local sponsoring agency, usually a local government agency. Yet, there are a variety of other sources that 5311 recipients can use as match, although it should be noted that Local Transportation Assistance Funds II (LTAF II) was suspended indefinitely in 2010.

Federal funds that **cannot** be used as local match are other DOT program funds, including Section 5310, Section 5316 and Section 5317 funds. Federal funds that may be used include:

- Older Americans Act Title III
- Temporary Assistance to Needy Families (TANF)
- Indian Reservations Roads Program

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- STP Flexible Funds
- Community Services Block Grant Funds
- Medicaid Transportation Funds

Non-Federal local match can be in the form of contract revenue, derived as part of purchase-of-service agreements with human service agencies, **only if the funding source is local or state**. If the source is federal, the revenue will only be considered as local match **if allowed by the federal funding source**. It should be noted though, that funds derived from purchase-of-service agreements pursuant to service agreements with a state, local social service agency, or a private social service organization may be treated as **local** rather than Federal funds, **even though the original source of such funds may have been another Federal program**.

Other examples of non-Federal local match sources include:

- State or Local Appropriations;
- Dedicated Tax Revenues;
- Private and Non-Profit Donations
- Net Income Generated From Advertising and Concessions.
- University/School Contributions

Grantees may use non-cash shares such as donations, volunteered services, or in-kind contributions toward the local match only if the grantee formally documents the value of each non-cash share, and if this value represents a cost that would otherwise be eligible under the project. Use of non-cash match sources and documentation must be approved by ADOT.

Farebox revenues from service **cannot** be used as local match. Farebox revenue is only to be used to reduce the net operating expense of the program.

**LOCAL MATCH RATIOS**

The table below summarizes matching requirements for the different program elements. A definition of terms follows the table.

	<b>Maximum Federal Share</b>	<b>Minimum Local Share</b>
Project Administration	80%	20%
Project Operating*	50% - 58%	50% - 42%
Capital (Sliding Scale / STP Flex)*	80% - 93%	20% - 7%
Training	100%	0%

\*ADOT will determine ratio during budget award review

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### *Administration Expense Match Ratio - 80/20*

The federal share of Section 5311 administrative costs may not exceed 80% (See the definition of administrative costs on the previous page).

Certain forms of in-kind match (e.g., a volunteer bookkeeper) might be acceptable in lieu of cash. However, all in-kind match must be approved by ADOT, included in the contract, and thoroughly documented in the sub-recipient's accounting system.

### *Operating Expense Match Ratio - 58/42*

The federal share of Section 5311 net operating expenses may not exceed 58%. Half of the 42% local share must come from local funds. The other half may come from unrestricted funds from service agreements or other Federal funding programs, as described in the definitions section.

Certain forms of in-kind match (e.g., a volunteer driver) might be acceptable in lieu of cash. However, all in-kind match must be approved by ADOT, included in the contract, and thoroughly documented in the sub-recipient's accounting system.

### *Capital Expense Match Ratio - 80/20*

The entire local match for capital projects must be in cash. The Federal match share shall not exceed 80% of the net cost, unless the sliding scale match ratio is used. The Federal share may be 90% for vehicle-related equipment required to comply with the Americans with Disabilities Act (ADA), as amended or the Clean Air Act as amended. If STP Flex funds are awarded for capital projects, the match ratio may be 93% federal and 7% local funds. ADOT will determine the final match ratio for all capital projects, depending on the types of funds awarded, the number of applications, and the amount of funding requested.

### *FHWA Sliding Scale Match Ratio*

As authorized in federal SAFETEA-LU legislation, Arizona is eligible to utilize the sliding scale match ratio under Federal Highway Administration (FHWA) programs for Section 5311 operating projects and Section 5310/5311 capital projects. The sliding scale match allows states, such as Arizona, with large areas of public lands, to request an increased federal share for their eligible transit programs. The Multimodal Planning Division has the option to use a 93%/7% match ratio for capital projects and a 58%/42% match ratio for operating projects based on the match rates in Section 120(b)(2) of Title 23 and the Federal-State match ratio agreement between FHWA and ADOT. Use of the increased federal share will be determined by assessing state needs through applicant operating and capital funding requests and the forecast of new program starts compared to agencies moving from the 5311 program into the 5307 program.



## PART IV. PROGRAM ADMINISTRATION AND PROJECT MANAGEMENT

### A. GRANTEE CONTRACTS

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

Contracts are effective from October 1 to September 30 each year, consistent with the Federal fiscal year. Contracts must be signed and dated by the Arizona Secretary of State *before* October 1 of the contract year in order for grantees to be eligible for reimbursement of costs incurred *beginning* October 1. **ADOT Multimodal Planning Division will not assume financial obligation until the Arizona Secretary of State signs the agreement.**

Approved grantees are responsible for all expenses incurred prior to the date of the contract. No Federal funds will be available until the contract is signed by the Arizona Secretary of State. Agencies that use local funds to cover expenses before the contract is signed need to be aware that these funds will not count toward their local match requirements for federal funds available after the contract is signed. Per the contract, ADOT has the authority to re-distribute funds if the Secretary of State does not execute the contracts by December 30<sup>th</sup> of each year.

### B. ELIGIBLE PROJECT EXPENSE AND REVENUE CATEGORIES

**Operating Expenses** - Operating expenses are considered those costs directly related to system operations. At a minimum, the following items are considered to be operating expenses: fuel; oil; licenses; and salaries and fringe benefits for drivers, dispatchers and transit supervisor/operations manager.

**Operating Revenues** - Operating revenues are monies derived from the project which are returned to the operation of the project to offset operating costs. All fare box revenues paid by the riders (cash fares, fares from tickets, passes, etc.) are considered to be operating revenue and therefore cannot be used as local match.

**Net Operating Expense** - Net operating expense is the expense balance that remains after operating revenues including farebox are subtracted from eligible operating expenses.

**Fares** - Grantees are not required to charge a fare. Grantees may establish a fare based upon its local needs. ADOT does not have a specific farebox recovery requirement for the Section 5311 Program. Based on Section 5311 requirements the farebox and other operating revenue reduces the overall project operating costs eligible for Federal funding.

**Administration Expenses** - Eligible project administrative costs may include, but are not limited to general administrative expenses such as salaries and fringe benefits for the project director, transit manager and secretary; marketing expenses, insurance premiums or payments to a self-insurance reserve, office supplies, facilities and equipment rental and administering drug and alcohol testing.

The ADOT 5311 Program does not allow administrative costs to be more than 40 percent of the total federal administrative and operating budget.

