

# PUBLIC TRANSIT DIVISION

Mississippi Department of Transportation

Public Transit Division

May, 2017

## STATE MANAGEMENT PLAN *for* FEDERAL TRANSIT ADMINISTRATION FUNDED TRANSPORTATION PROGRAMS

### MISSISSIPPI DEPARTMENT OF TRANSPORTATION

May 2017

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## TABLE OF CONTENT

ACRONYMS .....	viii
INTRODUCTION .....	9
<p>The Buses and Bus Facilities program (49 U.S.C. 5339) makes Federal resources available to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles. Funds may be allocated to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation. 0.5% of MDOT’s 5339 allocation on Workforce Development activities.....</p>	
DEFINITIONS .....	12
CHAPTER I .....	25
PROGRAM GOALS AND OBJECTIVES.....	25
I-A    Federal Program Goals .....	25
I-B    State Policy and Goals .....	26
I-C    State Program Objectives .....	26
I-D    Background.....	28
I-E    References .....	28
36.    OMB Circular 2 CFR Parts 200 and 1201, Uniform Administrative Requirements.....	30
I-F    State Role in Program Administration.....	30
CHAPTER II .....	32
SECTION 5311 RURAL AREA FORMULA GRANTS.....	32
II-A    Section 5311 Projects - Eligible Recipients/Subrecipients .....	32
II-B    Eligible Service Areas .....	33
II-C    Eligible Assistance Categories.....	34
II-D    Federal and State Participation Ratios .....	38
II-E    Program Income .....	38
II-F    Project Revenue .....	39
II-G    Local Matching Share .....	39
II-H    Private Sector Participation.....	42
II-I    Project Selection Process.....	43
II-J    Section 5311 Selection Criteria and Guide for Ranking.....	43

CHAPTER III .....	48
JOB ACCESS AND REVERSE COMMUTE (JARC) PROGRAM - 5316 .....	48
III-A    General Program Information .....	48
III-B    Program Goal .....	49
III-C    Relationship to the Section 5311 Program.....	49
III-D    Coordination Provisions .....	50
III-E    Eligible Service Areas .....	50
III-F    JARC Projects – Eligible Recipients .....	50
III-G    Eligible Assistance Categories .....	51
III-H    Federal and State Participation Ratios .....	54
III-I    Cost Incurred Before Grant Approval .....	54
III-J    Program Income .....	54
III-K    Local Matching Share.....	55
III-L    Use of Other Federal Funds .....	55
III-M    Transfer of Funds .....	55
III-N    Private Sector Participation .....	56
III-O    Labor Protections.....	57
CHAPTER IV .....	58
SECTION 5310: ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES .....	58
IV-A    General .....	58
IV-B    Specific Objectives.....	58
IV-C    State Role in Program Administration.....	59
IV-D    Relationship of the Section 5310 Program to Section 5311 Program.....	60
IV-E    Apportionment and Transfer of Funds.....	60
IV-F    Eligible Applicants .....	60
IV-G    Eligible Service .....	61
IV-H    Eligible Assistance Categories.....	62
IV-I    Section 5310 Application Cycle .....	64
IV-K    Section 5310-5317 Project Selection Criteria.....	64
IV-L    Program Management .....	66
CHAPTER V .....	68
SECTION 5317 NEW FREEDOM.....	68

V-A	Program Goal.....	68
V-B	New Freedom Program Measures .....	68
V-C	State Role in Program Administration.....	68
V-D	Relationship to Section 5311 Program .....	69
V-E	Coordination Provisions .....	69
V-F	Eligible Service Areas .....	70
V-G	New Freedom – Eligible Recipients .....	70
V-H	Eligible Activities and Assistance Categories.....	70
V-I	Assistance Categories .....	71
V-J	Federal Matching Requirements .....	74
V-K	Program Income .....	74
V-L	Local Matching Share (5310/17) .....	74
CHAPTER VI.....		76
COORDINATION AND PLANNING .....		76
VI-A	Background.....	76
VI-B	The Interagency Transportation Committee (ITC) .....	76
VI-C	Subrecipient Advisory Committee.....	76
VI-D	Coordination in the Review and Monitoring Process.....	77
VI-E	The Statewide Coordinated Public Transit-Human Services Transportation Plan(SCHSTP) .....	77
VI-F	Local Regional Coordination Plans .....	78
VI-G	Regional Planning Groups.....	79
VI-H	Long Range Planning .....	79
VI-I	Other Planning Requirements .....	80
CHAPTER VII.....		81
APPLICATION AND PROJECT SELECTION .....		81
VII-A	Background.....	81
VII-B	Application Schedule and Procedures.....	81
VII-C	Application Procedures and Funding Criteria.....	81
CHAPTER VIII.....		86
DISTRIBUTION OF FUNDS .....		86
VIII-A	Background .....	86
VIII-B	Method of Distribution.....	86

VIII-C	Transfer of FTA Funds .....	88
CHAPTER IX .....		90
ANNUAL PROGRAM DEVELOPMENT AND PROJECT APPROVAL .....		90
IX-A	Background .....	90
IX-B	Notice of the Availability of Funds .....	91
IX-C	Application Development/Review Schedule .....	91
IX-D	Period of Performance .....	92
IX-E	FTA Approval/Project Authorization .....	92
CHAPTER X .....		94
PROGRAM MANAGEMENT / ADMINISTRATIVE REQUIREMENTS .....		94
X-A	Background .....	94
X-B	Financial Management .....	94
X-C	Project and Account Identification .....	95
X-D	Pre-Award Audit .....	96
X-E	Establishment of Project Accounts .....	96
X-F	Requests for Reimbursement .....	97
X-H	Other Payment Requests .....	100
X-I	Other Payment Processing .....	101
X-J	Budget Revisions .....	101
X-K	Project Budget Amendments .....	102
X-L	Grant Financial Management .....	103
X-M	Project Audit and Closeout Procedures .....	103
X-N	Year-End Review Procedure .....	105
X-O	Revisions to Program of Project .....	106
X-P	Grant Modifications .....	108
X-Q	Grant Close-Out .....	110
X-R	Reporting .....	111
X-S	Program Measures .....	112
CHAPTER XI .....		114
PROCUREMENT AND THIRD-PARTY CONTRACT MANAGEMENT .....		114
XI-A	Background .....	114
XI-B	State Procurement Options .....	116

XI-C	Local Procurement .....	118
XI-D	Purchase of Service Contracts .....	121
XI-E	Bid or Contract Protests and Appeals.....	122
XI-F	Property Management Standards .....	122
XI-G	Transfer of Property/Vehicles .....	126
XI-H	Pre-Award and Post-Delivery Audit.....	127
CHAPTER XII .....		128
INTERCITY BUS.....		128
I-A	Background.....	128
XII-B	Definition .....	128
XII-C	Fund Allocation.....	128
XII-D	Goals .....	128
XII-E	Management .....	129
XII-F	Eligible Activities.....	129
XII-G	Eligible Recipients.....	130
XII-H	Programming of Funds .....	130
XII-I	Project Selection.....	130
XII-J	Governor’s Certification .....	131
CHAPTER XIV.....		135
OTHER PROVISIONS APPLICABLE TO SELECTED FTA PROGRAMS .....		135
XIV-A	Background .....	135
XIV-B	Civil Rights.....	135
XIV-C	Specific Civil Rights Requirements .....	136
XIV-D	Disadvantaged Business Enterprises (DBE) .....	139
XIV-E	Environmental Protection and Clean Air Act .....	140
XIV-F	Labor Protection .....	143
XIV-G	Charter and School Bus Regulations.....	144
XIV-H	Buy America.....	145
XIV-I	Section 504/ADA Reporting .....	145
XIV-J	Alcohol and Drugs.....	146
CHAPTER XV.....		147
MONITORING AND EVALUATION .....		147

XV-A	Project Monitoring.....	147
XV-B	Evaluation Methodology.....	149
XV-C	Evaluation Monitoring Outcomes .....	149
CHAPTER XVI.....		151
TECHNICAL AND MANAGEMENT ASSISTANCE .....		151
XVI-A	Background.....	151
XVI-B	Technical and Management Assistance .....	151
XVI-D	RTAP Assistance and Implementation.....	152
XVI-E	Relationship of RTAP to Other Transportation Programs .....	153
XVI-F	RTAP Assistance.....	153
CHAPTER XVII.....		154
PRIVATE SECTOR PARTICIPATION.....		154
XVII-A	State Role .....	154
XVII-B	Local Contractor's Responsibilities .....	154
XVII-C	MDOT Complaint Procedures .....	156
CHAPTER XVIII.....		158
CONSTRUCTION OR RENOVATION OF FACILITIES .....		158
XVIII- A	Background .....	158
XVIII- B	Oversight .....	158
XVIII- C	Planning.....	158
XVIII-D	Land Acquisition.....	158
XVIII-E	Architectural/Engineering Services .....	159
XVIII-F	Facility Design .....	159
XVIII-G	Facility Construction .....	160
XVIII-I	Property Management .....	160
XVIII-J	Capital Construction Closeout Procedures .....	161

## ACRONYMS

ACH	Automated Clearing House
CMAQ	Congestion Management & Air Quality
DFA	Department of Finance & Administration
DBE	Disadvantage Business Enterprise
DOL	Department of Labor
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FMD	Financial Management Division
FSR	Financial Status Report
ITC	Interagency Transportation Committee
JARC	Job Access and Reverse Commute
IAD	Internal Audit Division
MPO	Metropolitan Planning Organization
MDOT	Mississippi Department of Transportation
MTAP	Multi-State Technical Assistance Program
NMA	National Model Agreement
NFP	New Freedom Program
PDD	Planning & Development District
POP	Program of Projects
PTD	Public Transit Division
RTAP	Rural Transit Assistance Program
SCHTP	Statewide Coordinated Public Transit-Human Services Transportation Plan
SIP	State Implementation Plan
SMP	State Management Plan
SOP	Standard Operating Procedures
STIP	Statewide Transportation Improvement Program
STP	Surface Transportation Program
TrAMS	Transit Award Management System
TIP	Transportation Improvement Program
VPR	Vehicle Programs Report



## INTRODUCTION

This up-dated State Management Plan (SMP) documents the policies and procedures used by the Mississippi Department of Transportation (MDOT) in administration of the following Federal Transit Administration (FTA) funded formula transportation programs: Rural Areas Formula Grant Program (Section 5311); Enhanced Mobility of Seniors and Individuals with Disabilities Program (formerly E)(Section 5310); New Freedom Program (Section 5317 repealed in Map-21) ; Job Access and Reverse Commute (Section 5316 repealed in Map-21); Bus and Bus Facilities Program (5339), the Rural Transit Assistance Program and certain capital grant programs. The SMP is intended to compile the state's program goals along with policies, and administrative procedures in a single reference document. This document **replaces all prior versions** of the MDOT's State Management Plan.

The primary purposes of this revised Plan are: to serve as an internal program guide for MDOT's state level administration of the various formula programs; to provide a basis for FTA's state level management review of the various programs; and to provide a mechanism for public information on MDOT's general administration of FTA funded programs. This State Management Plan was prepared to comply with the requirements of several updated and or recently released FTA Circulars. It has been developed to incorporate current guidance contained in Circular 9040.1 Rural Area Formula Program Guidance and Grant Application Instructions (Section 5311); Circular 9070.1 - The Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instruction (Section 5310); Circular 9045.1 New Freedom Program Guidance and Application Instructions (Section 5317) (repeled and consolidated as eligible activity into Section 5310); Circular 9050.1 Job Access and Reverse Commute ( Section 5316, repelled and eligible under Section 5311 and 5307); Circular 4220.1F Third Party Contracting; Circular: C 5100.1 Bus and Bus Facilities and Circular 5010.Grant Management Guidelines. Additional guidance provided by Circulars that are subsequently published by the FTA will, to the extent applicable, be incorporated into this SMP by reference. Except where specifically described by separate references, the policies and procedures as described herein may generally apply to all FTA Programs managed by the Public Transit Division (PTD).

The Mississippi Department of Transportation recognizes that each of the FTA funded transportation programs have distinct differences. However, MDOT also recognizes that there are parallels that make it desirable and practical to consider the planning, grant administration and project management associated with these programs in complementary and collaborative ways. Consequently, MDOT has attempted to develop parallel administrative procedures wherever practical. This approach seems to be most appropriate because the majority of the MDOT's Section 5311 and Section 5310 contractors are eligible for one or more of these formula programs. In fact, a number of the local sub-recipients have or currently receive financial assistance from more than one of these formula programs, as well as technical assistance and training from the Rural Transit Assistance Program.

In keeping with continuing coordination provisions of the Section 5310 FTA program requirements, the Department is committed to developing and supporting local and regional coordinated transportation systems. State-wide, MDOT has historically encouraged Section 5311 and Section 5310 projects to develop coordinated service delivery systems. Consequently, program management and administration policies have frequently coincided.

MDOT considers the Rural Transit Assistance Program (RTAP) as a resource to compliment the various formula programs included in this SMP. Therefore, we propose to continue to use RTAP funds for transit research, technical assistance, demonstration and/or special projects and training functions that may benefit public and specialized transportation systems primarily in non-urbanized areas. However to the extent practical the training, technical assistance, research and demonstration

projects or initiatives funded in whole or in part with these resources will be made available to small urban transit operators and primary stakeholders in the coordinated planning process.

The Governor of Mississippi, in accordance with 49 USC 5302 (a) (2); Section 5311(a), Section 5310 and Section 5311(h) of the Federal Transit Act, as amended, has designated the Mississippi Department of Transportation as the agency to receive and administer FTA funds. The Public Transit Division within the, Office of Intermodal Planning, is authorized by the Mississippi Transportation Commission to apply for, as well as manage FTA funded formula programs and administer FTA grants.

## **FIXING AMERICA’S SURFACE TRANSPORTATION (FAST) ACT**

Congress establishes the funding for FTA programs through authorizing legislation that amends Chapter 53 of Title 49 of the U.S. Code. On December 4, 2015, the Fixing America’s Surface Transportation (FAST) Act, reauthorizing surface transportation programs through Fiscal Year 2020 was approved. General provisions from this recent legislation will be referenced to the extent that circular guidance is available from the FTA. MDOT will apply all changes applicable to FAST as additional directives are made available.

### **Section 5311 Program Overview**

Section 5311 of the Federal Transit Act, as amended, authorizes the Secretary of Transportation to apportion funds to the Governor of each state for public transportation projects in non-urbanized areas. The funds, appropriated annually, are made available on a population-based formula and are to be used for projects included in a statewide Program of Projects. A Program of Projects is submitted annually to the FTA Regional Administrator for approval. The Program of Projects provides for fair and equitable distribution of funds within the state (including Indian reservations) and attempts to provide the maximum feasible coordination with transportation services assisted by other federal sources.

Program funds may be used for planning, capital, operating, job access and reverse commute projects, and the acquisition of public transportation services. Eligible recipients include state agencies, local public bodies, non-profit organizations, Indian tribes and other operators of public transportation services, including intercity bus operators that receives funds indirectly through a recipient. The state may use up to 10 percent of its Section 5311 program funds to administer the program and provide technical assistance to subrecipients.

MAP-21 amended the name of the section 5311 program from the “Formula Grants for Other Than Urbanized Area Program” to the “Formula Grants for Rural Areas Program” Activities eligible under the former Job Access and Reverse Commute (JARC) program, which, provided services to low-income individuals to access jobs, are now eligible under the Rural Area Formula program. In addition, the formula now includes the number of low-income individuals as a factor. There is no floor or ceiling on the amount of funds that can be spent on JARC activities.

**Section 5311(c)(2) Appalachian Development Public Transportation Assistance Program** The program authorizes the MDOT to carry out a public transportation assistance program in the Appalachian region for any purposes eligible under Section 5311 guidelines and in accordance with section 9.5(b) of the Appalachian Regional Commission Code. Consistent with the objectives of the Section 5311 program, funds should enhance access to health care, shopping, education, employment, public services, and recreation. A service area must be located in the Appalachian region to be eligible for funds.

**Section 5311(F)** The MDOT must spend at least 15 percent of its Section 5311 apportionment to develop and support intercity bus transportation, unless after consultation with affected intercity bus service providers it is determined that the intercity bus service needs of the state are met adequately. One objective of the funding for intercity bus service under Section 5311, therefore, is to support the connection between rural areas and the larger regional or national system of intercity bus service. Another objective is to support services to meet the intercity travel needs of residents in rural areas. A third objective is to support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities. Intercity bus projects that includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, the local match “may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f).

### **Section 5310 Program Overview**

Section 5310 of the Federal Transit Act, as amended declares it to be national policy that elderly and Person/Individual with Disabilities have the same right as other persons to utilize public transportation facilities and services. This program supports transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas – large urbanized (over 200,000), small urbanized (50,000-200,000), and rural (under 50,000). Eligible projects include both traditional capital investment and nontraditional investment beyond the Americans with Disabilities Act (ADA) complementary paratransit services. It allows the MDOT to make grants to private non-profit organizations for the specific purpose of meeting the special needs of elderly and persons with disabilities for whom public transportation services are unavailable, insufficient or inappropriate.

Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan; and the competitive selection process, which was required under the former New Freedom program, is now optional.

At least 55 percent of program funds must be spent on the types of capital projects eligible under the former section 5310 -- public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. The remaining 45 percent may be used for: public transportation projects that exceed the requirements of the ADA; public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit; or, alternatives to public transportation that assist seniors and individuals with disabilities. Using these funds for operating expenses requires a 50 percent local match while using these funds for capital expenses (including acquisition of public transportation services) requires a 20 percent local match.

### **New Freedom Program Overview**

The New Freedom Program is authorized under the provisions set forth in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA-LU), enacted on August 10, 2005, as codified at 49 U.S.C. 5317. The Secretary may make grants to recipients for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 12101 et seq.), that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services. New Freedom Program funds are available for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act of 1990 (ADA) and new public transportation alternatives beyond those required by the ADA.

**PROGRAM GOAL.** The New Freedom formula grant program aims to provide additional tools to overcome existing barriers facing Americans with disabilities who are seeking integration into the work force and full participation in society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. The New Freedom formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990.

*MAP-21 repeals Section 5317 and consolidates all eligible activities with Section 5310 into a single formula program named “Enhanced Mobility of Seniors and Individuals with Disabilities.”*

### **JARC Program Overview**

The JARC program was authorized under the provisions set forth in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA–LU), enacted on August 10, 2005, as codified at 49 U.S.C. 5316. These provisions authorize the Secretary to make grants to recipients for access to jobs and reverse commute projects carried out by the recipient or a sub-recipient.

Funds from the JARC program were available for capital, planning, and operating expenses that support the development and maintenance of transportation services designed to transport low-income individuals to and from jobs and activities related to their employment and to support reverse commute projects. Therefore eligible projects may include, but are not limited to capital, planning, and operating assistance.

*MAP-21 repeals JARC and incorporates all JARC activities as eligible activities under Section 5311(Rural Area Formula Grant).*

### **Rural Transit Assistance Program (RTAP) Overview**

The Rural Transit Assistance Program (RTAP) is intended to be a broad and flexible program of training, technical assistance, research and other support services for non-urbanized transportation providers. It provides a source of funding to assist in the design and implementation of training and technical assistance programs and other support services tailored to meet the specific needs of transit operators in non-urbanized areas. The program has two components. A state program provides an annual allocation to the states to develop and implement training and technical assistance activities in conjunction with their administration of the Section 5311 assistance program. A national program element also develops information and materials for use by local operators and state administering agencies.

### **5339 Bus and Bus Facilities Program Overview**

**The Buses and Bus Facilities program (49 U.S.C. 5339) makes Federal resources available to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles. Funds may be allocated to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation. 0.5% of MDOT’s 5339 allocation on Workforce Development activities.**

## **DEFINITIONS**

1. All definitions in 49 U.S.C. 5302(a) apply to this Management Plan as well as the following definitions taken from FTA Circular 9040.1.
  - a. Appalachian Region: The term “Appalachian Region” has the same meaning as in title 40 U.S.C. 14102. Appalachian Region “ means an area of the eastern United States consisting of several counties from the following states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia.
  - b. Chief Executive Officer of a State means the Governor of any of the 50 States or Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the U.S. Virgin Islands, the Mayor of the District of Columbia, or his/her designee.
  - c. Consultation means one party confers with another identified party in accordance with an established process and, before taking action(s), considers that party’s views and periodically informs that party about action(s) taken.
  - d. Federally Recognized Indian Tribal Government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community, (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, (43 U.S.C. 1601 et seq.) certified by the Secretary of the Interior as eligible for the special programs and service provided through the Bureau of Indian Affairs.
  - e. Intercity Bus Service means 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.
  - f. Local Governmental Authority includes (A) a political subdivision of a State; (B) an authority of at least one State or political subdivision of a State; (C) an Indian tribe; or (D) a public corporation, board, or commission established under the laws of a State.
  - g. Mobility Management consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation-service providers carried out by a recipient or sub-recipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53. Mobility management does not include operating public transportation services.
  - h. Other than Urbanized (Nonurbanized) Area means any area outside of an urbanized area. The term “nonurbanized area” includes rural areas and urban areas under 50,000 in population not included in an urbanized area.
  - i. Pre-Award Authority means authority given under specific and limited circumstances to incur costs for eligible projects before a grant is made without prejudice to possible Federal participation in the cost of the projects(s). Applicants must comply with all Federal requirements. Failure to do so will render a project or costs ineligible for FTA financial assistance.
  - j. Program of Projects: A list of projects to be funded in a grant application submitted to FTA by a State. The program of projects lists the sub-recipients and indicates whether they are private non-profit agencies, public bodies, or private providers of transportation service, designates the areas served (including Congressional Districts), and identifies any tribal entities. The program of projects also identifies intercity bus and RTAP



- projects. In addition, the program of projects includes a brief description of the projects, total project cost and Federal share for each project, and the amount of funds used for program administration.
- k. Public Transportation means surface transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus transportation or intercity passenger rail transportation provided by AMTRAK.
  - l. Recipient means a State or Indian tribe that receives a Federal transit program grant directly from the Federal Government.
  - m. Rural Area means an area with low population and density outside the boundaries of an urban area. However, the term rural is commonly used to refer to all areas other than urbanized areas and is so used in this circular; populations under 50,000.
  - n. Small Urbanized Areas as used in the context of FTA formula grant programs, are UZAs with a population of at least 50,000 but less than 200,000.
  - o. Sub-recipient means a State or local governmental authority, a non-profit organization, or operator of public transportation or intercity bus service that receives Federal transit program grant funds indirectly through a recipient.
  - p. Takedown means an amount or percentage subtracted from the total dollar amount appropriated for a Federal program before other apportionment or allocation of the funds.
  - q. Urban Area means an area that includes a municipality or other built-up place that the Secretary, after considering local patterns and trends of urban growth, decides is appropriate for a local public transportation system to serve individuals in a locality.
  - r. Urbanized Area means an area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “urbanized area” by the Secretary of Commerce. Small urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of at least 50,000 but less than 200,000.
2. All definitions in 49 U.S.C. 5302(a) apply to this Plan, as well as the following definitions from FTA Circular 9050.1:
- a. Access to Jobs Project: Refers to a project relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment.
  - b. Chief Executive Officer of a State: See “Chief Executive Officer of a State” in (1) from FTA Circular 9040.1.
  - c. Competitive Selection Process: A process to choose which projects will be funded. The process is conducted by the designated recipient of FTA funds in cooperation with the appropriate metropolitan planning organization (MPO) in urbanized areas over 200,000 in population, or the State in areas under 200,000 in population. The projects selected must be derived from a Locally Developed, Coordinated Public Transit-Human Services Transportation Plan.
  - d. Coordinated Plan: See “Locally Developed, Coordinated Public Transit-Human Services Transportation Plan”
  - e. Designated Recipient: See “Recipient”

- f. Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310): FTA formula program for public transportation capital projects planned, designed, and carried out to meet the special needs of elderly individuals and individuals with disabilities. 49 U.S.C. 5310.
- g. Eligible Low-income Individual: Refers to an individual whose family income is at or below 150 percent of the poverty line (as that term is defined in Section 673(2) of the Community Services Block Grant Act {42 U.S.C 9902(2)}), including any revision required by that section) for a family of the size involved.
- h. Human Service Transportation: Transportation services provided by or on behalf of a human service agency to provide access to agency services and/or to meet the basic, day-to-day mobility needs of transportation-disadvantaged populations, especially individuals with disabilities, older adults, and people with low incomes.
- i. Individual With a Disability: The term “individual with a disability” means an individual who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use effectively, without special facilities, planning, or design, public transportation service or a public transportation facility. 49 U.S.C. 5302(a)(5).
- j. Locally Developed, Coordinated Public Transit-Human Services Transportation Plan: A plan that identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation.
- k. Mobility Management: Consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation-service providers carried out by a recipient or sub-recipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53 (other than Section 5309). Mobility management does not include operating public transportation services.
- l. New Freedom Program: FTA formula grant program for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services. 49 U.S.C. 5317.
- m. Non-profit Organization: A corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. 501(c) which is exempt from taxation under 26 U.S.C. 501(a) or one which has been determined under State law to be non-profit and for which the designated State agency has received documentation certifying the status of the non-profit organization.
- n. Other than Urbanized (Nonurbanized) Area: Any area outside of an urbanized area. The term “nonurbanized area” includes rural areas and urban areas under 50,000 in population not included in an urbanized area.
- o. Program of Projects: A list of projects to be funded in a grant application submitted to FTA by a designated recipient. The program of projects (POP) lists the sub-recipients and indicates whether they are private non-profit agencies, governmental authorities, or private providers of transportation service, designates the areas served (including rural areas), and identifies any tribal entities. In addition, the program of projects includes a

brief description of the projects, total project cost and Federal share for each project, and the amount of funds used for program administration from the 10 percent allowed.

- p. Recipient: In large urbanized areas over 200,000 in population, an entity designated, in accordance with the planning process under 49 U.S.C. 5303, 5304, and 5306, by the chief executive officer of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under the JARC program that is attributable to a transportation management area. In nonurbanized areas or small urban areas under 200,000 in population, the designated recipient is the State agency designated by the chief executive officer of a State to receive and apportion amounts under JARC that are attributable to the State for small urbanized and nonurbanized areas.
  - q. Reverse Commute Project: Refers to a public transportation project designed to transport residents of urbanized areas and other than urbanized areas to suburban employment opportunities.
  - r. Statewide Transportation Improvement Program (STIP): A statewide prioritized listing/program of federally funded transportation projects covering a period of four years that is consistent with the Long-Range Statewide Transportation Plan, Metropolitan Transportation Plans (MTPs), and Transportation Improvement Program (TIP), and required for projects to be eligible for funding under title 23 of the U.S. Code and 49 U.S.C. chapter 53.
  - s. Sub-recipient: Refers to a State or local governmental authority, non-profit organization, or operator of public transportation services that receives a grant under JARC indirectly through a recipient.
  - t. Urbanized Area: An area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “urbanized area” by the Secretary of Commerce. Small urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of at least 50,000 but less than 200,000.
  - u. Welfare Recipient: Refers to an individual who has received assistance under a State or tribal program funded under part A of Title IV of the Social Security Act at any time during the three-year period before the date on which the applicant applies for a grant under JARC.
3. All definitions in 49 U.S.C. 5302(a) applies to this Plan, as well as the following definitions from FTA circular 9045.1:
- a. Accessible Taxi: An accessible taxi is a vehicle that is used by a private provider of on-demand transportation service to the public that is regulated and licensed for such use by the municipality, county or other government entity. An accessible taxi is one which has the capacity to accommodate a passenger who uses a “common wheelchair” as defined under 49 CFR 37.3, at a minimum, while remaining in his/her personal mobility device inside the vehicle, and meets the same requirements for lifts, ramps and securement systems specified in 49 CFR part 38, subpart B.
  - b. Americans with Disabilities Act (ADA): Public Law 336 of the 101st Congress, enacted July 26, 1990 (42 U.S.C. 12101 et seq.). The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation.
  - v. Chief Executive Officer of a State: See “Chief Executive Officer of a State” in (1) from FTA Circular 9040.1.



- c. Competitive Selection Process: A process to choose which projects will be funded. The process is conducted by the designated recipient of FTA funds in cooperation with the appropriate metropolitan planning organization (MPO) in urbanized areas over 200,000 in population or the State in areas under 200,000 in population. The projects selected must be derived from a Locally Developed, Coordinated Public Transit-Human Services Transportation Plan.
- d. Coordinated Plan: See “Locally Developed Coordinated Public Transit-Human Services Transportation Plan.”
- e. Demand Responsive System: Any non-fixed route system of transporting individuals that requires advanced scheduling including services provided by public entities, non-profits, and private providers. An advance request for service is a key characteristic of demand responsive service.
- f. Designated Recipient: See “Recipient.”
- g. Elderly Individuals: Includes, at a minimum, all persons 65 years of age or older. Grantees are permitted to use a definition that extends eligibility for service to younger (e.g., 62 and older, 60 and over) persons.
- h. Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310): FTA formula program for public transportation capital projects planned, designed, and carried out to meet the special needs of elderly individuals and individuals with disabilities. 49 U.S.C. 5310.
- i. Fixed Route System: Public transportation service provided in vehicles operated along pre-determined routes according to a fixed schedule.
- j. Human Service Transportation: Transportation services provided by or on behalf of a human service agency to provide access to agency services and/or to meet the basic, day-to-day mobility needs of transportation-disadvantaged populations, especially individuals with disabilities, older adults, and people with low incomes.
- k. Individual With a Disability: An individual who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use effectively, without special facilities, planning, or design, public transportation service or a public transportation facility. 49 U.S.C. 5302(a) (5).
- l. Job Access and Reverse Commute Program (JARC): FTA formula grant program for projects relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for public transportation projects designed to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities. 49 U.S.C. 5316.
- m. Locally Developed, Coordinated Public Transit-Human Services Transportation Plan: A plan that identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation.
- n. Mobility Management: Consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or sub-recipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53 (other than

Section 5309). Mobility management does not include operating public transportation services.

- o. Non-profit Organization: See “Non-profit Organization” in (2) m from FTA Circular 9050.1
  - p. Older Adults: See “Elderly Individuals.”
  - q. Other than Urbanized (Nonurbanized) Area: Any area outside of an urbanized area. The term “nonurbanized area” includes rural areas and urban areas under 50,000 in population not included in an urbanized area.
  - r. Paratransit: Comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed route transportation systems.
  - s. Program of Projects: See “Program of Projects” in (2) from FTA Circular 9050.1
  - t. Recipient: In large urbanized areas over 200,000 in population, an entity designated, in accordance with the planning process under 49 U.S.C. 5303, 5304, and 5306, by the chief executive officer of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under the New Freedom Program that is attributable to a transportation management area. In nonurbanized areas or small urban areas under 200,000 in population, the designated recipient is the State agency designated by the chief executive officer of a State to receive and apportion amounts under New Freedom that are attributable to the State for small urbanized and nonurbanized areas.
  - u. Sub-recipient: Refers to a State or local governmental authority, non-profit organization, or operator of public transportation services that receive a grant under the New Freedom Program indirectly through a recipient.
  - v. Urbanized Area: An area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “urbanized area” by the Secretary of Commerce. Small urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of at least 50,000 but less than 200,000.
4. All definitions in 49 U.S.C. 5302(a) applies to this Plan, as well as in FTA Circular 9045.1 following definitions:
- a. Accessible Taxi: See “Accessible Taxi” in (3) from FTA circular 9045.1
  - b. Americans with Disabilities Act (ADA): See “ADA” under (3) from FTA circular 9045.1
  - w. Chief Executive Officer of a State: See “Chief Executive Officer of a State” in (1) from FTA Circular 9040.1.
  - c. Competitive Selection Process: See “Competitive Selection Process” in (3) from FTA circular 9045.1
  - d. Coordinated Plan: See “Locally Developed Coordinated Public Transit-Human Services Transportation Plan” in (3) n.
  - e. Demand Responsive System: See “Demand Responsive System” under (3) f
  - f. Designated Recipient: See “Recipient.”
  - g. Elderly Individuals: See Elderly individuals under (3) h
  - h. Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)
  - i. Fixed Route System: See “Fixed Route System” in (3) j

- j. Human Service Transportation: “See “Human Service Transportation” in (3)k.
- k. Individual With a Disability: See “Individual With a Disability” in (3) i
- l. Job Access and Reverse Commute Program (JARC): FTA formula grant program for projects relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for public transportation projects designed to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities. 49 U.S.C. 5316.
- m. Locally Developed, Coordinated Public Transit-Human Services Transportation Plan: See “Locally Developed Coordinated Public Transit-Human Services Transportation Plan” in (3) n.
- n. Mobility Management: Consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or subrecipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53 (other than Section 5309). Mobility management does not include operating public transportation services.
- o. Non-profit Organization: See “Non-profit Organization” in (2) m from FTA Circular 9050.1
- p. Older Adults: See “Elderly Individuals.”
- q. Other than Urbanized (Nonurbanized) Area: Any area outside of an urbanized area. The term “nonurbanized area” includes rural areas and urban areas under 50,000 in population not included in an urbanized area.
- r. Paratransit: Comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed route transportation systems.
- s. Program of Projects: See “Program of Projects” in (2) from FTA Circular 9050.1
- t. Recipient: In large urbanized areas over 200,000 in population, an entity designated, in accordance with the planning process under 49 U.S.C. 5303, 5304, and 5306, by the chief executive officer of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under the New Freedom Program that is attributable to a transportation management area. In nonurbanized areas or small urban areas under 200,000 in population, the designated recipient is the State agency designated by the chief executive officer of a State to receive and apportion amounts under New Freedom that are attributable to the State for small urbanized and nonurbanized areas.
- u. Sub-recipient: Refers to a State or local governmental authority, non-profit organization, or operator of public transportation services that receive a grant under the New Freedom Program indirectly through a recipient.
- v. Urbanized Area: An area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “urbanized area” by the Secretary of Commerce. Small urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of at least 50,000 but less than 200,000.

5. All definitions in 49 U.S.C. 5302(a) apply to this circular, as well as the following definitions taken from proposed Circular 5010.1:

- a. Accrual Basis of Accounting: The accounting method where income is recognized when earned instead of when received, and expenses are recognized when incurred instead of when paid.
- b. Administrative Amendment: A minor change in a Grant Agreement normally initiated by FTA to modify or clarify certain terms, conditions or provisions of a grant.
- c. Air Rights: The space located above, at, or below (subterranean) the surface of the ground, lying within a project's property limits.
- d. Brownfields: The Environmental Protection Agency (EPA) defines "Brownfields" (one type of contaminated property), as abandoned, idled, or under-used industrial and commercial land, often found in urban areas, where redevelopment is complicated by real or perceived hazardous contamination. These properties have lower levels of contamination than Superfund sites, but they are a health risk and economic detriment to the communities where they are located.
- e. Budget Revision: Any change within the scope of the original grant. A budget revision may be a transfer of funds within a project scope or between existing activity line items (ALIs) within an approved grant. It could also include the addition or deletion of an ALI.
- f. Capital Asset: Facilities or equipment with a useful life of at least one year, which are eligible for capital assistance.
- g. Capital Lease: Any transaction whereby the grantee acquires the right to use a capital asset without obtaining ownership.
- h. Concurrent Non-Project Activities: Also known as betterments, con-current no-project activities are improvements to the transit project desired by the grant recipient that are not part of the base functioning of the Federal transit project.
- i. Contingency Fleet: Inactive rolling stock reserved/retained for emergencies.
- j. Cost of Project Property: The purchase price of project property. This is the net invoice unit price, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the intended purpose. Other charges, such as the cost of inspection, installation, transportation, taxes, duty or protective in-transit insurance, should be treated in accordance with the grantee's regular accounting practices, as separate line items. The cost of items separately installed and removable from rolling stock, such as fare boxes and radios, is treated as a separate acquisition and not as part of the cost of the vehicle.
- k. Depreciation: Is the term most often used to indicate that personal property have declined in service potential. In the accounting world, depreciation is not so much a matter of valuation as it is a means of cost allocation.
- l. Discretionary Funding: Grant funds distributed at the discretion of the agency as distinct from formula funding.
- m. Equipment: An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000. Includes rolling stock and all other such property used in the provision of public transit service.
- n. Equipment Inventory: A physical inventory of project (non-real) property taken and results reconciled with the personal property records.

- o. Excess Property: Property which the grantee determines is no longer required for its needs or fulfillment of its responsibilities and has not met its useful life under an FTA assisted grant.
- p. Excess Real Property Inventory and Utilization Plan: The document which lists each real estate parcel acquired with participation of Federal funds that is no longer needed for approved FTA project purposes and which states how the grantee plans to use or dispose of the excess real property.
- q. Fleet Status Report: A report that identifies rolling stock to be replaced, retired, or disposed of and identifies both their mileage and age at the time of removal from service, and it discusses the proposed anticipated spare ratio. This differs from a Bus or Rail Fleet Management Plan which includes an inventory of all buses among other items, such as operating policies, peak vehicle requirements, maintenance and overhaul programs, system and service expansions, rolling stock procurements and related schedules and spare ratio justification.
- r. Force Account: The use of a grantee's own labor force to execute a capital grant project.
- s. Formula Funding: Grant funding allocated using factors that are specified in the law, or in administrative formula developed by FTA.
- t. Grant: An award of financial assistance, including Cooperative Agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. Used interchangeably with Grant Agreement.
- u. Grantee: An entity to which a grant is awarded directly by FTA to support a specific project in which FTA does not take an active role or retain substantial control, as set forth in 31 U.S.C. Section 6304. In this circular FTA uses the term grantee interchangeably with grant recipient and recipient.
- v. Grant Scope: The broad purpose or objectives of a grant. The scope of a grant may encompass one or more specific projects.
- w. Incidental Use of Project Property and Equipment: The authorized use of real property and equipment acquired with FTA funds for purposes other than provision of transit service. Such use must be compatible with the approved purposes of the project and not interfere with intended public transportation uses of project assets.
- x. Large Urbanized Area: Any urbanized area with a population of at least 200,000.
- y. Market Value: The most probable price which equipment or project property should bring in a competitive and open market.
- z. Master Agreement: The FTA official document containing substantially all FTA and other cross-cutting Federal requirements applicable to the FTA recipient and its project. The Master Agreement is generally revised annually. The Master Agreement is incorporated by reference and made part of each FTA grant, Cooperative Agreement, and amendment thereto.
- aa. NEPA: National Environmental Policy Act (NEPA), signed into law by President Nixon January 1, 1970, 42 USC Section 4321-4370d declared a national policy to safeguard the environment and created the Council on Environmental Quality in the Executive Office of the President. To implement the national environmental policy, NEPA requires that environmental factors be considered when Federal agencies make decisions and that a detailed statement of environmental impacts be prepared for all major Federal actions significantly affecting the quality of the human environment.

