

Georgia Department of Transportation

SECTION 5311 ADMINISTRATIVE GUIDE



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CHAPTER 1: Introduction, History and Definitions

The primary objective of the Georgia Department of Transportation (GDOT) Transit Program is to develop and coordinate a general public transportation program and policy for the state in order to encourage the efficient development, implementation, operation, evaluation and monitoring of public transportation systems. The Federal Transit Administration (FTA) supports the planning and operation of public transit service across the country through its various grant programs. The Formula Grants for Rural Areas Program, codified at 49 U.S.C. 5311 (Section 5311), aid with rural public transportation in areas with a population of 50,000 or less. It is authorized under the Fixing America's Surface Transportation (FAST) Act, signed into law in 2015, and extends contract authority and general fund authorizations through 2020.

As defined in 49 U.S.C. § 5302, "public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability or low income. Public transportation generally includes, but is not limited to, transportation services provided by buses, heavy rail, light rail, commuter rail, fixed guideway, bus rapid transit, passenger ferryboats, trolleys, included railways, people movers, vans, streetcars, jitneys and aerial tramways. Public transportation can be either fixed route or demand response service, but excludes intercity passenger rail provided by Amtrak, intercity bus service, charter bus service, school bus service, sightseeing service, courtesy shuttle service provided by individual businesses, and intra-terminal or intrafacility shuttle services. The terms "transit" and "mass transportation" are used interchangeably with "public transportation."

Under Section 5311, Federal funds are allotted to the States on a formula basis and can be used for capital projects, operating assistance, planning and program administration. Section 5311 includes provisions for intercity bus service, as well as three programs funded with setasides under the 5311 program: the Rural Transit Assistance Program (RTAP); the Appalachian Development Public Transportation Assistance Program (ADTAP); and the Tribal Transit Program (TTP). The Georgia Department of Transportation (GDOT) Division of Intermodal is the designated recipient for the State of Georgia and is responsible for administering the program and distributing funds to local subrecipients.

How to Contact GDOT

Intermodal and Transit Program senior management are located in the general office located at 600 West Peachtree, Atlanta, Georgia. The Intermodal Division and Transit Program staff located in Atlanta can be reached by calling 404-347-0574.

Recognizing the importance of staff to provide timely responses, technical assistance and attend meetings, GDOT also has staff located in six regional offices across the state. Contact information for staff and other Information specific to the Transit Program can be found at:

http://www.dot.ga.gov/IS/Transit

How to Contact FTA

 Region IV - FTA's regional headquarters are located in Atlanta where the staff is responsible for providing financial assistance and oversight of project implementation for GDOT's Transit Program.

Federal Transit Administration 230 Peachtree Street, NW Suite 1400 Atlanta, GA 30303 United States

Phone: 404-865-5600 Fax: 404-865-5605

• FTA Headquarters is located in Washington DC and can be reached at the following address and phone number:

Federal Transit Administration

Office of Communication and Congressional Affairs 1200 New Jersey Avenue SE. Room E56–205 Washington, DC 20590

Phone: 202-366-4043 Fax: 202-366-3472

Program History

Prior to 1978 most federal transit assistance was targeted to urban areas. In response to a DOT proposal, Congress created a new program through Section 313(a) of the Federal Public Transportation Act of 1978. The new program, which created Section 18 of the Urban Mass Transportation Act, provided public transportation funds for services in areas of populations less than 50,000.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) continued funding the program and introduced support for intercity bus service as a requirement under the rural program and formally authorized the Rural Transportation Assistance Program (RTAP). In 1994, legislation codified the federal transit program, changing the citation for the rural transit program from 49 U.S.C. app. 18, to 49 U.S.C. 5311.

The Transportation Equity Act for the 21st Century (TEA-21) (Pub L. 105–178) increased funding for all transit, including Section 5311. Furthermore, TEA-21 established guaranteed funding levels for Section 5311 programs. By 2003, the end of TEA-21's authorization period, annual federal rural transit funding reached \$240 million, an 80 percent increase from 1998 and a 266 percent increase from 1991. The flex fund transfer provision allowed states the ability to transfer additional funds to rural transit from their flexible funds available for either highway or transit projects and the formula transit funds for the small urbanized areas (population between fifty thousand and two hundred thousand). This provision significantly increased the funding available for rural transit.