**Capital Expenses** - Capital expenses include the acquisition and improvement of public transit equipment and facilities needed for an efficient public transit system. Capital expenses include buses, vans, radios and communication equipment, vehicle rehabilitation, wheelchair lifts and restraints, passenger shelters, engine overhauls and special maintenance tools, operational support such as computer hardware/software and minor construction or rehabilitation of transit facilities. Another category of capital expenses is transit related “intelligent transportation system” (ITS) equipment. Examples include vehicle locator systems, scheduling software, information kiosks, etc.). This latter category is subject to a case-by-case review by the ADOT Program Manager.

**Local Matching Funds** - Local matching funds are primarily cash contributions from local or state sources. The local share may include: state or local appropriations, dedicated tax revenues, private donations, or net income generated from advertising and concessions.

For administration and operating costs, certain forms of in-kind match (e.g., volunteer drivers) may be acceptable in lieu of cash. However, all in-kind match must be approved by the ADOT Program Manager, included in the contract, and thoroughly documented in the recipient’s accounting system.

**Indirect Costs** - Submit an approved Indirect Cost Plan if indirect costs will be billed for reimbursement. Cost Allocation Plans (CAPs) and/or Indirect Cost Rate Proposals must be approved by FTA or another Cognizant Federal agency.

ADOT will not reimburse indirect costs if a Cost Allocation Plan or an Indirect Cost Plan is not in place.

## C. EXPENSE REIMBURSEMENT

### Cost Reimbursement Basis

All payments made under the Rural Public Transit Program are on a cost reimbursement basis, up to the authorized amounts described in grantee contracts. All expenses incurred during the contract period must be paid in full by the contractor to be eligible for reimbursement by ADOT. Non-compliance with billing schedules could result in placing the agency in Category B, which is for second tier projects that may not be recommended for immediate or full funding.

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ADOT will not consider requests for prepayment of capital costs for rolling stock or other expensive items, no exceptions.

Billing Schedule and Payments

**Effective October 1, 2012 reimbursement requests must be submitted to [Transitinvoice@azdot.gov](mailto:Transitinvoice@azdot.gov). The request must include the invoice, budget spreadsheet and system generated documentation identifying invoiced request amounts.**

Receipts must be kept on file. At its option, ADOT may impose a 5 percent reduction of total Federal reimbursement per billing period for all billings or reports submitted more than 30 calendar days after the end of the monthly billing period.

Billings are due by the last Friday of the month following the month in which the expenditures were made. (Example: Billing for the month of June must be submitted by the last Friday in July.)

Final invoices must be submitted no more than 30 calendar days after the end of the final billing period, before becoming subject to late penalty. ADOT reimbursements of the total Federal operating expenses will be evaluated based upon approximate equal monthly allocations. Failure to comply with monthly billing submittals will result in ADOT contacting the grantee's finance director if not resolved within 30 days.

### **Negative Balances**

Reimbursement requests will not be accepted if negative balances are shown in the invoice line items. If a submission is made with a negative balance, the Management Analyst will reject the request and notify both the grantee and the 5311 Program Manager. A request for a budget adjustment is to be made prior to submission of any negative balances.

Budget adjustment requests can be made twice a year. The first request is to be submitted no later than April 15 and the second request no later than August 15. Any other budget adjustment requests will only be considered under emergency circumstances and must be approved by the 5311 Program Manager.

The 5311 Program Manager will approve or reject all budget transfer requests. If approved, the Management Analyst will update the budget line items per the request.

If necessary, grantees can request spreadsheet management training from the 5311 Program Manager.

## **D. PROJECT MANAGEMENT, MONITORING, AND REPORTING**

### **Roles and Responsibilities: ADOT**

In ADOT's role as the State agency administering the Section 5311 Program, ADOT receives an allocation of funds from FTA annually to not only support rural transit projects,

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but also to cover the administrative costs it incurs in managing the program. Those funds are used by ADOT to complete the following activities.

### **ADOT'S Administrative Activities**

- Providing program information, planning, and technical assistance for 5311 project development.
- Documenting State procedures in a State Management Plan (SMP), which addresses annual program announcement; grantee technical assistance: application review, evaluation and selection; forwarding of annual Programs of Projects to the FTA; certifying applicant and project eligibility; insuring subrecipient compliance with Federal requirements; project monitoring; and overseeing project audit and closeout.
- Integrating the 5311 Program with other ADOT administered FTA Programs including the Section 5310, Rural Transit Assistance Program (RTAP), and the Transportation Planning Programs (Sections 5303 and 5304 Statewide Transportation Planning Program and the Metropolitan Transportation Planning Program).
- Monitoring the progress of each project through audits and site visit reviews.
- Maintaining current knowledge of transit-related Federal regulations and initiatives, passing on this information to grantees, and assuring that grantees comply with all program requirements.

MPD oversight begins at the time of the application and contracting process, ensuring that all required information is submitted. Reviewing monthly reports, invoices, and other contract deliverables are other areas where ADOT monitors grantee performance. ADOT staff will participate in TAC meetings when possible and conduct on-site visits to observe the systems and to ensure 5311 Program compliance.

### **On-Site Visits**

ADOT, as the administrative agent for Federal funds, is required to monitor grantees on a regular basis. Comprehensive site visits are performed to review all elements of grant administration, as specified in the 5311 contract. These visits include a detailed review of receipts to verify reimbursement requests, ridership statistics, funding, transit service operation and service to the general public. Conducted at least every three years, they include the following oversight areas:

- Level and Quality of Transit Services
- Training Program
- Safety and Risk Management
- Procurement Procedures
- Review Invoices and Reports
- Financial Management
- Civil Rights Policy, Title VI/EEO Poster

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- Civil Rights Compliance (Title VI, DBE, LEP, EEO, ADA)
- Vehicle/Facilities Maintenance Plan
- Continuing Control of FTA Funded Vehicles/Facilities
- Charter/School Bus Service
- Compliance with all Federal Certificates and Assurances
- Any Additional Requirements of FTA or the State

ADOT also conducts vehicle inspections that are typically performed during on-site visits. ADOT may elect to perform a more comprehensive inspection of all vehicles or increase the frequency of inspections if there are indications that equipment is not being well maintained or operated in an unsafe manner. Inspections include all major vehicle components, maintenance records and insurance policies.

Drug and Alcohol, policy, procedures and testing programs are reviewed every two years in a separate site visit. Site visits will be more frequent if there are compliance issues.