- bb. Net Present Value: The discounted monetized value of expected net benefits (i.e. benefits minus costs). It is calculated by assigning monetary values to benefits and costs, discounting future benefits and costs using an appropriate discount rate to obtain a present value, and subtracting the sum total of discounted costs from the sum total of discounted benefits.
- cc. Net Proceeds from the Sale of Project Equipment and Real Property: The amount realized from the sale of property no longer needed for transit purposes less the expense of any actual and reasonable selling and fixing-up expenses.
- dd. Overhaul: Systematic Replacement or upgrade of systems whose useful life are less than the useful life of entire vehicle.
- ee. Preventive Maintenance: Is defined as all maintenance costs related to vehicles and non-vehicles. For general guidance regarding eligible maintenance costs, the grantee should refer to the definition of “maintenance” in the most recent National Transit Database (NTD) reporting manual.
- ff. Program Income: Gross income received by the grantee or sub grantee directly generated by a grant supported activity, or earned only as a result of the Grant Agreement during the grant period (the time between the effective date of the grant and the ending date of the grant reflected in the final financial report).
- gg. Program of Projects: A list of projects to be funded in a grant application submitted to FTA by a designated recipient. The program of projects (POP) lists the sub-recipients and indicates whether they are private non-profit agencies, governmental authorities, or private providers of transportation service, designates the areas served (including rural areas), and identifies any tribal entities. In addition, the POP includes a brief description of the projects, total project cost, and Federal share for each project.
- hh. Projects: For the purposes of the FTA program, public transportation improvement activities funded under an executed grant.
- ii. Project Activity Line Item (ALI): The description and dollar amount contained in the budget for an approved grant activity associated within a particular scope approved as part of a grant. ALIs under each scope are informational and are used as tools for FTA and the grantee to manage the grant. Quantities of rolling stock and other project property, where applicable, must be recorded at the project ALI level. Revisions to ALI amounts are allowable as budget revisions.
- jj. Project Property: Includes equipment, real property, supplies, and rolling stock.
- kk. Project Scope: The broad purpose of a specific project within a grant. There may be multiple scopes identifying each of the different projects within a grant and each scope may contain a number of activities which represent the estimate of actions needed to complete the project. FTA reserves the right to consider other information in determining the “scope of the project” when that term is used for legal purposes. See the Master Agreement.
- ll. Public Transportation: Transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus transportation or intercity passenger rail transportation provided by AMTRAK. The terms “transit,” “mass transportation” and “public transportation” are used interchangeably in transit law.
- mm. Real Property: Land, including affixed land improvements, structures, and appurtenances. It does not include movable machinery and equipment.



- nn. Realty/Personality Report: A realty/personality report is a listing of items of real estate to be appraised and items of personality to be moved. Real estate is the land and anything permanently affixed to the land, such as buildings, fences, and those things attached to the buildings, which if removed, deface the structure or integrity of the building, such as plumbing, heating fixtures, etc. Personal property, on the other hand, is the right or interest in things of a temporary or moveable nature. State law varies on the definition of real property and personal property; therefore, the grantee should rely on their State law's definition of real property and personal property.
- oo. Rebuild: A recondition at the end of useful life to create additional useful life.
- pp. Recipient: An entity that receives funds from FTA, whether as a direct recipient or an indirect recipient. For purpose of this circular, FTA uses the term recipient interchangeably with the terms grant recipient and grantee.
- qq. Remaining Federal Interest for Dispositions Before the End of Useful Life: Is the amount calculated by multiplying the current fair market value or proceeds from sale by FTA's share of the equipment. Fair market value is the greater of the unamortized value of the remaining service life based on straight line depreciation of the original purchase price or the Federal share of the sales proceeds.
- rr. Remaining Federal Interest for Real Property: Federal interest is the greater of the fair market value of the property, or the straight line depreciated value of improvements plus land value.
- ss. Sales Proceeds: Sales Proceeds are the net proceeds generated by the disposition of excess real property or equipment that was purchased in whole or in part with FTA grant funds.
- tt. Sub recipient: A State or local government authority, nonprofit organization, or operator of public transportation services that receives a grant indirectly through a recipient.
- uu. Useful Life: The expected lifetime of project property, or the acceptable period of use in service. Useful life of revenue rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service. See Chapter IV of this circular; and the most recent versions of Circular 9030.1 and Circular 9300.1 Capital Program. Used interchangeably with "service life."
- vv. Shared Use: Those instances in which a project partner, separate from the transit agency or grantee, occupies part of a larger facility and pays for its prorated share of the construction, maintenance, and operation costs.
- ww. Straight Line Depreciation: Method that is considered as a function of time instead of a function of usage. This method is widely used in practice because of its simplicity. It basically assumes that the asset's economic usefulness is the same each.
- xx. Supplies: All tangible project property other than equipment with a unit value of less than \$5,000.
- yy. TrAMS: Web-based application use for administering and managing FTA grants most commonly referred to as "TrAMS." TrAMS stands for Transit Award Management System (TrAMS).
- zz. Transit Enhancements: Projects or project elements that are designed to enhance public transportation service or use and are physically and functionally related to transit facilities. Eligible enhancements include historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities; bus

- shelters; landscaping and other scenic beautification; public art, pedestrian access and walkways; bicycle access; transit connections to parks within the grantee's transit service area; signage; and enhanced access for persons with disabilities to public transportation.
- aaa. Uneconomical Remnant: A parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, and which the acquiring agency has determined has little or no value or utility to the owner.
- bbb. Unliquidated Obligations: Funding commitments that have been incurred, but for which outlays have not yet been recorded because goods and services have not been received. Unliquidated obligations should be accounted for on Line D of the Financial Status Report (FSR).
- ccc. Value Engineering: An analysis of the functions of a project, performed by qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety, and life cycle costs.



## CHAPTER I

### PROGRAM GOALS AND OBJECTIVES

#### I-A Federal Program Goals

1. The overall national goals of the Section 5311 program are: (1) to enhance access in rural areas to health care, shopping, education, employment, public services and recreation; (2) to assist in the maintenance, development, improvement and use of public transportation systems in rural and small urbanized areas; (3) to encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in rural areas through the coordination of programs and services; (4) to provide financial assistance to help carry out national goals related to mobility for all, including seniors, individuals with disabilities, and low-income individuals; (5) to increase the availability of transportation options through investments in intercity bus services; (6) to assist in the development and support of intercity bus transportation (7) to encourage mobility management, employment-related transportation alternatives, joint development practices, and transit –oriented development; and (4) to provide for the participation of private transportation providers in rural transportation services to the maximum extent feasible.
2. The goal of the Section 5310 program is to improve mobility for seniors and individuals with disabilities throughout the country, by removing barriers to transportation services and expanding the transportation mobility options available. Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas—urbanized, small urban, and rural. The program requires coordination of federally assisted programs and services in order to encourage the most efficient use of Federal resources and achieve the national goal of improved mobility for seniors and individuals with disabilities.
3. The goal of the New Freedom formula grant program is to provide additional tools to overcome existing barriers facing Americans with disabilities who are seeking integration into the work force and full participation in society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. This formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990.
4. The goals of the JARC program are to improve access to transportation services to employment and employment related activities for welfare recipients and low-income individuals; and to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities. Federal assistance is made available for transportation services planned, designed, and carried out to meet the transportation needs of eligible low-income individuals, and of reverse commuters regardless of income. The program requires coordination of Federally-assisted programs and services in order to make the most efficient use of Federal resources.
5. The goal of the 5339 Bus and Bus Facilities Program is to finance capital bus and bus-related projects that will support the continuation and expansion of public transportation services in the United States. Federal assistance is made available to assist eligible recipients in financing capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities.

## **I-B State Policy and Goals**

Coordination between the Mississippi Department of Transportation and other state agencies and stakeholders that have interests in public, human service and specialized transportation is necessary to provide the most efficient and effective transportation services available. State agencies involved in rural and specialized transportation have been encouraged by the MDOT to require that potential recipients of federal funds administered by each agency will address coordination or consolidation of public and human service programs. Elected Officials have been encouraged to assist in leveraging available federal funds by providing matching funds and in kind support for local transportation service providers. The overall goal is to effectively and efficiently serve a broad range of consumers, including the general public as well as to the extent practicable, serve persons or groups who are eligible for various specialized transportation assistance services.

As an additional statewide transportation goal, the MDOT is committed to providing sufficient transportation alternatives to allow all citizens, including the elderly, low income and those with disabilities, greater accessibility to employment and educational opportunities, social and recreational opportunities, and medical facilities. To accomplish these goals requires that MDOT's policies reflect: (1) support for the development of rural general public transportation services that are not restrictive or exclusionary, and (2) ensuring the equitable distribution of transportation services in rural areas and small urban communities. To achieve the overall goals, MDOT's policies and procedures will focus on the following:

1. Providing assistance to local areas in assessing the need for and development of public transportation services.
2. Encouraging the involvement of the private sector in the provision of transit services.
3. Coordinating transportation resources at the local, regional and state level.
4. Planning for and supporting the effective utilization of existing resources as well as new resources.
5. Implementing the transportation provisions of the Americans with Disabilities Act to the greatest extent practical, via public transit or coordinated transportation projects.

## **I-C State Program Objectives**

The following objectives have been established by MDOT as necessary to achieve the overall state goals:

**To encourage the provision of transportation services to the general public, it shall be the policy of MDOT to:**

- Provide financial support and technical assistance to local private (non-profit) and public transportation projects, recognizing that these projects may need planning, operations, administrative and capital assistance.
- Encourage the use of social service transportation projects to serve the general public on a fare-paying basis.

- Limit funding to agencies, entities, groups and /or organizations that do not provide services that are accessible to the general public.
- Require that federal and state funds, especially Section 5311 and JARC, are targeted to general public transportation services.

**To encourage the participation of private providers, it shall be the policy of MDOT to:**

- Promote cooperation and communication among MDOT's transportation contractors and the private sector for the purpose of affording the private sector the opportunity to participate in rural public transportation services, where practical.

**To better coordinate transportation functions throughout the state, it shall be the policy of MDOT to:**

- Examine the present policies of other state agencies to see what barriers exist to the coordination of transportation opportunities.
- Encourage the elimination, wherever possible, of all identified barriers to coordination by amending present policies and procedures, e.g. Aging programs, TANF, Head Start, Mental Health, Rehabilitation and Medicaid.
- Coordinate transportation opportunities at the state level, while encouraging and supporting the coordination of transportation resources at the federal and local level.
- Cooperate with all levels of government toward achieving more efficient and effective transportation projects and programs.
- Maintain the Interagency Transportation Committee (ITC) as an advisory body to assist (as needed) in the planning and evaluation of transportation programs, projects and plans.

**To achieve transportation program effectiveness and efficiency, it shall be the policy of MDOT to:**

- Support and utilize, wherever practical, existing transportation resources, public or private, before new resources are made available through public funds.
- Assure maximum utilization of existing transportation services and eliminate duplication to the greatest extent practical.
- Encourage state agencies to make every effort to give priority funding to those transportation programs or services that contain a local or regional transportation coordination mechanism and are included in an adopted local human services-public transit coordinated plan. Such a mechanism should be recognized by appropriate local public entities, e.g. city or county government, along with the required planning authority, such as the local Planning and Development District or the Metropolitan Planning Organization. The approved transportation coordination project/program that derive from the local collaboration efforts must integrate all available human services transportation, along with willing, able and cost-effective private providers.

- Apply as appropriate, planning and evaluation methodologies that are designed to view transportation resources as inter-related with factors that impact on economic development as well as overall quality of life issues.

**To encourage local-state-federal partnerships, it shall be the policy of MDOT to:**

- Promote cooperation among the different levels of government through the sharing of information about the MDOT's transportation programs.
- Provide local, regional and state agencies with technical, administrative or advisory assistance to plan, improve, implement or operate public transportation services.
- Develop, lead, participate and promote statewide, regional, and local coordination and planning efforts.

**Additional objectives:**

- Develop, implement and update plans as well as procedural documents to guide in planning, programming, budgeting, monitoring and evaluating public transportation systems and projects.
- Support the development of a coordinated intermodal transportation network.
- Provide the opportunity for affected citizens, users and providers to participate in the development of federally funded public transportation plans and programs.
- Make transportation resources available and accessible to the general public with emphasis on the economically disadvantaged, aged and disabled.
- Reduce the public's dependency on energy inefficient transportation modes through improvement and promotion of public transportation services.

## **I-D Background**

The Mississippi Department of Transportation was created by the Mississippi State Legislature in the Regular Session of 1992 by Senate Bill No. 2763. The purpose of this act was to "create a Mississippi Department of Transportation governed by elected Transportation Commissioners." Legislative action designated the Mississippi Department of Transportation as the state agency responsible for administering Federal Transit Administration (FTA) programs relating to rural and specialized public transportation. Additionally, the Governor of Mississippi, has designated the Mississippi Department of Transportation as the agency to receive and administer federal FTA program funds. The Transportation Commission has authorized the Public Transit Division to apply for and administer FTA grant funds.

On behalf of the MDOT, the Public Transportation Division, through the Office of Intermodal Planning, will seek to fulfill the mandated duties in the areas of FTA transportation program management and grant administration. By reference, the MDOT hereby incorporates the provisions of the previously identified FTA Circulars into this State Management Plan.

## **I-E References**

1. Federal Transit Laws, Title 49, United States Code, Chapter 53.

2. Safe, Accountable. Flexible, Efficient Transportation Equity Act: A Legacy for users (SAFETEA-LU)
3. Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) (Public Law 112-141)
4. Fixing America's Surface Transportation Program (FAST) ( 49 U.S.C. Section 3007)
5. FTA Circular 9040.1, "Nonurbanized Area Formula Program Guidance and Grant Application Instructions", dated April 1, 2007.
6. "Uniform Administrative Requirements for Grants and Agreements to State and Local Governments", 40 C.F.R. Part 18.
7. OMB Circular, A-133, "Audits of State and Local Governments and Non-Profit Organizations," June 27, 2003.
8. OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments", dated May 2004.
9. FTA Circular 4220.1, "Third Party Contracting Requirements", updated March 13, 2013.  
FTA Circular 4704.1, EEO Program Guidelines Requirements", dated.
10. "Americans with Disabilities Act of 1990", as amended.
11. Surface Transportation and Uniform Relocation Assistance Act of 1987 (Pub. L 100-17).
12. FTA Circular 9070.1, "The Elderly and Persons With Disabilities Program Guidance and Application Instructions" dated May 1, 2007.
13. FTA Circular 9070.1. "Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions" dated June 6, 2014.
14. U.S. Department of Transportation, "Participation by Disadvantaged Business Enterprise in Department of Transportation Programs", 49 CFR Part 26 and the most current Federal Register.
15. Federal Highway Administration/Urban Mass Transportation Administration, "Environmental Impact and Related Procedures", 23 CFR Parts 660 and 661.
16. Federal Transit Administration, "Buy America Requirements", 49 CFR Parts 660 and 661.
17. 4710.1 Americans with Disabilities Act: 49 CFR Parts 27, 37, 38, and 39, "Nondiscrimination on the Basis of Disability in Financial Assistance Programs;.
18. 49 CFR Part 604, "Charter Service, Final Rule".
19. OMB Circular A-110, "Uniform Administrative Requirements Grants and Agreements with Institutions of Higher Education, Hospitals and other Nonprofit Organizations".
20. OMB Circular A-122, "Cost Principles for Nonprofit Organizations", Revised May 2004, includes revisions published in the Federal Register 06/27/2003 and 06/26/2007.
21. US Department of Transportation Circular 4702.1B, "Title VI and Title VI-Dependent Guidelines for FTA Recipients", dated October 1, 2012.
22. FTA Circular 5010.1, "Urban Mass Transportation Project Management Guidelines for Grantees", dated August 27, 2012.
23. FTA Circular 9030.1, "Urbanized Area Formula Program Grant Application Instructions", dated August 27, 2012.

24. FTA Circular 9500.1, "Intergovernmental Review of FTA Planning, Capital and Operating Programs and Activities", dated March 30, 1984.
25. 42 U.S.C. Chapter 85, Clean Air Act, as amended.
26. U.S.C. 794, Section 504 of the Rehabilitation Act of 1973.
27. National Environmental Policy Act, 42, U.S.C. Section 4321 et seq. h.16 U.S.C. Section 470, "National Historic Preservation Act".
28. 49 CFR Part 17, "Intergovernmental Review of Department of Transportation Programs and Activities".
29. 49 CFR Part 20, "New Restrictions on Lobbying".
30. 49 CFR Part 605, "School Bus Operations".
31. 49 CFR Part 622, "Environmental Impact and Related Procedures".
32. 49 CFR Part 663, "Pre-award and Post-Delivery Audits of Rolling Stock Purchases.
33. 49 CFR Part 665, "Bus Testing"
34. FTA Circular 9045.1 "New Freedom Program Guidance".
35. FTA Circular 9050.1 "Job Access and Reverse Committee Program Guidance".
36. **OMB Circular 2 CFR Parts 200 and 1201, Uniform Administrative Requirements**
37. 49 U.S.C. Chapter 53 Bus and Bus Facilities

#### **I-F State Role in Program Administration**

1. On behalf of the Transportation Commission, the Executive Director of MDOT shall have the principal responsibility and authority for the administration of the **FTA funded formula grant programs that are included in this State Management Plan** (i.e. Section 5311 (including RTAP), Section 5310, Section 5316, Section 5317 and, Section 5339) Programs. The MDOT shall administer the programs through the Office of Intermodal Transportation Planning, Public Transit Division in accordance with guidance published by the Federal Transit Administration and in accordance with other applicable existing federal regulations and applicable state laws pertaining to the administration of federal grants.

The Public Transit Division may consult and collaborate with stakeholder groups MPO's and advisory entities in the planning and implementation of the FTA formula grant programs. These groups /entities will include the Interagency Advisory Committee and various Regional Coordinated Planning Work Groups.

2. This State Management Plan, which has been approved by the Mississippi Transportation Commission as appropriate, sets forth the policies and procedures to be used by the various offices and divisions of the MDOT in the administration of the various grants and management of the designated transit programs.
3. Substantive revisions and amendments to the State Management Plan shall be subject to review and approval by the Executive Director and/or the Transportation Commission as appropriate.



4. The Public Transit Division's responsibilities shall include, but not necessarily be limited to, the following roles:
  - a. Announcing the availability of funds
  - b. Reviewing project applications and selecting applicants
  - c. Developing and submitting grant applications
  - d. Managing programs and administer federal grants
  - e. Certifying the eligibility of project applicants and project activities
  - f. Developing contract agreements
  - g. Assuring compliance with applicable rules and regulations
  - h. Processing payment requests in accordance with the MDOT's standard operating procedures
  - i. Making technical and management assistance available to local projects
  - j. Monitoring local sub-recipient's projects to ensure compliance with federal requirements
  - k. Ensuring timely and proper audit and close-out
  - l. Developing and maintaining a state management plan
  - m. Assisting in developing statewide transportation plans
  - n. Assisting in meeting FTA reporting requirements to include filing yearly NTD reports
  - o. Developing, implementing and promoting statewide and regional coordination efforts and initiatives
  - p. Reviewing and developing as appropriate local coordinated human services public transit plans
  - q. Forwarding an annual program of project and grant application to FTA
  - r. Plan for future transportation needs, and ensure integration and coordination among diverse transportation modes and providers
5. The responsibilities of the Interagency Transportation Committee shall be to:
  - a. Review project applications for assistance under the transportation programs administered by MDOT.
  - b. Make recommendations concerning eligible applicants for funding to the executive director through the public transit division/office of intermodal planning, of MDOT.
  - c. Review and comment on other transportation documents, programs or initiatives as requested by the public transit division/office of intermodal planning.
6. Responsibilities of the Regional Coordinated Planning Groups shall be to:
  - a. Participate in local assessments of transportation needs and gaps.
  - b. Develop local coordinated human services – public transit plans.
  - c. Review and comment to MDOT on local/regional transportation project or strategies that address identified gaps in services or unmet needs.

## CHAPTER II

### SECTION 5311 RURAL AREA FORMULA GRANTS

*Under MAP-21, activities eligible under Job Access and Reverse Commute (JARC) program (Section 5316) which, provided services to low-income individuals to access jobs, are now eligible under Section 5311. However, MDOT will continue to administer the remaining funds appropriated under SAFETEA-LU until the funds run out.*

#### **II-A Section 5311 Projects - Eligible Recipients/Subrecipients**

1. Eligible recipients of Section 5311 assistance include municipalities, state agencies, local public bodies and agencies thereof (unless prohibited by state statutes), private non-profit organizations/groups, Indian tribes, and operators of public transportation services. Private for-profit operators, while encouraged to participate in the planning and provision of Section 5311 services, may participate directly as providers only through contracts with eligible recipients or via the MDOT's Intercity Bus Program.
2. Private transportation companies, private non-profit corporations providing public transportation services, and non-profit institutions of higher learning are eligible to receive Section 5311 financial assistance provided the proposed services are designed and operated to ensure accessibility by the general public, and any request for financial assistance is endorsed by resolution of the appropriate public governing body or bodies affected by the proposed services. Such assistance may be awarded directly to private non-profit organization or may be provided through a third party contract.
3. Other Eligible Recipients - the prioritization and selection of Section 5311 projects for funding is the responsibility of MDOT as the designated state agency. Applicants for or recipients of Section 5311 assistance involving Section 5307 or private intercity carriers will be evaluated based on the provisions of FTA Circular 9040.1 and this Management Plan as appropriate. To the greatest extent practical, MDOT will promote the coordination of services and encourage cooperation with the private sector.
4. Section 5311 projects may, with substantial justification approved by MDOT, design project services to target use by transportation-disadvantaged persons (i.e. clients of human service agencies); however, the public must be routinely afforded the opportunity to use transportation services funded by Section 5311 assistance.
5. The Public Transit Division shall utilize the following guidelines in determining the eligibility of an applicant as a general public service provider:
  - a. The applicants' service delivery plan must address coordination of resources to assure not only availability of services, but also general public accessibility and cost-effectiveness as major factors.
  - b. The applicant must demonstrate positive steps to market the availability of the services to the general public, which may include, but are not limited to public



hearings, the publication or dissemination, at periodic intervals, of the projects information about services.

- c. The applicant must demonstrate local involvement in and support of the proposed project.
  - d. The applicant must submit documentation about the proposed project's policy for charging fares to the general public and for contracting transportation services to other agencies. In the absence of fares comparable revenue to off-set project cost must be documented.
  - e. The applicant's proposal must clearly commit to making all FTA funded vehicles open for public use.
  - f. The applicant's level of service to the public should be based upon variables such as; travel demand, accessibility, service availability and public comments; a procedure for receiving public comments should also be demonstrated.
  - g. The applicant must demonstrate administrative and financial capabilities to receive and administer federal funds.
  - h. The applicant must demonstrate the requisite authority and commitment to comply with all federal and state regulation, laws and administrative guidance, by executing all required certifications and assurances.
6. The project application must include evidence substantiating the availability of services to the general public.

## **II-B Eligible Service Areas**

- 1. Section 5311 funds are available to assist general public transportation projects in non-urbanized areas.
- 2. The terms "*non-urbanized* and *rural* areas" are used synonymously to mean any area outside an urbanized area, as designated by the Bureau of the Census. An urbanized area consists of a core area and the surrounding densely populated area with a population of 50,000 or more, with boundaries fixed by the Census Bureau or extended by state and local officials. Since the goal of Section 5311 is to enhance access of people living in non-urbanized areas, Section 5311 projects may include the transportation of non-urbanized residents to and from urbanized areas. If Section 5311 funds are used in a joint urbanized/non-urbanized area project, Section 5311 funds must be used proportionately to assist the non-urbanized portion of the service area.
- 3. For purposes of this SMP, "Public Transportation" is intended to mean transportation by bus or other conveyance, either publicly or privately owned, which provides services to the general public (not including charter, sightseeing, or exclusive school bus services) on a regular and continuing basis.
- 4. As a general rule, 5311 providers are prohibited from providing service outside of the state with the exception of necessary services for elderly, disabled individuals to medical/mental health facilities.

## II-C Eligible Assistance Categories

1. Consistent with SAFETEA-LU requirements, MDOT is allowed to use up to 15 percent (15%) of their annual federal appropriation for administrative expenditures. A portion of these funds, along with funds from the Rural Transportation Assistance Program, may be also designated for planning, demonstration projects and providing technical assistance to or by local recipients. In MAP-21 and FAST MDOT may use up to 10 percent (10%) of its Section 5311 program funds to administer the program and provide technical assistance to sub-recipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, and research the MDOT considers appropriate to promote effective delivery of public transportation in rural areas of the State. These allocations are at the discretion of MDOT and are funded at 100% Federal share. Planning activities are an eligible expense under Section 5311, and shall be in addition to funding awarded to MDOT under section 5305 for planning activities that are directed specifically at the needs of rural areas in the State. MDOT reserves the right to allocate a portion of these funds to local recipients for the same purposes. Such allocations may have a local matching share requirement.
2. Eligible project costs shall be determined in accordance with OMB Circulars 2 CFR 200, as well as other guidance issued by the Federal Transit Administration and the Mississippi Department of Transportation pursuant thereto.
3. Eligible project costs are defined in this Management Plan, Contract Agreements, [the most current FTA Circular](#), and OMB Circulars 2 CFR 200. These circulars define assets, liabilities, revenues and expenditures. These definitions shall be used in all of the Department's external Section 5311 contracts. **Expenditures shall be defined in three (3) categories: project administration, operating, and capital.**

### (i) Project Administrative Expenses:

- (1) Project administrative expenses include and are generally limited to administrative costs such as:
  - a. Salaries and fringe benefits of the project director, secretary, bookkeeper, or other personnel performing job duties of an administrative nature
  - b. Office supplies, software, office equipment
  - c. Facilities and equipment rental
  - d. Travel and professional membership
  - e. Marketing
  - f. Professional services
  - g. Staff training
  - h. Property insurance/bonds
- (2) Eligible administrative costs are further identified in OMB Circulars 2 CFR 200; MDOT's Contract Agreements; and the [most recent approved FTA Circular](#).
- (3) Certain other project expenses may be considered as project administrative expenses with the prior written approval of the MDOT. These costs include:

- a. Interest on short term loans to finance project administration or operating costs where the loan was necessary because of a delay in the federal apportionment of Section 5311 funds or where there are delays in the MDOT's execution of the Project Agreement.
  - b. Administrative costs for promoting and coordinating ridership activities if the activity is part of a coordinated public transportation program.
- (4) Indirect costs and overhead rates may be approved to the extent that they have been reviewed by MDOT; supported by an approved indirect cost plan; and program funds are available to reimburse them.

## **(ii) Project Operating Expenses**

- (1) Operating expenses are those costs directly related to system operations and may include, but are not limited to, such items as:
- a. fuel and oil;
  - b. replacement tires;
  - c. maintenance and repair labor charges or contracts;
  - d. spare parts, tools, and other items necessary for the repair and maintenance of public transportation facilities and equipment having a unit cost of \$500 or less and useful life of less than one year;
  - e. salaries and fringes of drivers, mechanics, dispatchers or other personnel performing job duties supporting the system operations;
  - f. licenses, fees and operating taxes;
  - g. insurance and bonding; and
  - h. drug testing.
- (2) Eligible operating costs are further identified in OMB Circulars 2 CFR 200, MDOT's Contract Agreements, and the [most recent approved FTA Circular](#).

## **(iii) Capital Expenses**

- A. Capital expenses include the acquisition, construction and improvement of public transit facilities and equipment needed for an efficient and coordinated public transportation system. Examples of eligible capital costs include, but are not limited to:
- i. buses, vans or other paratransit vehicles;
  - ii. radios or other communications equipment;
- bus stop signs, benches or shelters; wheelchair lifts restraints and related vehicle modifications; vehicle rehabilitation where candidate vehicles meet extended useful life and rehabilitation cost limits established by the Public Transit Division; construction or rehabilitation of transit facilities including design, engineering and land acquisition; construction of or improvements to park-and-ride lots, where such facilities are served by public transportation or ridesharing modes that

are a form of public transportation; viii computer hardware and system software; introduction of new technology, through innovative and improved products, into public transportation; spare parts, tools or equipment with a unit cost over \$500 and a useful life of more than one (1) year;

- iii. lease of equipment or facilities when lease is more cost effective than purchase, based on MDOT's analysis of criteria that will be developed for determining cost effectiveness; and
  - iv. preventive maintenance, defined as associated maintenance costs.
  - v. Mobility management, consisting of short-range planning, management activities, and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or subrecipient through an agreement entered into with a person, including a governmental authority, but excludes operating expenses
- B. The purchase of used equipment may be an eligible capital expense with the prior approval of the MDOT. The project must substantiate that the proposed purchase price represents fair market value and that the equipment is in sound working order so the project can anticipate a reasonable period of remaining useful life.
  - C. Eligible capital costs are further identified in OMB Circulars 2 CFR 200, MDOT's Contract Agreements, the [most recent approved FTA Circulars](#).
  - D. Joint development projects as illustrated by (FTA Circular 9300.1, Capital Investment Program Guidance and Application Instructions.
  - E. The provision of ADA Para transit service (may not exceed ten percent of the project's total FTA assistance and may be used only by contractors that are in compliance with ADA requirements for both fixed route and demand responsive service).

#### **(iv) Planning Expenses**

- A. Planning is an eligible expense, providing that a grant under Section 5311 for planning activities shall be in addition to funding awarded to a state under Section 5305 for planning activities that are directed specifically at the needs of rural areas in the state. Planning projects must be included in public transit-human services regional plans and can support efforts to:
  - i. develop transportation plans and programs;
  - ii. plan, engineer, design, and evaluate a public transportation project; and
  - iii. conduct technical studies relating to public transportation.
- B. Eligible activities include the following:
  - i. Studies related to management, planning, operations, capital requirements, and economic feasibility.
  - ii. Evaluating previously financed projects.

- iii. Peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analyses among metropolitan planning organizations and other transportation planners.

- iv. Other similar and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment.

C. Job Access and Reverse Commute Projects. MAP-21 created a new eligible project category for “job access and reverse commute projects” under Section 5311. This category includes all types of projects that were formerly eligible under the Section 5316 Job Access and Reverse Commute Program. The program is further described in Chapter III of this SMP. There is no requirement or limit to the amount of Section 5311 funds that can be used for these projects. A job access and reverse commute project is defined as:

a transportation project to finance the planning, capital and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.”

**(iv) Ineligible Costs.**

A. OMB Circulars 2 CFR 200 defines items that are ineligible for reimbursement under all federal grant programs. Among the more common items are:

- i. entertainment expenses;
- ii. fines and penalties;
- iii. charitable donations; and
- iv. interest expenses on loans (not previously approved by MDOT).

B. Additionally, the following transit related expenses are ineligible for Section 5311 assistance:

- i. Indirect transit related functions or activities of local public governing bodies performed as a normal direct aspect of public administration (e.g. expenses of a city council in considering transit matters).
- ii. Depreciation accrued by public agencies on facilities or equipment purchased with federal funds (federal share only).
- iii. Contributions from Federal grant funds to a capital reserve account.

D. Expenses associated with the provision of charter services are ineligible and, therefore, Section 5311 projects must maintain a separate account for charter services. These funds may be used as part of the local matching share(s).

## **II-D Federal and State Participation Ratios**

1. The federal share of all project administrative, planning and capital expenditures shall not exceed eighty percent (80%) of net costs, including the application of all revenues used to offset costs.
2. Without substantial justification and concurrence from PTD, project administrative expenses may not exceed twenty percent (20%) of the adjusted total budget (i.e. total budget less insurance, major capital cost, e.g. facilities and related equipment and/or vehicles) and.
3. Funds provided through the Multi-modal Transportation Improvement Program may be used to directly support or match eligible project costs.
4. The federal share of operating expenditures shall not exceed fifty percent (50%) of net operating costs, including the application of program income (e.g. fare box and other operating revenues, including the sale of advertising and concessions) and excess local/match revenues.

## **II-E Program Income**

1. In defining program income MDOT recognizes revenue generated directly and indirectly from project supported (i.e. contract supported) activities. Program income does not include sale proceeds (these proceeds are considered as revenues that may be used for capital replacement accounts, to purchase vehicles and other local match).
2. Program income refers to gross income earned by the contractor/sub-recipient as a result of the current agreement. In this context income is to be applied to activities/costs associated with the specific contract period it is earned.
3. MDOT's policies for recognition and treatment of program income are governed by OMB Circular 2 CFR 200 which replace/supersede the common rule requirements (1201.80)
4. General. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, except as otherwise provided in regulations, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc., and interest earned on any of them.
5. Accountability. Contractor/sub-recipients must account for program income in their accounting system, which is subject to audit. The accounting system must be capable of identifying program income and the purpose(s) for which it was used.
6. Use. Contractors/sub-recipients must use program income for public transit purposes. These include planning, capital, administrative or operating expenses.
7. In accordance with the provisions of the most [recent approved FTA 5311 Circular](#), MDOT allows income from contracts to provide human service transportation to be used to reduce the net project cost or to provide local match for Section 5311 operating assistance. In either case, the cost of providing the contract service is included in the total project cost. Because the manner in which a sub-recipient applies income from human service agencies to a project affects the calculation of net operating expenses and, therefore, the amount of Section 5311 operating assistance the project is eligible to receive, the MDOT reserves the right to limit the application of this option. The priority shall be placed on the

use of income to reduce the federal share of eligible cost. Program income may not as a general rule, be used to refund the local share of the grant award from which it was earned, but may be used for other transit MDOT funded contracts. In individual cases, MDOT may work with individual projects to use flexibility in determining the most appropriate application of social service generated income.

## **II-F Project Revenue**

### **1. Definition/Limitation**

- a. For purposes of this SMP project revenue is a general term used to include grant funds income and contributions received by the contractor during project period.
- b. All revenues are to be documented in the projects accounting system and applied to the approved project.

## **II-G Local Matching Share**

### **1. Definitions/Limitations**

- a. Unless specifically authorized by DOT/FTA guidance or regulations, the eligible local match share for a Section 5311 grant must be from non-FTA sources of funding. Local match can include local, state, unrestricted Federal funds or other funds derived from non FTA purchase of service contracts consistent the latest FTA guidance or authorizing legislation.
- b. In defining local match, MDOT has followed the FTA interpretation that allows funds received as a result of agreements with a state or local social service agency or a private social service organization to be considered local match. This is true even if the source of these funds may have been another federal program exclusive of U.S. DOT funds. General guidelines for computing matching share are as follows:
  - (1) Project costs financed with cash contributions or donations to the project by other non-federal public agencies, institutions and private organizations, individuals or the sponsoring agency.
  - (2) Contributions, both cash and in-kind, may be accepted as portions of matching share to the extent such contributions meet the following criteria:
    - i. are verifiable from the project's records;
    - ii. are not included as contribution for any other federally assisted program;
    - iii. are necessary and reasonable for proper and efficient accomplishment of project objectives, in accordance with the most [recent approved FTA Circular](#), OMB Circulars 2 CFR 200 (supersedes projects after September, 2014). or other federal or state guidance;
    - iv. are types of charges that would be allowable under OMB circulars cited above; and
    - v. are provided for in the approved project budget.
- c. MDOT encourages Section 5311 projects to use "Unrestricted Federal Funds" to match Section 5311 grants, within the statutory limits. Federal funds are considered



"unrestricted" if the federal agency administering the funds specifically permits the funds to be treated as local match.

- (1) Section 5311 project applicants are responsible for identifying unrestricted federal funds.
- (2) Local funds required to match unrestricted federal funds may be treated as unrestricted federal funds. In no instances may these local (non-federal) funds be used as non-federal local match and unrestricted federal funds simultaneously.
- (3) Section 5311 projects may accrue unrestricted federal funds by three methods: (1) direct federal grant payments made to the project (excluding FTA funds) (2) interdepartmental fund transfer or agreements; and (3) from the contributions of goods or services from other organizations or programs that have utilized an unrestricted federal funding source to finance the goods or services.
- (4) Section 5311 projects may accrue unrestricted federal funds in excess of the statutory limits set forth in Section 5311(e) of the Federal Transit Act. The formula developed by the U. S. Department of Transportation will be used to calculate the amount(s) of unrestricted federal funds to be used as revenue. This revenue must be deducted from the operating and/or non-operating expenses to determine the appropriate net cost.
  - a. Other examples of nonfederal local match that may be used for any or all of the local share include: state, county or local government appropriations; public or private donations, dedicated tax revenues; net income from advertising and/or concessions.
  - b. Revenue derived from direct grants, direct local payments, portions of purchase of service contracts or contributions of goods or services may be used upon approval from MDOT as local cash match, or with MDOT approval, to fund capital replacement accounts. When used as revenue or local match these funds must be directly related to the eligible cost category being matched. When used to fund capital replacements, the revenues must be based on an accepted allocation methodology.
  - c. Noncash shares of local match, often referred to as "cash equivalent" or "in-kind" are also eligible as a portion of the total local match share. As allowed by Section 5311 regulations and OMB circulars, non-cash shares such as donations, volunteered services or in-kind contributions are eligible to be counted toward the local match requirements only if the value of such is documented and approved by MDOT. Further guidance on this subject is found in 49 CFR, part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, OMB Circulars 2 CFR 200 as applicable.

## **2. Capital and Administration and Planning Expenses - Match**

- A. The twenty percent (20%) local matching share for capital, administrative and/or planning expenditures, may be provided for in cash, unrestricted federal funds, or a combination of cash and cash equivalent to the extent that Section 5311 participation remains at the regulatory limit of no more than 80%.