The Safe, Affordable, Flexible, Efficient, Transportation Act a Legacy for Users (SAFETEA-LU) greatly increased funding for rural transit, proportionally more than the increase for other FTA

programs. SAFETEA-LU also supplemented Section 5311 funding for growing states under the Section 5340 formula. SAFETEA-LU also established a new Tribal Transit Program as a takedown from Section 5311, and linked funding for RTAP to Section 5311 funding levels.

In 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21) increased funding for the rural program and modified the program's formula for the apportionment of funds. Under MAP-21, most rural formula funds (83.15 percent) are apportioned based on land area and population factors. In this first tier, no state may receive more than 5 percent of the amount apportioned based on land area. The remaining rural formula funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individual factors. Vehicle revenue miles are a new service factor and low-income individuals factor reflects job access and reverse commute projects that are now eligible under the program. In this second tier, no state may receive more than 5 percent of the amount apportioned based on land area, or more than 5 percent of the amount apportioned for vehicle revenue miles. In addition to funds made available under Section 5311, FTA adds amounts apportioned based on rural population according to the growing states formula factors of 49 U.S.C. 5340 to the amounts apportioned to the states under the Section 5311 formula.

MAP-21 also directed FTA to establish Transit Asset Management (TAM) requirements. In July 2016, FTA issued the Final Rule establishing requirements for Transit Asset Management (TAM), which apply to recipients and subrecipients of FTA funds. This was part of an overall Federal initiative to improve the state of good repair of transportation assets throughout the nation. The FTA final rule has different requirements based on the relative size of the transit provider. The TAM Plan requirements for smaller transit (referred to as Tier II) providers are less than those for the larger Tier I providers. GDOT sponsors a Group Plan for Tier II providers in accordance with the final rule.

The Final Rule requires that TAM Plans for Tier II transit providers include the following four (4) elements:

- Inventory of capital assets
- A condition assessment of the capital assets for which the provider has capital

responsibility

- A description of decision-support tools used to estimate capital investment needs over time and develop the investment prioritization
- A project-based prioritization of investments

The fundamental purpose of the TAM Plan is to help ensure that transit assets are kept in a state of good repair (SGR). As stated in Sec. 625.17 of the FTA TAM Final Rule, "A capital asset is in a state of good repair if it is in a condition sufficient for the asset to operate at a full level of performance."

Purpose of the Program Guide

The Section 5311 Program Guide documents the policies and procedures required to operate, manage, conduct oversight, and participate in the Section 5311 program. It is intended for use by the Transit Program staff within GDOT's Division of Intermodal, GDOT subrecipients, and FTA. GDOT will revisit the 5311 Program Guide as needed to make editorial revisions or to reflect changes in state or federal regulations.

The purpose of the program guide is to:

- Provide detailed program-specific guidelines to GDOT staff and subrecipients about the Section 5311 Program, including the 5311(f) Intercity Bus, 5311(b)(3) RTAP, 5311(c)(2) ADTAP, and 5311(c)(1) Tribal Transit Programs;
- Assist GDOT staff and subrecipients in developing quality applications and maximizing the probability of receiving 5311 funding;
- Provide public information on GDOT's administration of the 5311 program and assist FTA in performing designated recipient-level management review;
- Describe program-specific requirements for grants management so that grants and projects are accomplished in a timely manner; and
- Serve as part of the State Management Plan (SMP), as required by the FTA.

Relation to the State Management Plan

The GDOT State Management Plan (SMP) provides an overview of State policies developed to assist in the administration of FTA's Section 5311 program. The SMP includes:

- Details on GDOT policy areas developed to manage and administer FTA's grant programs;
- An overview of GDOT responsibilities in administering FTA's grant programs;
- An overview of GDOT subrecipient responsibilities in the operation of a public transit system; and
- Programmatic information common to all programs.

Unlike the SMP, which provides policy information, the 5311 Program Guide provides programspecific information along with current GDOT processes and procedures used in the day-to-day administration of the program.