### **Continuing Control of FTA Funded Facilities**

When facilities are acquired, built, or improved through Section 5311 funding, ADOT will ensure satisfactory continuing control of the capital facility through the annual site visit process. ADOT will ensure that there is no degradation or failure to maintain the federal investment, that facilities are available to the public, and that grantees comply with ADA and other federal requirements.

### **Financial Management Audits**

Each grantee is required to prepare an annual audit that complies with the Office of Management and Budget (OMB) A-133 Single Audit requirements. A copy of this must be submitted to ADOT Multimodal Planning Division.

The FTA requires ADOT to perform financial audits of this program. In any given year, ADOT's auditor may request to examine the financial records of sub-recipients. These actions are designed to ensure tighter budget-process control, asset inventory management and enhanced ADOT-FTA reporting capability.

### **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 grantees in preparing for FTA drug and alcohol audits, if needed.

### **Roles and Responsibilities: Grantee**

Grantees (ADOT grant sub-recipients) have the primary responsibility for managing their Section 5311 projects. This includes ensuring the transit service meets local needs, is safe, is operated effectively and efficiently, meets performance standards, is coordinated with other agencies, and is marketed to the public and to human service agencies. In

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addition, the service must be operated in compliance with Federal and State regulations. The grantee is also responsible for identifying areas where technical assistance may be needed in order to fulfill these requirements.

### **Grantee Sub-Recipient Administrative Responsibilities**

Provide ADOT with the following information:

**MONTHLY:** Reimbursement Requests and DBE Contracting Activities

**QUARTERLY:** TAC Minutes, Capital Milestones

**ANNUAL:** Complementary Paratransit Plan Updates, Single Audit Report, NTD Report, and Insurance Certificates.

**OTHER:** Proposed scheduling or fare changes, Accident reporting within 24 hrs, 5 Year Plan (as requested).

Grantees are expected to maintain records of ridership, service characteristics, maintenance activities, expenses, and revenues on a daily basis. The information grantees collect, monitor, and report is information that is needed to assess the performance of their transit services. This information is then tabulated for monthly and annual reports. Grantees submit these statistics monthly in reports accompanying their monthly invoice. The ADOT 5311 Program Manager will provide reporting formats for grantees to use.

In addition, transit managers have the primary responsibility for monitoring and reporting system performance on a daily, weekly, and monthly basis. **The ADOT standard spreadsheet will be the primary tool for reporting this data. The ADOT Program Manager must be notified as soon as possible of any variances in target data and/or approved budget.**

Transit managers need to ensure the following:

- Drivers are well trained and this training is reflected in how they carry out their jobs on both a daily basis and in emergency situations;
- Vehicles are safe, well maintained, and costs for maintenance are appropriate. Grantees must document routine maintenance: i.e., oil change, fluids, and tire condition. The vehicle must be maintained in accordance with the manufacturer's recommended maintenance standards;
- Transit service is provided at appropriate levels, meets the needs of the community, and is accessible; and
- Costs of operating services are reasonable and both revenues and expenses are in line with budget projections.

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This information is gathered through regular reviews of all aspects of system operation. This includes the collection and monitoring of data on ridership; service miles and hours; vehicle maintenance (both preventive and provided in response to breakdowns); pre-trip vehicle inspections; and revenue and expense records. It also includes driver-training records, employee evaluations and “ride checks” of drivers on the street; customer complaints and civil rights complaints; accident reports, and reports on Drug and Alcohol testing.

Grantees can request assistance from ADOT with any aspect of the 5311 Program by contacting the 5311 Program Manager. Also, a wide array of training and technical support services are available through ADOT’s FTA-funded Rural Technical Assistance Program (RTAP). Further information is provided about RTAP in the Training section.

### **In Good Standing**

It is the policy of the Multimodal Planning Division 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 5311 grantees are expected to maintain a “good standing” status to continue to receive grant funds.

The following is required to remain in good standing:

- Comply with all Intergovernmental Agreement Requirements;
- Responsiveness to communications and request for information from ADOT;
- Maintenance of adequate financial records that document and support all grant expenditures;
- Submission of quarterly progress reports and invoices that are accurate and timely;
- Full participation in site visits with timely responses to any deficiencies.
- Submission of reports to ADOT including audit documents, vehicle insurance certificate, quarterly TAC minutes, etc;
- Satisfactory progress of the grant funded project; and
- Timely reporting of accidents as required.

## **E. TRAINING**

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

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client training in terms of how to use the system.

Driver training is the single most important tool that transit management has available to improve a system's operational efficiency, image, and risk management. Vehicle operators are the first and often the only personal contact that passengers have with the transit system. Drivers should be familiar with the vehicles they operate, knowledgeable of the system fare structure, transfer procedures, fare collection, how to complete required forms, safety and security, emergency and accident handling procedures, how to interact with the elderly and persons with disabilities, CPR, first aid, and Passenger Assistance Service and Safety training (PASS).

**Expected Training Program**

Consistent with industry standards, ADOT expects, at a minimum, a transit program to address the following training topics and document staff participation:

<b>Training Program</b>	
Customer Service	Passenger Service & Safety (PASS) Training or START
Employees must be familiar with the transit system's Policies and Procedures.	First Aid and CPR training
Safety and Security	American with Disabilities Act (ADA), including service requirements.
Emergency Preparedness and Evacuation Planning	All employees must receive at least one hour of training on the effects and consequences of prohibited drug use; pre-employment and drug/alcohol Testing requirements.
Pre-employment drug test (employee cannot perform duties until test results are known).	Defensive driving training (all employees)
Vehicle Pre-trip Inspection training	Dispatchers, at least 24 hours On The Job (OJT) training.
Vehicle maintenance reporting procedures	
At least 24 hours of route introduction with experienced driver	

**Rural Transit Assistance Program (RTAP)**

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 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,



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networking meetings, conference attendance, and on-site technical assistance. ADOT provides a training budget for all approved Section 5311 projects funded at 100%. **Requests for training must be approved by the RTAP Coordinator prior to attendance and reimbursement for training expenses must be submitted within 10 days of training.**

Effective October 2010, the procedure for handling RTAP training funds has changed. You will no longer have a training line item in your spreadsheet. All training requests will follow the procedure outlined in the RTAP Policy and Procedures Handbook dated October 2010. The handbook is posted on the RTAP web page, [www.azdot.gov/transit](http://www.azdot.gov/transit).

The RTAP Program Coordinator is required to establish an RTAP advisory committee. Transit managers are encouraged to participate in the meetings that are scheduled on a quarterly basis. Committee members are asked to provide recommendations to improve the training program and identify training opportunities.