- B. "Local Cash" may include local contributions, appropriations, dedicated tax revenues, or excess profit generated from eligible project services.
- C. "Cash equivalent" in the case of capital expenses means the contribution or donation of some portion of the acquisition, construction, or improvement of public transportation facilities or equipment. An example of such a contribution would be the donation of land on which a public transportation maintenance facility was to be constructed. Such noncash sources of local match are eligible only if the value of the contribution is formally documented and supported in accordance with OMB Circulars. "Cash equivalent" means the contribution or donation of goods, services, or labors directly related to the administrative or overhead functions of the Section 5311 project and are allowable only when the donation is formally documented and supported in accordance with OMB Circulars 2 CFR 200, as applicable..
- D. Unrestricted federal funds used as match must be directly related to the eligible cost category being matched. An example in the administrative category would be the use of a Title X (Older Americans Act of 1965, as amended) worker as a coordinator.
- E. Administrative expenses eligible for reimbursement shall be determined by subtracting all non-operating revenues or contra-revenues from the total administrative expenses approved in the budget.
- F. Contra-expenses are defined as revenue(s) used to directly offset transit expenses. Like fare box revenues, contra-expenses are eliminated from the deficits eligible for Section 5311 assistance. Examples of contra-expenses include:
  - (1) Cash discounts and refunds which directly offset accrued expenses;
  - (2) Rebates of sales and use taxes;
  - (3) Reimbursements that directly offset accrued liabilities.

### 3. Project Operating Expenses - Match

- a. Consistent with Section 5311 (e) of the Act, MDOT has established a limit of 50% of the project's operation deficit as the maximum federal share. **The local match share provided must therefore be at least 50% of the net operating cost, i.e. cost minus revenue deductions.**
- b. At least one-half of the local matches must be provided in cash. The remaining one-half of the local match may be provided in cash, cash equivalent, or from other unrestricted federal funds.
- c. "Local Cash" may include appropriations, federal funds dedicated for revenues, dedicated taxes or profit generated from charter services.
- d. "Cash equivalent" means the contribution or donation of goods, services, or labor directly related to the operation functions of the Section 5311 project and is eligible only if the value of the contribution or donation is formally documented and supported in accordance with OMB Circulars 2 CFR 200, as applicable.
- e. When revenues that are used as the Project's local matching share exceed the minimum 50% of the net operating cost such funds may be considered excess revenue. The excess is to be used to reduce the FTA share of the net operating cost or to fund additional eligible project expenses not already reimbursed in the

approved project budget. Authorization to use excess revenues, for any purpose other than reducing the federal share must be obtained by the project in writing from the MDOT. **Use of excess revenue must be documented in the year-end financial reports and audit (if required).**

- i. Earned program income derived from the expenditure of Section 5311 funds must be used to reduce eligible operating cost or as local cash match.
  - ii. Consequently, excess local match derived from purchase-of-service agreements, advertising revenue(s), unrestricted federal funds used as local or charter profit(s) must be used first to reduce the 50% maximum FTA share of net operating cost. If the project desires to use excess revenues to fund additional project expenses in lieu of reducing the federal participation share, such a request must be justified and approved in writing by MDOT.
- f. Net operating cost shall be determined by subtracting project operating revenues (e.g. fares “other revenues” and unrestricted federal funds used as revenue) and available contra-expenses from the total eligible operating expenses. Contra-expenses are defined as revenue(s) used to directly offset transit expenses. Like fare box revenues, contra-expenses are eliminated from the deficits eligible for Section 5311 assistance. Examples of operating contra-expenses include:
  - i. Cash discounts and refunds which directly offset accrued expenses;
  - ii. Rebates of sales and use taxes;
  - iii. Interest on working capital; and
  - iv. Reimbursements that directly offset accrued liabilities.
- g. Revenue derived from direct loan payments, purchase-of-service contracts, or contributions of goods, services, or labor financed wholly by local and/or state funds may be treated as local cash match.
- h. Certain donations collected pursuant to regulations issued by the U.S. Department of Health and Human Services, and the Mississippi Department of Human Development Services, must be reported as Title III program income. Where these donations are utilized to purchase or provide additional transit service, the donations may be used as local cash match.

## **II-H Private Sector Participation**

1. MDOT recognizes FTA's policy of affording private transportation providers the "maximum feasible" opportunity to participate in the provision of rural and small urban area transportation services. Consequently, all applicants and contractors must make assurances in writing that private providers are allowed to participate in the planning and/or providing of transit services.
2. Consistent with federal policy, MDOT, through the Public Transit Division, has incorporated the program requirements applicable to the evaluation of private sector service alternatives into the application and monitoring process. The Section 5311 application package requires that applicants demonstrate efforts to involve private sector providers.
3. The major provisions of MDOT's Private Sector Participation Policy include:

- a. Demonstrating the participation of private providers in current services.
- b. Documentation of all efforts to provide written notice of proposed services to private providers.
- c. Documentation of all meetings, hearings, or other opportunities for involving the private sector early in the project development process.
- d. Consideration of description and examples of private sector proposals offered by private providers. A justification must be given for exclusion of these proposals.
- e. Periodically reviewing existing services as requested.
- f. As appropriate developing a methodology for making true cost comparisons when there are two or more operators interested in the service(s). When comparing the service proposals of public and private providers, all fully allocated costs are to be included. This includes subsidies, capital grants and the use of public facilities.
- g. A local mechanism for resolving complaints; complaints received are to be documented in the project files.

## **II-I Project Selection Process**

1. MDOT's project selection process is designed to comply with the Federal Transit Administration requirements for a fair and equitable distribution of the State's annual apportionment. The intent is to provide a competitive process that strives to ensure the maximum feasible coordination with other public and human service transportation services assisted by other Federal sources.
2. Section 5311 Priority of Projects
  - a. Based on complete applications, Rural General Public Transportation Projects will be prioritized for funding as follows:
    - i. Projects receiving first priority will be existing Rural General Public Transportation transit systems that demonstrate effective coordination of available resources and have otherwise been operating satisfactorily based on the MDOT's monitoring, review and audit procedures.
    - ii. The second order of priority will include established public transportation systems in operation under Section 49 U.S.C. 5311 of the Act.
    - iii. The third priority will be for newly created rural general public transportation services.
    - iv. The fourth priority will be given to projects previously funded under Section 5310 of the Federal Transit Act or providers of other special purpose transportation services not available to the general public that are establishing coordinated general public transit systems.

## **II-J Section 5311 Selection Criteria and Guide for Ranking**

The following criteria have been established to guide the Division in selecting applicants for funding. These criteria will be used in evaluating all pre-applications and complete applications

submitted to the Division. These criteria also apply to Section 5316 and 5339 programs selection.

**Criteria/Weight Factor - (1):** Need for service in the project area for general public and special clients, including low income and welfare recipients - Weight 35 points

**Guides for Ranking**

The number of potential and/or actual transportation users in service area not adequately served with existing system(s) and/or actual employment transportation. The availability of under-utilized vehicles will also be evaluated.

- A. Documentation of service level need(s) or demand as evidence by ridership projections, surveys, demand analysis or documentation of unmet requests for service. (10)
- B. Statement of measurable service delivery goals and specific objectives. (10)
- C. Documentation of system performance and improvement (10):
  - Increase in passenger trips over last two year's level.
  - Expansion of service area.
  - Increase in routes.
  - Increase in hours of operation.
  - Increase in the number of revenue vehicles.
  - Response to marketing efforts.
- D. Documentation that proposed linkages or coordination will increase accessibility and or effectiveness of intercity bus service (e.g. services provided for un-served and underserved Area). (5)

**Criteria/Weight Factor – (2):** Need for specific resources requested - Weight 35 points

**Guides for Ranking**

Evidence of clear justification for each item requested; organizational structure and allocation of personnel to be used for transportation project; applicant's experience in provision of transportation services and coordination of resources.

- A. Documentation of need for vehicle/capital equipment requested. (5)
- B. Documentation of the need for additional resources to support intercity bus service. (5)
- C. Documentation of need for staff positions requested. (10)
- D. Documentation that allocation of resources, i.e. staff and vehicles reflect service demand. (10)
- E. Documentation of the need for other resources to support(e.g. technology/planning sources). (5)

**Criteria/Weight Factor – (3):** Accessibility of service to the general public, low income and targeted groups – Weight 65 points

**Guides for Ranking**

Evidence that the proposed service(s) will be available to the general public, low income, targeted groups, e.g. route schedules, total projected ridership, and average hours of operation (for existing employment related services) (Performance data should be considered)

- A. Fixed route services are provided. (5)
- B. At least 5 days per week and 8 hours per day. (15)
- C. Late night and weekend service provided. (15)
- D. Services are publicized. (5)
- E. Linkages are shown with existing intercity and bus routes and facilities. (5)
- F. Service(s) are designed to support transportation in low income area and operated to encourage general public use (10)
- G. Provides access to employment and other training related activities and reverse commute service. (10)

**Criteria/Weight Factor - (4):** Service to the disabled and elderly - Weight 25 points

### **Guides for Ranking**

Capacity and level of services provided to the disabled and elderly general public. Service provided to these groups must be reasonable by comparison with service provided to the general public:

- A. Availability of accessible vehicles. (5)
- B. Availability of demand response services. (5)
- C. Availability of regularly scheduled services for disabled and elderly. (5)
- D. Documentation of services provided to individuals with disabilities and elderly persons. (5)
- E. Discount fare available for elderly persons and individuals with Disabilities. (5)

**Criteria/Weight Factor - (5):** Coordination with other transportation providers in the service area, both public and private - Weight 30 points

### **Guides for Ranking**

The percentage of transportation providers, which are coordinated within the application proposal as compared to all transportation providers in the service area:

- A. Evidence of effort to coordinate: routes, shared vehicle use, dispatch, maintenance, etc. with other public transportation providers in the service area. (5)
- B. Evidence of effort to coordinate with private providers, especially intercity carriers (e.g., shared facilities and feeder routes). (5)
- C. Documentation of successful coordination effort(s). (10)
- D. Evidence that coordination effort(s) will result in an increased level of service efficiency and/or effectiveness, e.g. greater availability and accessibility and reduced operating costs for general public specialized and/or intercity services. (10)

**Criteria/Weight Factor – (6):** Coordination with human service agencies and faith based organizations which are not transit providers, especially those agencies capable of purchasing services - Weight 30 points.

### **Guides for Ranking**

The level of coordination is evidenced in the application between the human service agencies, faith based organizations and the applicant. The extent of increased levels of efficiency that will be generated:

- A. Evidence of effort to coordinate transportation services with human service agencies and faith based organizations especially those capable of purchasing services. (5)
- B. Evidence of "purchase of service" contract(s) with human service agency(ies). (10)
- C. Evidence that contractual effort(s) will result in an increased level of efficiency and effectiveness. (10)
- D. Other involvement with human service agencies and faith based organizations. (5)

**Criteria/Weight Factor – (7):** Local/Regional Coordination Planning - Weight 35 points

**Guides for Ranking**

Evidence that project was considered, included in a local planning process, including public participation in developing the project proposal and participation in the local planning process:

- A. Evidence of a hearing held, comment period and surveys conducted to secure public participation in the planning of the project. (5)
- B. Evidence that the project service is endorsed through an adopted local/regional coordination plan for service area. (20)
- C. Evidence that the project is included in the local/regional planning process, e.g. Metropolitan Planning Organizations (MPO's), Planning and Development Districts (PDD's), city or county planning process. (10)

**Criteria/Weight Factor – (8):** Extent of local/government support - Weight 25 points

**Guides for Ranking**

Evidence of support (letters, resolutions, local match commitment) by local governments in providing resources to ensure continued viability of the project:

- A. Documentation of support from local governments and others. (10)
- B. Commitment of funds for local match from funding sources, agencies and other matching support. (10)
- C. Letters of support. (5)

**Criteria/Weight Factor – (9):** Organizational structure and personnel to be used for transportation project - Weight 35 points

**Guides for Ranking**

History of applicant's experience in provision of public services and coordination of resources. Organizational structure of applicant and incorporation purpose. Allotments of staff time to the transportation program:

Documentation of financial and management capability to administer program (20)

- A. Adequate number of staff (5)
- B. Adequate type of staff (5)
- C. Adequate allotment of staff time (5)

**Criteria/Weight Factor – (10):** Efforts to integrate other resources within the Section 5311 Program budget - Weight 25 points.

**Guides for Ranking**

Extent of other transportation funds that are integrated into the proposed total project budget:

- A. Documentation of funds available for overmatch that is included in the budget. (10)
- B. Documentation of funds used to offset non-operating expenditures. (10)
- C. Documentation of efforts to integrate resources other than funds. (5)

**Criteria/Weight Factor – (11):** Program Compliance - Weight 40 Points.

- A. Documentation of grantee's compliance with MDOT's monthly, semi-annual, and annual reporting requirements. (10)
- B. Documentation of an adequate maintenance program. (5)
- C. Documentation that all audit requirements were met. (5)
- D. Documentation that all Civil Rights and ADA reporting requirements are being met. (10)
- E. Resolution of compliance issues that resulted from MDOT monitoring (10)



## CHAPTER III

### JOB ACCESS AND REVERSE COMMUTE (JARC) PROGRAM - 5316

*MAP-21 repeals JARC and integrates as eligible activities under Section 5311(Rural Area Formula Grant). However, MDOT will continue to administer the remaining funds appropriated under SAFETEA-LU until the funds run out. All MAP-21 requirements for administering Section 5316 as consolidated program with Section 5311 will apply once the program roll into the next phase.*

#### III-A General Program Information

The JARC program is authorized under the provisions set forth in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA-LU), enacted on August 10, 2005, as codified at 49 U.S.C. 5316. These provisions authorize the Secretary to make grants to recipients for access to jobs and reverse commute projects carried out by the recipient or a sub-recipient. The chief executive officer of each State or an official designee must designate a public entity to be the recipient for JARC funds. In urbanized areas with populations less than 200,000 and in non-urbanized areas, the State is the designated recipient. For these areas, the chief executive officer of a State designates a State agency responsible for administering the JARC program, and officially notifies the appropriate Federal Transit Administration (FTA) regional office in writing of that designation. The chief executive officer of a State may designate the State agency that receives other than Urbanized Area (Section 5311) and/or the Elderly Individuals and Individuals with Disabilities (Section 5310) funds to be the JARC recipient.

1. **Small Urbanized Areas under 200,000 in population.** MDOT is the designated recipient and may apply directly to FTA for grant funds for itself and its sub-recipients under 200,000 populations. In order for projects to be implemented by transit providers in small urbanized areas, the MDOT, after consultation with responsible local officials and publicly owned operators of public transportation, may transfer JARC funds to Section 5307 for administration of competitively selected JARC projects within a Section 5307 grant to an eligible recipient under that program. This transfer also removes the oversight responsibility for those funds from the JARC designated recipient to the grant recipient under Section 5307. MDOT will only be responsible for the program requirements (such as competitive selection and certifying projects which were derived from a coordinated plan) and data collection for annual reporting purposes.
2. **Designated Recipient** As the designated recipient for non-urbanized areas, MDOTs overall responsibilities include conducting the competitive selection process, awarding grants to sub-recipients, providing project oversight and grants management. MDOT will apply to FTA for funding using the Transit Award Management System (TrAMS) on behalf of itself and/or eligible sub-recipients for JARC projects within the state. As the designated recipient MDOT staff is responsible for the following actions:
  - a. Conducting an area-wide or Statewide competitive selection process.
  - b. Certifying a fair and equitable distribution of funds resulting from the competitive selection process.
  - c. Certifying that each project selected was derived from a locally developed, coordinated public transit-human services transportation plan;

- d. Certifying that local plans are developed through a process that included representatives of public, private, and non-profit transportation and human services providers and participation by the public. The designated recipient is not directly responsible for developing the coordinated plan, but is responsible for ensuring that the plan from which a selected project was derived was developed in compliance with the statutory requirements. An agency or organization other than the designated recipient may take the lead in developing the coordinated plan;
  - e. Managing all aspects of grant distribution and oversight for sub-recipients receiving funds under this program (e.g. monitoring local projects; ensuring that all program activities are included in the Statewide Transportation Improvement Program (STIP); as well as overseeing project audits and closeouts; and
  - f. Submitting reports as required by FTA.
3. JARC funds are obligated based on the annual program of projects included in a grant application. Since FTA does not conduct project-by-project review and approval of each project, MDOT shall ensure that local applicants and project activities are eligible and in compliance with Federal requirements and that the program provides for maximum feasible coordination of transportation services with transportation services assisted by other Federal sources.
4. The MDOT must certify to FTA annually that the sub-recipients have met or will meet all Federal requirements, including all metropolitan and statewide planning requirements.
5. Under Department of Transportation (DOT) regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR part 18 (sometimes referred to as the “common grant rule” or “common rule”), the MDOT relies on state laws and procedures in the areas of financial management systems, equipment, and procurement for itself and its public entity sub-recipients. For private non-profit agencies, grant management requirements are contained in 49 CFR part 19, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations.

### **III-B Program Goal**

The goal of the JARC program is to improve access to transportation services to **employment and employment related activities for welfare recipients and eligible** low-income individuals and to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities. Toward this goal, the Federal Transit Administration (FTA) provides financial assistance for transportation services planned, designed, and carried out to meet the transportation needs of eligible low-income individuals, and of reverse commuters regardless of income. The program requires coordination of Federally-assisted programs and services in order to make the most efficient use of Federal resources.

### **III-C Relationship to the Section 5311 Program.**

1. The Section 5311 program makes Federal funds available to assist in the development, improvement and use of public transportation systems in non-urbanized areas. While the overall objectives of the Section 5311 and JARC programs differ (that is, that Section 5311 is to provide transportation to the general public in non-urbanized areas, and JARC is to provide employment and employment related transportation services to the low-income population in both rural and urbanized areas and reverse commute programs), there are

parallels which make it desirable for recipients and sub-recipients to consider all resources and plan for their use in a complementary way. **Local public transit providers are expected to participate in the development of a coordinated public transit-human service transportation plan along with JARC recipients.**

*The new law “MAP-21” consolidates JARC as eligible activities under Section 5311(Rural Area Formula Grant).*

2. Under Section 5311, the Rural Transportation Assistance Program (RTAP) provides for technical assistance, training, and related support services in non-urbanized areas. JARC providers may participate in RTAP sponsored activities, at the MDOT’s discretion, as long as the activities are primarily designed and delivered to benefit non-urbanized transit providers.

### **III-D Coordination Provisions**

Federal transit law, as amended by SAFETEA–LU, requires that projects funded from the, Job Access and Reverse Commute (JARC, Section 5316), program be derived from a locally developed, coordinated public transit-human services transportation plan (“coordinated plan”). A coordinated plan should maximize the programs’ collective coverage by minimizing duplication of services. Further, a coordinated plan should be developed through a process that includes representatives of public, private and non-profit transportation and human services providers, and participation by the public. A coordinated plan may incorporate activities offered under other programs sponsored by Federal, State, and local agencies to greatly strengthen its impact.

### **III-E Eligible Service Areas**

Of the total JARC funds available, FTA apportions 60 percent among designated recipients in large urbanized areas; 20 percent to the States for small urbanized areas; and 20 percent to the States for rural and small urban areas under 50,000 in population. JARC funds are apportioned among the recipients by formula. The formula is based on the ratio that the number of eligible low-income and welfare recipients in each such area bears to the number of eligible low-income and welfare recipients in all such areas. The low-income population is determined according to the latest available U.S. census data for individuals whose family income is below 150 percent of the poverty line.

### **III-F JARC Projects – Eligible Recipients**

1. There are three categories of eligible recipients of JARC funds:
  - a. Private non-profit organizations
  - b. State or local governmental authority
  - c. Operators of public transportation services, including private operators of public transportation services
2. The Public Transit Division shall utilize the following guidelines in determining the eligibility of an applicant for JARC funds:
  - a. Programs must be derived from a locally developed, coordinated public transit-human services transportation plan.

- b. The applicants' service delivery plan must address coordination of resources to assure not only availability of services, but also general public accessibility and cost-effectiveness as major factors.
- c. The applicant's proposal must clearly commit to making all FTA funded vehicles open for public use.
- d. The applicant's level of service to the public should be based upon variables such as travel demand, accessibility, service availability and public comments; a procedure for receiving public comments should also be demonstrated.
- e. The applicant must demonstrate administrative and financial capabilities to receive and administer federal funds.
- f. The applicant must demonstrate the requisite authority and commitment to comply with all federal and state regulation, laws and administrative guidance, by executing all required certifications and assurances.
- g. The project application must include evidence substantiating the availability of services to the general public.

### **III-G Eligible Assistance Categories**

1. Consistent with the federal statutory requirements, MDOT may allocate an amount not to exceed 10 percent (10%) of its annual JARC apportionment to support state administration expenditures including planning and technical assistance. Program administration costs may be funded at 100 percent Federal share and do not require matching local funds. MDOT reserves the right to allocate a portion of these funds to local recipients for the same purposes. Such allocations will not have a local matching share requirement, if putting a c regional service. FTA will allow all or a portion of the administrative funds for New Freedom, JARC, and Section 5310 to be combined to support activities (such as coordinated planning) that are common to all three programs. MDOT may combine program administration funds into one administrative account, so long as the funds are used for costs associated with administering the Section 5310, JARC, and New Freedom programs. However, the funds must still be tracked and attributable to the specific program. As expenses are incurred against the pooled funds for program administration, they can be drawn down against any grant that has un-disbursed program administration funds.
2. Eligible project costs shall be determined in accordance with OMB Circulars 2 CFR 200, as well as other guidance issued by the Federal Transit Administration and the Mississippi Department of Transportation pursuant thereto.
3. Eligible project costs are defined in this Management Plan, Contract Agreements, FTA Circular guidance for the 5316 program and OMB Circulars 2 CFR 200 These circulars define assets, liabilities, revenues and expenditures. These definitions shall be used in all of the Department's external contracts. **Expenditures shall be defined in three (3) categories: project planning, operating, and capital assistance.**

#### **(i) Project Planning/Administrative Expenses**

- (2) Administration assistance includes but is not limited to:

- a. Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a non-profit agency could receive JARC funding to support the administrative costs of sharing services it provides to its own clientele with other low-income individuals and coordinate usage of vehicles with other non-profits, but not the operating costs of the service. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. Mobility management activities may include the following:
  - i. The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals;
  - ii. Support for short-term management activities to plan and implement coordinated services;
  - iii. The support of State and local coordination policy bodies and councils;
  - iv. The operation of transportation brokerages to coordinate providers, funding agencies and customers;
  - v. The provision of coordination services, including employer-oriented Transportation Management Organizations' and Human Service Organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers;
  - vi. The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes, and to manage eligibility requirements and arrangements for customers among supporting programs;
  - vii. Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems. These include Geographic Information Systems (GIS) mapping, Global Positioning System technology, coordinated vehicle scheduling, dispatching and monitoring technologies as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a stand-alone capital expense).
- (3) Eligible planning/administrative costs are further identified in; 2 CFR Parts 200 and 1201, Uniform Administrative Requirements MDOT's Contract Agreements; and FTA Circular guidance for the 5316 program.

## **(ii) Project Operating Expenses**

- (1) Project operating assistance may support, but is not limited to the following activities:
  - a. Late-night and weekend service;

- b. Guaranteed ride home service;
- c. Shuttle service;
- d. Expanding fixed-route public transit routes;
- e. Demand-responsive van service;
- f. Ridesharing and carpooling activities; and
- g. Promotion, through marketing efforts of the:
  - i. use of transit by workers with non-traditional work schedules;
  - ii. use of transit voucher programs by appropriate agencies for welfare recipients and other low-income individuals;
  - iii. development of employer-provided transportation such as shuttles, ridesharing, carpooling;
  - iv. use of transit pass programs and benefits under section 132 of the internal revenue code of 1986;
- h. Supporting the administration and expenses related to voucher programs. This activity is intended to supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Vouchers can be used as an administrative mechanism for payment to providers of alternative transportation services. The JARC program can provide vouchers to low-income individuals to purchase rides, including: (1) mileage reimbursement as part of a volunteer driver program, (2) a taxi trip, or (3) trips provided by a human service agency. Providers of transportation can then submit the voucher to the JARC project administering agency for payment based on pre-determined rates or contractual arrangements. Transit passes for use on fixed route or Americans with Disabilities Act of 1990 (ADA) complementary para-transit service are not eligible. Vouchers are an operational expense, which requires a 50/50 (Federal/local) match.

(2) Eligible operating costs are further identified in 2 CFR Parts 200 and 1201, Uniform Administrative Requirements; MDOT's Contract Agreements; and FTA Circular guidance for the 5316 program.

### **(iii) Capital Expenses**

- (1) Capital assistance may support but is not limited to the following:
  - a. Acquiring Geographic Information System (GIS) tools;
  - b. Implementing Intelligent Transportation Systems (ITS), including customer trip information technology;
  - c. Integrating automated regional public transit and human service transportation information, scheduling and dispatch functions;
  - d. Deploying vehicle position-monitoring systems;
  - e. Subsidizing the costs associated with adding reverse commute bus, train, carpool van routes or service from urbanized areas and non-urbanized areas to suburban work places;



- f. Subsidizing the purchase or lease by a non-profit organization or public agency of a van or bus dedicated to shuttling employees from their residences to a suburban workplace;
  - g. Otherwise facilitating the provision of public transportation services to suburban employment opportunities.
- (2) Eligible capital costs are further identified in 2 CFR Parts 200 and 1201, Uniform Administrative Requirements; MDOT's Contract Agreements; and FTA Circular guidance for the 5316 program.

### **III-H Federal and State Participation Ratios**

- 1. Generally the federal share of eligible capital and planning costs may not exceed eighty percent (80%) of the net cost of the activity. Exception is the use of planning funds originally programmed as State Administration.
- 2. The federal share of the eligible operating costs may not exceed fifty percent (50%) of the net operating costs of the activity.
- 3. Ten percent (10%) of the federal apportionment may be used to support program administrative costs including administration, planning, and technical assistance, which may be funded at one hundred percent (100%) federal share.
- 4. The Federal share is 90 percent for vehicle-related equipment and facilities required by the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA). It is only the incremental cost of the equipment or facility required by the CAA or ADA that may be funded at 90 percent, not the entire cost of the vehicle or facility, even if the vehicle or facility is purchased for use in service required by the ADA or CAA. Designated recipients wishing to apply for assistance at the higher match ratio should consult the FTA regional office for further guidance regarding methods of computing the incremental cost before submitting an application.

### **III-I Cost Incurred Before Grant Approval**

- 1. Costs may be incurred under the JARC program before FTA approval of a grant under certain circumstances. Authority to incur any eligible JARC program costs in advance of possible future Federal participation must comply with all Federal requirements. FTA extends automatic pre-award authority to the 10 percent of funds that can be used for program administrative costs including planning, administration and technical assistance. However sub-recipient must consult with MDOT concerning all pre-award costs. In order for other pre-award costs to be eligible for subsequent reimbursement, the project must have met all FTA statutory, procedural and contractual requirements, including those derived from a locally developed coordinated plan and competitively selected by the designated recipient. Specific information is included in FTA's annual apportionment notice.

### **III-J Program Income**

- 1. Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for JARC operating assistance. In either case, the cost of providing the contract service is included in the total project cost.



2. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service.

### **III-K Local Matching Share**

1. The local share of eligible capital and planning costs shall be no less than 20 percent of the net cost of the activity, and the local share for eligible operating costs shall be no less than 50 percent of the net operating costs.
2. All of the local share must be provided from sources other than Federal DOT funds.
3. Some examples of sources of local match which may be used for any or all of the local share include: State or local appropriations; other non-DOT Federal funds; dedicated tax revenues; private donations; revenue from human service contracts; toll revenue credits; and net income generated from advertising and concessions.
4. Non-cash share such as donations, volunteered services, or in-kind contributions is eligible to be counted toward the local match as long as the value of each is documented and supported, represents a cost which would otherwise be eligible under the program, and is included in the net project costs in the project budget. Further guidance on this subject is found in 49 CFR, part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, OMB Circular A-87, A-110 and/or A-122.

### **III-L Use of Other Federal Funds**

1. Local match may be derived from federal funds that originate from federal programs that are eligible to be expended for transportation. DOT funds are eligible as match. Examples of types of programs that are potential sources of local match include employment training, aging, community services, vocational rehabilitation services, and Temporary Assistance for Needy Families (TANF).
2. To be eligible for local match for FTA funds, the other Federal funds must be used for activities included in the total net project costs of the FTA grant.
3. Expenditure of other Federal funds for transportation outside of the scope of the project cannot be applied as a credit for local match in the FTA grant.

### **III-M Transfer of Funds**

1. Transfer Between Funding Categories. FTA guidance allows the transfer of JARC funds apportioned for small urbanized and rural areas for projects serving another area of the State, if the chief executive officer of the State certifies that all of the objectives of JARC are being met in the specified areas. For example, if all objectives of the JARC program are being met in rural areas, funds designated for rural areas may be transferred to urbanized areas of less than 200,000 in population. Funds apportioned to small urbanized and rural areas may also be transferred for use anywhere in the State including large urbanized areas, if the MDOT establishes a statewide program for meeting JARC program goals.
2. Transfer to Other FTA Programs. Based on local needs and priorities of the local/regional coordinated planning process, MDOT may transfer apportioned JARC funds to rural or small urbanized areas to apportionments under Section 5311(c) or

5307, or both. The purpose of the transfer provision, however, is not to supplement the resources available under the State's Section 5311 or Section 5307 apportionments. If the MDOT does choose to transfer the funds into the Section 5311 or Section 5307 programs, the appropriate scope code for JARC projects included within a Section 5311 or 5307 grant must be used when programming such funds.

- a. Although JARC funds can be transferred to Section 5307 for award directly to a small urbanized area recipient in a Section 5307 grant, the grant should only include funding and activities for the JARC project(s).
  - b. MDOT may combine funds from multiple programs in a consolidated Section 5311 grant, but the State must track, manage, and report on each program's funds separately within the consolidated grant.
  - c. One purpose for MDOT to consider transferring JARC program funds to the Section 5311 program is to allow Federally-recognized Indian tribes, which are eligible direct recipients under the Section 5311 program but not under the other programs, to apply directly to FTA for funds allocated to them under the State's competitive selection process for JARC. Similarly, transferring JARC funds to Section 5307 allows direct recipients of Section 5307 grants in small-urbanized areas, to apply directly to FTA for funds competitively awarded under the Department's JARC program.
3. Transfer of (FHWA) Flexible Funds. Surface Transportation Program (STP) funds, Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds, and certain other "flexible" funds, may be transferred from the Federal Highway Administration (FHWA) to FTA for capital transit projects. Although these funds may not be flexed directly into the JARC program, flexible funds may be transferred to the Section 5307 or 5311 programs for capital projects that support the purposes of the JARC program and are eligible under the program receiving the funds. The funds are available for obligation by the recipient based on the period of availability applicable to the receiving program.
4. Notification of Transfers. The MDOT must notify the FTA regional administrator of the State's intent to have funds transferred so that FTA can initiate the transfer. For transfers of JARC funds to the Section 5307 program for urbanized areas under 200,000 in population or Section 5311(c), the notification must indicate the amount of funds transferred, the program to which they are being transferred, and specific projects selected under JARC.

### **III-N Private Sector Participation**

1. MDOT recognizes FTA's policy of affording private transportation providers the "maximum feasible" opportunity to participate in the provision of rural and small urban area transportation services. Consequently, all applicants and contractors must make assurances in writing that private providers are allowed to participate in the planning and/or providing of transit services.
2. Consistent with federal policy, MDOT, through the Public Transit Division, has incorporated the program requirements applicable to the evaluation of private sector service alternatives into the application and monitoring process. The federal programs

application package requires that applicants demonstrate efforts to involve private sector providers.

**3. The major provisions of MDOT's Private Sector Participation Policy Include the following:**

- a. Demonstrating the participation of private providers in current services.
- b. Documentation of all efforts to provide written notice of proposed services to private providers.
- c. Documentation of all meetings, hearings, or other opportunities for involving the private sector early in the project development process.
- d. Consideration of description and examples of private sector proposals offered by private providers. A justification must be given for exclusion of these proposals.
- e. Periodically reviewing existing services as requested.
- f. As appropriate developing a methodology for making true cost comparisons when there are two or more operators interested in the service(s). When comparing the service proposals of public and private providers, all fully allocated costs are to be included. This includes subsidies, capital grants and the use of public facilities.
- g. A local mechanism for resolving complaints; complaints received are to be documented in the project files.

**III-O Labor Protections**

1. Title 49 U.S.C. 5333(b) requires that, as a condition of assistance from FTA, fair and equitable arrangements must be made to protect the interests of employees affected by such assistance. The Department of Labor (DOL) is responsible under Federal law for the administration of Section 5333(b).
2. Employee protections under Section 5333(b) are required for the JARC and 5339 Bus and Bus Facilities programs. The Section 5311 special warranty does not apply to rural JARC projects; MDOT through FTA must submit all JARC and Bus and Bus Facilities grants to Department of Labor for certification.

## **CHAPTER IV**

### **SECTION 5310: ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES**

#### **IV-A General**

A number of the provisions previously discussed in this State Management Plan are intended to detail the administration and management policies as well as procedures for the Section 5317 and Section 5311 transportation programs. The provisions contained in this chapter further define policies and procedures that may be unique to the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities”) as administered by the MDOT. This program provides grant funds for capital and operating expenses to recipients for:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;
- Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990.
- Public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and
- Alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.

#### **IV-B Specific Objectives**

The transportation services provided with vehicles and equipment acquired through this program are to be operated in a manner consistent with each sub-recipient's approved application and if applicable the regional and/or overall MDOT coordinated transportation plan covering the service area. While the MDOT acknowledges that the Section 5310 Program focus is on elderly persons and/or individuals with disabilities, it is the MDOT's policy that Section 5310 services are to be considered as an adjunct to existing and/or planned coordinated public transportation system. Rather than establishing exclusive service for closely qualified clientele, these services are intended to provide a full range of mobility to anyone in the categories of elderly and/or disabled. In addition to the types of projects eligible under the traditional Section 5310 program and the former New Freedom program, a new eligible activity is public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.

A major objective of the national Section 5310 program funds is to provide financial assistance necessary to facilitate a coordinated approach to transportation service. The objectives of the MDOT' Section 5310 program can be summarized as follows:

1. To increase the mobility of elderly persons and/or individuals with disabilities, especially those persons not served by a specific program or agency;
2. To provide program funds that are targeted to operators of coordinated transportation projects;

3. To coordinate the provision of specialized transportation sources within communities; and
4. To maximize program participation by private sector service providers.

#### **IV-C State Role in Program Administration**

1. As the state agency designated by legislative action for the administration of the Section 5310 Program, the MDOT must ensure that the program provides for maximum feasible coordination of Section 5310 transportation services with other transportation services assisted by federal sources.
2. Under U. S. Department of Transportation regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 CFR part 18 (Common Rule), the MDOT is allowed to rely on existing state laws and agency procedures in the administration of the Section 5310 Program in the following areas:
  - a. Financial management
  - b. Equipment standards
  - c. Procurement
3. The MDOT is responsible for developing a process whereby private transportation providers are afforded an opportunity to participate in the planning and provision of services.

#### **In addition to the above, the following roles are given as a recipient of 5310 funds:**

The recipient's responsibilities include the following:

- a. Document the state or designated recipient's procedures in a state management plan (SMP) or program management plan (PMP);
- b. Plan for future transportation needs, and ensure integration and coordination among diverse transportation modes and providers;
- c. Develop project selection criteria consistent with the coordinated planning process;
- d. Notify eligible local entities of funding availability;
- e. Solicit applications from potential subrecipients;
- f. Determine applicant and project eligibility;
- g. Certify that allocations of funds to subrecipients are made on a fair and equitable basis;
- h. Submit an annual program of projects (POP) and grant application to FTA;
- i. Ensure subrecipients comply with federal requirements;
- j. Certify that all projects are included in a locally developed, coordinated public transit-human service transportation plan developed and approved through a process that included participation by seniors; individuals with disabilities; representatives of public, private, and nonprofit transportation and human service providers; and other members of the public;

- k. Certify that to the extent feasible, services funded under Section 5310 are coordinated with transportation services assisted by other federal departments and agencies;
- l. Ensure that at least 55 percent of the area's apportionment is used for traditional Section 5310 projects carried out by the eligible subrecipients as described in section 5 of Chapter III of this circular; and
- m. Oversee project audit and closeout.

#### **IV-D Relationship of the Section 5310 Program to Section 5311 Program**

Many of the state's Section 5310 program sub-recipient organizations also serve clients in rural and small urban areas. While the overall objectives of the Section 5317 and 5310 programs differ, both of these programs provide transportation to the general public. Although the Section 5310 program is to serve the elderly and/or disabled in both rural and urbanized areas, there are parallels which make it desirable for Mississippi to coordinate program resources and plan for their use in a complementary way. Many of the MDOT's Section 5311 local sub-recipients are private nonprofit organizations and in some cases, a single agency receives both Section 5310 and Section 5311 funding. In other cases, recipients of Section 5310 funds seek to participate in coordinated service arrangements that also include Section 5311, Section 5316, and Section 5317 funded projects. The MDOT encourages participation in such coordinated efforts as long all program resources continue to also serve their primary clientele or program purposes, and where these resources can improve the efficiency and effectiveness of both transportation programs.

#### **IV-E Apportionment and Transfer of Funds**

1. The Mississippi Transportation Commission has authorized the Public Transit Division, through the Office of Intermodal Planning, to apply for Section 5310 funds, at least annually, based on the apportionments published in the Federal Register or other appropriations through the FTA.
2. It is the policy of the MDOT to annually apply for and make available to potential sub-recipients, Federal funds appropriated for each fiscal year, with particular consideration being given to the needs of operations of coordinated transportation projects that are funded through the MDOT.
3. The MDOT may consider the transfer of STP funds and certain other highway funds, as allowable by federal regulations, to be used to support Section 5310 projects.
4. The MDOT acknowledges that when Section 5310 funds apportioned to the State are not needed to support current Section 5310 requests for assistance, such funds will be transferred to supplement the Section 5311 program or, in some cases, the Section 5307 program. In reviewing Section 5310 funds for transfer, the PTD will consider the following:
  - a. The request for Section 5310 assistance submitted during the most recent application cycle.
  - b. The need for additional assistance that has been officially submitted by sub-recipients.
  - c. The availability of existing grant balances.