Policies and Procedures at the Federal level that are referenced in this guide can be found at the links below:

- Fixing America's Surface Transportation (FAST) Act https://www.transit.dot.gov/FAST
- FTA Circular 9040.1G Formula Grants for Rural Areas: Program Guidance and Application Instructions – <u>https://www.transit.dot.gov/regulations-and-guidance/fta-</u> <u>circulars/formula-grants-rural-areas-program-guidance-and-application</u>
- FTA Circular 4220.1F (Third Party Contracting Guidance) <u>https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/third-party-contracting-guidance</u>
- FTA Circular 9070.1G (Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions) -<u>https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/enhanced-mobility-seniors-and-individuals-disabilities</u>

- Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards 2 CFR part 200 - <u>https://ecfr.io/Title-02/cfr200_main</u>
- Annual Federal Certifications and Assurances -<u>https://www.transit.dot.gov/funding/grantee-resources/certifications-and-assurances/fiscal-year-2019-annual-list-certification-0</u>
- Annual FTA Master Agreement -<u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grantee-</u> <u>resources/sample-fta-agreements/131596/fta-master-agreement-fy-2019.pdf</u>

CHAPTER 2: Program Summary, Roles, Goals and Objectives

This chapter contains a summary of how the FTA Section 5311 Program is administered, a review of available funding, and the program's goals and objectives. It also contains a discussion of federal, state and local roles and responsibilities for the program and how the Section 5311 program coordinates with other FTA programs. Guide users should read this chapter to gain an understanding of the program's history and background and its purpose in supporting public transportation in nonurbanized areas.

Section 5311 Program Summary

The Formula Grants for Rural Areas Program, known as the Section 5311 Program, was created for nonurbanized areas outside of an urbanized area, including rural areas and urban areas under 50,000 in population not included in an urbanized area. The nonurbanized formula assistance program for public transportation is codified by 49 U.S.C. § 5311 (Federal Transit Act of 1964, as amended, and is currently authorized under the provisions set forth in the Moving Ahead for Progress in the 21st Century Act (Map 21). The Catalogue of Federal Domestic Assistance (CFDA) number for the Formula Grants for Rural Areas Program is 20.509.)

The Federal Transit Administration (FTA), on behalf of the Secretary of Transportation, apportions the funds appropriated annually to the Governor of each state for public transportation projects in nonurbanized areas. The Governor, in turn, has designated the Department of Transportation (GDOT) as the responsible state agency for program administration of the Section 5311 funds. GDOT is the direct recipient for all Section 5311 funds within the state and applies on its own behalf and/or on behalf of eligible subrecipients.

The majority of the rural formula, 83.15 percent, is apportioned based on land area and population factors. The remaining rural formula, 16.85 percent, is apportioned based on land area, vehicle revenue miles, and low-income individual factors. Both vehicle revenue miles and low-income individuals were added under MAP-21 in July 2012. The low-income individual

service factor was added to reflect the eligibility of Job Access and Reverse Commute (JARC) projects under the 5311 program.

Before FTA apportions Section 5311 funds to the state, FTA subtracts other funding from the total as a set-aside. These set-asides include, as applicable, the Appalachian Development Transportation Assistance Program (ADAP), the Tribal Transit Program, and the Rural Transportation Assistance Program (RTAP). Currently, Georgia does not have any federally recognized Indian tribes seeking funds under the 5311 Program.

Program funds may be used to assist subrecipients in financing capital, operating, and planning projects associated with providing public transportation in rural areas. Each state prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the state and must provide for maximum feasible coordination with transportation services assisted by other Federal sources. The federal share for planning and capital projects may not exceed 80 percent of the total project costs. The federal share for operating assistance may not exceed 50 percent of the net operating cost.

The following are specific regulatory funding set-asides of the Section 5311 Formula Grant apportionment:

- Administration of the 5311 Formula Grant Program Under the regulations, GDOT can use up to 10 percent of its annual Section 5311 apportionment to administer the program and provide technical assistance to subrecipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, or research the state considers appropriate to promote effective delivery of public transportation in rural areas.
- Intercity Bus Section 5311(f) Section 5311(f) requires each state to spend fifteen percent of its annual Section 5311 apportionment "to carry out a program to develop and support intercity bus transportation," unless the

Governor certifies that "the intercity bus service needs of the state are being met adequately."

In addition, <u>separate annual allocations</u> are received under the Section 5311 Program described in the following.