For additional information on program training requirements or to request training, contact the RTAP Training Coordinator at (602) 712-4498 or review the Arizona RTAP Policy and Procedures Handbook.

## F. PROCUREMENT

Grantees 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. Section 5311 applicants are required to follow Federal and State procurement requirements, as outlined in the **ADOT Multimodal Planning Division Capital Procurement Handbook prepared in February 2010**. The Handbook can be obtained on the ADOT web at:

[www.azdot.gov/Transitprograms](http://www.azdot.gov/Transitprograms)

Grantees are to follow FTA Third-Party Contracting Guidelines per FTA Order 4220.1F. The basic general procurement standards are:

- Procurements must conform with Federal, State and Local Law, whichever of the laws are more stringent;
- Grantees must have in place a contract administration system;
- Grantees must have written standards of conduct;
- Competition of projects must be full and open; and
- Grantees must have written protest procedures to handle and resolve disputes relating to procurements. In all instances, the grantee will disclose information regarding Section 5311 related protests to ADOT

All procurements must include DBE language and be submitted via <https://adot.dbesystem.com/frontend/welcome.asp> to obtain a goal, and be reported in the LPA system <https://arizonalpa.dbesystem.com> Vehicle procurements from vehicle manufacturers on the TVM list <http://www.fta.dot.gov/civilrights/12891.html> are exempt

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from ADOT DBE requirements

Most standard state and federal procurement regulations are incorporated in local government purchasing policies and procurement procedures. These policies and procedures, under the direction of a local finance departments and/or legal counsels, should be coordinated with the information in the Capital Procurement Handbook.

Regarding methods of solicitation: i.e.: Invitation for Bid (IFB) or Request for Proposal (RFP), ADOT allows grantees to use either the prescribed method identified by ADOT or a method established by your City, County, or Tribal government processes.

Sub-recipients are encouraged to utilize a “piggyback” procurement process. This process allows grantees to purchase vehicles through an existing open contract established by another agency. Through this process grantees can benefit from volume purchases and the reduction in administrative workload and expenses. Guidelines and requirements for piggybacking are included in the Capital Procurement Handbook.

Grantees must submit a copy of the vehicle or other capital specifications, TAC minutes approving procurement, Intergovernmental Procurement checklist, Piggybacking procurement checklist (if applicable), and copy of the contract from the piggybacking agency (if applicable) to the 5311 Program Manager for approval.

Grantees must obtain authorization from ADOT Program Manager for any vehicle purchase prior to submitting an order with vendor. Failure to receive prior approval may result in delay of reimbursement. Before ADOT can reimburse any purchase, all required documentation must be submitted. Checklists for the required documentation are provided in the Capital Procurement Handbook.

## G. VEHICLES

### Funding

ADOT will approve and provide reimbursement for the purchase of any suitable bus or van following prescribed procurement procedures. Any special equipment or options desired by the grantee, but not deemed essential by ADOT, will be paid 100% by the grantee.

### Leased Vehicles

ADOT has not historically participated in the leasing of vehicles for Section 5311 projects. Rural Public Transit Program funding is approved on an annual basis and leases are typically made for five years. ADOT cannot guarantee Rural Public Transit Program funding for additional program years or the life of a lease. Federal guidelines mandate that grant funds be expended in the most cost-effective fashion, which in most cases would be a direct purchase. For ADOT to consider participating in a vehicle lease, the applicant must demonstrate that the lease provides a cost efficiency (i.e. a lease incorporating both maintenance and insurance).

ADOT may also require a project requesting leasing to request bids for private operation of the system. ADOT will not participate in a lease which extends beyond the useful life of the vehicle based on average annual mileage.

### **ADOT Liens on Project Equipment, Vehicle Useful Life, and Disposition**

ADOT retains a first lien equal to 80% (or its share in the purchase price if other than 80%) of the fair market value on all capital equipment purchased with Rural Public Transit funds. Capital equipment is defined as equipment that has a unit value over \$1,000 and is expected to last one year or more. Vehicle liens will be retained according to the useful life standards listed below:

- 4 years or 100,000 miles for vans (up to 15 passengers);
- 5 years or 200,000 miles for mini buses (up to 30 passengers); and
- 7 years or 400,000 miles for buses (over 30 passengers or 30 ft. vehicles).

Grantees are expected to use equipment up to its useful life or the duration of their contract.

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

### **Liability Insurance**

All Section 5311 Program participants must maintain adequate property and liability insurance coverage.

The current minimum requirement for automobile liability insurance is based on vehicle size, and is as follows:

- Combined Single Limit (CSL) of \$5,000,000 for vehicles carrying nine (9) or more passengers
- Combined Single Limit (CSL) of \$2,000,000 for vehicles carrying less than nine (9) but more than four (4) passengers
- Combined Single Limit (CSL) of \$1,000,000 for vehicles carrying less than four (4) or passengers

Grantees must also maintain collision and comprehensive coverage for the full fair market value of each vehicle provided under this Program. The deductible for such coverage shall not exceed five thousand dollars (\$5,000).

Vehicles for which the State of Arizona or ADOT is listed on the title as vehicle owner or lien holder must also show the State of Arizona or ADOT as “loss payee.”

ADOT shall be an “additional insured” on all insurance policies required under this Program. Insurance policies shall be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions,

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universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Grantee, involving automobiles owned, leased, hired or borrowed by the Grantee.”

The Grantee's insurance coverage shall be primary insurance with respect to all other available sources.

Policies required under this Program shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees.

**Notice Of Cancellation:** Any changes material to compliance with the insurance coverage required under this Program shall require thirty (30) days written notice to ADOT. Such notice shall be sent directly to Multimodal Planning Division of the Arizona Department of Transportation (ADOT) and shall be sent by certified mail, return receipt requested.

**Acceptability Of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an “A.M. Best” rating of not less than A- VII. ADOT in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantees from potential insurer insolvency.

To comply with these requirements, Grantees are required to submit a copy of the insurance certificate yearly based on renewal date.

**Failure to show Proof of Insurance will result in the vehicle being placed out of service.**

### **Driver and Vehicle Licenses**

All Section 5311 grantees must use drivers that hold a current and valid Arizona Driver's License. The ADOT Motor Vehicle Division requires licensing in keeping with their Commercial Driver's License Program as follows:

#### **Vehicles under 16-passenger capacity including driver:**

- Class D (Operator's) License

#### **Vehicles 16 passenger and over:**

- Class B or C Commercial License with bus/school bus endorsement
- Class B or C Commercial License with bus/school bus endorsement ADOT encourages all agencies which have any 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 above license must be acquired.