#### **IV-F Eligible Applicants**



1. The MDOT has established three categories of eligible applicants for Section 5310 funding:
  - a. Private nonprofit organizations - a nonprofit organization is a corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. Section 501(c) which is exempt from taxation under either 26 U.S.C. Section 501(a) or Section 101; or one which has been determined under state law to be nonprofit and for which the designated state agency has received documentation certifying the status of the nonprofit organization.
  - b. Public bodies that certify to the MDOT that no nonprofit corporations or associations are readily available in an area to provide the service.
  - c. Public bodies recognized by the MDOT to coordinate services for elderly persons and/or individuals with disabilities.
  - d. A State or local governmental entity that operates a public transportation service and that is eligible to receive direct grants under 5311 or 5307
2. Local public bodies eligible to apply for Section 5310 funds as coordinators of services for elderly persons and/or individuals with disabilities are those designated or recognized by state or federal funding sources as having the responsibility to coordinate human service activities in a particular area. Examples of such eligible public bodies are a local agency on aging, planning, and development district or a public transit provider which the MDOT has identified as the lead agency to coordinate transportation services funded by multiple federal or state human service programs.
3. Eligible subrecipients for other section 5310 projects. Eligible subrecipients for other eligible Section 5310 activities include a state or local governmental authority, a private nonprofit organization, or an operator of public transportation that receives a Section 5310 grant indirectly through a recipient.
4. Private taxi operators as subrecipients. Private operators of public transportation are eligible subrecipients. The definition of “public transportation” includes “... shared-ride surface transportation services ...” Private taxi companies that provide shared-ride taxi service to the general public on a regular basis are operators of public transportation, and therefore eligible subrecipients. “Shared-ride” means two or more passengers in the same vehicle who are otherwise not traveling together. Similar to general public and ADA demand response service, every trip does not have to be shared-ride in order for a taxi company to be considered a shared-ride operator, but the general nature of the service must include shared rides.

#### **IV-G Eligible Service**

1. It is the policy of the MDOT that all resources awarded through the Section 5310 program must be for the primary purpose of providing transportation to elderly persons and/or individuals with disabilities within the general population. Therefore, in addition to specific clients, transportation services are to be routinely made available to other elderly persons and individuals with disabilities on a space available basis.
2. While Section 5310 services may be provided in urban and non-urbanized areas, all applicants must identify a specific primary service area for elderly and/or disabled services.
3. Section 5310 vehicles may also serve the transportation needs of general public passengers on an incidental basis. This incidental basis refers to services that do not interfere with the



transportation services designed to meet the specific needs of elderly persons and/or individuals with disabilities.

4. For the purposes of this Management Plan, the following definitions apply:
  - a. "Elderly Person" refers to a person meeting the requirements for services under Title XX and Title III-B of the Older Americans Act. In general, persons age 55 and older are considered eligible for Section 5310 transportation services.
  - b. "Individual with Disability" means any individual who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability (including any person who uses a wheelchair or has semi-ambulatory capabilities), is unable without special facilities to utilize public transportation facilities and services effectively.
5. USE OF VEHICLES. Vehicles acquired under the Section 5310 Program may be used only in the following ways:
  - a. By the private nonprofit organization as described in the approved application.
  - b. By private nonprofit organizations in coordinated services for a variety of elderly, disabled, and general public services.
  - c. By a private for-profit operator, through a lease or other contractual agreement with the private nonprofit organization for the services identified in the approved grant application.
  - d. To assist in providing meal delivery services to homebound persons, if this meal delivery does not interfere with the regular transportation services or result in a reduction of service to transit passengers. Purchase and/or use of Section 5310 vehicles exclusively for meal delivery shall not be allowed.
  - e. Through a lease or other formal arrangement lease to other entities such as public bodies/agencies or private nonprofit entities, as long as the vehicles provide services to eligible Section 5310 recipients in accordance with a contract agreement approved by the MDOT. The MDOT must review and approve all lease agreements for the use or operation of Section 5310 vehicles.
6. SHARED USE. During those periods when a vehicle is not needed for specific grant related purposes, it may be used for services to other elderly persons and/or individuals with disabilities. After the needs of these groups have been addressed, the vehicle may then be used for transportation of other members of the general public, on a space available basis. Such use must be incidental to the primary purposes of the vehicle and must not interfere with the use of the vehicle by elderly and/or person/individuals with disabilities.

#### **IV-H Eligible Assistance Categories**

1. The Section 5310 program provides capital assistance only under SAFETEA-LU requirements. MAP-21 5310 program provisions provide capital and operating assistance. Operating assistance is based on ADA provisions formerly associated with the stand along 5317 New Freedom Program. This program provides grant funds for capital and operating expenses to recipients for:
  - Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;

- Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.);
- Public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and
- Alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.

The following is a list of capital items eligible under the MDOT's Section 5310 traditional program:

- a. Buses
  - b. Vans or other Para transit vehicles
  - c. Radios and communication equipment
  - d. Vehicle shelters
  - e. Wheelchair lifts, ramps and securement devices
  - f. Vehicle rehabilitation
  - g. Computer hardware/software
  - h. Other durable goods such as spare components or parts with a unit cost over \$500 and useful life of more than one year
  - i. Initial installation costs
  - j. Vehicle procurement, testing, inspection, and acceptance costs
  - k. Lease of equipment when lease is more cost effective than purchase. Note that when lease of equipment or facilities is treated as a capital expense, the recipient must establish criteria for determining cost effectiveness in accordance with FTA regulations, "Capital Leases," 49 CFR part 639 and 2 CFR Parts 200 and 1201, Uniform Administrative Requirements, which provides the necessary discount factors and formulas for applying the same. ([See Attachment K](#) for details on eligible capital items).
2. At the option of the MDOT, the acquisition of transportation services under a contract, lease, or other arrangement including capital and operating costs associated with contracted services and user-side subsidies; these funds may be requested for contracted services covering a time period of at a minimum one year with possibility of renewal in accordance with lease.
  3. Annually, 10 percent of the state's total fiscal year apportionment may be used as the federal share of program administration costs. Program administration costs consist of those costs incurred by the state in implementing and managing the entire Section 5310 program, including previously funded projects, if necessary. Thus, administrative funds are not specific to one grant, but may help to pay the ongoing administrative costs of previous Section 5310 projects /grants that require further staff effort.
  4. Generally, the federal share of eligible capital costs will not exceed 80 percent (80%) of the net cost. The local share of eligible capital costs shall be no less than 20 percent (20%) of the net cost. The local share must be provided from sources other than federal funds, except where specific legislative language of a federal program permits funds to be used as match.

5. Exceptions to these match requirements are to be considered when vehicle-related equipment is required by the Americans with Disabilities Act of 1990 or the Clean Air Amendments of 1990. Such equipment may be funded at up to a ninety percent (90%) federal share. This increased federal share will be available for equipment related purchases only.

The federal share may be limited to a maximum of 50 percent (50%) of net cost for those projects that exclude passengers or limit services to otherwise qualifying individuals based on factors other than vehicle capacity, demand, and utilization data. ( [See Attachment K](#) for details on other eligible assistance).

#### **IV-I Section 5310 Application Cycle**

With the exception of the differences described below, the MDOT will also use an annual application cycle for the Section 5310. The application, project selection, and grant award process for the Section 5310 Program may take up to twelve months.

#### **IV-J Section 5310 Priority of Projects**

When reviewing applications for developing and funding the annual Program of Projects, the Public Transit Division will prioritize 5310 and 5339 projects as follows:

1. The **first priority** will be given to existing 5310/17 subrecipients that demonstrate effective coordination of available resources and have otherwise been operating satisfactorily based on the MDOT's monitoring, review and audit procedures.
2. **The second priority** will be given to private non-profit organizations that have a public transportation system in operation and are proposing to provide complementary paratransit services targeted to elderly persons and those general public riders that meet the eligibility requirements of the ADA.
3. **The third priority** will be given to newly created elderly and disabled projects that fill a service gap identified through the regional planning process and target services to person meeting the disability eligibility requirements of the ADA.
4. **The fourth priority** will be given to projects that target a specific clientele or group excluding general public or person or individuals with Disabilities.

#### **IV-K Section 5310-5317 Project Selection Criteria**

The criteria for project selection reflects the following major elements which should be documented in the pre-application:

1. The degree of coordination and cooperation among the following local organizations - existing public and private transit, Para transit, and social services agency transportation providers.
2. The financial and management capabilities of the proposed Section 5310 applicant, particularly in assuring that adequate matching and operating funds exist.
3. The quality and thoroughness of the operating plan
4. The vehicle utilization, ridership projection, and trip purposes.

The staff is asked to review and the ITC is asked to rate the applications in each of the following areas using a scale of one to five. (One is the lowest rating, five is the highest rating.) For items with more than one rating scale, the combined rating is used.

**SECTION 5310: ENHANCED MOBILITY OF SENIORS AND INDIVIDUAL WITH  
DISABILITIES  
PROJECT SELECTION CRITERIA**

1. Evidence of Local Support: (i.e. In-Kind, Letters of Support, etc.): **1                      2    3    4    5**

2. Need of requested vehicle(s) and/or equipment in the service area:

(a) **Replacement Vehicle**    (b) **Expansion Vehicle**    (c) **New Service Vehicle**    (d) **Other Equipment**  
(Specify)

**1   2   3   4   5**

**1   2   3   4   5**

**1   2   3   4   5**

**1   2   3   4   5**

3. Benefits to be derived from the project/equipment: (e.g. number of passenger trips; availability of services, needs assessments, extent of unmet service requests, level of support from other organizations). **1   2   3   4   5**

**4. REGIONAL COORDINATION PLANNING**

A. Evidence of effort to secure public participation in the planning of the project: **1   2   3   4   5**

B. Evidence that a regional plan exists for the service area being proposed: **1   2   3   4   5**

C. Evidence that the project is included in the local/regional planning process: ( e.g. Metropolitan Planning Organizations (MPO's), Planning and Development Districts (PDD's), city or county planning process): **1   2   3   4   5**

5. Accessibility of transportation services proposed by the applicant. (e.g. previous project performance, restrictions, hours of operation):

**ELDERLY INDIVIDUALS**

**1    2   3   4   5**

**DISABILITIES**

**1   2   3   4   5**

6. Coordination of service with other transit providers, or efforts to coordinate service with transportation providers:

**ACTUAL COORDINATION**

**1    2   3   4   5**

**EFFORTS TO COORDINATE**

**1   2   3   4   5**

7. Coordination of service with human service organizations/advocacy groups, purchase of service, or efforts to coordinate service:

**ACTUAL COORDINATION**

**1   2   3   4   5**

**EFFORTS TO COORDINATE**

**1   2   3   4   5**

**SECTION 5310: ENHANCED MOBILITY OF SENIORS AND INDIVIDUAL WITH DISABILITIES**  
**PROJECT SELECTION CRITERIA CONTINUED**

8. Specific sources of local match and operating funds are shown (financial support).  

1    2    3    4    5
9. The vehicle/equipment requested will be used on a full time basis (i.e. availability, hours of vehicle/equipment operation per day and week, annual miles of vehicle operation, limitations on services):  

1    2    3    4    5
10. Adequate staff exists or will exist to administer the transportation project.  

1    2    3    4    5
11. Acceptable vehicle maintenance program is documented.  

1    2    3    4    5
12. Adequate compliance with program requirements (**Points given to Existing Contractors Only**)  

1    2    3    4    5

Should this equipment be approved? (If no, please comment)    ☐ YES    ☐ NO

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#### **IV-L Program Management**

1. It is the policy of the MDOT that the entity, approved as a Section 5310 sub-recipient with the Department, must maintain control and responsibility for vehicles or other equipment. The original contractor must maintain this control and responsibility, even when the vehicle or equipment is operated by another entity.
2. Any sub-contract or lease of Section 5310 vehicles or equipment by a sub-recipient must be approved by the MDOT. The vehicle/equipment leasing provisions contained in the most [recent approved 5310 Circular](#), shall be used in part to determine the acceptability of such lease agreements.
3. Titles to all vehicles purchased with Section 5310 funds shall be in the name of the MDOT approved sub-recipient. The MDOT shall be listed as the first and sole lien holder on all titles.
  - a. Exceptions to this provision may be considered only upon a written request and justification by the sub-recipient and when such arrangements result in direct benefits to the project.
  - b. Exceptions do not release the project from the responsibility of maintaining control over the vehicle(s).

4. Section 5310 Projects are encouraged to establish capital reserve accounts for the purpose of replacing existing vehicles. These accounts may not be funded with FTA funds.
5. Public bodies that apply for Section 5310 assistance must allow for public comments on each application submitted to the MDOT for consideration.
6. Section 5310 Contractors must adhere to the same property management standards included in the SMP for the 5311 program. Deviation from these standards must be based on FTA or other federal or State guidance.

## CHAPTER V

### SECTION 5317 NEW FREEDOM

*MAP-21 repealed Section 5317. Activities eligible under this program are now eligible under the Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities program. However, MDOT will continue to administer the remaining funds appropriated under SAFETEA-LU until all approved grant funds are expended.*

#### **V-A Program Goal**

The New Freedom program aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. The New Freedom formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990.

#### **V-B New Freedom Program Measures**

The 5317 Program has specific program measures to be used in measuring relevant outputs, service levels, and outcome. The performance measures are to be used by MDOT at the prospect program level and will be used by MDOT to help assess individual prospects and prospect applications grants. The three measures established for the New Freedom Program include the following:

- a. Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.
- b. Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.
- c. Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

#### **V-C State Role in Program Administration**

As the State agency designated by the Governor to administer the New Freedom Program in non-urbanized areas under 50,000 in population. Our responsibilities include the following:

- a. Notifying eligible local entities of funding availability.
- b. Developing project selection criteria.
- c. Determining applicant eligibility.
- d. Conducting the competitive selection process.
- e. Forwarding an annual program of projects (POP) and grant application to FTA.
- f. Ensuring that all sub-recipients comply with Federal requirements.



- g. Documenting the State's or designated recipient's procedures in a State Management Plan or a Program Management Plan as appropriate.
- h. Certifying that allocations of grants to sub-recipients are distributed on a fair and equitable basis.
- i. Certifying that all projects are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that consists of representatives of public, private, and non-profit transportation and human services providers with participation by the public.

#### **V-D Relationship to Section 5311 Program**

1. Section 5311 program makes Federal funds available to assist in the development, improvement and use of public transportation systems in non-urbanized areas. While the overall objectives of the Section 5311, and New Freedom Programs differ (that is, Section 5311 is to provide transportation to the general public in non-urbanized areas and the objective of the New Freedom Program is to provide new public transportation and public transportation alternatives beyond those required by the ADA for individuals with disabilities in both rural and urbanized areas), there are parallels which make it desirable for recipients to consider all resources and plan for their use in a complementary way. Local transit providers are expected to participate in the development of a coordinated public transit-human service transportation plan.
2. Under Section 5311, the Rural Transit Assistance Program (RTAP) provides for technical assistance, training, and related support services in non-urbanized areas. New Freedom providers may participate in RTAP sponsored activities, at the MDOT's discretion, as long as the activities are primarily designed and delivered to benefit non-urbanized transit providers.

#### **V-E Coordination Provisions**

Federal transit law, as amended by SAFETEA-LU, requires that projects funded from the New Freedom (Section 5317), program be derived from a locally developed, coordinated public transit-human services transportation plan ("coordinated plan"). A coordinated plan should maximize the programs' collective coverage by minimizing duplication of services. Further, a coordinated plan should be developed through a process that includes representatives of public, private and non-profit transportation and human services providers, and participation by the public. A coordinated plan may incorporate activities offered under other programs sponsored by Federal, State, and local agencies to greatly strengthen its impact.

## **V-F Eligible Service Areas**

Of the total New Freedom funds available, FTA apportions 60 percent among designated recipients in large urbanized areas; 20 percent to the States for small urbanized areas; and 20 percent to the States for rural and small urban areas under 50,000 in population. New Freedom funds are apportioned among the recipients by formula. The formula is based on the ratio that the number of individuals with disabilities in each such area bears to the number of individuals with disabilities in all such areas. The number of disabled individuals in an area is determined according to the latest available U.S. Census data for individuals with disabilities over the age of five. The annual apportionment for New Freedom is published in the *Federal Register* following the enactment of the annual DOT appropriations act.

## **V-G New Freedom – Eligible Recipients**

MDOT has established three categories of eligible recipients of JARC funds:

- Private non-profit organizations;
- State or local governmental authority; and
- Operators of public transportation services, including private operators of public transportation services.

## **V-H Eligible Activities and Assistance Categories**

1. Consistent with the federal statutory requirements, MDOT may annually allocate an amount not to exceed 10 percent (10%) of its annual federal apportionment to support state administration expenditures including planning and technical assistance. Program administration costs may be funded at 100 percent Federal share and do not require matching local funds. MDOT reserves the right to allocate a portion of these funds to local recipients for the same purposes. Such allocations may have a local matching share requirement.
2. If program administration expenses in excess of the ten percent (10) is included in a grant application MDOT must document the unused New Freedom administrative funds from prior years available to augment the amount of New Freedom administrative funds in the current apportionment.
3. FTA will allow all or a portion of the administrative funds for New Freedom, JARC and Section 5310 to be combined to support activities (such as coordinated planning) that are common to all three programs. MDOT may combine program administration funds into one administrative account, so long as the funds are used for costs associated with administering the Section 5310, JARC, and New Freedom programs. However, the funds must still be tracked and attributable to the specific program. As expenses are incurred against the pooled funds for program administration, they can be drawn down against any grant that has un-disbursed program administration funds.
4. Eligible project costs shall be determined in accordance with 2 CFR Parts 200 and 1201, Uniform Administrative Requirements , as well as other guidance issued by the Federal Transit Administration and the Mississippi Department of Transportation pursuant thereto.
5. Eligible project costs are defined in this Management Plan, Contract Agreements, most [recent approved FTA Circular](#), and 2 CFR Parts 200 and 1201, Uniform Administrative Requirements. OMB Circulars A-87,110 and 102. These circulars

define assets, liabilities, revenues and expenditures. These definitions shall be used in all of the Department's external contracts.

6. New Freedom Program funds are available to support new public transportation services beyond those required by the Americans with Disabilities Act of 1990 (ADA) and new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services, including transportation to and from jobs and employment support services.
7. The New Freedom Program, “New” service is any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the STIP. In other words, if not for the New Freedom Program, these projects would not have consideration for funding and proposed service enhancements would not be available for individuals with disabilities.
8. Maintenance of Effort: Recipients or sub-recipients may not terminate ADA paratransit enhancements or other services funded as of August 10, 2005, in an effort to reintroduce the services as “new” and then receive New Freedom funds for those services.
9. Both new public transportation services and new public transportation alternatives are required to go beyond the requirements of the ADA and must (1) be targeted toward individuals with disabilities; and (2) meet the intent of the program by removing barriers to transportation and assisting persons with disabilities with transportation, including transportation to and from jobs and employment services.

## **V-I Assistance Categories**

For the New Freedom Program MDOT has designated **two (2) categories of expenditures: capital, and operating assistance.**

1. **Capital Assistance** may support but is not limited to the following:
  - a. Acquisition of vehicles and equipment designed to accommodate mobility aids that exceed the dimensions and weight ratings established for common wheelchairs under the ADA and labor costs of aides to help drivers assist passengers with over-sized wheelchairs. This would permit the acquisition of lifts with a larger capacity, as well as modifications to lifts with a 600 lb. design load, and the acquisition of heavier-duty vehicles for paratransit and/or demand-response service.
  - b. Installation of additional securement locations in public buses beyond what is required by the ADA.
  - c. Making accessibility improvements to transit and intermodal stations not designated as key stations. Improvements for accessibility at existing transportation facilities that are not designated as key stations established under 49 CFR 37.47, 37.51, or 37.53, and that are not required under 49 CFR 37.43 as part of an alteration or renovation to an existing station, so long as the projects are clearly intended to remove barriers that would otherwise have remained. New Freedom funds are eligible to be used for new accessibility enhancements that remove barriers to individuals with disabilities so they may

access greater portions of public transportation systems, such as fixed-route bus service, commuter rail, light rail and rapid rail. This may include:

- i. Building an accessible path to a bus stop that is currently inaccessible, including curb cuts, sidewalks, and accessible pedestrian signals or other accessible features,
- ii. Adding an elevator or ramps, detectable warnings, or other accessibility improvements to a non-key station that are not otherwise required under the ADA,
- iii. Improving signage, or way finding technology, or
- iv. Implementation of other technology improvements that enhance accessibility for people with disabilities including Intelligent Transportation Systems (ITS).

2. Operating Assistance may support but is not limited to the following:

- a. **Enhancing paratransit beyond minimum requirements of the ADA.** ADA complementary paratransit services can be eligible under New Freedom in several ways as long as the services provided meet the definition of “new:”
- b. Expansion of paratransit service parameters beyond the three-fourths mile required by the ADA;
- c. Expansion of current hours of operation for ADA paratransit services that are beyond those provided on the fixed-route services;
- d. The incremental cost of providing same day service;
- e. The incremental cost of making door-to-door service available to all eligible ADA paratransit riders, but not as a reasonable modification for individual riders in an otherwise curb-to-curb system;
- f. Enhancement of the level of service by providing escorts or assisting riders through the door of their destination, including the following:
  - i. Feeder services. New “feeder” service (transit service that provides access) to commuter rail, commuter bus, intercity rail, and intercity bus stations, for which complementary paratransit service is not required under the ADA.
  - ii. Travel training. New training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities. This includes travel instruction and travel training services.
- g. **New Public Transportation Alternatives Beyond the ADA.** The following activities are examples of projects that are eligible as new public transportation alternatives beyond the ADA under the New Freedom Program:
  - i. Supporting the administration and expenses related to new voucher programs for transportation services offered by human service providers. This activity is intended to support and supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Only new voucher programs or expansion of existing

programs are eligible under the New Freedom Program. Vouchers can be used as an administrative mechanism for payment of alternative transportation services to supplement available public transportation. The New Freedom Program can provide vouchers to individuals with disabilities to purchase rides, including: (a) mileage reimbursement as part of a volunteer driver program; (b) a taxi trip; or (c) trips provided by a human service agency. Providers of transportation can then submit the voucher for reimbursement to the recipient for payment based on pre-determined rates or contractual arrangements. Transit passes for use on existing fixed route or ADA complementary paratransit service are not eligible. Vouchers are an operational expense which requires a 50/50 (Federal/local) match.

- ii. Supporting new volunteer driver and aide programs. New volunteer driver programs are eligible and include support for costs associated with the administration, management of driver recruitment, safety, background checks, scheduling, coordination with passengers, and other related support functions, mileage reimbursement, and insurance associated with volunteer driver programs. The costs of new enhancements to increase capacity of existing volunteer driver programs are also eligible. FTA notes that any volunteer program supported by New Freedom must meet the requirements of both “new” and “beyond the ADA.” FTA encourages communities to offer consideration for utilizing all available funding resources as an integrated part of the design and delivery of any volunteer driver/aide program.
- iii. Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a non-profit agency could receive New Freedom funding to support the administrative costs of sharing services it provides to its own clientele with other individuals with disabilities and coordinate usage of vehicles with other non-profits, but not the operating costs of the service. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. Mobility management activities may include:
  - a) The promotion, enhancement, and facilitation of access to transportation services; including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals.
  - b) Support for short term management activities to plan and implement coordinated services.
  - c) The support of State and local coordination policy bodies and councils.

- d) The operation of transportation brokerages to coordinate providers, funding agencies and customers.
- e) The provision of coordination services, including employer-oriented Transportation Management Organizations' and Human Service Organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers.
- f) The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs.
- g) Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of Geographic Information Systems (GIS) mapping, Global Positioning System Technology, coordinated vehicle scheduling, dispatching and monitoring technologies as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a stand-alone capital expense).

#### **V-J Federal Matching Requirements**

- 1. The federal share of eligible capital and planning costs may not exceed eighty percent (80%) of the net cost of the activity.
- 2. The federal share of the eligible operating costs may not exceed fifty percent (50%) of the net operating costs of the activity.
- 3. Ten percent (10%) of the federal apportionment may be used to support program administrative costs including administration, planning, and technical assistance, which may be funded at one hundred percent (100%) federal share.
- 4. Exception. The Federal share is 90 percent for vehicle-related equipment and facilities required by the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA). It is only the incremental cost of the equipment or facility required by the CAA or ADA that may be funded at 90 percent, not the entire cost of the vehicle or facility, even if the vehicle or facility is purchased for use in service required by the ADA or CAA.

#### **V-K Program Income**

- 1. Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for New Freedom operating assistance. In either case, the cost of providing the contract service is included in the total project cost.
- 2. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service.

#### **V-L Local Matching Share (5310/17)**

1. The local share of eligible capital and planning costs shall be no less than 20 percent of the net cost of the activity, and the local share for eligible operating costs shall be no less than 50 percent of the net operating costs. All of the local share must be provided from sources other than Federal DOT funds.
2. Some examples of sources of local match which may be used for any or all of the local share include: State or local appropriations; other non-DOT Federal funds; dedicated tax revenues; private donations; revenue from human service contracts; toll revenue credits; and net income generated from advertising and concessions.
3. Non-cash share such as donations, volunteered services, or in-kind contributions is eligible to be counted toward the local match as long as the value of each is documented and supported, represents a cost which would otherwise be eligible under the program, and is included in the net project costs in the project budget. Further guidance on this subject is found in 49 CFR, part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 2 CFR Parts 200 and 1201, Uniform Administrative Requirements.

**V-M Use of Other Federal Funds.**

1. Local match may be derived from other Federal funds derived from Federal programs that are eligible to be expended for transportation, other than from the DOT programs. Examples of types of programs that are potential sources of local match include: employment training, aging, community services, and vocational rehabilitation services.
2. To be eligible for local match for FTA funds, the other Federal funds must be used for activities included in the total net project costs of the FTA grant.
3. Expenditure of other Federal funds for transportation outside of the scope of the project cannot be applied as a credit for local match in the FTA grant.



## CHAPTER VI

### COORDINATION AND PLANNING

#### VI-A Background

Coordination of transportation services is an integral part of the State's policies and goals for administration of the Federal Transit Administration (FTA) Programs. The Department proposes to make every reasonable effort to implement coordination between state, regional and local agencies involved in providing transportation services. In order to accomplish this, MDOT supports and will utilize resources of the American Association of State Highway and Transportation Officials Multi-state Technical Assistance Program (MTAP), the Community Transportation Association of America (CTAA), the Interagency Transportation Committee (ITC), local transportation advisory or work groups, input from local area contractors/service providers, input from the Planning and Development Districts (PDD's), and Metropolitan Planning Organizations (MPO's). In addition, the MDOT will include coordination of resources as a part of the application for and monitoring of all FTA funded formula programs.

#### VI-B The Interagency Transportation Committee (ITC)

1. The ITC was established as an advisory body to assist the Public Transit Division in reviewing certain project requests and making recommendations. The ITC is composed of representatives from other state agencies that have an interest in providing or purchasing transportation services funded via the JARC, New Freedom, rural general public and/or specialized transit programs. ([See Attachment H](#)).
  - a. The responsibility of the Interagency Transportation Committee is to, as requested, review proposals and where appropriate recommend transportation alternatives and options that provide coordination of resources. To accomplish this, the ITC may review applications (may also include plans submitted to or prepared by the MDOT's Public Transit Division) for evidence of coordination, cost-effectiveness and possible duplication of services.
  - b. ITC recommendations are provided to the Public Transit Division staff during committee meetings. These recommendations are provided to the Executive Director through the Office of Intermodal Planning as the proposed annual program of projects.

#### VI-C Subrecipient Advisory Committee

Sub-recipients of FTA funds are encouraged to develop agency advisory committees. These committees are to assist agencies with short and long range planning, outreach and education, fund raising, policy development and implementation. The purpose of these committees is strictly advisory and should include representatives from local elected officials, human service agencies, colleges/universities, public/private businesses, consumers. Committee members will play a key role in promoting transportation services and being a liaison within their communities to gain an understanding of local and regional transportation needs and challenges.

## **VI-D Coordination in the Review and Monitoring Process**

1. As a part of the application process, all applicants are required to document efforts to coordinate with social service agencies and other providers of transit services. Each applicant will be required to submit the names and service area of other transportation providers in the proposed service area. The applicant must document that other providers were made aware of the proposed project; that there will be no duplication of services; and that the existing provider(s) have not demonstrated that they are in a position to provide the service in a more cost-effective or efficient manner.
2. Each applicant is required to submit a copy of the application for proposed service(s) to the local Planning and Development District and where applicable to the Metropolitan Planning Organization. This is done to obtain concurrence or comments that the proposed project will not duplicate existing services, and to comply with planning requirements for developing statewide transportation plans.
  - a. As a part of routine monitoring procedures, MDOT staff will examine coordination efforts. Recommendations will be made to increase the type and/or extent of coordination as appropriate.
  - b. Failure to adequately coordinate or show a good faith effort to coordinate services or resources could result in denial of an application for funding. Technical assistance is available to avoid any disruption in service or to assist in negotiations as appropriated.
  - c. As a part of the application process, all applicants are required to allow for citizen participation in the planning of the proposed project. This can be accomplished through various methods, including, public hearings, published comment periods, outreach/town hall meetings etc.

## **VI-E The Statewide Coordinated Public Transit-Human Services Transportation Plan(SCHSTP)**

The Statewide Coordinated Public Transit –Human Services Transportation Plan (SCHTP) was developed in response to federal requirements, established by federal law; *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)* and guidance provided by the Federal Transit Administration (FTA). The following are the PTD goals to develop and implement coordinated transportation services statewide:

1. To better serve the general public and groups that have special transportation needs, especially individuals with disabilities, the elderly and persons with low income;
2. To get the most efficiency that is practical from existing transportation resources;
3. To reduce duplication in public and human service transportation resource allocation; and
4. To expand transportation resources through well-conceived coordination strategies

The statewide plan is based on information derived from the United We Ride statewide meeting, Statewide Coordination Summits, numerous regional advisory group meetings, university research and each of the individual regional coordinated plans. Each regional plan is based on the Community Framework for Action Assessments that produced the subsequent United We Ride

Regional Action Plans. The individual plans are designed to identify unmet needs and include alternatives for meeting these needs, either through strategies or specific projects. The statewide plan provides summary observations and prioritization of issues and alternatives. In varying degrees the regional and statewide plans contain the following elements:

1. An assessment of available services that identifies current transportation providers (public, private, and non-profit);
2. Assessments of transportation need focusing on individuals with disabilities, older adults, and people with low incomes. In some instances these assessments are based on demonstrated gaps in service, as well as the experiences and perceptions of the planning partners rather than sophisticated data collection efforts;
3. Strategies, activities, and in some limited cases projects to address the identified gaps between current services and needs; and
4. Priorities for implementation based on resources, time, and feasibility for implementing specific strategies and/or activities identified

#### **VI-F Local Regional Coordination Plans**

1. It is the intent of the MDOT to fully support implementation of the local coordinated planning requirements in accordance with FTA regulations and circular guidance provided for the FTA formula programs. To this intent, projects selected for funding will be “included in a locally developed, coordinated public transit-human services transportation plan”. The plan must be developed through a process that includes participation by seniors, individuals with disabilities, representatives of public, private, and non-profit transportation and human services providers and other members of the public.
2. Local Coordinated Human Services Transportation Plans have been developed by several regional groups. Each CHSTP were based on the United We Ride Regional Action Plan model . The regional CHSTP is designed to better identify unmet needs and include more detailed alternatives for meeting these needs, either through strategies or specific projects. MDOT provided a suggested plan template. Each plan must contain the following elements:
  - a. An assessment of available services that identifies current transportation providers (public, private, and non-profit).
  - b. An assessment of transportation needs for the **general public**, individuals with disabilities, older adults, and individuals with low incomes. This assessment is based on the experiences and **observations** of the planning partners, studies, census data, surveys, **other data collection methods**.
  - c. Strategies, activities, and/or projects to address the identified gaps between current services and needs as well as opportunities to achieve efficiencies in service delivery.
  - d. Priorities for implementation based on resources, time, and feasibility for implementing specific strategies and/or activities identified.
3. The CHSTP planning process is a local stakeholder driven, interactive process. It is an ongoing four (4) phase process that will require no less than three (3) year plan updates. Phases include:

- a. Preliminary Planning/ Training;
  - b. Assessment/ Data Collection;
  - c. Consultation; and
  - d. Plan Adoption.
- 4. The goal of this planning process is to meet the *local coordinated* planning requirements of FTA regulations. The objectives are:
  - a. Develop Regional Coordinated Human Services Transportation Plans (CHSTP).
  - b. Better define the regional planning and operating boundaries for allocation of transit resources.
  - c. Increase the level of actual coordination by developing more formal relationships among the stakeholders.
  - d. Raise the level of awareness of public and specialized transportation services among consumers, human services organizations and elected officials.
- 5. Participation in the coordinated planning process is a prerequisite to receiving funding through the formula grant programs. As a part of the grant application process, MDOT will ensure and certify that the coordinated plan was developed through a process that included representatives of public, private, and non-profit transportation and human services providers, and participation by members of the public.

#### **VI-G. Regional Planning Groups**

The MDOT as required by prior SAFETEA-LU regulations and amended by MAP 21, developed statewide regional planning groups designed to foster increased coordination of services and the sharing of resources between public/private transit organizations and human services agencies. These regional planning groups have developed plans based on community needs identified through studies, surveys, census data, customer input, etc. The plans identify short and long range goals and objectives to address un-met community needs with an action plan to guide the work of the regional groups. The plans, and future revisions to the plans are to be adopted by the regional group. The regional groups are composed of representatives of public, private, and non-profit transportation and human services providers, local/state elected officials, colleges/universities, public/private businesses and members of the public. Regional planning efforts are ongoing guided in the most part by the efforts of Mobility Managers within each region.

#### **VI-H Long Range Planning**

MDOT's long-range transportation planning process has historically focused on multimodal systems independent of one another. With an increased emphasis on Intermodal, the MDOT has initiated the development of the Mississippi Unified Long Range Transportation Infrastructure Plan (MULTIPLAN). The MULTIPLAN is intended to provide a comprehensive analysis of transportation needs throughout the state. It articulates the current status of transportation in Mississippi, reviews the status and progress in comparison to goals established in the Long Range Transportation Plan (LRTP), assesses modal deficiencies, and integrates Metropolitan Planning Organization (MPO) Plans. The MULTIPLAN has a horizon year of 2030. The MULTIPLAN will be re-evaluated on an approximate 5-year interval to extend the horizon year.

MDOT developed a public involvement plan as a part of the Multiplan development process. The plan outlines the public strategies for the MULTIPLAN, providing a framework for reaching both Public and private sector individuals and entities involved in and affected by transportation-related activities within the state. In doing so, a large and diverse cross-section of those impacted are able to contribute to the development, implementation and ultimate success of Mississippi's long-range transportation planning efforts.

## **VI-I Other Planning Requirements**

The MDOT will routinely include all federally funded transit and specialized transportation projects in the Department's Statewide Transportation Improvement Program (STIP). To accomplish this, the Public Transit Division, through the Office of Intermodal Planning, will participate in the STIP-STP Work Group or other internal mechanisms that are established for the purpose of implementing the appropriate statewide planning requirements. At a minimum, the PTD will provide STIP update information in the format and at such time requested by the Planning Division.

## CHAPTER VII

### APPLICATION AND PROJECT SELECTION

#### VII-A Background

When selecting projects to be funded through the Section 5311; Section 5310; Section 5316 or Section 5317 programs, it is the intent of the MDOT, to the greatest extent practical, to use a competitive application process. 5339 funds will be determined within the scope of work and selection process for the 5311, 5310, 5316 and 5317 programs. Where practical, steps will be taken to incorporate requests for funding from multiple programs, by a single applicant, into a consolidated application package. Before a specific project can be evaluated and selected for inclusion in the Annual Program of Projects for either of the various programs, the appropriate application documents must be submitted to the Public Transit Division. The general requirements are discussed in this chapter. Examples of the specific documents are included as attachments. Applications will be evaluated from a dual perspective. Initially a determination will be made of the extent to which the proposed project meets overall program goals, objectives and application criteria set forth in the current State Management Plan application instructions or subsequent program procedures manuals. Additionally, a determination whether the applicant and the project proposal meets the appropriate compliance requirements.

In an attempt to provide consistency and make the process more “user friendly” the MDOT will apply crosscutting requirements and employ generic administrative procedures for each of the programs. Therefore, the following guidance and general provision are applicable to application for each of the formula grant programs.

#### VII-B Application Schedule and Procedures

As a general rule, the Public Transit Division will use an **annual** application cycle for each of the FTA formula programs. ([See Attachment A](#)). Based in part of the availability of FTA apportionments, Applications will be solicited each year, preferably during the period of January through April, for the next program or federal fiscal year. This should allow for consistent advance programming of federal funds, since sub-recipient contracts are issued for a twelve (12) month period of performance. Exceptions to this application cycle may be made in response to the availability of excess or unanticipated funds, in response to lapsing federal funds or at the discretion of the Executive Director or Director, Office of Intermodal Planning.

#### VII-C Application Procedures and Funding Criteria

1. First time applicants for funding through either of the formula programs included in this SMP may be required to submit a pre-application. The pre-application, if required, is used to determine the eligibility of the applicant, and the general feasibility of the proposed project. The following documentation, in a format determined by the Public Transit Division, will be required in all pre-applications:

- A. Assembly of Documents Required for Pre-Application:

- 1) Transmittal letter to be completed in the format specified.

- 2) OMB (Office of Management and Budget) Standard Form 424.
  - 3) Proposed project description that includes justification of need, routes and or schedules as well as information demonstrating that proposed services meet the specific program eligibility requirements and identifies existing transportation providers.
  - 4) Documentation of eligibility to apply for and administer federal funds.
  - 5) Equipment Inventory - showing the size, age, condition and mileage of any present equipment that will be used in the project.
  - 6) Proposed Project Budget - An estimate of capital equipment, administration costs and operating costs for one year must be furnished, including projected revenue and local match sources. (Explain how existing funding sources will be integrated into the Federal funds being requested.)
  - 7) Assurances - the applicant must execute a document titled "Standard Assurances". This document identifies the major assurances and certifications that must be made before federal funds can be authorized for the project.
  - 8) Resolution Authorizing Application - must be completed in the format specified and signed by an authorized project representative.
  - 9) Intergovernmental review documentation and consultation with local elected officials.
  - 10) Documentation that the proposed project will be considered for or as appropriate, incorporated into the locally developed coordinated human service- public transit plan.
2. Pre-applications, if required, will be reviewed by the Public Transit Division staff. With notification from the Division that a project has been determined to be eligible for possible inclusion in the approved Annual Program of Projects, the applicant can proceed with developing a full application. A full application, including a new Standard Form 424 must subsequently be submitted. The full application must also be submitted to the regional and (clearinghouse) for Intergovernmental Review.
  3. A full project application must contain the necessary supporting documentation as outlined in MDOT's current application package. At a minimum, the following documentation are required:
    - a. A transmittal letter
    - b. A project description narrative that included, justification of needs, goals and objectives.
    - c. A description of project coordination that has been attempted and accomplished
    - d. A description of the extent of public involvement in preparing the application
    - e. A description of the extent of private sector participation in the application development and in the proposed transportation services
    - f. An indication of the proposed environmental determination to be made on the project.