Section 5311(b) (3) Rural Transit Assistance Program (RTAP). These funds may only be used for training, technical assistance, research, and related support activities in non-urbanized areas. RTAP has both state and national program components. The State program provides an annual allocation to each state for development and administration of the Section 5311 formula assistance program. The national program provides for the development of information and materials for use by local operators and state-level administrators and supports research and technical assistance projects of national interest. The objectives of RTAP are:

- To promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources;
- To foster the development of state and local capacity for addressing the training and technical assistance needs of the rural/small urban transportation community;
- To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials; and
- To facilitate peer-to-peer self-help through the development of local networks of transit professionals.

Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help.

Section 5311(c) (2) - Appalachian Development Public Transportation Assistance Program (ADAP). Section 5311(c) (2) authorizes and provides funding for a new Appalachian Development Public Transportation Assistance Program (ADAP). The formula is established based on Section 9.5(b) of the Appalachian Regional Commission Code (subtitle 40). Funds may be used for public transportation activities consistent with the formula grants for rural areas program. These funds may only be used to provide funding to designated eligible areas within the Appalachian Regional Commission in Georgia. Counties within Georgia designated as part of the Appalachian Regional Commission include: Banks, Barrow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Elbert, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Habersham, Hall, Haralson, Hart, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White and Whitfield.

Program Goals and Objectives

The GDOT Transit Program developed the Statewide Transit Plan in 2019-2020, with a 2050 planning horizon. The plan provides a cohesive statewide vision and implementation strategies for improving mobility and transit access across the state. The plan evaluates socioeconomic trends, changing traveling patterns, and emerging technologies. The plan's vision and goals are as follows:

"Improve the quality of life and economic opportunities for all Georgians by supporting an innovative, connected, reliable, and accessible multimodal public transportation network."

- Provide a safe and sustainable transit network;
- Optimize public transit programs to best meet public transit systems and travelers' needs;
- Ensure public transit coverage across the state to support mobility and access for all;
- Connect rural transit to regional and urban centers; and
- Leverage technology and innovation to support public transit ridership and performance measures.

GDOT also supports FTA's goals and objectives for the 5311 Program as outlined on pages II-2 and II-3 of FTA Circular 9040.1G:

- Enhancing access in rural areas to health care, shopping, education, employment, public services, and recreation;
- Assisting in the maintenance, development, improvement, and use of public transportation systems in rural areas;
- Encouraging and facilitating the most efficient use of all transportation funds used to provide passenger transportation in rural areas through the coordination of programs and services;
- Providing financial assistance to help carry out national goals related to mobility for all, including seniors, individuals with disabilities, and low-income individuals;
- Increasing availability of transportation options through investments in intercity bus services;
- Assisting in the development and support of intercity bus transportation;
- Encouraging mobility management, employment-related transportation alternatives, joint development practices, and transit-oriented development; and
- Providing for the participation of private transportation providers in rural public.

Roles and Responsibilities

Federal Role in Program Administration

The FTA Headquarters Office in Washington, D.C., is responsible for providing broad program and policy guidance in the administration of the 5311 program. To the extent permitted by law, the FTA gives the state maximum discretion in designing and managing the Section 5311 program. Where possible, FTA defers to the state for the development of program standards, criteria, procedures, and policies to provide the state with flexibility needed to standardize both FTA and related state programs. FTA headquarters is responsible for:

- Overall policy and program guidance;
- Apportioning funds annually to the states;
- Developing and implementing financial management procedures;
- Initiating and managing program support activities; and
- Conducting national program reviews and evaluations.

The FTA Regional Offices have responsibility for the administration of the state programs within their region. GDOT falls under the FTA Region IV office located in Atlanta, Georgia. The Atlanta regional office is responsible for:

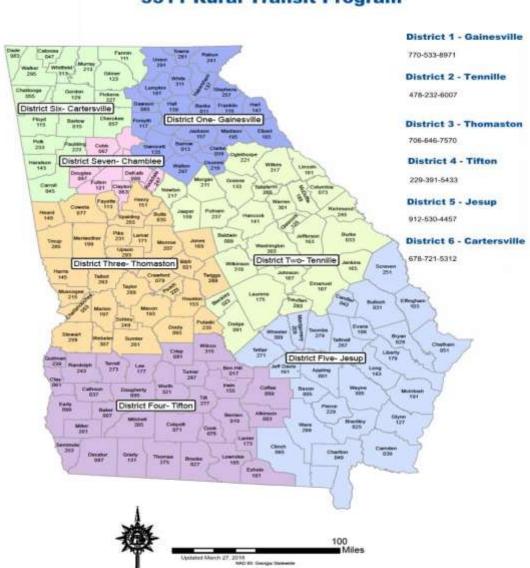
- Reviewing and approving GDOT's grant applications;
- Obligating funds, managing grants, overseeing the state's implementation of the annual program, including revisions to the program of projects;
- Receiving state certifications, reviewing and approving State Management Plans;
- Providing technical assistance and advice to GDOT as needed; and
- Performing state management reviews (SMP) every three years or as circumstances warrant.

The state management review (SMP) examines GDOT's policies and procedures, based on the approved State Management Plan (SMP). Each section of the SMP is reviewed by FTA assigned audit staff. Audit staff may request on-site visits with certain Section 5311 subrecipients to evaluate the strength of GDOT's subrecipient monitoring activities and to observe the day-to-day operation of the transit system. An exit conference, held at the end of the on-site SMP, provides an overview of each compliance area examined. The FTA Regional Office also provides a formal letter and supporting documentation to GDOT recapping the on-site review activities and deficiencies. FTA requires a corrective action plan (CAP) and scheduled timeline to address any identified deficiencies. FOllowing acceptance of all submitted corrective action plans and activities, FTA issues a formal close-out letter.

State Role in Program Administration

The Governor, pursuant to the provisions of 49 USC § 5311, has designated GDOT as the administrator and recipient of these funds. GDOT has the legal authority to enter into contractual agreements with eligible subrecipients for planning, operating and capital transit projects on behalf of the state.

The Transit Program, assigned to the Intermodal Division, is responsible for the day-to-day administration of the 5311 program. Transit Program staff are located in Atlanta as well as in six regions across Georgia to ensure timely responses to requests for technical assistance. Regional staff are generally the first point of contact for 5311 subrecipients.



Georgia Department of Transportation 5311 Rural Transit Program

In administering the program, GDOT is responsible for

- Documenting the state's procedures in a State Management Plan (SMP);
- Notifying eligible entities of the availability of funding opportunities;
- Planning for future transportation needs as well as ensuring integration /coordination among various transportation modes and providers;

- Soliciting applications to support public transportation in nonurbanized areas;
- Developing project selection criteria;
- Reviewing submitted applications and selecting projects for funding;
- Prepare and submit an annual grant application and program of projects to FTA;
- Certify the eligibility of applicants and project activities;
- Processing reimbursement requests from subrecipients in a timely manner;
- Preparing ECHO requests for federal reimbursement;
- Preparing quarterly and annual FFR's' and milestones as required by FTA;
- Ensure compliance with federal requirements by all subrecipients;
- Monitor subrecipients and project activities to ensure on-time, on-budget completion;
- Oversee projects to close-out, including final reimbursements;
- Ensure submission of annual audits as required; and
- File an NTD report each year on behalf of GDOT and all 5311 subrecipients.

GDOT must include its Section 5311 apportionment, along with all other Federal highway and transit funds, in a Statewide Transportation Improvement Program (STIP) approved by FTA and the Federal Highway Administration (FHWA). FTA subsequently obligates Section 5311 funds and any flexible funds transferred to Section 5311 based on the program of projects included in the state's Section 5311 grant application. Before the state may expend Federal funds on behalf of a subrecipient, the state must enter into an agreement with the subrecipient, and the subrecipient must have met all statutory and program requirements. The state certifies to FTA annually that the state and subrecipients have met, or will meet, all Federal requirements.

Local Role in Program Administration and Operations

GDOT shares a partnership role with local and regional governments committed to operating rural public transportation programs. Eligible subrecipients such as local governments, regional commissions or private non-profits are the day-to-day operators of local public transportation services.

In some cases, a public agency may elect to operate the system by contracting with a Third-Party Operator (TPO). It is important to note, if a TPO is used, the public agency continues to have full contractual responsibility and fiscal accountability under the Section 5311 program. It is the responsibility of all subrecipients to comply with all local, state and federal requirements.