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

## Accident Reporting

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. This would include:

- Any accident that involves a fatality
- Any accident where an individual receives medical treatment away from the scene or the rubber-tired vehicle is towed from the scene due to disabling damage.

Any accident must be reported within 24 hours. If the accident occurs on a weekend or holiday, a report must be filed on the next regularly scheduled workday. Documents to be provided include Police Reports, Agency and Rider Incident Reports, Vehicle Damage Estimates and any other pertinent information available or requested by the ADOT Program Manager.

## Incidental Use

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

# PART V. FEDERAL AND STATE REQUIREMENTS

As a Federal program, Federal legislation and a variety of Federal regulations form the foundation of how the Section 5311 program is operated.

In this section, the basic Federal and State requirements are summarized. In addition to reading the abbreviated summaries in this handbook, applicants are urged to review the relevant federal regulations, circulars and guidance. Links are provided at the end of this chapter.

In the application and contract documents, program applicants will see these fundamental regulations referenced in various sections. As you complete the application, it may be helpful to return to this section to get a broader understanding of each Federal or State requirement.

## A. FEDERAL GOVERNMENT OBLIGATIONS TO THIRD PARTIES

Grantees (sub-recipients) must agree that, without the Federal government's express written consent, the Federal government is not subject to any obligations or liabilities to any grantees, any third-party contractor, or any other person not a party to the Grant Agreement or Cooperative Agreement in connection with the performance of a funded project. Notwithstanding any concurrence provided by the Federal government in or approval of any solicitation, grantee, or third-party contract, the Federal government continues to have no obligation or liabilities to any party, including the grantee and third-party contractor.

## B. PRIVATE ENTERPRISE INVOLVEMENT

Applicants must ensure that private-for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of the project to the maximum extent feasible. This includes soliciting private companies' participation in their planning process and encouraging private companies to actively participate in the planning process.

ADOT encourages all applicants to fully utilize the resources and expertise of private providers such as taxicab companies, intercity bus operators and human service transportation systems, considering the capability of these firms to provide the needed service. Purchase of service agreements or contracts with private operators are an appropriate means of providing general public transportation service.

Applicants should review local regulations to ensure that private companies are treated fairly. This includes revising or encouraging adjustments in local regulations to permit private companies to operate the applicants' services more efficiently.

Applicants should periodically review their existing services to determine if private companies can provide parts of the service, or the entire service, more efficiently. Consider the total cost of providing transportation service when comparing public and private service proposals. The subsidies provided to public and private nonprofit transportation providers such as capital assistance grants, operating subsidies, and the use of public facilities should be reflected in the cost comparisons.

Finally, applicants must have a process in place to resolve disputes with private transportation providers.

Documentation such as letters of support, formal agreements or minutes of meetings will assist the application. The application must contain a list and description of all transportation providers in the service area including the days and hours of service, number of passengers, frequency of service, fare charged, and area served.

Requirements the applicant must meet related to private enterprise involvement are:

**Provide Reasonable Notice to Private Operators.** The applicant must provide reasonable notice to all transportation providers in the proposed service area to inform them of the project and ascertain whether the private providers could participate in the project. This is accomplished by publishing a public notice in a newspaper of general circulation and by writing letters to providers, as well as holding a public hearing. (See Public Involvement)

Send letters to each private provider describing the project and providing the notice of the public hearing. These letters must be sent via registered mail. The application must contain a copy of the notice of public hearing as published and a summary of the public hearing, together with copies of the letters sent, any exhibits and written statements submitted.

**Privatization Policy.** The applicant must submit a local privatization policy that includes a method of resolving disputes. New projects will write privatization policies as part of their

contract activities. ADOT will provide guidance to grantees with respect to this task, as needed.

### C. PUBLIC INVOLVEMENT

**All applicants for Rural Public Transit Program funds must hold a public hearing.** Public notices shall be published in the newspaper(s) having general circulation in the vicinity of the proposed undertaking. **Publish two notices of public hearings, one week apart.** Schedule the date of the hearing at least five days after the second notice is published. The notice of the public hearing must include the name of the applicant, the time, date, and place of the hearing, an adequate description of the project, including the area to be served by the proposed undertaking, items to be purchased, constructed, etc. The grant proposal must be made available for public inspection. Any public hearings should be held at a place and time generally convenient for persons affected by the proposed undertaking. The site must be accessible to the elderly and persons with disabilities. Provisions should be made at the hearing for submission of written statements, exhibits, and oral statements. Translators must be provided for non-English speaking persons at the hearing if requested. A written summary of the oral proceedings must be prepared. (See Notice of Public Hearing in Application.)

### D. 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, which may be affected by the project receiving such assistance. Applicants shall either: (1) execute the Special Warranty developed by the U.S. Departments of Labor and Transportation or (2) request and receive approval for waiver of the required protection from the Department of Labor.

Successful applicants must provide the labor protection information required (see attached sample Listing of Recipients Eligible Surface Public Transportation Providers and Labor Representation for 13(c) in application) by no later than August in order to ensure a fully executed contract by October 1. ADOT is required (annually) to certify to the Department of Labor that 5311 agencies are in compliance with terms and conditions of the Special Section 13(c) Warranty.

### E. AUDITS OF STATE AND LOCAL GOVERNMENTS

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;" resolving audit findings; and bringing problems to FTA's attention. FTA does not require an annual financial audit of a sub-recipient when assistance is provided solely in the form of capital equipment procured directly by the State.

If the amount of FTA funds granted to a particular sub-recipient does not trigger the

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requirement for an A-133 audit, the State may still request to review the total Federal funds received by an agency to determine if, in combination with their total Federal funds from all sources exceeds the \$500,000 threshold. At a minimum, ADOT requires sub-recipients to bring to the attention of the State any audit findings relevant to their use of FTA funds.

**The Single Audit Act provides that:** The audit shall cover the entire operations of the transit agency and departments that received Federal financial assistance during the year. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

An independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits shall conduct the audit.

### **The Auditor shall determine whether:**

- The financial statements of the agency present fairly its financial position and results of its financial operation in accordance with generally accepted accounting principles.
- The agency has internal accounting and other control systems to provide reasonable assurance that it is managing the Federal financial assistance program in compliance with applicable laws and regulations.
- The agency has complied with laws and regulations that may have material effect on its financial statements and on each major Federal assistance program.

Audits shall be submitted annually as part of the contract deliverables.

## **F. DISADVANTAGED BUSINESS ENTERPRISES (DBE)**

All of ADOT subrecipients are required to adopt the ADOT DBE Plan.