- g. The disposition of all requirements relative to school bus and charter operations, including assurances that the applicant will not engage in school bus operations exclusively for the transportation of students.
  - h. The executed required certifications and assurances, including any updates provided by FTA in the published Annual Certifications and Assurances. To the greatest extent practical PTD will include current year Certifications and Assurances as attachments in the annual application package as illustrated, but not necessarily limited to the general compliance areas listed below:
    - 1) Standard Assurances
    - 2) Section 49 USC. 5333 (b) Labor Provisions
    - 3) Certifications Prescribed by OMB
    - 4) Substance Abuse
    - 5) Disadvantaged Business Enterprise Program (DBE)
    - 6) Certification of Non-Discrimination on Basis of Disability
    - 7) Debarment and Suspension
    - 8) Lobbying
    - 9) Non-Discrimination Assurances
    - 10) Procurement
    - 11) Charter and School Bus
    - 12) Effect on Mass Transit Companies
  - i. The proposed project budget (including a detailed narrative)
  - j. Resolution authorizing the application
  - k. Any additional information that may be required by the Public Transit Division
4. All applications will be reviewed by Public Transit Division staff to determine completeness and eligibility. Subsequently, staff will prepare a Project Profile (see [Attachment B](#)) that summarizes the following information contained in the application:
- a. Operator and service area of proposed project
  - b. Justification of need
  - c. Capital equipment requested
  - d. Total budget proposed
  - e. Specifies all FTA funds requested
  - f. Local match capabilities
  - g. Coordination efforts, including how the proposed services relate to the local coordinated human service-public transit plan
  - h. Intercity Bus linkages
5. To the extent practical, all applications that are determined to be complete will be reviewed and evaluated by the Interagency Advisory Committee (ITC). The committee members may be provided copies or excerpts, as requested, from each application and the corresponding project profile prior to each scheduled formal committee meeting.

- a. Applications are presented to the ITC by PTD staff during committee meetings.
  - b. ITC members rate each application based on project selection criteria. A recommended Program of Projects is developed by PTD Staff and is subsequently presented for approval by the MDOT administration and/or Transportation Commission.
6. The following steps illustrate the general chronological order of the application process for each program.
  - a. Through the PTD, MDOT makes an announcement of the availability of federal funds. This announcement will be published in at least one newspaper having general statewide circulation, and several regional media outlets, including minority owned publications. The announcement may also be mailed and or distributed electronically to entities such as the following:
    - 1) Existing public transportation providers
    - 2) Human service agencies
    - 3) Private sector transportation providers, including taxi cab operators and intercity bus companies
    - 4) Representatives of county government
    - 5) Other elected or appointed municipal officials who have expressed an interest
    - 6) Other individuals with an interest in public transportation for rural and small urban areas
    - 7) Planning and Development District offices
    - 8) Metropolitan Planning Organizations
    - 9) Members of Regional Coordination Advisory Workgroups
  - b. The applicant determines the level of current unmet transportation needs of the area's general public, low income or elderly and individual with disabilities and whether the needs can be addressed through one or more of the formula programs. This may be accomplished through consultations with local stakeholders, surveys, public meeting or formal needs assessments. It is important for the applicant to become involved in the local/regional coordinated planning process at this juncture.
  - c. The potential applicant requests application forms and guidelines from the Division.
  - d. The applicant's governing body passes a resolution authorizing the filing of an application.
  - e. The applicant determines the specific characteristics of the proposed transportation service.
  - f. The applicant establishes a public comment period by sending notices of intent to apply to area public and private transportation operators, other appropriate agencies, as well as the Regional (Clearinghouse).
  - g. Applicant consults with Regional Coordination Advisory Work Group
  - h. The requested number of applicants are forwarded to the Division by the specified deadline.

- i. The Public Transit staff reviews and evaluates applications to determine eligibility and completeness before preparing a Project Profile for use by the Interagency Transportation Committee.
- j. The Interagency Transportation Committee reviews, evaluates, and provides recommendations on applications to the Division for its consideration in the final selection for funding.
- k. Proposed Program of Projects is reviewed by Office of Intermodal Planning Director and approved by Transportation Commission as part of the statewide application to FTA.
- l. Statewide application is submitted to the FTA Regional Office via TrAMS.
- m. Applicants are notified that they have been approved or disapproved for inclusion in the Program of Projects.
- n. Grant award is executed by MDOT Executive Director.
- o. Sub-recipient contract agreements with budgets, authorized equipment inventories are developed and executed.

## **CHAPTER VIII**

### **DISTRIBUTION OF FUNDS**

#### **VIII-A Background**

Projects funded through the section 5311, 5310, 5316, 5339 programs shall be selected in accordance with Federal Transit Administration requirements. MDOT will assure open access and equal treatment of qualified applicants. The fact that a number of the projects may be derived from the local coordinated planning process and be subsequently selected through a statewide competitive application process, awards may result in resource allocations that are more concentrated in some areas.

As a general policy the allocation of JARC program funds will be based on the coordinated plan priorities that are derived from the local coordinated planning process. It is the intent of the MDOT to prioritize the distribution of JARC program funds through application processes that support or enhance the Rural General Public projects funded through the Section 5311 program.

#### **VIII-B Method of Distribution**

1. The method of distributing Section 5311, Section 5310, and Section 5316 funds annually allocated and/or available to the State shall be based on a competitive application process. In determining how funds are to be distributed the MDOT may consider the following:
  - a. The need for funds to continue the operation of projects that have demonstrated effective service delivery as determined by coordination of services and extent of local support;
  - b. The availability of other alternatives or options for providing the proposed level of service; and
  - c. The distribution and documented needs of non-urbanized area populations, the elderly, persons with disabilities and low income persons in the state's ten Planning and Development Districts; coordinated regions that have evolved from the local coordinated planning process.
2. Federal funds from either of the formula programs included in this SMP may be committed to those areas where public or other transportation project sponsors demonstrate a need for such funds (e.g. access for general public passengers, low income, elderly or persons with disabilities) and provide justification including-local support. This will assure that available funds will be used in areas of greatest need.
3. Any project meeting the eligibility criteria set forth in this SMP may be considered for possible inclusion in MDOT's Annual Programs of Projects for the applicable program.
4. The total funding level (federal share) for the recommended Program of Projects shall not exceed the total amount of funds available to Mississippi considering funds from the current fiscal year apportionment, unobligated carryover funds from previous years, funds transferred from other FTA programs, and funds de-obligated from prior year grants. In the

event the amount recommended for programming exceeds the available balance of formula funds, MDOT shall reduce the recommended programmed amounts or number of proposed sub-recipients so as not to exceed the amount(s) available for obligation. The resulting program of projects shall provide for an equitable distribution of funds within the State, based on the priorities included in the open competitive application process.

5. Federal funds not in excess of the maximum allowable percentage of amounts apportioned to the State during any year, may be utilized for the MDOT's state administration expenses and for providing technical assistance not funded by the State Rural Transit Assistance Program. Such technical assistance may include, but will not necessarily be limited to:
  - a. Project planning
  - b. Program development
  - c. Management development
  - d. Planning activities in advance of the construction or renovation of facilities
  - e. Coordination of public transportation programs, both public and private
  - f. Research
  - g. Other activities deemed necessary to promote the effective delivery of public transportation services in non-urbanized areas. (e. g. needs assessments, inspections, monitoring and closeout of projects)
6. To the extent allowed by the current program guidance, MDOT may combine portions of the administrative funds from the JARC and Section 5310 grants to support activities that are common to the three programs. Such activities may include, but are not necessarily limited to coordinated planning and technical assistance (at the state and or sub-recipient levels). These pooled funds will be tracked by grant to allow adequate reporting to FTA.
7. MDOT may make a portion of these administrative funds available to eligible public agencies/organizations to perform these activities or partner with other state agencies to develop transportation plans on assessments. Federal participation for administration, planning and technical assistance grants to local agencies will normally be eighty percent (80%) of total costs (with the exception being up to 100% for planning or technical assistance activities supported with funds re-programmed from Section 5311 State Admin and RTAP funds), or as part of a partnership with other state agencies.
8. In accordance with the provision of authorizing legislation, e.g. Section 5311 (f) and the guidance contained in current FTA Circulars, the MDOT programs an amount not to exceed fifteen percent (15%) of the annual apportioned funds to support the State's Intercity Bus Program. It is the intent of the MDOT to support and give priority to Intercity Bus projects that increase availability and accessibility of rural transit services by coordinating these funds with Section 5311 resources.
9. The MDOT may allocate and expend RTAP funds based on requests from contractors, input from the RTAP Advisory Committee, training plans and/or the FTA approved annual Program of Projects. An annual training plan or list of priorities may be developed by Division staff with consultation from the Section 5311 and Section 5310 contractors.
  - A. RTAP funds are to be used to support and provide assistance as follows:
    - i. Training for management, staff and board members of specialized, rural and small urban systems;

- ii. Technical assistance including but not limited to on-site assistance, consultants, technology sharing, peer-to-peer networks, support for transit advisory group and board member training;
    - iii. Funding needs assessment;
    - iv. Other special projects determined by MDOT to directly benefit transit providers; and
    - v. Supporting technical assistance and training involving MDOT's staff.
  - B. RTAP funds may be used to pay up to one hundred percent (100%) of the expenses for specific training or technical assistance projects.
  - C. Requests for RTAP funds may also be considered on an individual or coordinated project basis.
10. The 5339 Bus and Bus Facilities Grant Program provides capital assistance for bus purchases, bus related equipment and construction projects.
- A. When available, the MDOT will apply for and allocate Section 5339 funds to complement the Section 5311/16, 5310 programs. It shall be the policy of MDOT to fund major vehicle purchases, maintenance facility renovations or construction and other capital equipment items from available Section 5339 funds, in lieu of Section 5311/16, 5310 funds.
  - B. 5339 grant funds may also be allocated to sub-recipients based on specific capital purchase and or facility construction needs.
11. The extent that they meet the routine eligibility requirements for funding competitively through the FTA formula programs, Native American applicants shall not be excluded from requesting or receiving formula program funds. Funds may however be distributed to qualified Native American applicants based in part on the availability of funds through other FTA programs that are targeted to Native Americans tribes.

#### **VIII-C Transfer of FTA Funds**

1. The MDOT, in accordance with the Surface Transportation Program (STP) provisions, may periodically review the need to transfer and/or allocate STP funds, Congestion Management and Air Quality Improvement Program funds (CMAQ) as well as certain other federal funds that are considered flexible funds by the provisions of federal legislation and/or guidance, to support public transit projects. It is the MDOT's policy that in accordance with FTA and FHWA guidance, with the exception of the following projects, rural projects that may be funded with these transfer funds will be selected by the MDOT after consultation with affected local officials:
  - a. Projects on the National Highway System.
  - b. Bridge and Interstate maintenance funds.
2. The MDOT shall consider all transferred funds, e.g. STP, CMAQ or other flexible funds, under the program requirements as apportioned Section 5311 funds, with one exception. These transfer funds are limited to funding non-operating costs.
3. Fifteen percent (15%) of the transferred funds may also be used for general planning and development state administration expenses.

4. The request for transfer of STP, CMAQ or other flexible federal funds to the Section 5311 program shall be approved by formal action of the Transportation Commission.
5. After reviewing the requests for Section 5310 funds, annually the MDOT may transfer Section 5310 funds to the Section 5311 or to a Section 5307 urbanized area (under 200,000 population) program/project. These transferred funds may be used for non-operating expenses only. Transferred Section 5310 funds do not change the amounts originally available for State Administration expenses for the Section 5310 or Section 5311 programs. The period of availability for transferred funds is the same as the receiving program funds.
6. Limitations and Notification of Transfers  
All transfers of Section 5311, Section 5307, Section 5310, Section 5316 and Section 5339 funds will be done in accordance with the appropriate FTA program circulars or regional office guidance. Requests for transfer will generally originate within the Public Transit Division. Request for transfer including de-obligation and re-obligation of grant funds are to be made in the FTA grant-making system and in writing to the FTA Regional Office. Requests made to the FTA and FHWA for transfer of flexible (FHWA) funds can be made only upon authorization by the Transportation Commission.



## CHAPTER IX

### ANNUAL PROGRAM DEVELOPMENT AND PROJECT APPROVAL

#### IX-A Background

For the Section 5311, 5310, 5316 and 5339 grants, the annual Program of Projects (POP's) developed by the Public Transit Division (PTD) for the various formula programs, shall serve as the basis for the State's annual applications for funds to the Federal Transit Administration. Each of these POP's will be reviewed by the Office of Intermodal Planning Director and approved by the Executive Director and the Commission as a part of the authorization to apply for FTA funds. These applications will usually be submitted to FTA between May 1 and July 30 of each year, based on the availability of the annual apportionments. To the greatest extent practical the annual applications will be submitted using the TrAMS electronic application format.

1. Each Program of Projects must identify the total number and types of sub-recipients (e.g., governmental, private non-profit or tribal) as well as the projects for which MDOT is proposing to fund. Sub-recipient project descriptions must include counties served and identify whether the project will serve urban, rural or tribal areas. POP's shall list the following: annual apportionment amounts; transferred funds by source/year; along with the amounts programmed for state administration, planning and or technical assistance, RTAP and Intercity Bus projects and total funds available along with the number of proposed and funded projects. Each local recipient that is proposed to receive a grant award is listed by a brief description of the project; the categories and amounts of funding (total and federal); along with the number and type of capital equipment. ([See Attachment C](#) for sample POP formats).
2. The Public Transit Division may program Section 5311 and Section 5310 projects in up to three (3) categories in the Program of Projects, i.e. categories A, B or C. For the Section 5316 program, projects may be separated and funded in two categories, i.e., Categories A and /or B. Projects in Category A include those projects certified as having met all the statutory and administrative requirements necessary for project approval. Projects in Category B include those projects that the MDOT intends to fund during that fiscal year but have not yet met all the statutory and administrative requirements of the program. Where allowed, Category C represents a program reserve with an amount not in excess of ten percent (10%) of the total amount of the State's annual apportionment of federal funds. Annually, to avoid restrictions imposed by FTA, Category C funds must be reviewed and programmed to amend approved projects, initiate new projects, or de-obligate and remobilize new applications.
3. As an option to improve the ease of administration and enhance the overall coordination of the programs, the State's annual application for 5316 funds may be combined with the appropriate Section 5311 Programs of Projects.

## **IX-B Notice of the Availability of Funds**

1. Depending on the date of publication of the annual FTA apportionments, the Executive Director, through the Public Transit Division, on or about December 30th through January 30th of the following grant year, shall announce the availability of the various formula program funds. The announcement will summarize the application process and schedule. The announcement will be published in at least one newspaper with statewide circulation, several regional newspapers as well as minority weekly newspapers. The availability of funds will also be mailed or sent electronically to entities such as the following:
  - a. Existing public and specialized transportation contractors;
  - b. Participants in the regional coordinated planning workgroups
  - c. Human services agencies;
  - d. Private sector transportation providers, including taxicab operators and intercity bus firms;
  - e. Representatives of county government;
  - f. County administrators;
  - g. Other elected or appointed municipal officials who have expressed an interest;
  - h. Other individuals with an interest in public transportation for rural and small urban areas;
  - i. Planning and Development District offices;
  - j. Metropolitan Planning Organizations; and
  - k. Special needs Advocacy Groups
2. Annual Availability of funds announcements may be combined for related programs (e.g. 5311 and JARC ) at the MDOT's discretion. The published notice will, at the least, describe the applicable formula program(s), contain the amount and source of funds available, include matching ratios, describe the application process, including deadlines, list contact persons to obtain application materials and/or further information. Notice of the MDOT's nondiscrimination policy shall also be included.

## **IX-C Application Development/Review Schedule**

1. As a general rule, applications to the MDOT's Public Transit Division will be due on or about sixty days from the date of announcement of availability of funds. Exceptions will be made based on apportionment dates.
2. Annually within thirty (30) days of the publication date or notification of availability in TrAMS, the PTD will review the annual Certifications and Assurances that are published by the Federal Transit Administration in the Federal Register. These documents, along with any changes noted will be submitted to the MDOT's Legal Division for review, approval and subsequent authorization for execution by the designated Legal Counsel and Executive Director as appropriate. In consultation with the Legal Division, PTD may request a written statement of concurrence or continued applicability from the other affected organizational units within the MDOT, (e.g., Financial Management Division, Procurement, and Audit, etc.) Formal submission of the Annual Certifications and Assurances will be the responsibility of the MDOT's Legal Division in consultation with the Public Transit Director. Submission to FTA via TrAMS will be done within 90 days of the publication date.

3. Based on dates selected via PTD's polling of the members, the Interagency Transportation Committee will review and comment on applications. The ITC will hold scheduled meetings to review and evaluate projects for possible inclusion in the Annual Program of Projects. If Section 5316 projects are selected from a list of projects/activities derived from local coordinated area plans, the ITC and the MDOT may rely on the recommendations of the regional groups and staff.
4. As a general practice, the Public Transit Division will prepare the annual statewide formula program applications via FTA's TrAMS System during the period from late April thru June of each year.
5. Routinely all of the state applications are to be submitted to FTA no later than July 30 each, after receiving Commission approval. Applications will be submitted via FTA's TrAMS system.
6. Routinely, applicants will be informed in writing, of the MDOT's decision to include or decline their project from the annual Program of Projects.

#### **IX-D Period of Performance**

1. The period of performance for all administrative and operating agreements issued by the MDOT shall usually be for a one-year period (12 months). The period(s) of performance shall be stipulated in the Contract Agreement. The MDOT, at its discretion may limit the operating period of performance for newly approved projects. Such decisions will be made on the implementation schedule of proposed services.
2. The period of performance for all capital agreements shall commence on the effective date of the Contract Agreement and will extend for a period of time necessary to undertake and complete all project activities. The period of performance shall be stipulated in the Contract Agreement.
3. The MDOT may establish different periods of performance for projects that are programmed for funding but have not yet met all the statutory or administrative requirements of the program (Category B projects) pursuant to FTA Circulars.

#### **IX-E FTA Approval/Project Authorization**

1. Upon notice of approval of the program of projects by the FTA and formal offer of a grant award, the PTD will provide the appropriate information necessary to accept the grant award to the Executive Director, through the Director, Office of Intermodal Planning. The PTD will coordinate the acceptance/execution of the grant award via the FTA's electronic grant-making system.
2. To receive formula grant funds from the MDOT, all projects must be authorized by a fully executed contract agreement. Contract agreement formats are reviewed by PTD staff and subsequently submitted to the Legal Division for approval. During this process the contract agreements will be reviewed to determine inclusion of all applicable required clauses. Reference documents may include the FTA Master Agreement, Procurement guidance contained in Circular 4220.1 for updates and other recent FTA related guidance ([See Attachment Q](#)).
3. Each approved project will be authorized by transmittal of a project authorization letter along with three (3) originals of a program specific Contract Agreement. The agreements must be fully executed by an authorized representative of the sub-recipient organization and the MDOT Executive Director ([See Attachment D](#)). Each agreement shall be appended directly or by reference with:

- a. The Applicant's approved Project Application, (by reference);
  - b. Approved budget, including narrative;
  - c. Certifications and Assurances (by reference);
  - d. Annual Insurance Certification;
  - e. Proof sub-recipients authority to execute;
  - f. Inventory of Project Equipment;
  - g. EEV Certification and Agreement;
  - h. Securing Agreement;
  - i. Deed of Trust;
  - j. Certification of Executor Authority; and
  - k. Notice of Federal Interest.
4. The contractor must sign each agreement along with the appropriate required attachments and return all signed documents to the MDOT. A fully executed Agreement will be returned to the Project.

## CHAPTER X

### PROGRAM MANAGEMENT / ADMINISTRATIVE REQUIREMENTS

#### X-A Background

The MDOT recognizes basic grant management requirements for state and local governments as presented in U.C.S., 49 C.F.R. Part 18, entitled “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” and for private nonprofit organizations at 49 C.F. R. Part 19, entitled “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” referred to collectively as the *Common Rule*. For the purposes of general program management and administration of all FTA grants, the MDOT will apply the provisions of the most [recent circular guidance](#) for the 5311, 5310, 5316 (repealed in Map-21) 5339 and 5317 (repealed in Map-21) to the extent applicable.

Unless an issue is specifically addressed by state law or other administrative policies or procedures which provide guidance, the MDOT will rely on the provisions of this Management Plan and referenced federal guidance when managing and administering FTA as well as related state funded transportation projects, grants and contracts.

#### X-B Financial Management

1. As the designated entity to receive and administer Federal Transit Administration formula program funds the MDOT will manage the fiscal elements of these programs in accordance with existing policy and guidance of the Federal Transit Administration (FTA) and the MDOT's Financial Management System including approved Standard Operating Procedures (herein incorporated as applicable into this plan by reference).
2. Acceptance of an FTA grant award obligates the MDOT and its sub-recipients to use funds received as specified in the approved applications and agreement/contracts. This places a vested interest on behalf of the FTA by the MDOT in unused grant balances and any improperly expended funds, as well as property and equipment. In response to this obligation, the MDOT and any sub-recipient contractors are responsible for establishing and maintaining adequate internal control over the activities associated with each grant award and related contract. As cited in FTA Circular 5010.1, herein incorporated by reference, “To assure proper accountability for grant funds, for proper management of grants, internal controls must be integral with other management systems used by the recipient/contractor to regulate and guide its operations.”
3. As allowed by the “Common Rule”, the MDOT will expend and account for FTA grant funds in accordance with state laws and existing procedures for expending and accounting for other federal funds. Fiscal control and accounting procedures of the MDOT, as well as approved sub-recipients and contractors must be sufficient in type and detail to:
  - a. Permit preparation of reports required by FTA;
  - b. Allow for the tracking of funds to a level of expenditure that is generally adequate enough to show that such funds have not been used in violation of the restrictions and prohibitions applicable to the programs covered by this plan; and

- c. Complies with the Financial Management System provisions contained in FTA Circular 5010.1, Chapter II or applicable updates.
4. Financial records, including supporting documentation and other pertinent grant records will be retained by MDOT (and sub-recipients) for a period of at least three (3) years from the date that the final payment is made by or submitted to MDOT. All such records and information will be made available to authorized representatives of the U.S. Department of Transportation and the Comptroller General upon request and authorization by the MDOT governing authority.
5. If MDOT is notified officially of litigation, audits or other claims, appropriate records shall be retained until all litigation, claims or audit findings have been resolved.
6. At a minimum, the financial records maintained by or on the behalf of the MDOT, shall be consistent with the requirements established in the FTA Circulars cited above, e.g. 9040.1; 5010.1 and 9070.1.
7. During the course of completing an approved project, it may become necessary to revise or amend the approved budget. Revisions and amendments shall be subject to the conditions set forth in this chapter. (See X-J thru X-K).

#### **X-C Project and Account Identification**

1. All FTA funded projects included in the approved Annual Programs of Projects (POPs) shall be assigned a Financial Management System (FMS) Project number. The 6-digit number, which should be used in all correspondence relating to the project, will be generated via the Financial Management System by an assigned PTD staff person.
2. After receiving grant approval, the MDOT will initiate all FTA funded projects by use of a standard contract agreement. This agreement will be developed in consultation with assigned legal counsel and be based in part on the guidance contained in the FTA's "Best Practices Procurement Manual"; approved contract boilerplate provisions and other related program guidance. PTD will initiate all FTA funded projects by completing and submitting the standard OED-683 (FTA) request for program approval in accordance with standard operating procedures ([See Attachment I](#)). This form has been modified slightly to conform to the needs of the FTA programs. The OED-683 (FTA) will be transmitted to Financial Management after review and signature by the Public Transit Director and the Director, Office of Intermodal Planning. A master list of project numbers will be developed and maintained annually by the Public Transit Division.
3. MDOT Standard Operation Procedures will be used in the coding of all FTA grants and projects.
4. Internal set-up of project accounts by the Public Transit Division will include the following steps:
  - a. Within 30 days of receipt of notification or grant award from the FTA, and following execution by the Executive Director, copies of grant awards will be transmitted by the PTD to the Financial Management Division.
  - b. Project accounts will be set up by the assigned PTD staff person using the Financial Management System. The approved POP, approved project budgets and contract data (e.g. counties served) are the basis for the necessary information.

- c. Request for Program Approval (OED-683) forms will be submitted by the PTD to the Financial Management Division, after signature by Public Transit Director and the Director, Office of Intermodal Planning, within 45 days of the execution of the grant agreement.

#### **X-D Pre-Award Audit**

1. For first time contractors, the MDOT, upon receipt of the Project's executed Agreement, may request that the contractor/sub-recipient provide a complete copy of the agency's most recent audit or may request a review by MDOT's Internal Audit Division or may request the contractor to secure an outside auditing firm to perform a pre-award audit to:
  - a. Determine that the Contractor's accounting system is adequate and capable of segregating, accumulating, and maintaining allocable and allowable costs as they apply to the project and/or contract and to document necessary facts that might be needed in post audits;
  - b. Establish that proper record retention will be maintained after project completion in order that a post audit of records can be completed (record retention shall be required for a three (3) year period after payment of final billing or completion of the project, whichever occurs last);
  - c. Establish procedures or issue any necessary special instructions to the project that would help ensure compliance with the terms and conditions of the contract agreement;
  - d. Establish that proposed costs are reasonable and in line with those that the contractor is currently incurring, to be determined by an overhead audit, if necessary;
  - e. Confirm that the contractor has the financial capability to perform the services required; and
  - f. Determine that the applicant has an inventory procedure to ensure that equipment and spare parts purchased with federal funds can be accounted for.
2. If a pre-award audit is requested, two (2) copies of the results of the audit shall be forwarded to the Public Transit Director.
3. If the accounting procedures are determined not to be acceptable, the grantee will be advised of acceptable procedures. The results of the pre-award audit will be included in the project file, along with a summary of corrective action taken as a result of the audit.
4. To comply with the pre-award audit provisions a contractor may elect to provide the MDOT with audit documentation for its existing programs. This documentation will at a minimum include a copy of the most recent single agency audited financial statements or other compliance audit reports and any corrective actions taken in response to findings or questioned cost. This documentation will be reviewed by the Public Transit Division and may be forwarded to MDOT's Internal Audit, Financial Control and/or Legal Divisions for review, as appropriate.

#### **X-E Establishment of Project Accounts**



1. Each sub-recipient authorized via a contract shall establish and maintain project accounts for FTA funds, either independently or within the existing accounting system. These accounts must allow for all expenditures and revenues to be tracked independently of other funds.
2. The contractor shall be responsible for documenting and supporting all costs charged to the project. Examples of adequate documentation include, but are not limited to:
  - a. Properly executed payrolls and time records
  - b. Bids and quotations
  - c. Invoices
  - d. Contracts
  - e. Vouchers
  - f. Bill of sale
3. Capital Reserve Accounts, where allowed by federal guidance, may be established by contractors for the acquisition of vehicles and other eligible capital items with a minimum cost of \$3,000. However no FTA funds may be used to establish or maintain such accounts. All funds must be tracked in the project accounts and documented in the projects annual audit or year-end statements submitted to MDOT. When contractors receive funds derived from the sale, casualty loss or other disposition of FTA funded vehicles, contractors may be advised to implement one of three options:
  - a. With MDOT approval, funds must be placed on deposit and used to offset the total cost of replacement vehicles;
  - b. With MDOT approval, use these funds to offset the total cost of other eligible project expenses; or
  - c. Refund the federal share to MDOT.
4. In addition to the above:
  - a. Funds deposited in a Capital Reserve Account must be based on sound actuarial principles using historical experience and reasonable assumptions;
  - b. Funds must be segregated and tracked through a financial mechanism approved by MDOT. It recommended that capital reserve funds be deposited into a separate account for tracking purposes;
  - c. Expenditures from Capital Reserve Accounts must be documented and documentation available upon request from MDOT Public Transit Division; and
  - d. Expenditures from Capital Reserve Accounts must be equipment with a unit cost of over \$500 and a useful life of more than one (1) year. Useful life of revenue rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service.

## **X-F Requests for Reimbursement**

1. Payment of reimbursable expenses may be made by MDOT only upon receipt of an appropriately signed and dated itemized invoice or Reimbursement Request. MDOT reserves the right to require the submitting of support documentation for any and all costs from the project.
2. The project shall submit request(s) for payment on forms and in a manner prescribed by MDOT. ([See Attachment J](#)).
3. Reimbursement Requests should be submitted monthly by each contractor in accordance with the Division's Processing Calendar or other guidance. A signed and dated original along with the required supporting documentation must be submitted via a transmittal letter signed by the Executive Director or other authorized representative.
  - a. All revisions (i.e. line item transfers) to the approved budget programmed amounts shown on the Reimbursement Request must be noted and explained in writing by the authorized representative. The PTD reserves the right to disallow or defer any revisions that are not clearly justified and done in accordance with established procedures.
  - b. Repeated failure to comply with the established monthly submittal schedule and documentation could delay MDOT reimbursement payments, and result in formal notice of non-compliance being submitted to the Contractor's Executive Director.
4. The Public Transit Division shall review and approve requests for reimbursement after determining that costs are necessary in order to accomplish the project and are within the scope of the project, as described in the project application and as reflected in the approved budget. Review and approval of Reimbursement Requests is a four step process.
  - a. Initially requests along with supporting documentation will be distributed routinely within two days after being logged into the mail log. Requests are distributed to assigned staff (i.e. first level reviewer) for processing.
  - b. Each request shall be checked for accuracy and completeness by the assigned staff. Adjustments that are made must be initialed by this first level reviewer and discussed with the designated project representative. In the event that the original request is modified, a remittance advice memorandum must be signed by the Director and forwarded via mail or fax to the contractor.
  - c. All reimbursement requests will be processed using the Public Transportation Program's Automated Data System; i.e. monthly project reimbursements payment tracking form, project reimbursement record, and contractor's estimate recap sheet for each payment request. ([See Attachments J](#))
  - d. First and second level reviewers must ensure that the payment request is consistent with the approved budget and supporting documentation. Atypical or questionable entries and any possible category shortages or potential overpayments must be discussed with the Director.
5. In addition to preparing the two (2) originals of the Contractor's Estimate (CAD-001), first level reviewer shall review the Fleet Operations Cost Report; (PTD-ATDS) and the Ridership and Revenue Report (PTD-ATDS). These reports are used in the analysis and verification of expenditures, level of services delivered and review of project fleet performance. ([See Attachment L](#))

- a. After review of the Reimbursement Request, assigned staff will prepare and submit the two (2) original Contractors Estimates (CAD-001) forms along with the original signed Reimbursement Request and supporting documentation, for review and signature by the second level reviewer and final approval by the Director. The CAD-001 will be prepared using the codes generated through the MDOT Financial Management Division and in accordance with Standard Operating Procedures (e.g. No. FCD-06-02-01-000).
  - b. Prior to submitting to FMD, all reimbursement requests must be reviewed and signed by the PTD Director or designated manager.
  - c. The signed original CAD-001's along with two (2) copies of the verified Reimbursement Request will be hand carried to the Financial Management Division for processing of payment warrants.
6. All Reimbursement Requests and subsequent CAD-001's shall be reviewed in accordance with the PTD's internal standard operating procedure ([See Attachment M.](#)), generally outlined as follows:
  - A. The assigned staff shall review the itemized request to determine that budget funds are available and costs are allowable. Costs must be:
    - 1) reasonable in amount for the goods and services purchased;
    - 2) actual net costs to the project, defined as the price paid minus any refunds, rebates, or other items of value received by the project, including credit for sales taxes paid by local governments and private nonprofit organizations eligible to file for sales tax refunds for the State Tax Commission;
    - 3) incurred for work performed within the periods of performance specified in the Contract;
    - 4) in conformance with the standards for allocability of costs set forth in:
      - a) Applicable OMB Circulars;
      - b) Federal Procurement Regulations; and
      - c) FTA Circulars.
      - d) Satisfactorily documented, unless otherwise waived by MDOT; and
      - e) Treated uniformly and consistently under the contractor's accounting principles and procedures.
8. Costs deemed unallowable shall be deducted from the net requested amount prior to payment.
9. Because final Division level approval of all requests for payment is the responsibility of the Public Transit Division Director, the Director will review, approve and sign all internal payment related documents (e.g., CAD-001 and OED-684) before they are submitted to FMD.
10. A retainage of five percent (5%) of the approved payment amounts will be withheld from all payments to formula program sub-recipients, except for those funded via Section 5310.

Retainages will be recorded in MDOT's accounting records until the project is completed, accepted, and released only after the final Internal Audit Division report is issued.

#### **X-G Interim Requests for Payments**

1. As an additional option, on a case by case basis MDOT may allow for projects to submit an interim request for payment for certain allowable costs. The interim request for payment method of invoicing must be approved in writing by the Public Transit Director, prior to such request being made. This option may be approved for projects that meet the following criteria:
  - a. a written request, including justification for and identification of the cost to be requested for payment, must be submitted by the Executive Director of the project;
  - b. the project or sponsoring agency must be satisfactorily complying with financial management requirements; and
  - c. the project must have a demonstrated ability to accurately budget and report revenues and expenditures. Such budgeting and reporting must be documented and in compliance with MDOT policies and procedures.
2. Projects that meet these criteria may be allowed to submit a request for payment for significant costs that are to be incurred and paid within the next thirty (30) days. Such requests must be submitted in accordance with established procedures.
3. All interim requests for payment must be supported by documentation. Acceptable documentation may include invoices, bids, and schedules of payment or other methods used to determine actual cost.
4. MDOT may honor such interim request for payment by advancing the federal share of allowable costs that the project has incurred and will pay within the next thirty (30) days.
5. MDOT reserves the right to require documentation that such payments have been made within the thirty (30) day period as a part of subsequent reimbursement requests.

#### **X-H Other Payment Requests**

1. For the purposes of this SMP "Other Payments" include all payments that are not charged to a specific pre-approved Project Budget.
2. All such payment requests shall be entered into the mail tracking log as they are received.
3. All such payment requests will be distributed to the assigned staff. Contractor payment requests will be distributed to the staff assigned as the monitor/contract liaison.
4. RTAP payment requests will be given directly to the staff person assigned to process RTAP payments. All other requests will be processed by an assigned PTD staff person.
5. All RTAP requests will be reviewed for accuracy and completeness based on PTD's prior authorization.
6. All requests must include original dated, signed and numbered invoice that specifies goods and/or services.
7. All RTAP invoices must be initialed and footed by assigned staff person.

8. Upon receipt of the payment request/invoice for all “other costs”, assigned staff will prepare and submit a Receiving Report for review and signature by the Director. Coding must be consistent with the appropriate FMD SOP. The receiving reports will be submitted to FMD in accordance with standard transmittal procedures.
9. RTAP expenditures are tracked using the FMD Project Expenditure Report.

#### **X-I Other Payment Processing**

1. MDOT’s FMS Standard Operating Procedures will be used in distributing costs for all goods or equipment paid for with FTA Grant Funds.
2. All checks received by the PTD must be recorded via numbered receipts that are reviewed and approved by the Public Transit Director.
3. A standard remittance advice memorandum will be prepared and submitted to Financial Management Division to transmit all local match, refunds or rebates payments made by contractors.

#### **X-J Budget Revisions**

1. The approved project budget is sent to the contractor along with the MDOT grant award or Notice to Proceed. The project is responsible for controlling and monitoring all project activities to ensure they are reasonable and necessary to carry out the project in accordance with the applicable Grant Agreement, OMB Circulars, and other applicable regulations. Any deviation from the approved budget is the responsibility of the project. As with the original approved project budget, the revised budget document must indicate approval by the PTD, and must include the funding source grant number and assigned project number. All 5311 Contractors are required to submit a Quarterly Budget Analysis in the format prescribed by the PTD. ([See Attachment N](#)) This analysis must reflect the most recent approved budget.
2. During the course of the project, it may be necessary to revise the project budget. A budget revision is defined as the transfer of funds between line items. Funds may be transferred from one line item to another to increase or decrease the amount of any line item within the administrative, capital and operating categories, but not between the categories (this would require an amendment). All budget revisions must be approved by the project's Executive Director or Coordinator prior to being submitted for MDOT approval.
3. The revised project budget request form, including a justification, shall be forwarded to the PTD after approval by the project's designated representative. These documents are reviewed by the assigned PTD staff who then make a written recommendation to the Public Transit Director. The project will receive written notice from MDOT, approving, modifying or rejecting the proposed revision, except as noted below in #5. Only those budgets that are officially transmitted by the PTD, initialed and stamped “Approved” are considered the official project budget.
4. Generally, budget revisions should be limited to only one per quarter. The need for a possible revision shall be examined during each quarterly budget review and monitoring visit.

5. To allow the project greater flexibility in managing expenditures without prior approval, funds may be transferred from one line item to another to increase or decrease the amount of any line within the administrative or operations sub-categories. **Transfers may not** be made between these categories. The project, without receiving prior approval of a budget revision may include for reimbursement expenditures, which exceed approved budgeted line items under the following conditions only:
  - a. the over-expenditure in the line item is based on substantiated allowable costs;
  - b. the over-expenditure does not exceed the approved line item by more than ten percent (10%) or \$500.00, whichever is less; and
  - c. the over-expenditure has been discussed with the assigned MDOT staff and is documented as such on the subsequent reimbursement.
6. In all instances project staff have the responsibility for reconciling the budget narrative with the approved budget.
7. To the greatest extent practical revised budgets are to be prepared using the ATDS. The latest approved revised budget must reflect the revision approval date in the system and the hard copy of the document.