Local subrecipient organizations receiving more than \$750,000 in Federal grants are also required to follow 2 CFR part 200 regulations related to audits. These subrecipients are responsible for the conduct and submission of an annual audit in compliance with 2 CFR 200. The audit should be performed by an independent certified public accountant or a Federal, State, local government, or Indian tribe audit organization meeting the general standards specified for external auditors in generally accepted government auditing standards (GAGAS). The audit is intended to ensure that the subrecipient's processes comply with Federal statutes, regulations and the terms of Federal awards. The subrecipient is responsible for the submission of the audit report to the Federal Audit Clearinghouse,

https://harvester.census.gov/facweb/, within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. Upon submitting to the Federal Audit Clearinghouse, the agency should notify GDOT, Division of Intermodal of its availability and any findings. If the audit report contains findings or questioned costs, the subrecipient must initiate and proceed with corrective actions as rapidly as possible, beginning no later than the receipt of the audit report.

CHAPTER 3: Understanding the Source and Hierarchy of Federal Regulations

The complexity of complying with the federal regulations associated with the receipt and expenditure of FTA funds is compounded by the multiple sources for those regulations, including the Code of Federal Regulations, FTA Circulars, and Executive Orders. This chapter is devoted to assisting the reader in understanding the hierarchy of federal sources for FTA program regulations and guidance; key word definitions and the applicability for GDOT subrecipients; a breakdown of the Super Circular; and an explanation of the Uniform System of Accounts.

Subrecipients are encouraged to register for email notification of updates and programmatic changes at the link below:

https://public.govdelivery.com/accounts/USDOTFTA/subscriber/new

Section I: CFR'S, Circulars and Executive Orders

Code of Federal Regulations (CFR)

The Code of Federal Regulations is the codification of the general and permanent rules published in the Federal Register by departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to federal regulations. The federal transit laws are codified under Title 49 U.S.C. Chapter 53 and are periodically reauthorized and amended through new legislation. Chapter 53 is further subdivided to cover specific regulatory areas. Large parts may be subdivided into sections, parts, and subparts.

Examples of how the federal government organizes all federal regulations can be seen in the breakdown of Title, Subtitle, Chapter, Section and Part as outlined below. The two CFR's below are applicable to the administration of public transportation.

Title 49	TRANSPORTATION
Subtitle III	GENERAL AND INTERMODAL PROGRAMS
Chapter 53	PUBLIC TRANSPORTATION
Section	5311 - Formula grants for rural areas

The Super Circular, listed below, consolidated eight grant-related circulars into one set of uniform regulations located in Title 2 of the Code of Federal Regulations (CFR). The Super Circular applies to the administration of all federal grants and cooperative agreements as of December 26, 2014. The Super Circular is incorporated in FTA's Circular C 5010.1E, Award Management Requirements, which was updated in 2018,

Title 2	GRANTS AND AGREEEMNTS
Subtitle A	OMB Guidance for Grants and Agreements
Chapter II	Office of Management and Budget Guidance
Part 200	UNIFORM ADMIN REQUIREMENTS, COST PRINCIPLES, AND AUDIT
	REQUIREMENTS FOR FEDERAL AWARDS

The full electronic Code of Federal Regulations can be found at:

https://www.ecfr.gov/cgi-bin/ECFR?page=browse

Below is a matrix of applicable CFR's to subrecipients operating transit systems. Each of the CFR's can be accessed in full by clicking on the name of the specific CFR.

Title/Part of CFR	Name	What it covers	
200	<u>Uniform Administrative Requirements.</u> <u>Cost Principles, and Audit</u> <u>Requirements for Federal Awards</u>	Office of Management and Budget (OMB) "Super Circular" – includes requirements for financial management, equipment and real property management, procurement, reporting, recordkeeping, grant closeout, cost principles, and audits.	
49 CFR Part 26	Business Enterprises in Department of	U.S. DOT requirements for Disadvantaged Business Enterprise (DBE) participation in procurement	