**Assurances:** The contractor, sub-recipients (including vehicle awardees) or subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requires of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the sub-recipient deems appropriate.

**The Objectives of the DBE Program are:** ADOT's policy is to ensure nondiscrimination in the award and administration of DOT-assisted contracts in its highway, transit and airport financial assistance programs. To achieve this, ADOT will strive:

- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- To ensure that the DBE program is narrowly tailored in accordance with applicable



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law;

- To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs;
- To help remove barriers to the participation of DBEs in DOT-assisted contracts; and
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Sub-recipients (grantees) of Rural Public Transit funds shall take affirmative steps to ensure that socially and economically disadvantaged business enterprises participate in the performance of contracts and subcontracts. This may be accomplished by way of actual transportation service providers, or as suppliers of commodities or services needed in the operation of transportation service.

Where the sub-recipient or subcontractor is found to have failed to exert sufficient reasonable and good faith efforts to involve DBEs in the work provided, ADOT may declare the sub-recipient or subcontractor in breach of contract, refer to 49 CFR pt. 26.

The ADOT Grant Administrator files semi-annual contracting activity reports to FTA. The subrecipients must submit all contract invoice activity through the Arizona Local Public Agency Contract Management System at <https://arizonalpa.dbesystem.com/> on a monthly basis or when invoicing occurs for that contract. If there are no contracts, the subrecipients should report to ADOT every six months that they have no contracts.

Changes in agency contact information must be provided to ADOT.

All applicants who receive preliminary approval for their project must notify ADOT Civil Rights Office and inform them of all proposed contracting and purchasing opportunities in the project, and request the Civil Rights Office assistance in locating and contracting with DBE's. All non-vehicle procurements must submit a goal request to the Civil Rights division. See <https://adot.dbesystem.com/frontend/welcom.asp> for the goal assessment information.

### **G. CIVIL RIGHTS REQUIREMENTS**

All sub-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 and Disadvantaged Business Enterprise (DBE) program requirements, pursuant to Executive Order 13166 and DOT policy guidance concerning recipient's responsibilities to Limited English Proficient (LEP) persons (FRAC 5010.1D pg. II.8). Sub-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.

Sub-recipients must ensure compliance with Title VI of the civil Rights Act of 1964. Title VI

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states that “no person in the United States shall be excluded from participation, denied the benefits of, or be subjected to discrimination in any Federally-funded program, policy or activity on the basis of race, color or national origin.

Sub-recipients Equal Employment Opportunity Programs (EEO) must ensure that recipients do not discriminate against any employees or applicants for employment because of race, color, religion, sex, disability, age or national origin. Such action must include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or advertising, layoff of termination, rates of pay or other forms of compensation; and selection for training. The sub-recipient also agrees to comply with any implementing requirements FTA may issue.

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

All non-vehicle procurements must submit a goal request to the Civil Rights division. See <https://adot.dbesystem.com/frontend/welcome.asp> for the goal assessment information.

**A new Civil Rights Certification will be introduced shortly. The Certification will be required as a condition of grant award. ADOT will work with all applicants to complete the certification.**

## H. FTA CHARTER REQUIREMENTS

**Exemptions** related to rural transit agencies that are not considered Charter Service include:

- Normal, year-round fixed-route services and demand-responsive transportation provided to individuals by any transit system (or contractor).
- Transportation services by any transit system (or contractor) transporting persons to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting transit oversight functions such as inspection, evaluation, or review.
- Transportation services by any transit system (or contractor) transporting persons for emergency preparedness planning and operations.
- Transportation services funded by and meeting the program purposes of JARC, New Freedom, or Special Needs Programs, as well as services funded by Non-urbanized Formula Program that serves the needs of human service agencies or specifically targets special needs of populations who are elderly, disabled or low income.
- Transportation services by any transit system (or contractor) provided for up to 45 days in direct response to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration. (Anything beyond 45 days is not exempt.)

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- Transportation services by a transit system (or contractor) from non-urbanized areas transporting individuals to or from transit training outside its geographic service area.

The revised **definition** of Charter Service is:

- Transportation provided at the request of a third party for exclusive use of a transit vehicle for a negotiated price. Possible indicators are:
  - A third party pays a negotiated price for the group;
  - Any fares to individual member of group charged are collected by a third party;
  - The service is not part of the transit system's regularly scheduled service or is offered only for a limited time; or
  - A third party determines the origin and destination of the trip as well as the scheduling.
  - Transportation provided for events or functions that occur on an irregular basis or for limited duration if:
    - The fare charged is more than the usual or customary fixed-route fare; or
    - A third party pays for any part of the cost.

**Six charter services are allowable** for FTA grantees. If these services are provided, they must be reported to ADOT on a quarterly basis:

1. Charters involving transportation of groups of government officials on official business, other than for purposes listed in exemptions. [Can include totally non-transit-related business].
  - a. Cannot generate revenue from the service, unless required by law.
  - b. Cannot exceed a total of 80 charter service hours/year.
2. Charters involving transportation of groups for human service organizations that either receives funding from one of the federal programs listed in the rule appendix or are registered on FTA's charter registration website.
3. Charters involving lease of FTA funded equipment and drivers to private charter operators registered on the FTA charter registration website.
  - a. Private charter operator must own vehicles.
  - b. Private charter operator must have service request which exceeds its capacity.
  - c. Private charter operator must have exhausted available vehicles from all other private charter operators registered through FTA website to do business in the area (unless they've filed a pending request that the other operator be removed from the FTA list).
  - d. Transit system must record and maintain specified information details for each such lease incident.
4. Any other charter, either at own transit system (or contractors) own initiative, or at the request of a third party, so long as transit system (or contractor) has provided notice of interest in providing the specific charter trip via FTA's charter registration website and received no response from a registered private charter operator within the specified timeframes [72 hours for

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trips with 30 days of notice or 14 days for trips more than 30 days from notice] indicating an interest in providing the service themselves. If registered private charter operator expresses interest, transit system cannot provide charter no matter whether private operator does so or not.

5. Charters performed directly by transit system (or contractor) based on charter agreement with all registered private charter operators.

- a. Agreements must be with all registered private charter operators, but if new one registers, have 90 days to get agreement.
- b. Any party can terminate agreement with 90-day notice.

6. Charters individually approved by the FTA Administrator. Petitions can be submitted for events of regional or national significance or hardship based on distance to registered private charter operator (under 200K pop. only) and unique or time-sensitive events that are in the public interest.