#### **X-K Project Budget Amendments**

1. Budget amendments are required when a change in the scope of the project is necessary that will involve an increase or decrease in the total federal and/or state financing of the project. For the purposes of this SMP, decreases refer to a de-obligation of funds from the approved project budget. Budget amendments differ from administrative amendments, as discussed later in this plan. For the purposes of this SMP the scope of the project is define as the broad purpose and objectives of the project.
2. All requests for project budget amendments must be submitted in writing to the Public Transit Director justifying the need for changes in total funding.
3. Written authorization must be provided by the MDOT prior to the project incurring costs against any supplemental authorization of Section 5311 funds.
4. Project budget amendments shall be considered as a major change in the project scope and shall necessitate the revision of the appropriate Program of Projects (POP) and execution of a Supplemental Agreement ([See Attachment E](#)). As the first option, Supplemental Agreements will be funded from available Program Reserve funds. Transfers from existing Category A or B projects are the second option. All transfers must be noted on the affected POP.
5. Preparation of Draft Supplemental Agreements (S/A) is the responsibility of the assigned Transit Specialist/Operation Analyst/Manager. All draft S/A's along with supporting documentation, e.g. budgets, detailed justification, recommendation memorandum shall be discussed with the Public Transit Division Director, prior to review by legal counsel and subsequent Commission Action.
6. All S/A's are to be transmitted via memo through the Public Transit Division Director to the assigned legal counsel for review. To the greatest extent practical S/A's are to be prepared using the most recent approved standard formats.
7. Supplemental Agreements must be submitted for formal Commission action through the Director, Office of Intermodal Planning.



## **X-L Grant Financial Management**

1. The PTD will utilize expenditure reports developed and maintained by the Financial Management Division along with the PTD's Grant Tracking Spreadsheet for tracking and reconciliation of active FTA grant. These documents are intended to track the grant funds awarded as follows: by the FTA grant number, e.g. MS-18-X009; by sub-recipient approved in the Program of Projects, e.g. Natchez Transit; by budgeted category, e.g. Capital, Administrative and Operations; and by total funds obligated, expended, retained and available balance. (See examples in [Attachment O](#)). These documents will also be used in the annual grant closeout process to reconcile final expenditures and to calculate grant balances that are available to be transferred or de-obligated.
2. Financial Management Division's project expenditure report will be used to track monthly reimbursements and expenditures for each active project. The spreadsheet will be maintained for each grant that has active sub-recipient contracts. The expenditure report allows for periodic calculation of project expenditures by category, project budget balances and the aggregate grant balance. The spreadsheet draws its information from Contractors Estimates, Receiving Reports and approved project budgets.
3. Expenditure reports are usually produced monthly by FMD. This report will be used to assist in preparing annual reports to FTA, to track funds awarded, funds expended and verify available balance.
4. Annually or as appropriate a request will be made to FTA to de-obligate all funds remaining on inactive grants that are ready for closeout. These funds are to be routinely re-obligated to either the most current active grant through a grant amendment or included in a new grant to the state (i.e., annual application). FTA must be notified in writing concerning de-obligation requests.

## **X-M Project Audit and Closeout Procedures**

1. MDOT is responsible for ensuring that contractors have audits performed consistent with the requirements of 2 CFR Parts 200 and 1201, Uniform Administrative Requirements. These audit responsibilities include ensuring that audit findings are resolved and that problems are brought to the attention of FTA in accordance with the OMB audit compliance supplement for FTA grants. To the extent that the supplement is applicable to the formula programs covered by this SMP, the provision will be applied. As a part of the close-out process for each project MDOT shall make use of the federal audit requirements and/or year-end financial statements review procedures. The purpose of the compliance post audit, if required, and year-end financial statements review is to determine whether the MDOT's contractors:
  - a. Can provide financial statements that fairly represent the financial position of the project or sponsoring organization along with the results of the financial operations in accordance with generally accepted accounting principles;
  - b. Have in place internal accounting and other controls to provide reasonable assurance that the federal financial assistance programs are being managed in compliance with applicable laws and regulations;
  - c. Have complied with laws and regulations that may have a material effect on their financial statements and on the projects; and



- d. Are complying with the standards for financial management systems as provided in the Common Rule.
2. The MDOT recognizes the most recent version of the single annual audit requirement of the "Single Audit" Act as contained in 2 CFR Parts 200 and 1201, Uniform Administrative Requirements. These requirements will be applicable to recipients of FTA grant funds to the extent that the authorizing documents and federal guidance require compliance. To that extent, the MDOT's contract agreements for FTA funds will contain a requirement for sub-recipients to comply with the Single Audit Act and its subsequent amendments and/or guidance.
3. In addition to complying with the single agency audit requirements, all 5311 contractors specifically must prepare an annual Statement of Revenues and Expenditures for the current year ending September 30. The Statement of Revenues and Expenditures, along with a computation of Section 5311 funds due the contractor must be submitted to the Department within one hundred and twenty (120) days of the end of the period of performance listed in Section 3 of the contract. Failure to submit the Statement of Revenues and Expenditures and the supporting documentation without adequate justification may result in the forfeiture of the retainage withheld by the Department.
4. To the extent required by federal guidance, each 5311, 5310, and 5316 Contractor shall cause an annual audit to be performed in accordance with the single agency audit requirements and guidance provided by the Department. To the greatest extent practical, if an audit is required, one copy shall be submitted to the Department within one hundred eighty (180) days of the period of performance listed in the contract or the provisions of the 2 CFR Parts 200 and 1201, Uniform Administrative Requirements. Failure to acquire an audit, if required or directed by MDOT, as stated herein without substantial justification to and written concurrence from the Department will result in forfeiture of retainage withheld by the Department. Such retainage may be used to pay the cost of a review and/or assessment of the project. Any retainage that subsequently remains may be released to the project upon approval by the Commission.
5. When the audit report and/or Statement of Revenues and Expenditures are submitted, they are to be entered in the annual audit review tracking spreadsheet. Assigned staff shall review documents to ensure completeness and consistency with records. This is also the time when the staff should review all programmatic records to ensure the project has complied with all regulations, etc.
6. Compliance with the audit requirements places a significant responsibility on the sub-recipients to effect prompt resolution of all audit findings and recommendations. The status of outstanding findings and recommendations will be monitored by the PTD and reported to IAD.
7. If there are outstanding issues or questioned costs, the assigned PTD staff must work with the grantee and/or the auditing firm for these to be resolved. Once these issues are resolved, the appropriate documents are forwarded through the Director to the MDOT's Internal Audit Division (IAD) for review. All items forwarded to IAD or received from IAD are to be logged in the Year-End/Audit Review Tracking Spreadsheet.
8. All audit reports received from contractors will be submitted to IAD for their review via a signed transmittal memo. The IAD will review each audit submitted and provide a written

response concerning the compliances status of the project. Any corrective actions noted must be resolved prior to closing the contract.

9. Assigned specialist or Analyst must ensure that a complete copy of the information submitted to IAD and signed documentation of their internal review as well as efforts to resolve issues or questioned cost are included in the affected project file.
10. All instances of overpayment or refunds due to MDOT must be discussed with the Director prior to submitting documents to IAD and/or making a written request to the contractor for payment or refund. To the greatest extent practical overpayments to and refund from contractors will be accounted for through adjustments to retainage held by MDOT.

## **X-N Year-End Review Procedure**

The MDOT's procedures for audit and year –end statement reviews of FTA funded project contracts include three distinct phases. They are as follows:

### **1. Transmittal Phase - Request for IAD Review**

The following items are to be submitted by PTD to the IAD Auditor Director through the PTD Director: **(Note: copies must be kept for each project's file.)**

- a. An interdepartmental memo stating that the project is complete and requesting a review by the Audit Division to allow final payment of retainage and any additional final costs.
- b. A memo to the Director that specifically explains all additional costs, overpayments, questioned or disallowed costs.
- c. Signed original of year-end statements/schedules; copy of audit report (where applicable) and schedule of reimbursements requested, amounts paid and retainage withheld.
- d. All relevant Contracts, Supplemental Agreements, monitoring reports and budgets.
- e. All CAD-001 forms and a copy of the most current and applicable Project Expenditure Report

### **2. Internal Audit Review Phase**

IAD will then conduct a desk review to make determine:

- a. All material submitted appears accurate and reasonable.
- b. The applicable financial statements meet Federal requirements.
- c. Amounts shown for payments on CAD-001's agree with the records for actual amounts paid and reconcile with FMD records.
- d. Additional cost due to contractor or repayment to MDOT is justified

### **3. Final Payment Processing And Closeout**

- a. If everything is found to be in order, the IAD will submit a report to PTD through the Director of Intermodal Planning. Assigned Public Transit staff will then prepare a final request for payment on the CAD-001 Form. This form is to be routinely submitted with a copy of the IAD Audit Report to FMD for payment. Public Transit

staff will routinely prepare the final payment documents to be processed in accordance with standard procedures. A standard PTD 520 Close-Out Memorandum along with a OED-684 are also to be submitted to the Director for approval. ([See Attachment P](#)). OED-684's are to be used to prepare an adjusted or final POP for grant closeout. PTD-520 and OED- 684 forms are to be submitted to FMD by the Director through the assigned staff. The assigned Specialist or Analyst has the responsibility for ensuring that a specific project is closed. Other assigned staffs are responsible for stamping the project files "closed" and subsequently arranging for storage.

- b. A final payment letter stating any amount(s) owed from or due to the project will be prepared by the assigned specialist/analyst and forwarded to the project. This letter is used to inform the contractor of MDOT's acceptance of the financial statements and audit report; request payment of funds from a project, inform project of funds owed to them and/or advise that the project is being closed. A copy of the appropriate IAD report must be attached to each letter.
- c. Any amounts to be refunded to MDOT shall be repaid within 120 days of notification by MDOT. Failure to do so may result in delays in payment of subsequent invoices (i.e. reimbursement requests and requests for payment). At a minimum, the following may result in requests for repayments/refunds:
  - i. Excess program generated income (e.g. fares, contract or advertising revenue);
  - ii. Excess contributed income dedicated or restricted by the contributing source for use in the current project; and/or
  - iii. \*Other excess income (e.g. direct grants) that results in excess local.
- d. In accordance with FMD SOP's a OED-684 and closeout memorandum will be used by the Public Transit Division to notify the Office of Intermodal Planning, and Financial Management when a project is to be closed out.
- e. Annually all open contracts are to be reviewed for closeout.
- f. Using the appropriate TrAMS functions, project and grant closeout(s) will routinely be documented to FTA as a part of the Annual Progress Report(s). In addition a final Federal Financial (FFR) Report will be submitted to FTA, consistent with FTA Circulars.

## **X-O Revisions to Program of Project**

### **1. Overview**

- a. MDOT may revise an approved program of projects without constituting a change in scope which would require the deobligation and reobligation of funds. The scope of the grant is the approved program of projects in its entirety. The addition of Federal funds to the approved program of projects is a change in the scope of the approved program of projects and requires an amendment of the grant agreement.
- b. For changes that affect the budget line items in the grant budget, MDOT will notify FTA by setting up a budget revision in TrAMS. For those changes that only affect the Program of Projects (POP) the MDOT will attach a new program of projects to

the “project management milestones” section and then notify FTA, via e-mail, that it has attached the new program of projects. In addition, grantees should also notify FTA of changes to the program of projects when submitting the annual program status report.

- c. Revisions to approved Programs of Projects (POP’s) that do not constitute a change in scope will be routinely done by the Public Transit Division. These revised POP’s will be stamped approved, initialed by the Director. An explanation of the revision(s) should be entered in the grant file or specifically noted on the POP.
- d. The addition of federal funds to an approved POP is considered a change in scope and will require approval of the Transportation Commission and the FTA (in accordance with appropriate guidance).
- e. Only the addition of Federal funds or other change in the scope of an approved POP will require an amendment to the grant agreement and therefore require FTA and Commission approval.
- f. All approved revised POP’s must be entered into TrAMS as an attachment to the affected grant as a part of the PTD’s routine reporting to FTA.
- g. The following are examples of project and funding revisions that do not change the scope of the approved program of projects. Unless FTA notifies the State otherwise, the following levels of notification and FTA approval apply to revisions:
  - 1) Revisions Not Requiring Prior Notification or FTA Approval. The State may make the following revisions without any prior notification to or approval by FTA:
    - i. Delete a project from the program of projects if the project cost is less than 20 percent of the total of the affected program of projects,
    - ii. Advance projects from Category B to Category A, provided the prospective sub-recipient is in compliance with all applicable Federal requirements, and the State has no information suggesting otherwise;
    - iii. Reallocate funds within an approved program of projects among approved projects within a local area or from one local area to another. This includes adjustments of local project funding levels to accommodate changes in vehicle or equipment requirements, including number and type of vehicles and changes in operating costs;
    - iv. Add equipment or property transferred from a sub-recipient to another sub-recipient listed in the program of projects, regardless of whether the items were originally funded from a different grant;
    - v. Transfer funds designated for intercity bus projects within the program of projects for use in other intercity bus projects, or to other projects if more than the required percentage has been allocated for intercity bus projects and the transfer of funds to another project would not reduce the intercity funding below the required percentage; and
    - vi. Transfer funds designated for RTAP projects within the program of projects for use in other RTAP projects.
  - 2). Revisions Requiring Notification to FTA, But Not FTA Approval.

MDOT may make the following revisions after notifying FTA:

- i. Create new projects that are less than 20 percent of the total of the POP, so long as the state has confirmed eligibility;
  - ii. Delete or reduce a project by more than 20 percent of the total POP.
- 3). Revisions Requiring FTA Approval. The MDOT may make the following revisions to an approved program of projects only after obtaining approval from FTA:
  - (a) When the federal share of the grant exceeds \$100,000 and the cumulative amount of project funds to be transferred between or among activities, (including all budget revisions since the last one specifically approved by FTA) exceeds 20 percent;
  - (b) When a revision would transfer funds between operating and capital categories, or between activity line items with different federal matching ratios;
  - (c) If the budget revision would:
    - i. Change the size or physical characteristics of the activities specified in the grant. Example: A grantee's maintenance facility project increased the number of bus bays from five to eight and requires more land, resulting in a change in size and physical characteristics; or
    - ii. Increase or reduce the number of revenue rolling stock vehicles to be purchased by more than two units.
  - (d) Advance to Category A any prospective subrecipient with serious questions of compliance with federal requirements remaining unresolved; or
  - (e) Advance to Category A any project for the acquisition of property with a value in excess of 20 percent of the total value of the POP.
- 4). Update to Program of Projects. The most recently updated program of projects submitted by the MDOT to FTA in its annual program status report or in the course of making revisions will be considered the approved program of projects, incorporated by reference in the grant agreement. Only the addition of Federal funds or a change in the scope of the approved program of projects requires amendment of the grant agreement.

## **X-P Grant Modifications**

At times, it may be necessary to modify a grant after it has been awarded by revising the budget or amending the grant. MDOT is responsible for controlling and monitoring all grant activities to ensure that they are carried out in accordance with the approved budget. MDOT will rely on the specific requirements that are included in each formula program circular when considering and or requesting a budget revision, an administrative

amendment, or a grant amendment. All grant modifications will be electronically submitted, reviewed, and approved in TrAMS.

1. Budget Revision.

- A. General. Budget revisions may be made as long as there is no change in the purpose, scope codes, and Federal funding of the grant, regardless of the fiscal year the funds were appropriated. Budget revisions must be consistent with the activities contained in an approved Statewide Transportation Improvement Program (STIP). Useful life of new activities must be addressed in the budget revision, as applicable.

MDOT may request budget revisions either before or after incurring costs, depending on the nature of the request. If the budget revision meets the criteria outlined below in paragraph 3, FTA concurrence is required before incurring costs associated with the proposed change.

B. Budget Revisions that Require Prior Approval.

Under certain circumstances, MDOT must obtain FTA approval before incurring costs related to a proposed budget revision. Example are:

- i. The Federal share of the grant exceeds \$100,000 and the change in the cumulative amount of funds allocated to each scope from the originally approved scope exceeds 20 percent.
- ii. Federal funds are transferred between ALIs with different Federal matching ratios, such as moving funds from a capital activity with a match ratio of 80/20 to an operating activity with a match ratio of 50/50. This activity also requires a financial purpose code (FPC) transfer. See paragraph (4) below.
- iii. Changing the Federal share of an existing ALI; such as changing an ALI from 80/20 to 83/17 to account for compliance with ADA or Clean Air Act (CAA) requirements.
- iv. For revenue rolling stock, when the budget revision changes the number of vehicles to be purchased by more than two units (for grants with fewer than 10 vehicles) or more than 20 percent from the quantity identified in the original grant.

If the change in the number of revenue rolling stock vehicles exceeds 20 percent, the revision must meet FTA's spare ratio requirements and should be supported by a bus fleet status report.

- v. The budget revision changes the size or physical characteristics of the ALIs without changing the project scope.
- vi. The addition of an ALI to an existing scope included in the grant, provided that the request does not change the amount of Federal funds awarded in the original grant or change the scope of the project contained in the grant. The addition of an activity within an approved scope requires that the grantee affirm in the budget revision request that the new activity is consistent with the approved STIP and, if applicable, has satisfied NEPA requirements.

2. Administrative Amendment.



- A. General. An administrative amendment is usually initiated by FTA and may only be used when no change will result in the scope, amount or purpose of the grant. An administrative amendment may be used to change or clarify the terms, conditions, or provisions of a Grant Agreement. An administrative amendment is also used to, to transfer equipment from one grantee to another, or to de-obligate Federal funds that are no longer needed to complete the approved project scope or purpose.

### 3. Grant Amendment

- A. General. A grant amendment is required when there is either a change in the scope or an addition of Federal funds to an existing grant. Grant amendments are subject to the same application requirements as a new grant request.
- B. Procedures. MDOT must submit grant amendments in TrAMS using the “Create Amendment” record on the home screen. Grant amendments require a revised Grant Agreement, revised budget, and may require a change in the amount of funds obligated for the grant. An amendment is subject to the same requirements as a new grant.
- C. Change of Scope. A grant amendment is required when MDOT requests changes to the scope of a grant. For earmarks, all changes to the grant after award must be consistent with the original intent of the Congressional language. Your FTA Regional Office will assist you in making this determination. For example, if the earmark is for a facility, a grant amendment cannot be executed to add a scope for vehicles.
- D. Change in Federal Funds. FTA requires a grant amendment if the request changes the total amount of Federal funds in the grant. The one exception is if the scope of a grant is unchanged and the only action is the deobligation of funds, an administrative amendment is used to process the grant modification. See paragraph b, “Administrative Amendment,” above.

### **X-Q Grant Close-Out.**

Grant close-out is the term used to signify the process by which FTA determines that all activities in a grant are complete and Federal funds have been expended.

- A. Grantee’s Role and Responsibilities. The grantee must initiate close-out of a grant when all approved activities are completed and applicable Federal funds expended. All close-out documentation must be submitted within 90 days of the completion of all activities in the grant. This requires notifying FTA by letter or e-mail that the grant is ready for close-out. The grantee should electronically submit the following in TrAMS as part of the grant close-out process:
  - i. Final budget reflecting actual project costs by scope and activity;
  - ii. Final FFR;
  - iii. A final narrative MPR indicating the actual completion date of each ALI, a discussion of each ALI contained in the final budget and list of project property purchased under the grant;
  - iv. Request to deobligate any unexpended balance of Federal funds; and



- v. Any other reports required as part of the terms and conditions of the grant.
- B. Close-Out by FTA. FTA may unilaterally initiate grant close-out. Circumstances that could cause FTA to close-out a grant in whole or in part at any time before project completion include:
  - i. Grantee failure to comply with the terms or conditions of the Grant Agreement or other Federal requirement;
  - ii. Continuation of the project would not produce results commensurate with further expenditure of funds;
  - iii. Funds are no longer needed to accomplish the grant purpose;
  - iv. Failure by the grantee to make reasonable progress to complete approved grant activities; or
  - v. Determination that the project has been essentially completed and/or approved funds have been substantially drawn down.
- C. Adjustments to Federal Share of Costs.

Necessary adjustments to the Federal share of cost are made after FTA receives and reviews the required close-out information. Adjustments may also be necessary after the audit is performed. FTA funds are not available for audit or other grant activities after a grant has been closed. Additional information on the single agency audit is contained in Chapter VI, Financial Management. Any Federal grant funds received by the grantee but not expended may be returned to FTA or re-obligated to other eligible organizations if within the grant period of availability. For more information on returning funds to FTA, see Chapter VI, Financial Management.

## **X-R Reporting**

### **1. National Transit Database (NTD) Reporting**

The NTD is the FTA's primary national database for transit industry statistics. NTD data consists of selected financial and operating data that describe public transportation characteristics. The FTA's regulatory guidance, requires sub-recipients of the Section 5311 Program to report data to the NTD. The legislative requirement for the NTD is found in 49 U.S.C. 5335(a). The most recent versions of FTA Circulars 2710.1 and 2710.2 contain a description of the system for collecting, recording, and reporting passenger data.

- A. Due Dates. NTD report submission deadlines are set by the end of the grantee's fiscal year. The due dates are November 30 for fiscal year ending between January 1 and June 30; January 31 for fiscal year ending between July 1 and September 30; and April 29 for fiscal year ending between October 1 and December 31.
- B. MDOT's reporting of NTD data will be confined to completing and submitting the appropriate Non-urbanized Area (Rural) reports. All NTD reporting will be done through the PTD on or about January each year in accordance with the current published schedules.

- C. Sources of data reported by the PTD in the rural reports are; Automated Transportation Data System; final quarterly budget analyses and accident/incident reports.

## **X-S Program Measures**

1. **General. The FTA is required by law to “establish performance indicators to be used** in measuring relevant outputs, service levels, and outcomes” for each of its programs. These measures will be used at the program level and will not be used to assess individual grants. The MDOT will routinely collect information from all sub-recipients of the formula grant programs included in this SMP in accordance with the appropriate circulars. To the extent practical quantitative and qualitative information will be submitted concerning the various program indicators as a part of the annual grant reports (e.g. milestone progress reports summary) that the MDOT must submit to FTA.
2. Specific Program Measures. Based on guidance from FTA, MDOT will be capturing overall data necessary to meet the program measures reporting requirements of the Government Performance Results Act and the Performance Assessment Rating. The following program specific measures will be reported on.

### **A Section 5310 Program Measures**

- i. Gaps in Service Filled. Transportation options that would not otherwise be available for older adults and individuals with disabilities measured in numbers of older adults and individuals with disabilities afforded mobility they would not have without program support.
- ii. Ridership. Actual or estimated number of one-way trips provided annually for individuals with disabilities and older adults on Section 5310 supported vehicles and services.
- iii. Services provided that impact availability of transportation services for individuals with disabilities as a result of Non-Traditional 5310 projects implemented in the current reporting year. Examples include geographic coverage, service quality and/or service times.
- iv. Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology or vehicles that impact availability of transportation services as a result of Non-Traditional 5310 projects implemented in the current reporting year.
- vi. Actual or estimated number of rides (i.e. one-way passenger trips) provided for individuals with disabilities because of Non-Traditional 5310 projects implemented in the current reporting year.

### **B. Job Access And Reverse Commute Program Measures**

- i. Actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC projects implemented in the current reporting year.
- ii. Actual or estimated number of one-way trips provided as a result of the JARC projects implemented in the current reporting year.

iii. Transit Asset Management

- iv. In conjunction with asset inventory, condition assessment will be done by routinely inspecting capital assets to collect data that is used to measure its condition and performance. The inspections are designed to visual and physically evaluate asset conditions as well as performance characteristics and the risks/impact of failures.

## CHAPTER XI

### PROCUREMENT AND THIRD-PARTY CONTRACT MANAGEMENT

#### XI-A Background

1. General. When procuring property, supplies, equipment, or services under an FTA formula grant, the MDOT will follow the same policies and procedures it uses for procurements from its non-Federal funds, to the extent permitted by Federal statutes and regulations. All governmental sub-recipients will follow State procurement procedures. However, because of differences between 49 CFR part 18 and 49 CFR part 19, FTA third party contracting requirements are fewer for States and sub-recipients that are local or tribal governments than for sub-recipients that are private non-profit organizations. For the sake of consistency, the MDOT will generally use the more detailed FTA requirements included in the current version of FTA Circular 4220.1 for all sub-recipients as part of its State procurement procedures.
  - a. In some cases, MDOT may choose to grant federal assistance to a sub-recipient through an intermediary sub-recipient. For example, for public policy reasons, MDOT might pass funds to a non-profit organization through a local government authority. The arrangement between the first tier and second tier sub-recipient is not a third party contract if the ultimate sub-recipient would otherwise be eligible under a formula grant to receive funds directly from the MDOT and the ultimate sub-recipient intends to use those funds to pursue its own non-urbanized area transit project.
  - b. MDOT recognizes that as a direct recipient, when Federal assistance is sought to acquire property or services in support of a proposed project, it shall certify to FTA, in accordance with 49 CFR 18.36 that its procurements and procurement system will comply with all applicable third-party procurement provisions of Federal laws, regulations, and directives. The exception is only to the extent FTA has expressly approved in writing. MDOT shall require all sub-recipients to provide similar certification annually. Any sub-recipient/applicant that fell to provide this certification may be determined ineligible for assistance if MDOT determines that the sub-recipients procurement practices and procurement system are incapable of compliance with state and Federal laws, regulations, and directives governing procurements financed with federal funds.
  - c. Procurement procedures used by MDOT and all sub-recipients, must comply with the following specific Federal procurement requirements.
  - d. MDOT's procurement practices must, at a minimum, comply with five specific Federal requirements contained in the most current FTA Circular 4220.1. These include the following: (1) for rolling stock, a five year limitation on contract period of performance; (2) a requirement for full and open competition; (3) a prohibition against geographic preferences; (4) the use of Brooks Act procedures for procurement of architectural and engineering services if the State has not adopted a statute governing procurement of such services; and (5) inclusion in contracts of all Federal clauses required by Federal statutes and Executive Orders and their implementing regulations.

- e. MDOT is responsible for ensuring that sub-recipients are aware of and comply with Federal requirements. Consequently sub-recipients that are governmental authorities such as local or Indian tribal governments, sub-recipients that are private non-profit organizations and sub-recipients that are private profit organizations will be required to comply with FTA procurement requirements contained in the most current FTA Circular.
2. The MDOT recognizes basic grant management requirements for state and local governments as presented in 2 CFR Parts 200 and 1201, Uniform Administrative Requirements. For general guidance the MDOT has opted to follow this "common grant management rule" along with the most recent published versions of the applicable FTA Circulars (including subsequent updates). Standard Department procurement procedures and policies will be followed to the extent they do not conflict with federal regulations.
3. For the purposes of this plan, third party contracts are those entered into for the procurement of supplies, equipment, construction or other services that are required to complete the project approved. The provisions of FTA Circular 4220.1, The FTA Best Practices Procurement Manual, including revisions, as well as applicable state purchasing laws and procedures, e.g. Procurement Manual prepared by the Department of Finance and Administration, shall be used as the basis for procurements, including third party contracting.
4. Unless so specified in writing, with the exception of vehicle purchases and/or refurbishing, all routine procurement and third-party contracting activities are the responsibility of the contractor. It is the policy of MDOT that the contractor uses its own procurement systems as long as it conforms to applicable Federal requirements and state purchasing laws as outlined in this plan and the terms of the Contract Agreement with MDOT. The local project is responsible for settling all contractual and administrative issues arising from project procurements undertaken with financial assistance provided by MDOT. Technical assistance will be provided upon request.
5. The MDOT will routinely conduct a centralized procurement process at the state level for vehicles on behalf of formula program sub-recipients.
  - a. On a case by case basis MDOT may allow sub-recipients to conduct direct procurements of vehicles. Any such procurement must be done in accordance with applicable federal and state procurement laws and requirements (pre-award /post-delivery audit, fair and open competition, Buy America and Bus Testing).
6. Responsibility for compliance with the procurement provisions of the appropriate Contract Agreements, this management plan, the current Master Agreement and the latest version of FTA procurements guidelines e.g., Circular 4220.1 reside with the Public Transit Division and the Procurement Division along with consultation from the Legal Divisions as required. To the greatest extent practical, MDOT will require that all procurements are consistent with the requirements of the Best Practices Procurement Manual and State Purchasing laws.
7. The procurement and contract standards set forth in this chapter apply to all procurements of professional services and capital equipment as well as to goods and

services funded with FTA grant funds. These standards may be modified by MDOT to comply with State purchasing laws, as needed.

## **XI-B State Procurement Options**

1. For all major procurements, i.e. purchases with an individual acquisition cost that meets or exceeds \$100,000, a procurement team consisting of representatives from the following organizational areas may be developed to oversee the process as deemed necessary by the Public Transit Division Director or MDOT Administration. Procurement Team members may include representatives from:
  - a. PTD (assigned by Public Transit Division Director);
  - b. Procurement;
  - c. Equipment and Asset Management; and
  - d. Legal, as appropriate.

The functions of this team may include develop and/or review equipment specifications, develop and review purchasing schedules, review solicitation documents, evaluate offers and in some instances recommend procurement awards.

2. Except as specified in writing, the MDOT, through the Public Transit and Procurement Divisions, shall conduct the procurement of all vehicles for formula program sub-recipients.
  - a. Vehicles may be periodically procured through the use of an indefinite quantity or term contract that establishes the suppliers and prices for the contract specified period of time.
    - i. Indefinite quantity or term contracts are awarded in accordance with competitive bidding procedures prescribed by State statutes.
    - ii. The Division may requisition vehicles on an indefinite or term contract on behalf of the project after receipt of a formal request from the project by the Project Director or a designated representative.
  - b. Vehicles may be procured through a definite quantity contract.
    - i. The MDOT, through the Procurement Division, may request bids on behalf of a project for vehicles not available on a current indefinite or term contract.
    - ii. The Procurement Division will procure vehicles in accordance with competitive bidding procedures prescribed by State statute.

### **3. Pre-procurement Planning/Purchasing Schedule**

- a. Based on meetings with various organizational components within the MDOT, e.g. Procurement Division, Intermodal Planning and the DBE program representative, the Public Transit Division may, as appropriate, develop purchasing schedules for major capital acquisitions. These schedules, usually confined to the procurement

of vehicles or other capital facilities investments, are intended to coordinate the internal procurement procedures, provide for a review of the proposed procurement to avoid the purchase of unnecessary or duplicative items, and to ensure that purchases are properly timed.

- b. The Public Transit Division Administrator or designated staff will consult with the Procurement Director or designated staff to ensure that each major purchase, i.e. solicitation and bid opening, is conducted in accordance with MDOT Standard Operating Procedures, as well as the requirements of FTA Third Party Procurement guidance.

#### 4. Cost and Price Analysis

In accordance with current FTA Third Party Procurement guidance, the Public Transit Division may consult with the Procurement Division to perform a cost or price analysis, as appropriate.

- a. A price analysis is an evaluation of proposed price that does not involve an in-depth evaluation of all of the separate cost elements that comprise a potential contractor/bidder's price proposal. The intent of the price analysis is to determine if a price quoted for a particular product or service is fair and reasonable. In this context price analysis will be applied as a broad measure that includes the following actions:
  - i. Comparison of competitive price quotations submitted to the organization.
  - ii. Comparison of prior quotations and contract prices with current quotations for the same or similar end-items.
  - iii. The use of rough yardsticks such as dollar per pound, per horsepower, or other units to point up apparent gross inconsistencies.
  - iv. Comparison of prices or published price lists issued on a competitive basis, and published market prices of commodities, together with discount or rebate schedules.
  - v. Comparison of proposed prices with independent estimates of cost developed within the purchasing office.
- b. Cost Analysis : In accordance with Third Party Procurement, the PTD shall perform a cost analysis for potential procurement, especially contracts for professional services, to assist in forming an opinion of whether the proposed costs are reasonable and justified. When performing a cost analysis the PTD will consult with the Procurement Division to conduct an element-by-element examination of the estimated or actual cost of performing the terms of the contract, based on the following:
  - i. Verification of cost data submitted.
  - ii. Evaluation of specific cost elements.
  - iii. Necessity of certain costs.
  - iv. The basis for allocating costs; including overhead costs.
  - v. The reasonableness of estimated costs.

#### 5. Solicitation



The PTD will rely on the Procurement Division, to develop and maintain vendor lists for vehicle purchases to be supported with FTA funds. The actual solicitation will be undertaken at the direction of the Procurement Division, in a form and format that is consistent with Standard Operating Procedures.

6. Evaluating Responses

- a. For sealed bid procurements, the evaluating criteria will be price and price-related factors, such as transportation costs or multiple awards versus aggregate awards discounts.
- b. For negotiated procurements, where proposals are received, criteria that have been developed jointly by the PTD and the Procurement Division may be used. Examples of some evaluation criteria that could be used are:
  - i. Proper understanding of the scope of work.
  - ii. Availability and experience of personnel.
  - iii. The contractor's proposed method of assuring timely and acceptable performance of the work.
  - iv. The contractor's compliance with FTA requirements such as Buy America, DBE, ADA, and Title VI.

**XI-C Local Procurement**

1. Procurements by formula program sub-recipients shall be conducted in accordance with the latest versions of 2 CFR Parts 200 and 1201, Uniform Administrative Requirements, FTA Circular 4220.1, the "common rule," State Purchasing Statutes and Procedures, including guidance provided by the Department of Finance and Administration.
2. For contractor procurements with an acquisition cost of \$50,000 or more, the PTD may confer with the procurement Division for concurrence.
3. As a result of bid threshold changes to State purchasing laws in Section 31-7-13, Mississippi Code of 1972 local procurements shall be conducted by one of the following methods:
  - a. Purchases of goods and services which do not involve an expenditure of more than Five Thousand Dollars (\$5,000.00), exclusive of freight or shipping charges, may be made without advertising or otherwise requesting competitive bids.
  - b. Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000.00) but not more than Fifty Thousand Dollars (\$50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids/quotes have been obtained. The project shall submit the proposed procurement terms and conditions, technical specification if applicable, and bids/quotes to the Public Transit Division for review and concurrence to ensure:
    - i. The project has clearly and accurately described the technical requirements in the bid.
    - ii. The project has clearly set forth the requirements the bidder must fulfill.
    - iii. The bid provides for open and free competition.

- iv. The project has made positive efforts to utilize disadvantaged business enterprises.
  - Quotes must be solicited from at least two or more responsible suppliers.
  - Copies of the quotes may be sent to the Division for approval by the MDOT. The project should indicate a recommended vendor.
  - The MDOT shall concur with the projects' recommendations for award prior to the actual purchase.
  - Upon notification to MDOT, the project may enter into a fixed price contract/agreement.
  - The project shall utilize its own procedures for processing changes(s) in purchase orders. The Public Transit Division must be advised in writing when such changes affect the contract/purchase price.
- c. Purchases which involve an expenditure of more than Fifty Thousand Dollars (\$50,000.00), exclusive of freight and shipping charges, must be made from the lowest and/or best bidder through a written formal competitive bidding process as follows:
  - i. The project shall submit the proposed purchase terms, conditions, technical specifications and bid advertisement to the MDOT through the Public Transit Division for review.
  - ii. Advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located.
  - iii. Bid requests are to be advertised in at least one newspaper having general daily circulation within the project's service area.
  - iv. Bid requests may also be mailed directly to potential bidders throughout the service area.

The Public Transit Division (after consultation with the Procurement Office, as appropriate), shall concur with the project's recommendation for bid award prior to the execution of an agreement between the sub-recipient and the selected bidder. The project should provide the following information in requesting bid concurrence:

- A copy of the bid advertisement.
- A copy of the final bid specifications.
- A certified tabulation of the bid.
- A recommendation made by the project as to bid award.
- Copies of the bids submitted, along with any pertinent correspondence relating to exceptions to the approved specifications.
- Documentation of search on the System for Awards Management (SAM) to identify debarred or suspended bidders at [www.sam.gov](http://www.sam.gov).

Upon approval of the Division, the project may enter into a firm, fixed price contract with the bidder.

The Project shall be required to adhere to guidance in FTA Circular 4220.1 Third Party Procurement as it relates to change orders in equipment purchases.

4. Procurement of professional services or equipment costing \$5,000 or less may be done through small purchase procedures.
  - Small purchase procedures are those relatively simple informal procurements that are sound and appropriate for the amount projected to be expended on the service, supply, or property. The project shall utilize its own informal procurement method.
  - Price or rate quotations shall be obtained from an adequate number of qualified sources.
5. When an item or service to be procured is not such that a complete, adequate and realistic specification can be developed or when the item or service does not lend itself to a firm fixed-price contract, the project may conduct a competitively negotiated procurement. An example of an appropriate situation for a competitively negotiated procurement would be the procurement of architectural/engineering services whereby the competitor's qualifications are selected, subject to negotiation of fair and reasonable compensation.

The sub-recipient shall be responsible for ensuring that:

- a. Proposals are solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request-for-Proposal shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.
- b. The Request-for-Proposal shall identify all significant evaluation factors, including price or cost where required, and their relative importance.
- c. The project shall provide mechanisms for technical evaluation of the proposals received, determinations of responsible offers for the purpose of written or oral discussions, and selection for contract award.
- d. Award may be made to the responsible offer whose proposal will be most advantageous to the project, price and other factors considered.
- e. The Public Transit Division shall review the proposed negotiated contract. The project shall submit the following documentation in seeking this approval:
  - A copy of the Request for Proposal.
  - An explanation of the basis for selection of the contractor, including the evaluation criteria and the results of the grantee's technical evaluation.
  - A list of all proposals received.
  - A cost breakdown for the proposed contract proposal.
6. If procurement is deemed not to be feasible by MDOT under any of the above procedures, the project may conduct a noncompetitive negotiated procurement. After consultation with

the Procurement Division, noncompetitive negotiation shall be approved by MDOT through the Public Transit Division in advance. Approval will be limited to the following circumstances:

- a. The item is available only from a single source.
  - b. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation.
  - c. After solicitation of a number of sources, competition is determined inadequate by MDOT.
7. The project shall maintain procurement records sufficient to detail the significant history of the procurement, in accordance with the requirements of FTA Circulars and state purchasing requirements.
  8. The project shall include in all third party contracts any required standard contract provisions as prescribed by MDOT's policies, FTA Circulars, the Best Practices Procurement Manual or state laws. ([See Attachment Q.](#))

#### **XI-D Purchase of Service Contracts**

1. Where appropriate, Contractors are encouraged to use purchase of services arrangements (including private sector transportation providers). Under such arrangements, certain special conditions apply to the purchase of service agreement.
  - a. The purchase of service contract must be either a cost reimbursement or fixed cost type contract.
    - Fixed cost contracts should have the cost calculated on a service or route specific basis, i.e. per passenger, vehicle or passenger miles, or a combination of both.
    - Fixed cost contracts should allow for some periodic evaluation of the fixed rate in order to accommodate changes in transportation costs.
  - b. Profit is an eligible cost in the contract. The amount of profit may be established as a fixed fee, or as a percentage figure.
  - c. In accordance with FTA Circular requirements, depreciation or lease of vehicles is an eligible expense in private sector purchase of service agreements. Depreciation must be based on acquisition, not replacement, costs and is eligible only for the local share of vehicle costs. Lease cost must be shown to be the most cost-effective method of providing necessary capital equipment. MDOT must approve the inclusion of lease costs.
  - d. Management or administrative costs incurred by the private sector provider should be prorated for only that portion of the operator's service being purchased with FTA funds.
  - e. Section 5310 participation in a contract lease or other arrangement shall be limited to eighty (80%) percent of the net contract cost. These costs are defined as eligible capital costs in the [most recent approved FTA Circular](#) guidance.

- f. Section 5311 participation in private sector contracts, lease or other arrangements shall not exceed fifty (50%) percent of the net contract costs for operating and administration expenses.
  - g. Net contract costs shall be determined by adding the total eligible costs, including profit, then subtracting total revenues.
2. The MDOT should approve the proposed purchase of service contract prior to execution by the project.

#### **XI-E Bid or Contract Protests and Appeals**

1. The local project is responsible for settling disputes arising out of any procurement or contracting action at their local level.
2. Under limited circumstances, a bidder or contractor may protest to the MDOT the award of contract pursuant to a Section 5311 grant.
  - The MDOT's role in a bid protest shall be limited to the conditions set forth in [FTA Circular 4220.1 or most recent guidance](#), Attachment B, entitled "Bid Protest Procedures" and applicable SOP's Administrative Rules.

#### **XI-F Property Management Standards**

1. The following definitions apply to the MDOT's property management standards for FTA funded projects.
  - a. **Real property** is defined as land, including affixed land improvements, structures and appurtenances. Real property does not include movable machinery and equipment.
  - b. **Personal property** refers to any property that is not real property. It may be tangible or intangible. Personal property includes equipment and supplies.
  - c. **Equipment** is defined as all tangible personal property that has a useful life of more than one year and an acquisition cost that **exceeds \$500 per unit**. All vehicles purchased by or on behalf of FTA funded projects are considered as equipment.
    - **Supplies** cover all tangible property other than equipment.
  - d. **Excess property** is defined as any property under the control of the project for which a determination has been made that the property is no longer needed to accomplish the project.
2. **Net proceeds for sale of property** shall be considered the amount realized from the sale of property no longer needed for transit purposes less the expense of any actual and reasonable selling and any necessary expenses associated with repairs to make saleable. All property acquired through an FTA grant shall be utilized and disposed of in accordance with guidelines, policies and procedures set forth in the following:
  - a. The project's contract agreement with the Mississippi Department of Transportation (e.g. 49 CFR Part 18).
  - b. This Plan and any other written guidance provided by MDOT and FTA.

3. Use:
- a. Equipment shall be used by the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.
  - b. Equipment shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency (FTA).
  - c. Notwithstanding the encouragement in §18.25(a) to earn program income, the grantee or sub-grantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.
  - d. When acquiring replacement equipment, the equipment may be used as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.
4. Title to all property shall be vested in the name of the project. The Mississippi Department of Transportation shall hold first lien on the title to vehicles acquired with FTA funds.
5. Projects' shall be responsible for maintaining property records, conducting physical inventories, implementing adequate property control systems as well as maintaining equipment and facilities acquired with FTA funds in accordance with 2 CFR Parts 200 and 1201, Uniform Administrative Requirements 2, Attachment N, the ADA, this Management Plan manufacturers minimums, FTA Circulars, e.g. 5010.1 and 9040 1. (or subsequent revisions) and periodic MDOT guidance herein incorporated by reference.
- a. The Public Transit Division maintains an automated inventory of all FTA funded vehicles. ([See Attachment V](#)). To the extent required by FTA guidance, every two years, the Division will take or cause to be taken a physical inventory of contractor's authorized equipment, purchased with grant funds. The inventory shall be conducted in accordance with PTD policies and equipment management guidance contained in the latest FTA 5010 Circular. Any differences must be investigated and documented.
    - Annually as a part of the contract authorization process, Public Transit Division staff and each contractor are required to review and compare internal inventory records. All changes are to be noted and the records are updated accordingly.
    - As a part of routine monitoring, PTD staff will physically inspect a sample of the contractors authorized fleet.
  - b. As a part of routine monitoring, MDOT Staff shall review the condition and status of assigned project equipment and facilities.

- c. Project staff may be requested to provide a condition status report based on a physical inspection of assigned project equipment and facilities.
- d. In connection with the nonexpendable property inventory, contractors must certify the existence, current use and continued need for the equipment by completing “Annual Certification of Use of Project Equipment”. ([See Attachment R](#)). This certification continues throughout the useful life or until disposition of project equipment and facilities.

This certification must be based on an adequate equipment management record system and confirm for each contract that:

- Equipment, facilities acquired/renovated under the grant will continue to be used for the purpose for which the grant was approved.
- The equipment/facility does not exceed the needs of the transit operators.
- None of the equipment/facility has been sold, damaged, lost, or otherwise taken out of transit service without MDOT approval.
- A physical inventory and verification have been taken at least once during the preceding two-year period. If any of these assurances cannot be made, a statement should be submitted with the certification that details relevant information such as date, items involved, nature of the loss, and the original grant number under which it was purchased. If the required certifications are not submitted, or for other cause, MDOT may suspend the authority to operate the equipment until arrangements are made to physically examine the property.

6. The project may dispose of equipment at the end of its useful life after notifying and receiving disposition instructions from MDOT, using the following procedures.
  - a. The project may use standard straight-line depreciation or obtain a minimum of two (2) written appraisals from qualified individuals to determine the fair market/salvage value of the equipment to be sold.
  - b. The project shall submit form **PTD-EUL-01** along with a written request to declare end-of-useful life and dispose of project vehicles ([See Attachment R](#)).
  - c. The MDOT shall authorize the disposition of all approved equipment.
  - d. The project may retain 100% of the proceeds resulting from vehicle end-of-life dispositions, as long as the proceeds remain in use for transportation purposes.
  - e. If the net proceeds from disposition are not used to support transportation services, the project shall remit to the Division a proportional amount of the fair market value of the equipment, determined on the basis of the ratio of financial assistance provided by the MDOT to the actual cost of the equipment. Checks must be made payable to the "Mississippi Department of Transportation - MDOT".
  - f. The project may retain ten percent (10%) of the proceeds, or \$100, whichever is greater, for handling expenses.



7. If the original purchase price of the equipment was less than \$5,000.00, the project may keep the entire amount of the proceeds from the sale without further financial obligation to MDOT.
8. **Useful life of project vehicles shall be defined as follows:**
  - a. The minimum useful life of a van (**6 to 15 passengers**) and (**other small vehicles, e.g. sedans and pick-ups**) shall be defined as five (5) years and 125,000 miles.
  - b. The minimum useful life of a **small to medium size light duty (cutaway type assembled using add on-bodies) bus (25' to 35 feet)** shall be defined as five (5) years and 150,000 miles.
  - c. **The minimum useful life of a medium duty (purpose built) transit bus 30-35 capacity shall be defined as seven (7) years and 200,000 miles.**
  - d. The minimum useful life of a large, heavy-duty transit bus shall be defined as:
    - **Eight (8) years for vehicles ( 30' to 35 feet) with 30-35 passenger capacity, and 250,000 miles.**
    - **Ten (10) years for vehicles with greater than 35 passenger capacity; and 350,000 miles.**
  - e. The minimum useful life of an “Over the Road Coach” transit bus shall be defined as twelve (12) years for vehicles with greater than 35 passenger capacity; and/or 500,000 miles.
  - f. The minimum useful life of a Passenger Trolley shall be defined as ten (10) years for vehicles with greater than 25 passenger capacity; and 300,000 miles.
  - g. The useful life of a Wrecker Recovery Vehicle shall be defined as eight years and/or 300,000 mile.
  - h. All other requests, including exceptions, shall be evaluated on a case-by-case basis. Facilities disposition will be based on FTA Circular 4220.1 guidance.
9. Disposal of equipment that has not reached its useful life must be done for a clear justifiable reason. Therefore projects may dispose of equipment with remaining useful life only after receiving written authorization and instructions from the Public Transit Administrator. First preference for other use shall be given to other programs or projects supported by the awarding agency (FTA).
  - a. The project or the Public Transit Division, on behalf of the MDOT, will offer the equipment for sale or transfer to other transit projects in the state. Should an agency want the equipment, the federal financial interest in the equipment is transferred and the new owning project may be responsible for reimbursing the original owning project for the local share of the current fair market value of the equipment.
  - b. If no other project has a need for or is willing to purchase the equipment, the project may be required to sell the equipment and return the proportional share of disposition proceeds to the MDOT, or be allowed to transfer the equipment to other eligible recipients.

- c. If the equipment is sold by the MDOT, the project will receive twenty percent (20%) of the disposition proceeds.
10. In case of accidental or casualty loss of project equipment, fair market value shall be deemed equal to the amount of damages paid by project's insurance company. In no case will salvage value be considered as the sole source for fair market value.
11. When the project uses insurance proceeds to replace or repair lost or destroyed equipment, the MDOT, on behalf of the FTA, retains the same proportionate share as that held in the original equipment. Insurance proceeds are to be handled as follows:
  - a. The project shall, with MDOT concurrence, reinvest the proceeds from the settlement in the purchase of replacement equipment;
  - b. Invest the proceeds in an approved transportation project; or
  - c. The project must return the proportional share of the settlement proceeds to the MDOT. These funds may be used by MDOT to fund other capital purchases.
12. It is the policy of the MDOT that all project equipment/facilities must be used by the contractor in accordance with the approved application and contract agreement. The MDOT must be notified in writing by the project whenever equipment is taken out of service for a period exceeding thirty days.

#### **XI-G Transfer of Property/Vehicles**

1. The MDOT relies on the following guidance concerning the transfer of facilities and equipment:
  - a. The Common Rule.
  - b. FTA Circulars 9040.1 or subsequent versions.
  - c. Equipment standards continued in State statute, to the extent applicable.
2. In accordance with federal guidance, assets financed with Federal assistance authorized for 49 U.S.C. Chapter 53 may be transferred to a public body to be used for any public purpose with no further obligation to MDOT or FTA, provided that the transfer is approved by MDOT.
3. If a project decides an asset acquired under this chapter is no longer needed for the purpose for which it was acquired, the project may be authorized to transfer the asset to a local governmental authority to be used for a public purpose with no further obligation to the MDOT. First preference for other use shall be given to other programs or projects supported by the awarding agency (FTA). Such transfer may be authorized for a public purpose other than public transportation if it is determined that :
  - a. The asset will remain in public use for the remainder of its useful life beginning with the date it is transferred.
  - b. There is no other eligible purpose for which the asset should be used.
4. All transfers for use other than public transportation must be approved in writing by the MDOT through the Public Transit Division, upon Commission approval.
5. Appropriate changes shall be made to the PTD and respective contractor's inventories.

6. Accessory or other equipment that is not included as part of project vehicles shall be transferred in accordance with 8. a.-c. above.

#### **XI-H Pre-Award and Post-Delivery Audit**

1. For vehicles purchased with FTA grant funds the MDOT has developed and will maintain pre-award and post-delivery audit procedures that comply with the provisions of the FTA regulations contained in "Pre-Award and Post-Delivery Audit of Rolling Stock Purchases," 49 CFR. Part 663. These procedures are applicable to all vehicles except sedans and unmodified vans. ([See Attachment S](#))
2. For procurements of more than ten covered vehicles the MDOT will provide through staff, contract or some other arrangement, for in-plant inspection to the extent required by the FTA guidance.
3. Sub-recipients are required to comply with the Pre-award and Post-delivery requirements when purchasing vehicles with FTA funds provided by the MDOT, including bus testing, Buy America and compliance with specifications. The MDOT will rely on the certifications and assurances by the sub-recipients as well their vendors to document compliance with this requirement.

## **CHAPTER XII**

### **INTERCITY BUS**

#### **I-A Background**

It is the MDOT's intention to develop, implement and support projects and/or programs that comply with FTA's Intercity Bus Guidance (e.g., Section 5311 (f)). Based on current requirements, in the absence of the Governor's certification, a portion of the annual Section 5311 apportionment is to be made available for the development and support of intercity bus transportation. These projects and/or programs may be developed cooperatively between the Public Transit Division, local municipalities, local transit operators as well as intercity carriers and possible consultation with affected Metropolitan Planning Organizations. For MDOT, the emphasis will remain on maintaining accessibility in rural areas, collaborating with existing providers and supporting intermodal facilities. As appropriate, the MDOT may also seek certification from the Governor that relates to other rural area transportation needs and ensuring that the intercity bus service needs are being met adequately.

#### **XII-B Definition**

For the purposes of this SMP, intercity bus service is defined as regularly scheduled bus service for the general public which operates with limited stops over fixed routes connecting to two or more urban areas that are not in close proximity. These services may have the capacity for transporting passengers' baggage and, service that makes specific planned connections with established intercity bus service where such service is available. Dedicated commuter service is not included in this definition.

#### **XII-C Fund Allocation**

To comply with the FTA requirements, the MDOT will routinely program 15% of the annual Section 5311 apportionment. This will routinely be done in the absence of a certification by the Governor. These funds will not be programmed as Program Reserve to the extent that these amounts cause Category C funds to exceed the 10% limit. Every effort will be made to identify specific intercity bus projects in the effected POPs. Available funds will be used to support projects, including rural general public contractors, and may also fund periodic assessments of need(s). These periodic assessments of need for supporting intercity bus services with the MDOT's available Section 5311 funds may include consideration of or the absence of applications received from intercity carriers, consultation with intercity carriers and to a lesser degree formal assessments.

#### **XII-D Goals**

The primary goals of the MDOT's Intercity Bus activities will be to support the connection between non-urbanized areas of the state; to support services that meet the intercity travel needs of the state's non-urbanized area residents; and to support, to the extent practical, an intermodal intercity bus infrastructure network through planning, marketing and capital investment. To the greatest extent practical, the MDOT will rely on specific interest in and needs identified by private intercity carriers as the basis for supporting intercity services.

## **XII-E Management**

The MDOT has developed procedures to implement the provisions of Section 5311 (f) as part of the State's ongoing Section 5311 program. To the greatest extent practical, Intercity Bus application procedures will be developed and disseminated along with those for the Section 5311 program. The guidance contained in the current FTA 5311 circular will be relied on as the general federal requirements. Efforts may also be made to coordinate the Intercity Bus activities with those of contiguous states by reviewing plans, programs and studies.

## **XII-F Eligible Activities**

1. The MDOT will consider the following as eligible activities under the provisions of the State's Intercity Bus Program, e.g., Section 5311(f):
  - a. Planning and/or marketing.
  - b. Capital grants for intercity bus equipment and facilities, including shelters.
  - c. Operating grants for purchase of service agreements.
  - d. User-side subsidies.
  - e. Demonstration projects.
  - f. Coordination of connecting services between rural operators and intercity carriers.
  - g. Operating assistance may be provided to intercity bus carriers as necessary to maintain the State of Good Repair for FTA funded vehicles. Applicants for intercity bus funds must meet the requirements below to receive operating assistance:
    - i. Be an active participant in a regional planning group.
    - ii. Sixty percent (60%) of revenue miles for services must be generated in the State of MS.
  - h. Operating assistance will be limited to the following expenditures:
    - i. Preventive maintenance parts/labor.
    - ii. Repair parts/labor.
    - iii. Fuel and Oil.
    - iv. Tires.
  - i. Capital purchases.
  - j. Feeder services as defined in FTA Circular 9040.1.
  - k. Feasibility studies/need assessments.
2. Charter and tour services will not be considered eligible for intercity assistance.

## **XII-G Eligible Recipients**

For purposes of the Intercity Bus Program, eligible recipients include local public bodies, private nonprofit organizations and private for-profit intercity bus operators. Private intercity operators will be considered as third party contractors. Private contractor(s) will be selected based on evidence that the Section 5311 (f) assistance will be used to provide eligible services, the contractor can comply with Federal and State requirements and the contractor is able to offer service at a fair and reasonable cost (considering comparable services).

## **XII-H Programming of Funds**

When programming Intercity Bus funds caution will be exercised to avoid programming these funds as Program Reserve. These funds, to the greatest extent practical, will be programmed for proposed projects in Category B or in Category A for specific projects. In addition, the MDOT may routinely program an amount of funds available to support the planning and general development activities associated with the Intercity Bus Program. These planning funds will be programmed at the 80% federal participation ratio.

## **XII-I Project Selection**

1. The MDOT's Public Transit Division has developed Intercity Bus requirements that are generally coordinated with the routine project selection criteria for Section 5311 projects. These criteria address at a minimum:
  - a. Accessibility of services for non-urbanized area residents;
  - b. Competitive opportunities; and
  - c. Coordinated intercity bus services with the state's rural public transit projects and other private sector carriers.
2. Procedures for project selection include, but may not be limited to the following:
  - a. Annually, as a part of the 5311 application, the MDOT announces the availability of funds to support the goals of the Section 5311 (f).
  - b. Application documents for requesting 5311 (f) assistance will be included in the routine Section 5311 application package. (See Minimum Requirements below).
  - c. Responding to requests from eligible applicants as a part of the PTD's routine planning and technical assistance activities.
  - d. Requests for assistance and/or applications that are received outside of the annual Section 5311 application process will be reviewed by staff and discussed with the Director, Office of Intermodal Planning. These discussions may also include consulting the affected MPO's or other local planning agencies. Formal requests for and/or awards of Section 5311 (f) funding must be accompanied by the appropriately executed certifications and assurances.

### **Intercity Bus Service Request – Minimum Requirements**

- A. Section 5311 funds may be used to support intercity bus service in rural and small urban areas. FTA defines 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 to transport baggage carried by passengers, and which makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available. MDOT's eligible

intercity bus activities include planning and marketing, capital grants for facilities (e.g., bus shelters, joint-use stops and depots), operating grants through purchase-of-service agreements, user-side subsidies, demonstration projects, and coordination of rural connections or small transit operations and intercity bus carriers.

- B. Project Type and Description:** Please check items below that corresponds with the project type, and then describe the project. Be specific, including the types of service(s) and/or types of capital to be purchased, marketing efforts, and the current implementation status of the project. If the project has several components (i.e., capital, operating, and marketing) then check and describe **all** that apply.

☐ Capital    ☐ Operating    ☐ Marketing    ☐ Planning    ☐ Other

- C. Cost of Service:** Please provide the cost for each component of the proposed project using the following categories/line items:

1. <u>Capital</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Federal</u>	<u>Local</u>	
A. Vehicles	_____	_____	_____	_____	
B. Shelters/stops	_____	_____	_____	_____	
C. Facilities	_____	_____	_____	_____	
2. <u>Planning</u>					
3. <u>Operating</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
A. Drivers	_____	_____	_____	_____	_____
B. Other Staff (specify)_____	_____	_____	_____	_____	_____
C. Fringe	_____	_____	_____	_____	_____
D. Insurance	_____	_____	_____	_____	_____
E. Fuel / oil	_____	_____	_____	_____	_____
F. Maintenance/Repair _____	_____	_____	_____	_____	_____

## **XII-J Governor's Certification**

Consistent with the provisions of the latest FTA guidance, a request for certification will be made only after MDOT has reviewed current and past requests for funding as well as the capital and operating needs of existing and proposed Section 5311 contractors. This may involve assessing current Five Year Capital Replacement Plans and current applications for funding; reviewing documentation concerning un-served and/or underserved areas; reviewing MPO planning documents and any related MDOT planning documents. An opportunity to obtain comments can also be made by any of the following: contacting private intercity carriers; publishing requests for comments; or allowing for a public hearing if requested.



## **CHAPTER XIII**

### **5339 BUS AND BUS FACILITIES**

#### **XIII-A Background**

The Bus and Bus Facilities Program is authorized under the provisions set forth in the Moving Ahead for Progress in the 21st Century Act (MAP-21). Grants are made available to assist eligible recipients in financing capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities.

#### **XII-B Goal**

The goal of the 5339 Bus and Bus Facilities Program is to finance capital bus and bus-related projects that will support the continuation and expansion of public transportation services in the United States. Federal assistance is made available to assist eligible recipients in financing capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities.

#### **XIII-C Management and Project Selection**

The MDOT has developed procedures to implement the provisions of Section 5339 program as part of the State's ongoing Section 5311, 5310, 5316 programs. To the greatest extent practical, selection procedures outline in these program will be used to determine the allocation of funds for eligible program activities. The guidance contained in the current FTA Section 5311, 5310, 5316 programs circulars will be relied on as the general federal requirements.

#### **XIII-D Eligible Activities**

Eligible capital projects include projects to replace, rehabilitate, and purchase buses and related equipment, and projects to construct bus-related facilities. This includes but is not limited to:

- a. The acquisition of buses for fleet and service expansion;
- b. Bus maintenance and administrative facilities;
- c. The acquisition of vans for fleet and service expansion, including specialized vans and related facilities used to provide ADA complementary paratransit service;
- d. Transfer facilities;
- e. Bus malls;
- f. Transportation centers;
- g. Intermodal terminals;
- h. Intercity facilities which are part of a joint development project;
- i. Park-and-ride stations;
- j. Acquisition of replacement vehicles;
- k. Bus rebuilds;
- l. Bus overhauls;
- m. Passenger amenities such as passenger shelters and bus stop signs;
- n. Accessory and miscellaneous equipment such as:
  - (1) mobile radio units;

- (2) supervisory vehicles;
  - (3) fare boxes;
  - (4) computers; and
  - (5) shop and garage equipment.
- o. Clean Fuels Projects. Purchases under this category are passenger vehicles used to provide public transportation and powered by compressed natural gas (CNG), liquefied natural gas (LNG), biodiesel fuels, batteries, alcohol-based fuels, hybrid electric, fuel cell, clean diesel (ultra-low sulfur content), or other low or zero emissions technology. Eligible activities also include constructing or leasing clean fuel buses, constructing electrical recharging facilities for such buses, and constructing new or improving existing public transportation facilities to accommodate clean fuel buses.
  - p. Introduction of New Technology. Section 5339 funds may be used for transit-related technology, such as innovative and improved products that provide benefits to transit, including Intelligent Transportation Systems (ITS). ITS refers to the use of electronic communications, or information processing used as a single component or in combination to improve efficiency or safety of a transit.

### **XIII-E Eligible Recipients**

Eligible recipients under this section are designated recipients and states that allocate funds to fixed route bus operators or state or local government agencies that operate fixed route bus service. A designated recipient that receives a grant under this section may allocate amounts of the grant to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income.

### **XIII-F Eligible Assistance Categories**

1. **Capital Projects**. The federal share for capital projects that receive funding under the Section 5339 program may not exceed 80 percent of the net project cost. Net project cost is that portion of the cost of a project that cannot reasonably be financed from the subrecipients' revenues.
2. **Exceptions**. The federal share may exceed 80 percent for certain projects related to ADA, CAA, and certain bicycle projects as follows:
  - a. **Vehicles**. The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA) or the Clean Air Act (CAA).
  - b. **Vehicle-related Equipment and Facilities**. The federal share for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA, or for meeting the requirements of the ADA, is 90 percent.
  - c. **MDOT considers vehicle-related equipment to be equipment on and attached to the vehicle**. The grant recipient may itemize the cost of specific, discrete, vehicle-related

equipment being purchased to be in compliance with the ADA or CAA. The federal share is 90 percent of the cost for these itemized elements.

### **XIII-G Local Match Requirement**

After the appropriate federal share is established the applicant must provide the local share of the net project cost in cash and upon approval in-kind and must document in its grant application the source of the local match.

The local match may include but is not limited to the following:

- a. Cash from nongovernmental sources other than revenues from providing public transportation services;
- b. Non-farebox revenues from the operation of public transportation service, such as the sale of advertising and concession revenues. A voluntary or mandatory fee that a college, university, or similar institution imposes on all its students for free or discounted transit service is not farebox revenue;
- c. Amounts received under a service agreement with a state or local social service agency or private social service organization;
- d. Undistributed cash surpluses, replacement or depreciation cash funds, reserves available in cash, or new capital.

### **XIII-H Transfer of Funds**

- a. The governor may transfer any part of the state's apportionment, specifically the National Distribution allocation, to supplement amounts apportioned to the state under Section 5311(c) or amounts apportioned to the state for areas under 200,000 in population under Section 5307. Transferred funds must be used for eligible Bus Program activities, even if combined in a grant with other Section 5307 or 5311 funding. This transfer is for administrative purposes only and allows 5307 direct recipients to apply directly to FTA for their allocation.
- b. Federal requirements do not mandate FTA approval prior to transfer of an apportionment, but the governor must provide notification to FTA of a transfer for each transaction so that FTA can accurately reflect this transfer decision in overall program budget levels and apportionment records. In addition, the grant application project budget must show the amount of transferred funds.

## CHAPTER XIV

### OTHER PROVISIONS APPLICABLE TO SELECTED FTA PROGRAMS

#### XIV-A Background

Several laws and administrative requirements apply in common to all federal grant programs and, therefore, are applicable to the FTA transportation programs administered by the MDOT. Compliance features for some of these requirements have been further defined by the Federal Transit Administration's regulatory and program guidance updates. Additionally, there are several unique provisions applicable to all FTA grant assistance programs. It is the policy of the MDOT to comply with each of the provisions through the application of Standard Operating Procedures (SOP's) administrative rules, as well as, policies and procedures that are based on guidance provided by the FTA. In assuring compliance with these provisions, the Public Transit Division will consult and/or coordinate with other organizational units such as Legal Department (on lobbying, ADA and Labor Relations); Procurement (on bus testing and Buy America); Human Resources (on ADA and Environmental; and Office of Civil Rights (on Disadvantaged Business Enterprises, Title VI, and EEO). Also, program areas through MDOT will be monitored at a minimum annually to ensure compliance with all regulatory requirements. Technical assistance will be a part of the monitoring process.

#### XIV-B Civil Rights

It is the responsibility of the MDOT on behalf of the State, to ensure that recipients of FTA funds comply with applicable portions of the following civil rights requirements as they relate to transit projects: Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), Elderly and Disabled (Section 504) Regulations, Disadvantaged Business Enterprise (DBE) Program guidance and the requirements of the Americans with Disabilities Act.

To allow MDOT to make these compliance determinations, local recipient to the extent required by the regulation, may be requested to file the following information with the State on a one-time basis and update it as necessary when changes occur:

1. A concise description, if applicable, of any lawsuits or complaints alleging discrimination on the basis of race, color, or national origin filed against the applicant within the past year together with a statement of status of outcome of each such complaint or lawsuit.
2. In response to complaints or allegations of discrimination, the MDOT and/or affected sub-recipients as appropriate may also collect or prepare and review the following data:
  - a. Documentation of total population of the service area and the percentage that are Black (not of Hispanic origin), Hispanic, American Indian or Alaskan Native, and Asian or Pacific Islander;
  - b. Map(s) of the service area showing local recipient's transit routes, and distribution of minority groups; if demand responsive service, show the

estimation of beneficiaries served by the population categories described in 2 above; in addition, minority concentration areas within the served area are to be shaded; areas to be shaded consist of any area where the minority population is equal to or greater than the average minority population for the entire service area.

- c. Documentation of requests for funding that will allow for identification of applicant and contractors as minority organizations or that provide services to minority communities.
3. Discrimination complaints will be responded to in accordance with the guidance received from the MDOT Legal and Civil Rights Divisions and procedures that are incorporated in the most recent version of the Title VI Compliance Program. (See [Attachment G](#)).

#### **XIV-C Specific Civil Rights Requirements**

Annually as required by FTA guidance, the MDOT will submit an executed Nondiscrimination Assurance as published in the Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements. In addition, all applicants and contractors must submit to the MDOT an executed Nondiscrimination Assurance as required by 49 U.S.C 5332 (which prohibits discrimination on the basis of race, color, creed, national origin, sex or age and prohibits discrimination in employment opportunity); 42 U.S.C 2000d; and US. DOT regulations, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act” 49 CFR parts 21, 49 CFR § 1.51, 49 CFR part 21, 28 CFR § 42.401 et seq and FTA Circular 4702.1, “Title VI and Title VI-Dependent Guidelines for Federal Transit Administration Recipients”.

##### **A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d))**

1. The staff of the Public Transit Division shall monitor compliance with Title VI requirements as a part of the routine monitoring of local Elderly and Individuals with Disabilities as well as Rural Public Transportation projects. To the greatest extent practical, these visits are conducted no less than annually for all projects under contract. Variations from this requirement must be approved by Public Transit Division Director. On-site monitoring will be conducted using a comprehensive inspection/monitoring format. Additional specific monitoring may be done at any time based on a request from the local project or evidence of possible non-compliance. PTD staff may also include Civil Rights Compliance issues as a part of the desk-top monitoring as appropriate.
2. Quality and quantity assurance indicators that may be given particular attention during monitoring visits include, but are not limited to the following:
  - a. Public hearings/meeting results;
  - b. Efforts used to ensure citizens participation in public meetings and hearings, particularly minorities, women, elderly, disabled and low-income persons;
  - c. Whether there was a need to utilize bilingual or non-English advertising, announcements, notices, etc. to meet Limited English Proficiency (LEP) needs;
  - d. Whether interpreters were present when needed to assist with LEP needs;

- e. Complaints received from local groups or passengers representing minority population groups;
  - f. Transit amenities (i.e. bus shelters, park-and ride facilities), as applicable;
  - g. Performance information;
  - h. Route changes/deletions, the notification process to the general public and how these changes impact minority communities;
  - i. Consideration of the number of and the distribution of routes that could impact services to minority communities;
  - j. Major accomplishments made regarding Title VI during the year, including instances where Title VI issues were identified and discrimination was prevented.
3. On-site monitoring is intended to be a comprehensive review of the project's activities to ensure that the contractor is complying with applicable federal and state regulations, policies and procedures. Other on-site visits may be designed to review for continued compliance, but should also focus on the provision of technical assistance.
4. As a part of the application process applicants are requested to provide the following:
- a. A summary of public outreach and involvement activities undertaken since their last submission and a description of steps taken to ensure that minority and low-income persons had meaningful access to these activities.
  - b. The agency's plan for providing language assistance for persons with limited English proficiency that was based on the DOT LEP Guidance or a copy of the agency's alternative framework for providing language assistance.
  - c. The agency's procedures for tracking and investigating Title VI complaints.
  - d. A list of any Title VI investigations, complaints, or lawsuits filed with the agency within the last three years. This list should include only those investigations, complaints, or lawsuits that pertain to the agency submitting the report, not necessarily the larger agency or department of which the entity is a part.
  - e. Provide a list of board members and their racial profile.
  - f. Sub-recipients shall submit a copy of the Board resolution, meeting minutes, or similar documentation with the Title VI Program as evidence that the board of directors or appropriate governing entity or official(s) has approved the Title VI Program.
  - g. Technical assistance in the preparation of all grant applications shall be made available via application conferences, information dissemination and one on one staff interaction. This effort is made to ensure that all interested parties are provided a fair and equitable opportunity to compete for grant funds that have been made available.
5. For construction projects, we will to the greatest extent possible, work with MDOT's internal divisions for construction or renovation activity which involves the acquisition of land or the displacement of any persons, firms or businesses. Also in accordance with FTA directives 4702.1:
- a. For any project that is not found to be a Categorical Exclusion

(CE) the preparation of an environmental assessment (EA) or environmental impact statement (EIS) may be necessary for public comment.

- b. Efforts shall be made to ensure that the public is afforded early and continuous opportunities to be involved in the identification of social, economic, and environmental impacts of proposed transportation decisions.

#### B. Equal Employment Opportunity (EEO)

- a. Sub-recipients must submit to the Public Transit Division an assurance indicating that the Project "shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and that they shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, disability, sex, or national origin".
- b. Any FTA applicant, recipient, subrecipient, and contractor who meets both of the following threshold requirements must implement all of the EEO Program elements:
  - Employs 100 or more transit-related employees, and
  - Requests or receives capital or operating assistance in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous Federal fiscal year.
- c. Agencies that have between 50–99 transit-related employees are required to prepare and maintain an EEO Program that includes the statement of policy, dissemination plan, designation of personnel, assessment of employment practices, and a monitoring and reporting system.

#### C. Americans with Disabilities Act (ADA)

It is the policy of the MDOT that all contractors that are the recipients of federal financial assistance through either the Section 5311, Section 5310, Section 5316, Section 5317, Section 5339 or other federal programs must comply with the provisions of 49 CFR Parts 27, 37, 38, and 39 that implement the ADA including adhering to assurances and certification as follows:

- a. Annual Assurance of non-discrimination on the basis of disabilities.
- b. To the extent required by the regulations, purchase and operate vehicles that are accessible to individuals with disabilities.
- c. Ensure to the extent required by the ADA that vehicles acquired through the Section 5311 program are equipped, maintained and operated in accordance with the regulations, including but not limited to the service and maintenance requirements as follows:
  - Maintenance of accessible features.



- Procedures to ensure lift availability.
  - Lift and securement use.
  - Announcements on vehicles (fixed route only).
  - Vehicle identification mechanisms.
  - Service animals.
  - Use of accessibility features.
  - Public information/ communications.
  - Lift deployment at any designated stop.
  - Service to persons using respirators or portable oxygen.
- d. Adequate time for vehicle boarding and disembarking.
  - e. Develop and submit for FTA approval, where appropriate, complementary Para transit plan, after review by the MDOT.
  - f. If non-accessible vehicles are being purchased for use by a public entity, in demand responsive service for the general public, MDOT will obtain from the affected contractor(s) an executed “Certification of Equivalent Service”, which states that when viewed in its entirety the public entity’s demand responsive service offered to persons with disabilities meets the standards of 40 CFR 37.77(c).
  - g. Adhere to service requirements and maintenance requirements for accessible vehicles.

#### **XIV-D Disadvantaged Business Enterprises (DBE)**

1. The MDOT acknowledges that the state and its local contractors for FTA funds must meet the requirements of the U. S. Department of Transportation's Disadvantaged Business Enterprise regulations, 49 CFR parts 23 and 26, as amended. In accordance with these regulations, it is the policy of the MDOT to make efforts to ensure that a percentage of the FTA funds awarded to the MDOT and its contractors for eligible contracting opportunities shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. This percentage shall be based on the methodology incorporated into the MDOT’s latest approved DBE program. The Public Transit Division and all contractors receiving FTA Assistance will fully support and comply with 49 C.F.R part 26 and the MDOT’s Disadvantaged Business Enterprise Program for United State Department of Transportation Assisted Contracts as approved.
  - a. Eligible contracting opportunities shall be defined in accordance with the guidance contained in FTA Circular 4716.1 (to the extent it remains in force or subsequent revisions); 49 C.F.R. part 26 and the MDOT's DBE program.
  - b. In accordance with federal guidance, women are presumed to be socially and economically disadvantaged.
  - c. The DBE program responsibilities for FTA funded projects will be administered by the Public Transit Division in consultation with the Civil Rights Division. This consultation may include, but is not necessarily limited to:

- (i) review of all DBE goal and policy statements;
  - (ii) assistance with developing a DBE Directory;
  - (iii) review of DBE Program guidance document prepared by the PTD;
  - (iv) participation in the unified certification process; and
  - (v) participation in three-year goal development. Where necessary, the PTD may take full advantage of DBE guidance prepared by the Office of Civil Rights to the extent that this information is applicable to FTA programs.
2. The MDOT Public Transit Division shall develop and maintain written DBE Program guidance in accordance with the standard operating procedures including at a minimum:
    - a. Policy statements declaring that the MDOT will establishing, review, publish and maintain a measurable and attainable goal for DBE's participating in contracts that utilize FTA funds;
    - b. Eligibility and certification standards;
    - c. Reporting and records maintenance systems;
    - d. Challenge procedures; and
    - e. Consultation procedures in accordance with MDOT Standard Operating Procedures.
  3. It is MDOT's policy that all Section 5311 and Section 5316 projects must comply with the U.S. Department of Transportation's regulations on the participation of small business concerns owned and controlled by socially and economically disadvantaged individuals entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs" (49 CFR Part 26) dated February 2, 1999, and subsequent FTA Circulars and any subsequent amendments.
  4. Section 5311 and Section 5316 recipients shall be considered as sub-recipients of funds from the MDOT. As such, all sub-recipients will be expected to make a good faith effort to assist with the Division's established goal. Good faith effort elements are described in 49 CFR Part 26 but the list is not exhaustive.
  5. MDOT shall include all sub-recipient spending with prime contractors into the achieving of the overall Division DBE goal. For this purpose, on a monthly basis sub-recipients are required to submit a Uniform Report of DBE Awards or Commitments and Payments to the Public Transit Division. Section 5311, Section 5316 project's which receives over the statutory maximum annually in Section 5311 funding, exclusive of funds used for the purchase of vehicles, shall adopt the Division's plan, their input, as well as other sub-recipients shall be instrumental in the developing of the yearly DBE goal and in goal achievement efforts.
  6. For purposes of determining funds available for contracting opportunities and subsequent calculation of goals achieved, the MDOT and its Section 5311, Section 5316 recipients shall consider FTA funds awarded through a direct grant or other contract arrangement.

#### **XIV-E Environmental Protection and Clean Air Act**

1. It is the policy of the MDOT to comply with the environmental guidance and regulations that are applicable to federally funded projects, in accordance with the National

Environmental Policy Act of 1969 (NEPA), 42 USC Section 4321, as applicable, and the environmental regulations, published by the Federal Highway Administration and the Federal Transit Administration.