There are extensive opportunities to obtain Advisory Opinions, and Cease and Desist Orders, and other guidance from the FTA. Contact [ombudsman.charterservice@dot.gov](mailto:ombudsman.charterservice@dot.gov).

### I. INTERCITY BUS

FTA identifies intercity bus service as regularly scheduled bus service for the general public which operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, which has the capacity for transporting baggage carried by passengers. Package express service may be included, if incidental to passenger transportation. Commuter service (service designed primarily to provide daily work trips within the local commuting area) is excluded from the definition.

While much of the public transportation service provided under Section 5311 covers large distances because of the nature of the areas served, not all long distance trips are included in the definition of intercity service. Similarly, service that only stops at an intercity bus facility among other destinations within the city at either end of a route that covers a long distance, without regard to scheduled connections, is eligible for Section 5311 assistance as public transportation, but is not an intercity feeder service.

A public entity operating or contracting for intercity bus service is not required to provide complementary paratransit service for individuals with disabilities who are unable to use the fixed route intercity bus service.

Intercity bus service is a vital link between otherwise isolated rural communities and the rest of the nation. In recent years the major intercity carriers have abandoned many less productive routes. Patronage generated in rural areas, however, appears to be important to the continuing viability of the remaining intercity routes. One objective of the funding for intercity bus service under Section 5311, therefore, is to support meaningful connections between non-urbanized areas and scheduled intercity bus service in urban areas to more distant points. Intercity services accommodate baggage carried by passengers. Another objective is to support services to meet the intercity travel needs of residents in non-urbanized areas.

## **J SCHOOL BUS REQUIREMENTS**

Under FTA's school bus requirements, set out under 49 U.S.C. 5323(f) and 49 CFR Part 605, sub-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 excludes school bus service from such Federal assistance.

Section 605.3 of the regulation allows grantees to provide "tripper" service, which is mass transit service modified to accommodate the needs of school students and personnel. Buses used in tripper service must be clearly marked as open to the public. These buses may stop only at a grantee's regular service stop. All routes traveled by tripper buses must be within a grantee's regular route service as indicated in their published route schedules. The purpose of this provision is to ensure that buses acquired with Federal assistance are clearly perceived by the public as available for their use.

Please note: Agencies may work with schools for donations in exchange for students receiving transit passes. This is common with college and universities but there can be no exclusive service contract.

Moreover, Section 605.11 of the rule exempts a grantee from the prohibition on exclusive school bus operations if it engaged in school bus operations prior to August 1973 or if private operators are unable to provide adequate transportation. A request for such an exemption, with supporting documentation, should be sent to the FTA Administrator.

It should be noted that even if a grantee obtains an exemption to engage in school bus operations, the Federal transit laws do not permit support of such operations with FTA assistance. Thus, the grantee cannot use FTA funded buses in its school bus operations, or service or maintain them in a FTA funded facility.

## **K. FEDERAL MOTOR CARRIER SAFETY LICENSES**

All non-municipal operators are subject to Federal Motor Carrier Safety Regulations. Contact the Federal Highway Administration, Office of Motor Carriers, 234 North Central, Suite 330, Phoenix, AZ 85004, (602) 379-6851.

## **L. DRUG & ALCOHOL REQUIREMENTS**

The Drug-Free Workplace Policy is part of the Federal government's effort to eliminate the use of illegal and controlled substances from the workplace. This includes any substance that alters the senses or could affect one's ability to function in one's job.

### **ADOT AND FTA REQUIREMENTS**

ADOT has adopted a Drug & Alcohol-Free Workplace Policy. In addition to the Department, sub-recipients which receive FTA funds must comply with the regulations contained in 49 CFR Part 40, Procedures for Transportation Workplace Drug Testing

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Programs and 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

Safety sensitive functions are defined as those duties that include operation of revenue vehicles (whether or not in revenue service), operation of a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver's License, controlling the movement or dispatch of the vehicles, and maintenance of 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.

The Implementation Guidelines for Drug and Alcohol Regulations in Mass Transit updates the document revised in November 2003 (FTA-OH-26-001-94-1). The revised Implementation Guidelines summarize and interpret Part 655. The Implementation Guidelines and the Best Practices Manual, updated in 2008 are intended to be used together. The Implementation Guidelines communicates to readers the requirements and the Best Practices explain compliance. To obtain a copy of The Implementation Guidelines for Drug and Alcohol Regulations in Mass Transit, go to:  
[http://www.transit\\_safety.volpe.dot.gov](http://www.transit_safety.volpe.dot.gov)

### **GRANTEE REQUIREMENTS**

FTA requires each grantee to establish a policy that defines its Drug and Alcohol Testing Program and requires the entity's governing body to formally adopt the policy. An entity's governing body is the board of directors or highest-ranking officials. The person who is primarily responsible for implementing and managing the program usually guides development of the initial draft of the policy and presents it to the governing body for review and approval. It is generally useful to involve top management officials, union officials (if the employees are represented) and local legal counsel in reviews of the draft policy.

The policy must indicate proof of governing board adoption. Some entities include a header on their entire document that contains the policy number, adoption date, and appropriate signature. Other common methods include notating in the policy the date of the adoption and the ability to review the documentation upon request, a page documenting meeting minutes, or a formal adoption page complete with signatures. Another method is to include it as an appendix.

Although policies must be changed, readopted, and redistributed to reflect significant regulatory revisions, policy re-adoption is not necessary for minor regulatory changes. The same applies to minor changes in the policy statement such as the name of the entity's new Drug and Alcohol Program Manager, Medical Review Officer (MRO), Substance Abuse Professional (SAP), collection site, or testing laboratory. Such changes are often included in an appendix and described in a form distributed to safety-sensitive employees. The current revision date should also be indicated in the policy document.

### **Policy Statement**

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

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and for positive drug and alcohol results.

### **Employee 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.

Your application should contain a list of managers who completed supervisor training. The application package also includes Substance Abuse Program Implementation Checklist that must be completed by continuing project applicants.

### **Substance Abuse Testing Program**

Section 5311 recipients must be in compliance with the FTA Drug & Alcohol Testing Program. 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 and for alcohol. There are potentially six conditions which testing is mandatory:

Pre-employment and/or Pre-duty - Testing for drugs and the receipt of a negative test result is required prior to an employee performing in a safety sensitive position and before a current employee is transferred into a safety sensitive position. A pre-employment test is also required when a current employee who has not performed safety sensitive duties for more than 90 days **and** has been removed from the random pool, is brought back to work to perform safety sensitive duties.