- a. Because the FTA environmental impact regulations require different levels of analysis and documentation for various types of projects funded through the various programs, the Public Transit Division will rely on guidance from and consultation with the MDOT's Environmental Division and other Divisions within the Pre-construction Bureau to sign-off on all environmental certifications that are made on behalf of FTA Projects.
  - b. It is the understanding of MDOT that for NEPA purposes, FTA funded formula programs covered by the Plan are normally excluded by FTA environment procedures. Consequently, the MDOT shall, to the extent permitted by federal guidance, consider all Section 5311, Section 5310, Section 5316, Section 5317 and Section 5339 projects, excluding major construction or renovation of facilities to be deemed categorical exclusions as listed in 23 C.F.R. 771.117(c) & (d). FTA will be consulted concerning projects that involve new construction or substantial rehabilitation of an existing facility to determine the need for information supporting the required environmental documentation.
  - c. For any FTA funded project that is determined by FTA not to qualify for a "Categorical Exclusion", the affected sub-recipient may be required to prepare an Environmental Assessment (EA) for public comment and FTA review to determine if a finding of no significant impact (FONSI) is appropriate. A project which requires an EA may not be included in Category A before FTA has issued a FONSI. In the event that significant environmental impacts are identified for a Section 5311, 5310, New Freedom or JARC project, an Environmental Impact Statement (EIS) and Record of Decision (ROD) will be required.
  - d. A number of environmentally related statutes, orders, and compliance procedures may apply to a given project supported with FTA formula funds even if it is properly classified as a CE. It is MDOT's policy to require compliance with relevant environmentally related requirements within the overall environmental process. Compliance with these requirements must be completed before a construction project is included in Category A.
2. All FTA formula program projects must comply with the joint FHWA/FTA guidelines on protection of the environment entitled, "Environmental Impact and Related Procedures" (23 CFR 771) dated October 30, 1980.
  3. The regulation categorizes projects in three classes according to degree of environmental impact:
    - a. Class I projects have a significant effect on the environment and, therefore, require the preparation of an Environmental Impact Statement (EIS).

- b. Class II projects do not normally have significant environmental impacts and as such are "categorically excluded" from the requirement to prepare further environmental assessment or impact studies.
  - c. Class III projects are projects where the significance of the environmental impact cannot readily be determined and requires a brief environmental assessment.
- 4. Coordination with the Environmental Division will be required for any of the above projects, Class I, II, & III, that require additional right-of-way or involve the reconstruction of a buildings or structures that are fifty (50) years or older. Evaluation is required to assure compliance with Section 106 of the National Historic Preservation Act and Section 4(f) of the Department of Transportation Act of 1966. Where applicable, the Environmental Division will make a determination of the requirements for a cultural resource survey or degree of evaluation of the historic significance of the structures & their setting.
- 5. The Division anticipates that almost all Section 5311, Section 5316, Section 5317 and Section 5310 projects, by description, will be categorical exclusions and are therefore excluded from requirements to prepare any supplemental environmental documentation (except where noted). Examples of categorical exclusions set forth in the joint regulation are:
  - a. Project administration and operating assistance to either continue existing service or to increase service to meet demand;
  - a. Purchase of vehicles of the same type and same model either as replacements or to increase the size of the fleet where such increase can be accommodated by new facilities which themselves are within a categorical exclusion;
  - b. Rehabilitation or reconstruction of existing bus buildings and ancillary facilities where no additional land is required and there is no substantial increase in the number of users (evaluation of historic significance required for facilities 50 years of age);
  - d. Purchase and installation of operating or maintenance equipment to be located within the transit facility and with no significant physical impacts off the site;
  - e. Installation of signs, small passenger and bus shelters, and traffic signs where no substantial land acquisition or traffic disruption will occur;
  - f. Construction of new bus storage and maintenance facilities in areas used predominantly for industrial or transportation purposes where such construction is not inconsistent with existing zoning and located on or near a street with adequate capacity to handle and anticipate bus support vehicle traffic (cultural resource survey necessary where additional right-of-way required); and
  - g. Acquisition of land in which the property will not be modified, the land use will not be changed, and displacements will not occur (cultural resource survey necessary).
- 6. Project Administrators shall submit sufficient details in the "Project Description" section of its application for Section 5311 financial assistance so that the MDOT can recommend an

environmental determination on the Project. The Administrator shall inform the Division when it is understood that a Categorical Exclusion is inappropriate.

7. The principal Clean Air requirement that Section 5311 and Section 5310 contractors must be aware of concerns the transportation/air quality conformity review process. To ensure compliance with this process, the MDOT will include FTA funded transportation plans, programs or projects in the State Implementation Plan review process.
  - a. Most FTA projects that are typically selected and funded by the MDOT have been exempt by regulation from the conformity review process because of a lack of "non-attainment areas". The MDOT will consult with the FTA when considering transit projects such as park and ride facilities.
  - b. The MDOT will consider bus emission standards in the purchase of transit and special transportation service vehicles.
8. As appropriate The Public Transit Division will consult with staff from Environmental Division to ensure compliance with the MDOT's environmental review process when preparing grant applications to be submitted to the FTA.

#### **XIV-F Labor Protection**

1. It is the policy of the MDOT to recognize the terms and conditions of the Special Section 5333(b) (formerly Section 13(c)) Warranty for Application to the Small Urban and Rural Program jointly developed by the U. S. Department of Labor and the U. S. Department of Transportation.
2. All grant applications made for capital or operating funds shall include an executed Special Section 5333(b) Warranty. To the extent permitted by State law, the MDOT will consider the applicable terms and conditions of the "National Model Agreement" as the basic source document for the Section 5333(b) Warranty document executed by or on behalf of its contractors.
3. The MDOT shall annually certify to the U. S. Department of Labor (DOL) that each local recipient of Section 5311, 5316 and/or Section 5339 funds has signed the special warranty agreement. ([See Attachment T](#))
  - a. All applications for operating and capital assistance will include a newly signed agreement to accept the special warranty; or
  - b. documentation of a request for waiver, as described in the DOL Rural Transportation Employee Protection guidance, shall be included.
4. Each project will contractually assure compliance with the provisions of the Special Section 5333(b) Warranty, as amended and supplemented. This assurance indicates that the project will be carried out in such a manner and upon such terms and conditions as will not adversely affect employees of the Section 5311 grant recipient nor any other surface public transportation provider in the service area of the project.
5. There are four (4) methods for a project to satisfy the Section 5333(b) requirement.

- a. The applicant project may agree to the terms and conditions of the model "Special Section 13(c) Warranty". The Division will subsequently certify to the FTA that the applicant has agreed to the warranty.
  - b. The applicant project may request a waiver in accordance with Section 5333(b). A waiver may be granted for one year by the Department of Labor if there are no surface public transportation employees in the service area of the applicant.
  - c. The applicant project may agree to the warranty while submitting a request for a waiver. This will allow the applicant to be awarded funds in the event of project approval and might remove labor protection responsibility during the first year if a waiver is granted.
  - d. The applicant may develop its own Section 5333(b) agreement consistent with the language and intent of the warranty agreement.
6. If the Project applicant opts to agree to the terms of the Special Section 13(c) Warranty, the project shall execute the "Acceptance" Section of the Warranty found in MDOT's Section 5311, 5316 Application Package.

#### **XIV-G Charter and School Bus Regulations**

- 1. Pursuant to 69 U.S.C. 5323(d) and 49 C.F.R. Part 604, unless specified in program guidance, FTA funded equipment may not be used in school bus transportation exclusively for the transportation of students and school personnel in competition with private school bus operators. A Public transit agency may provide charter service under the following exceptions:
  - a. Government Officials (80 hrs. yearly);
  - b. Qualified Human Service Organizations (elderly, persons with disabilities, and low income individuals)
  - c. When no registered charter provider responds to a notice sent by a recipient
  - d. Leasing (must exhaust all available vehicles first)
  - e. By agreement with all registered charter providers
  - f. Petitions to the Administrator:
    - i. Events of Regional or National Significance:
      - Hardship
      - Discretion
- 2. It is the MDOT's policy that charter service may be provided only in accordance with regulations contained in 49 CFR Part 604 and subsequent Federal Transit Administration regulations governing charter service provision. Consistent with the regulations, FTA funded projects are prohibited (with a few exceptions) from providing general public charter services using equipment purchased with FTA funds. All charter exceptions must be consistent with the most recent approved FTA regulations.
  - a. Any Section 5311, Section 5316 project desiring to provide charter services must document to the MDOT that all certifications and/or authorization procedures have



been successfully completed as required by 49 CFR Part 604, herein incorporated by reference.

- b. At a minimum, all projects desiring to provide charter services must document in the annual application for funding that they are cognizant of and in compliance with the charter service requirements contained in the most recent Procedures Manual. These requirements are consistent with the most recent [FTA Final Rule on charter service](#).
  - c. The appropriate charter agreement required by FTA may be provided as a part of the submission of assurances and/or certifications as a part of the project's application for Section 5311, Section 5316 funding or may be submitted as a subsequent request. Additional information about charter requirements are included as [Attachment X](#), and include notification, complaint and appeals.
3. It is the MDOT's policy that no FTA funded projects may provide charter or sightseeing services outside the state. Within the state, charter and sightseeing services may only be provided on an incidental basis. The following uses are presumed not to be incidental:
  - a. Weekday charters which occur during peak morning and evening rush hours;
  - b. Weekday charters which require vehicles to travel more than fifty (50) miles beyond the service area; and
  - c. Weekday charters which require the use of a particular vehicle for more than a total of six (6) hours in any one day; it is MDOT's policy that FTA funded projects are encouraged to coordinate services and contract resources with private operators to support charter services.

#### **XIV-H Buy America**

To comply with the requirements of Section 165 of the Surface Transportation Assistance Act of 1982, the Intermodal Surface Transportation Efficiency Act of 1991, as amended, and subsequent FTA regulations, e.g. 49 CFR Parts 661, the MDOT, through the Public Transit Division will take the following actions in regard to the expenditure of federal (FTA) funds:

1. Develop and maintain a pre-award and post-delivery audit process that includes certifications of bidder's/manufacturer's compliance with the appropriate Buy America requirements.
2. Include language in all grant awards and contract agreements, to acknowledge the requirements of 49 CFR Part 661.
3. Where appropriate, include Buy America considerations in the procurement process and procedures involving FTA funds. This shall involve at a minimum, a reference to the Buy America provisions as described in Part 661.13 in all solicitations.

#### **XIV-I Section 504/ADA Reporting**



1. In accordance with guidance contained in 49 CFR Part 27, the MDOT considers the basic relationships between Section 504 and the ADA to be adequately maintained when the MDOT, as a recipient of FTA/DOT funds, complies with its ADA obligations as put forth in 49 CFR Parts 27, 37 and 38 "Transportation for Individuals with Disabilities," Final Rule.
  - a. As a matter of policy, the MDOT and all contractors receiving FTA funds prohibit discrimination on the basis of handicap/disability in the award and operation of transportation services. Formal complaints shall be handled as follows:
    - i. Through the MDOT's formal complaint process, in consultation with the Department of Human Resources.
    - ii. Through local sub-recipient complaint process, with monitoring via the Public Transit Divisions compliance monitoring procedures and the sub-recipients annual compliance audit.
2. All contractors receiving federal funds must comply with the applicable requirements of 49 CFR Parts 27, 37 and 38. All sub-recipients will be contractually prohibited from discriminating against individuals with disabilities. In addition Section 5311 contractors that operate fixed route transit systems will be required to develop and update their Para transit plan as regulations change. All contractors are required to execute and submit the required "Nondiscrimination Assurance," as annually published by FTA.
  - a. As applicable, the MDOT's Public Transit Division will review and provide comments on the required Para transit plan as applicable. Para transit plan will be reviewed as a part of the on-site monitoring visit and maintained in the division's files.
  - b. The Public Transit Division will promote training and technical assistance opportunities for contractors to develop and implement the required Para transit plans.
3. Annually PTD will review contractor's compliance with ADA requirements, as a part of the routine monitoring and application processes.

#### **XIV-J Alcohol and Drugs**

The MDOT shall implement policies and procedures necessary to comply with the FTA's final rules on prohibited drug use and the prevention of alcohol misuse (49 CFR Part 40 and Part 655) along with subsequent federal guidance.

These requirements include the following:

1. Implementing a State Oversight program that includes certification annually to the FTA;
2. Monitoring contractor's drug testing programs and record keeping; ([See Attachment U](#)).
3. Reviewing as appropriate, MIS reporting forms;
4. Providing technical assistance to contractors; and
5. Developing a drug free awareness program.

## CHAPTER XV

### MONITORING AND EVALUATION

#### XV-A Project Monitoring

**The Public Transit Division will monitor and review FTA funded projects to ensure proper administration of grant funds as well as compliance with applicable rules and regulations using the following four (4) methods.**

1. Monthly, the Public Transit Division shall monitor Section 5311 project performance and expenditures. The Project shall invoice for actual project expenditures, on an approved Request for Reimbursement form. Each routine reimbursement request is to be accompanied by the required Vehicle Progress Reports, Disadvantaged Business Enterprise Projects, and documentation that costs submitted for reimbursement have been paid.
    - a. Reimbursement Requests and accompanying reports shall be reviewed to determine if expenses are allowable, if expenditures are within the approved budget line items and categorical amounts, if the project's revenues have been reported correctly, if budget adjustments are necessary, and if vehicle use/level of services supports the amount of resources that are currently allocated.
    - b. Expenditures shall be reported by administrative, operating and capital categories, less any applicable revenues.
    - c. The Division reserves the right to establish a predetermined invoicing schedule in the event it becomes necessary to monitor project expenditures more frequently than allowed by the project's current invoicing schedule.
  2. The Division shall review and may take approval actions on certain key project tasks, including, but not limited to, procurements and budget revision/amendments decisions. This is done to determine that the project is adhering to applicable state law(s) and major compliance requirements of FTA programs. Approval of these key tasks, when appropriate, will be in writing based on project submissions.
  3. The Division shall also conduct periodic site visits to monitor project implementation and progress or to conduct assessments in any area of project performance. To the greatest extent practical, these visits shall be conducted no less than annually for all projects under contract. Variations from this requirement will be approved by the Public Transit Division Director.
    - a. On-site monitoring will be conducted using a comprehensive inspection/monitoring format. ([See Attachment U](#)).
    - b. Additional specific monitoring may be done at any time based on a request from the local project or evidence of possible non-compliance.
- (I) Monitoring site visits may be scheduled at any time by staff assigned to a project with the approval of the Division Director. On-site monitoring must be coordinated with

and formally scheduled through the local project's Executive Director or designee. However, MDOT reserves the right to visit any project site at any time during the normal hours of operation to observe project activities or retrieve information that is in the public domain. Prior to conducting an on-site monitoring visit, PTD staff must prepare the required correspondence, including pre-site visit checklist(s), and will review the following:

- i. The contract and/or supplemental agreements and any special conditions pertaining to it;
  - ii. All recent correspondence between MDOT and the project;
  - iii. All requests for reimbursements;
  - iv. The approved project budget and quarterly analysis;
  - v. All programmatic reports; and
  - vi. All prior monitoring and, financial reports, including audits.
- (II) On-site monitoring is intended to be a comprehensive review of the project's activities to ensure that the contractor is complying with applicable federal and state regulations, policies and procedures. To accomplish the on-site monitoring function, staff must conduct at least one comprehensive review of all phases of project compliance. Other on-site visits may be designed to review for continued compliance, but should also focus on the provision of technical assistance.
- (III) The following checklists, ([See Attachment V](#)), have also been developed to assist in monitoring projects:
- i. Pre-site visit Checklist.
  - ii. Financial Management Checklist.
  - iii. Minimum Maintenance Program Checklist.
  - iv. Hazard Security Checklist.

Any indications of major violations of program policies, federal regulations or state laws are to be reported to the Executive Director by the Public Transit Administrator through the Director, Office of Intermodal Planning.

- (IV) Desk monitoring will be done when on-site monitoring is impractical due to time, staffing, or budget constraints. This monitoring will include a review of all project financial records readily available to MDOT.
- i. Desktop monitoring involves reviewing and evaluating cost, management, or operation data submitted by the project. The intent is to evaluate selected data in the context of project goals and objectives as well as the contract agreement.
  - ii. Each Section 5311 and Section 5310 project may undergo desk-top monitoring to the extent established by PTD standard procedures or where necessary, the express direction of the Administrator.
- (V) Other projects shall be monitored based on the requirements of the contract agreement.
4. Quarterly and annual progress reports may be used to facilitate desktop monitoring of the overall progress of other FTA funded projects and programs.

## **XV-B Evaluation Methodology**

1. FTA funded projects will be evaluated to ensure program efficiency and effectiveness. This evaluation will include, but not limited to the following:
  - a. Review of periodic Progress Reports and Reimbursement Request(s) submitted by contractors.
  - b. Review of applicable performance indicators/ standards ([See Attachment W](#)).
  - c. Review of aggregate performance data.
  - d. Annual review of applications for funding.
2. If deficiencies are found, a plan for corrective action, e.g. a performance improvement plan, may be developed in consultation with the local project. As appropriate, the staff may also seek input from other local entities with an interest in public transportation services (e.g., MPO's, Planning and Development Districts and units of local government).

## **XV-C Evaluation Monitoring Outcomes**

1. The MDOT may, by notification to the project's governing authority, take actions necessary to correct major violations of the contract agreement, federal regulations, state laws or program policies. Such actions may include the following.
  - a. Placing a Contractor in the high risk status – this may require additional documentation and more frequent reporting to MDOT by the contractor.
  - b. Suspension of payments – this will prevent any federal funds being passed through or paid to the project by the MDOT. The contractor must be notified in writing of payment suspension.
  - c. Suspension of the project/contract - this is an action authorized by the MDOT Executive Director which temporarily suspends any federal or state financial assistance for the project pending successful implementation or completion of a correction action plan or pending a decision to terminate the contract by MDOT. If the MDOT determines that the contractor has failed to comply with the terms and conditions of the contract agreement and/or the approved application, the contractor must be notified in writing of the intent to suspend the contract. The MDOT will withhold subsequent payments or may prohibit the project from incurring additional obligations pending corrective action. This may also include work being performed by third party contractors or consultants. Unless so stated, suspension will not invalidate obligations properly incurred by the contractor prior to the date of suspension.
  - d. Project termination - it is the MDOT's policy that any FTA funded project may be terminated either for convenience or cause. All terminations must be with the approval of the Transportation Commission.
    - (I) Termination for cause may be done at any time when the MDOT has determined that the contractor has failed to comply with the conditions of the contract agreement. The project must be terminated in accordance with the terms of the contract agreement. Any payments to the contractor or recoveries by the MDOT will be made in accordance with the terms of the contract agreement

along with the legal rights of the parties as defined in the contract. At a minimum, notification by the MDOT to the contractor of intent to terminate the project will indicate MDOT's intention to withhold or recover payments.

(II) Termination for convenience may be exercised by the contractor or the MDOT, in accordance with the terms of the contract agreement. Projects terminated for convenience also require approval of the Transportation Commission.

- (a) The contractor may not incur new obligations for the project after receiving or giving official notification of termination.
- (b) The contractor must cancel as many outstanding obligations as possible.

## CHAPTER XVI

### TECHNICAL AND MANAGEMENT ASSISTANCE

#### XVI-A Background

The Public Transportation Division includes staff members who are available to provide a wide range of technical assistance upon request. Technical and management assistance as well as training will be made available primarily by the staff of the Public Transit Division. Resources from other Divisions within the MDOT as well as third party contractors may also be utilized as appropriate.

#### XVI-B Technical and Management Assistance

1. The Public Transportation Division will provide technical assistance in the areas of planning and project implementation assistance. Such assistance will include, but not be limited to:
  - a. Assistance in the preparation of Transportation Development Plans;
  - b. Collection of transit related data;
  - c. Provision of technical review and approval of Transportation Development Plans;
  - d. Assistance in the preparation of applications;
  - e. Assistance in addressing/resolving coordination issues with human service agencies at the state or local level;
  - f. Assistance in involving private sector transportation providers in Section 5311 assisted transit services; and
  - g. Funding for special projects and studies.
2. The Public Transportation Division will also provide technical assistance in the area of project management. Such assistance will include, but not be limited to:
  - a. Assistance in contract management, including budgeting, invoicing and accounting issues;
  - b. Assistance with equipment purchases and third party contracting;
  - c. Assistance in procedural matters relating to Section 5311 facility construction;
  - d. Project monitoring and evaluation, including performance evaluation;
  - e. Assistance in system operations and management;
  - f. Assistance in automating project information systems; and
  - g. Property management, including inventory, maintenance and disposition.
3. As a part of the Public Transit Division's routine responsibilities, the Rural Transit Assistance Program will be administered as a broad and flexible program for accessing or developing training, technical assistance, research and other support services. The RTAP program will be coordinated to the greatest extent practical with the Section 5310 and Section 5311 programs, the resources available via the Mississippi Public Transit Association and the MDOT's other training organizational units. To accomplish this the following objectives have been adopted:

- a. To promote the safe and effective delivery of public transportation in rural/small urban areas and make more efficient use of public and private resources.
- b. To foster the development of state and local capacity for addressing the training and technical assistance needs of the rural transportation community.
- c. To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials.
- d. To facilitate peer-to-peer self-help through the development of local networks of transit professionals.
- e. To support the coordination of public, specialized and human service transportation services.
- f. To assist in building a data base on the regional rural and small urban public transportation industry.

#### **XVI-C RTAP Statewide Advisory Committee**

The PTD in an effort to effectively address the training needs of FTA sub-recipients an RTAP advisory committee was establish to assist in deciding how to best allocate resources, provide technical assistance and implement training statewide. Members will be selected from each of the six coordinated planning regions, with three additional members at large. The Statewide Advisory Committee will:

- C. Assist with identifying training and technical assistance needs of sub-recipients;
- D. Assist in developing training resources that provide the most appropriate level of training for administrative and operations staff as well as board members;
- E. Review and evaluate possible training options/resources (e.g. courses, toolkits, workshops, videos) at the request of MDOT's RTAP Manager;
- F. Develop a menu of training/technical assistance options for approval by MDOT;
- G. Assist in developing an annual calendar of training opportunities/ events that are to be sponsored by or supported with RTAP funding;
- H. Make recommendations to MDOT concerning types, levels, extent and methods of training and or technical assistance;
- I. Advise MDOT on the annual RTAP Program of Projects;
- J. Assist in evaluating the effectiveness of the annual training calendar and Program of Projects;
- K. Help to establish a suggested basic training program for sub-recipients.

#### **XVI-D RTAP Assistance and Implementation**

To provide assistance and implement projects under the RTAP program, the Public Transit Division may rely on, but not necessarily be limited to the following:

- 1. Surveying local projects to establish training and technical assistance needs.
- 2. Consulting with the Interagency Transportation Committee.
- 3. Participating in joint survey and training initiatives conducted with contiguous states, national or regional organizations.



4. Developing and sponsoring training resources, including training plans, meetings, and conferences in conjunction with other entities and the Mississippi Public Transit Association.
5. Cooperate with and fund statewide and regional projects and/or studies.
6. Involve public and private transit providers in coordinated training efforts.
7. To extent practical, the most recent POP that is included in the 5311 application will be used to help in making decision to expend/award funds.

#### **XVI-E Relationship of RTAP to Other Transportation Programs**

1. Section 5311 - The most direct relationship of the RTAP is with the Section 5311 program, since the purpose of the RTAP program is to benefit rural transit operators, who are usually recipients of Section 5311 capital or operating assistance. Technical assistance to Section 5311 grantees may include project planning, program development, management development, coordination of public transportation programs (public and private), as well as research and funding projects deemed appropriate to promote effective means of delivering public transportation service in non-urbanized areas. RTAP funds may also be used for training activities designed to improve the capabilities of local project staff.
2. Section 5310 -Throughout the State of Mississippi, Section 5310 services are frequently coordinated with rural transit providers. In fact, some grantees are recipients of both Section 5311 and Section 5310 funding. It is the intention of the Public Transit Division to provide technical assistance through the RTAP Program to these participants in coordinated transportation systems. Consequently, these providers will be included to the maximum extent practical in all appropriate training and technical assistance efforts.
3. MDOT Coordination Initiative with the Department of Human Services (DHHS) - MDOT and DHHS have entered into an interagency agreement to promote the coordination of transportation programs supported by the two departments, and to work with state transportation and human services agencies to improve efforts to coordinate programs at the state and local level. The MDOT may elect to use RTAP funds to undertake activities in support of such coordination efforts.

#### **XVI-F RTAP Assistance**

1. Requests for financial assistance for RTAP funds must be made in writing to the Public Transit Division Director or designated staff. Routinely requests for training and related expenses must be submitted via the approved RTAP Scholarship Assistance Payment Form ([See Attachment F](#)).
2. All written requests for RTAP assistance are reviewed by the assigned Transit Staff. Final approval is granted by the Public Transit Division Director only, and is based on recommendation of the RTAP Manager and assigned Staff.

## CHAPTER XVII

### PRIVATE SECTOR PARTICIPATION

#### XVII-A State Role

1. The MDOT is required to certify annually to the FTA that applicants for Section 5311, Section 5316\*, Section 5317\* and Section 5310 assistance have given private transit operators a timely opportunity to participate in the planning as well as delivery of services. To comply with this requirement, it is the policy of the MDOT that all applicants shall provide information in support of each application that addresses the following.
  - a. For the MDOT to make the required assurance to FTA, each public body and private nonprofit organization applying for 5311, Section 5316, Section 5317 and Section 5310 funding must periodically provide information concerning the following:
    - i. The current level of participation of private providers in the 5311, Section 5316, Section 5317 and Section 5310 - supported service.
    - ii. The process for giving notice to private providers of proposed services.
    - iii. All forums, meetings, hearings, or other opportunities for involving the private sector in the service development process.
    - iv. The process for reviewing private sector proposals offered for consideration and the rationale for exclusion.
    - v. When appropriate, methods for reviewing services to determine whether they can be provided more efficiently by the private sector.
    - vi. A description and status report on any unresolved complaints received from private operators.
    - vii. The local mechanism for resolving conflicts or complaints involving private operators.

#### XVII-B Local Contractor's Responsibilities

##### 1. Policy

Local contractors for the Section 5311, Section 5316\*; Section 5317\* and the Section 5310 Programs must, by regulations, allow other transportation providers an opportunity to participate in the planning or provision of proposed general public as well as elderly and disabled transit services. Providers that must be given reasonable notice include private for-profit, private nonprofit and interested public agencies.

2. The following provisions are requirements of the Private Sector Participation Policy for Section 5311, Section 5316, Section 5317 and Section 5310 Projects:

- a. Notification. Local contractors should provide reasonable notice to transportation providers, including private for-profit, private non-profit, and public agencies, regarding proposed services and opportunities for private transportation providers to participate in order that they may present their views concerning the development of local plans and programs.
- b. Coordination. Sub-recipients should coordinate with other local public, private, and nonprofit entities in the provision of coordinated transportation services.
- c. Consultation. A fair appraisal of private sector views and capabilities should be assured by affording private providers an opportunity to participate in the development of new transportation services. Private providers should be given an opportunity to present their views concerning the development of local projects and to offer their own service proposals for consideration.
- d. Consideration of Private Sector Service. When the need for new services is defined or services are significantly restructured, consideration should first be given to whether private carriers could provide such service in a manner that is consistent with local objectives, with or without public subsidy. Where feasible such consideration may be given pursuant to a competitive bid process if services involve public subsidy.
- e. Participation in Non-grant Related Service. Contractors also must follow FTA's private sector participation policies when using FTA funded vehicles to provide any service other than that originally proposed in the grant application. Even though a private sector provider may not have been prepared to provide service as described in the original grant application, that provider may be able to provide service to other clientele or to the general public.
- f. Periodic Review of Existing Services. All transit services should be periodically reviewed to determine if they can be provided more efficiently and effectively by the private sector.
- g. Comparison of Costs. When comparing the service proposals made by public and private entities, the fully allocated costs of public and nonprofit agencies should be disclosed. Subsidies provided to public and private nonprofit carriers, including operating subsidies, capital grants and the use of public facilities, should be reflected in the cost comparisons. If a private for-profit carrier receives public subsidies, these should also be indicated.
- h. Local Decision Making. The MDOT recognizes that in the local decision making process, factors other than cost must also be considered. Such factors may include safety considerations, service quality and reliability, and sources of volunteer support as well as the benefits of coordinating resources. Nothing in this policy guidance is intended to impose particular results on that local decision making process, but rather to ensure that private for-profit providers can compete fairly with public and non-profit providers when decisions are being made, and that decision makers are aware of all costs involved in service provision.

- i. Complaint Procedures. Since the underlying spirit of the Federal Transit Act is to afford communities maximum flexibility in local decision-making, it is appropriate that questions dealing with the fairness of local procedures and decisions be addressed at the local level. Accordingly, a discreet local mechanism should be devised for resolving disputes in a manner that assures fairness to all parties. In the absence of a locally developed process, the MDOT may prescribe and/or be party to a local process. Complaints that cannot be resolved at the local level may be resolved at the state level.
- j. Documentation. Contractors are expected to maintain public records that document private participation in the project development process and the rationale used in making public/private service decisions. This information, along with state documentation, will be the primary evidence of compliance with the policy if a complaint is sent to the MDOT.
- k. "Private nonprofit organization". Private nonprofit organizations which are exempt from taxation under 26 U.S.C. 501(c), or which have been determined under state law to be private nonprofit entities, are encouraged to participate in the competitive process to select service providers.

Nothing in this guidance is meant to exclude private nonprofit organizations from the opportunity to compete to provide service. Rather competition is enhanced by the inclusion of all potential service providers, whether they are private for-profit, private non-profit, or public agencies. Where private nonprofit agencies are the sub-recipients of Section 5311, Section 5316\*, Section 5317\*, and Section 5310 funds they have the responsibility for complying with this guidance.

## **XVII-C MDOT Complaint Procedures**

1. In accordance with the requirements of the 5310, 5311, 5316\* and 5317\* programs, the MDOT will consider complaints from private for-profit operators only upon procedural grounds that are based on the following claims:
  - a. the contractor or applicant did not have established procedures to ensure private transportation providers a timely opportunity to participate in the planning or provisions of the proposed transportation service(s);
  - b. the contractor's procedures were determined not to be consistent with the provisions required by the FTA's program guidance or this Management Plan; or
  - c. the contractor's local complaint procedures were not followed.
2. For complaints to be considered by the MDOT, all complaints must be submitted in writing to either the Public Transit Director or the Director of the Office of Intermodal Planning, including a description of all efforts to resolve the complaint through the affected contractor's resolution process. All complaints must be signed.
3. At the direction of the Executive Director, the Director of the Office of Intermodal Planning and/or the Public Transit Director may prepare a written response and/or meet with the affected parties.

4. The MDOT will provide written acknowledgment of the receipt of a complaint within fifteen (15) working days of receipt.
6. The MDOT shall have at least sixty (60) days from the receipt of a complaint to issue a response.
7. Private for-profit operators may submit a complaint or appeal a MDOT decision to the FTA Region IV Office, based on procedural grounds only. The FTA has stated in various program guidance documents that when reviewing State level resolutions for the Section 5311, Section 5316 ( repealed under Map-21) Section 5317( repealed under Map-21) and Section 5310 programs complaints, it will not review disputes concerning the substance of local decisions regarding services or who should provide the service.
8. Failure to comply with the local complaint or appeal process by a private nonprofit entity may be considered grounds for the MDOT to refuse to accept the complaint.

## CHAPTER XVIII

### CONSTRUCTION OR RENOVATION OF FACILITIES

#### XVIII- A Background

Construction or renovation of project facilities may be necessary to provide for an efficient and effective coordination of public transportation services. The costs of construction or rehabilitation of transit facilities, including design, engineering and land acquisition, are eligible FTA capital expenses. The primary responsibilities for construction management and oversight lies with the local contracting entity (i.e. sub-recipient), along with consultation from the MDOT's Public Transit (PTD) and Local Public Agency (LPA) Divisions.

#### XVIII- B Oversight

The Department will to the greatest extent practical have oversight of all approved projects using the procedures outlined in the Department's *Project Development Manual (PDM) for local Public Agencies*. Consequently, MDOT and the sub-recipient are expected to rely on the applicable provisions of the most recent version of the *Project Development Manual* and the most current *Transit Facilities Checklist* for FTA funded construction projects. Both of these documents provide guidance on the basic requirements related to planning, design and construction of projects supported with Federal Transit Administration funds awarded through the MDOT. ( Note: subrecipients should contact the PTD to obtain a copy or link to the latest PDM and checklist)

#### XVIII- C Planning

1. Planning activities in advance of the construction or renovation of public transportation facilities may be eligible expenses. These expenses may include, but are not limited to, feasibility studies, alternative site analyses, environmental assessments, environmental impact statements, or other studies required by FTA, MDOT or local authorities.
2. Planning activities may be funded only to the extent they are included in an approved agreement/ award and found to be eligible and allowable by federal guidance.

#### XVIII-D Land Acquisition

1. Any FTA funded construction or renovation activity which involves the acquisition of land or the displacement of any persons, firms or businesses shall at a minimum be subject to the provisions of FTA Circular 5010.1, "Grant Management Guidelines" and the guidance from the appropriate MDOT internal divisions.

Real property is acquired at its current fair market value, established on the basis of independently prepared appraisals. Two appraisals and a reviewer's analysis are required, with the latter being provided by the MDOT's Rights of Way Section.

In addition, and associated with the acquisition of real property, the state requires the preparation of an environmental assessment (to at least Level I) completed by a certified professional firm.

2. Incidental uses of real property which may raise additional revenues for the transit system or, at a reasonable marginal cost, enhance system ridership, are subject to the regulations contained in FTA Circular 5010.1.

#### **XVIII-E Architectural/Engineering Services**

1. Architectural/engineering (A/E) consulting services must be obtained in accordance with competitive proposal procedures for qualifications-based procurement as outlined in FTA Circular 4220.1 and applicable state procurement law. This type of procurement will also be used for A/E related services such as program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping, or related services. Following this method, competitors' qualifications are evaluated and the most qualified competitor will be selected to negotiation of fair and reasonable compensation.
2. The scope of work in the project's Request-for-Proposal (RFP) will incorporate planning procedures for design and construction of capital improvement projects as recommended by the MDOT.
3. The MDOT will review the negotiated contract between the contractor and the A/E consultant based on one of the following:
  - a. Determination that state and/or federal procurement procedures have been followed.
  - b. The cost(s) are reasonable and within the approved project budget.

#### **XVIII-F Facility Design**

1. The contractor and the A/E firm will be responsible for filing all applicable permits, plans, specifications, and other documents with any local or federal agency having jurisdiction over any of the project.
2. Where appropriate, through the LPA Division, the Public Transit Division will coordinate the design review among the MDOT's Divisions that may have review responsibility over the project. The A/E consultant will be responsible for submitting the specified number of copies of design documents to accomplish this review.
3. Proposed funding for construction and renovation will be programmed as a Category B project. Upon approval of the construction documents, the Division will advance the project to Category A, in accordance with the appropriate FTA Circular. The actual amount of FTA funds obligated will be based on the programmed amount and the cost estimate prepared by the project's A/E consultant.
4. The A/E consultant will be responsible for establishing the date for receipt of bids in consultation with the local project and the LPA/PT Divisions. A period of four (4) to six (6) weeks will normally be required between publication of the advertisement for bids and their receipt.
5. The project will submit a tabulation of the bids received along with the project's approval process (see IX-D, 3 above) and recommendation for bid award. The LPA/PT Divisions will review and concur with the award of construction contracts prior to execution of agreements between the contractor and the successful bidders.



## **XVIII-G Facility Construction**

1. The sub-recipient, through its A/E or CE&I Engineer consultant, will be responsible for all inspection and construction administration activities during facility construction. In the manner that the *CE&I Engineer/Architect* is responsible to the sub-recipient and the sub-recipient is responsible to *MDOT*. On behalf of the Federal Transit Administration the Department has the responsibility to ensure that the project meets all federal requirements and that federal funds are being wisely administered. Accordingly MDOT staff shall, and as appropriate FTA personnel, may jointly conduct periodic construction inspections. The frequency of these inspections will be commensurate with the project size and/or complexity. At a minimum, these inspections will occur:
  - a. initially during the early stages of work;
  - b. monthly during major phases of work; and
  - c. at a final inspection.
2. The PTD will coordinate inspection and review of construction/renovation activities as appropriate.
3. Two (2) copies of the final construction report will be forwarded to PTD.

## **XVIII-H Change Order Procedures**

The PTD realizes that project changes will be necessary on occasion, in this event sub-recipient will be required follow the below guidance:

- a. Provide cost justifications supporting each change order and request and receive approval prior to the issuance.
- b. To be eligible for FTA assistance the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of the sub-recipients contract agreement, and reasonable for the completion of the project scope.

## **XVIII-I Property Management**

1. Facilities constructed or renovated with FTA funds will be considered to be the property of the project as long as the facility is used for public transportation purposes.
2. Sub-recipients will be required to develop and adhere to minimum facility maintenance plan. The plan will be monitored by MDOT as a part of the routine oversight responsibility.
3. If for any reason the facility is no longer needed for public transportation services, provision of FTA Circular 5010.1 regarding property disposition will be followed.
4. In acquiring real property, the local project entity and the MDOT will be guided to the greatest extent practical by state law, by the real property acquisition policies of 42 U.S.C. 4653 and 4654.
5. The local project's sponsoring organization must not dispose of, modify the use of, or change the terms of any real property agreement or documents containing such (e.g. project contract), or other interest in the site and facility on which a construction project

supported with MDOT/FTA funds takes place without written authorization from the MDOT.

#### **XVIII-J Capital Construction Closeout Procedures**

The following general procedures are applicable to closeout of construction projects:

1. Local contracting (sub-recipient) entity notifies the PTD in writing that construction is complete, a final inspection of the facility has been performed and the facility has been accepted by the contracting entity. The contracting entity should include with this notification the architect's certificate of final completion and all outstanding invoices.
2. PTD will confer with the LPA Division to ensure that all requisite reviews and sign offs have been completed.
3. Once all final documentation has been received by **MDOT** and it is determined to be acceptable, a final estimate will be prepared by the sub-recipient through the CE&I Engineer/Architect and submitted to the PTD processed for payment.
4. A letter of final acceptance will be forwarded by the PTD to the sub-recipient, which will in turn issue a similar letter of final acceptance to the contractor.
5. Sub-recipient submits to the PTD Statement of Revenues and Expenditures, along with a computation of funds due the contractor, and the most recent audit within 60 days of written notice that the project has been completed and accepted.
6. The PTD will closeout construction projects in accordance with the procedures set forth in the PDM and Chapter VII-N of the State Management Plan (with the following exception: number 3, under Section III, Final Payment Processing and Closeout: **Any amounts to be refunded to the MDOT shall be repaid within 30 days of notification to the projects chief administrative officer by the MDOT**).



# STATI MENT

ACCESSIBLE FORMATS. This document is available in accessible format upon request. Paper copies of this plan as well as information regarding accessible formats may be obtained by contacting MDOT's Public Transit Division  
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