Reasonable Cause - Testing is required when an employee in a safety sensitive function is observed by a trained supervisor to be exhibiting behavior indicative of drug or alcohol abuse. The decision to perform a “Reasonable Suspicion” test must be made based on specific contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odor of the safety-sensitive employee. Reasonable Cause testing for drugs may be done anytime a safety sensitive employee is on duty. Reasonable Cause testing for alcohol may only be done just prior to, during or immediately after an employee has performed a safety sensitive duty.

Post – Accident - Testing is mandatory when an incident meets the FTA thresholds defining an accident. The thresholds for performing a test are as follows: (1) Any safety sensitive employee, who is involved in an accident where there is a loss of life, must submit to drug and alcohol testing. Additionally, any safety sensitive employee not directly involved in the accident, but whose performance could have contributed to the accident as determined by the employer shall be tested.

(2) Whenever any individual involved in an accident is transported away from the scene for immediate medical treatment as a result of the accident. All safety-sensitive employees must be tested unless their behavior can be completely discounted as a contributing factor to the accident.

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(3) Whenever one or more vehicles incurs disabling damage as a result of the accident which requires the vehicle being towed away from the scene by a tow truck or other vehicle, testing is required (unless the employee's behavior can be completely discounted as a contributing factor).

**Random:** The random selection of employees is conducted in a scientific manner from a pool of safety sensitive employees ensuring that the employee has the same chance of being selected for testing every time there is a random selection done; The minimum random testing rate is set by the FTA and the testing must be spread over 12 months, in an unpredictable, unannounced manner. Testing must also be spread over all hours/days of operation. Testing must be performed immediately upon notification of the employee.

Should the agency choose to retain the employee who refuses to test or has a positive drug or alcohol test result, the following additional conditions require testing of the employees:

**Return-to-Duty -** Testing of the employee is required after a policy violation resulting in a positive drug or alcohol test or the refusal to test. If the employer wants to return the employee to safety sensitive duties the employee must be evaluated by a Substance Abuse Professional (SAP) and once the SAP recommends the employee is ready to return to duty a negative drug and/or alcohol test must be required by the employer.

**Follow-up-Testing -** Any employee who has tested positive on a drug test or .04 or greater on an alcohol test or refused to be tested, must be evaluated by a Substance Abuse Professional. Upon the completion of the return to duty testing requirement, the SAP will prescribe the number of unannounced tests in addition to the usual conditions of testing that must be performed. The tests must be a minimum of 6 within the first 12 months of returning to work and can continue up to 60 months.

### **Reporting Procedures**

Transportation operators must certify compliance and submit reports to ADOT on an annual basis as per 49 CFR Part 40. The reports shall be submitted on the appropriate form and shall consist of the requirements stated within the regulation which includes but is not limited to the number and results of drug and alcohol tests on the forms provided within the federal register or within the FTA implementation Guidelines. Failure to certify compliance or submit the required reports will result in the suspension of your system's eligibility for operating and capital funding.

### **Implementation in Arizona**

When you implement the drug and alcohol regulations, you will affect all aspects of your operation including boards or commissions, the employee, the personnel system, and sub contractors.

If you as the grantee subcontract services, you are responsible for ensuring that sub contractors are in compliance with the regulations that will require monitoring of their programs. In addition, you must also create new contractual relationships with appropriately qualified medical experts and certified drug testing laboratories and certified alcohol testing facilities, equipment and technicians. All Arizona Rural Public Transit



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projects will be required to comply with and participate in ADOT's drug and alcohol program.

For those sub-recipients without their own contracted testing programs, ADOT will assist the agency by supplying guidance.

### **M. APPLICANT CERTIFICATIONS AND ASSURANCES**

ADOT's Multimodal Planning Division is responsible for ensuring sub-recipient compliance with applicable Federal requirements. As part of the application and contract package, an updated set of assurances and certifications are provided to each sub-recipient.

The updated set of requirements is published annually in the Federal Register as the Fiscal Year Certification and Assurances for Federal Transit Administration Assistance Program. You can access this information through the ADOT Multimodal Planning Division website at: [www.azdot.gov/Transitprograms](http://www.azdot.gov/Transitprograms)

The ADOT Multimodal Planning Division maintains signed copies of these certifications and assurances to document that the sub-recipients agree to all requirements. In addition, the ADOT Multimodal Planning Division monitors compliance with these provisions as part of its overall management of the program.

### **N. NATIONAL TRANSIT DATABASE (NTD)**

The FTA requires each designated recipient 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. FTA requires each State DOT receiving funds under the Section 5311 program to submit an annual report for each Section 5311 transit agency. Each grantee must provide information on annual revenue, operations, and services provided. The reporting period is July 1<sup>st</sup> through June 30<sup>th</sup>.

### **O. SAFETY AND SECURITY**

As part of the Federal Transit Administration (FTA), eligible Section 5311 sub-recipients are required to comply with guidance contained in the Emergency preparedness, Response and Recovery requirements in the FTA Security Initiative. One of the requirements involves the completion of a Safety, Security and Emergency Preparedness Plan (SSEPP). ADOT-Section 5311 staff are committed to exploring coordinated approaches to assist grantees in implementing a disaster safety and emergency evacuation plan, with a focus on ensuring business continuity during emergencies and providing effective evacuation support.

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. ADOT has the responsibility to assure that written plans are prepared and implemented.

## **P. FEDERAL PROGRAM MANAGEMENT REFERENCES**

### **Section 5311 Circular**

[http://www.fta.dot.gov/documents/FTA\\_C\\_9040.1F.pdf](http://www.fta.dot.gov/documents/FTA_C_9040.1F.pdf)

### **FTA Circular 4220.1F Third Party Contracting Guidance**

[http://www.fta.dot.gov/documents/FTA\\_Circular\\_4220.1F.pdf](http://www.fta.dot.gov/documents/FTA_Circular_4220.1F.pdf)

### **FTA Best Practices Procurement Manual**

[http://www.fta.dot.gov/documents/BPPM\\_fulltext.pdf](http://www.fta.dot.gov/documents/BPPM_fulltext.pdf)

### **FTA Construction Project Management Handbook**

<http://www.fta.dot.gov/documents/FTA-CONSTRUCTION-PRJT-MGMT-HDBK2009.pdf>

### **FTA ITS Architecture Policy Guidance**

[http://ops.fhwa.dot.gov/its\\_arch\\_imp/policy\\_2.htm](http://ops.fhwa.dot.gov/its_arch_imp/policy_2.htm)

### **FTA Master Agreement**

<http://www.fta.dot.gov/documents/18-Master.pdf>