Title/Part of CFR	Name	What it covers	
49 CFR Part 27	Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance	U.S. DOT requirements under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, "Section 504")	
49 CFR Part 37	Transportation Services for Individuals with Disabilities (ADA)	U.S. DOT requirements under the ADA for programs and services – including general nondiscrimination, service requirements, etc.	
49 CFR Part 38	Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles	U.S. DOT requirements under the ADA for vehicle specifications – vehicle procurements must meet these standards	
49 CFR Part 39	Transportation for Individuals with Disabilities: Passenger Vessels	U.S. DOT requirements under the ADA for waterborne passenger transportation service (including ferries and water taxis)	
49 CFR Part 40	Procedures for Transportation Workplace Drug and Alcohol Testing Programs	U.S. DOT requirements for drug and alcohol testing procedures, employer responsibilities, and qualifications of service agents.	
49 CFR Part 604	Charter Service	FTA requirements that protect private charter operators from unauthorized competition from FTA funding recipients	
49 CFR Part 605	School Bus Operations	FTA requirements that prohibit FTA funding recipients from providing exclusive school bus transportation in competition from private operators	
49 CFR Part 625	Transit Asset Management	FTA Transit Asset Management (TAM) planning and reporting requirements	
49 CFR Part 630	National Transit Database	FTA National Transit Database (NTD) reporting requirements	
49 CFR Part 655	Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations	FTA drug and alcohol testing programs requirements	
49 CFR Part 661	Buy America Procedures	FTA procurement requirements to ensure steel or manufactured products meet minimum domestically produced contents	

Title/Part of CFR	Name	What it covers	
49 CFR Part 663	Pre-Award and Post-Delivery Audits of Rolling Stock Purchases	FTA procurement requirements for reviewing passenger vehicle procurements to ensure compliance with Buy America, Federal Motor Vehicle Safety Standards, and purchaser's specifications	
49 CFR Part 665	Bus Testing	FTA procurement requirement that FTA funds be used to procure only vehicle models that pass federally-required testing	
49 CFR Part 382	Controlled Substances and Alcohol Use and Testing	FMCSA drug and alcohol testing requirements (applies to employers of CDL drivers that don't receive Section 5307, 5311, or 5339 – these are instead subject to 49 CFR Part 655)	
		See also 49 CFR Part 40	
000	<u>Commercial Driver's License Standards;</u> <u>Requirements and Penalties</u>	FMCSA requirements for drivers of commercial vehicles to have CDLs and medical certification; employer requirements to ensure drivers do not operate a commercial vehicle with a suspended license.	
49 CFR Part 384	State Compliance with Commercial Driver's License Program	FMCSA requirements for states to comply with 49 CFR Part 383	
	<u>Minimum Levels of Financial</u> Responsibility for Motor Carriers	FMCSA requirements for insuring commercial vehicles that cross state lines	
49 CFR Part 390	Federal Motor Carrier Safety Regulations: General	FMCSA general requirements, definitions and applicability	
391	Qualifications of Drivers and Longer Combination Vehicle (LCV) Driver Instructors	FMCSA qualifications for drivers of commercial vehicles and employer responsibilities	
49 CFR Part 392	Driving of Commercial Motor Vehicles	FMCSA requirements related to safe operations of commercial vehicles	
49 CFR Part 393	Parts and Accessories Necessary for Safe Operation	FMCSA requirements for vehicle safety equipment	
49 CFR Part 395	Hours of Service of Drivers	FMCSA requirements for maximum driving time and recordkeeping	

Title/Part of CFR	Name	What it covers
49 CFR Part 396	Increation Densit and Maintension	FMCSA requirements for vehicle inspections, repairs, and maintenance

FTA Circulars

FTA's regulation and circular development processes include opportunities for public participation. FTA regulations and circulars govern the agency's financial assistance programs for public transportation and, as such, are very significant for communities, grant recipients, and organizations involved with transportation.

FTA circulars describe the regulation and often provide additional guidance on matters on which the Code of Federal Regulations (CFR) is silent. The circulars are valuable in assisting both recipients and subrecipients in understanding and complying with all statutory requirements.

FTA circulars provide instructions on how FTA funds must be administered. This guidance provides direction on program-specific issues and statutory requirements. Recipients and subrecipients are required to comply with all circulars and agree to do so by signing FTA's Certifications and Assurances annually. Subrecipients do this as part of the application package submitted to GDOT each year. States and other direct recipients do so within FTA's Transit Award Management System (TrAMS).

Recipients and subrecipients of Section 5311 funding must meet federal requirements related to how grant funds and related revenues are controlled, accounted for, spent, reported on, audited, and ultimately closed out. The FTA requirements are primarily based on 2 CFR Part 200, often referred to as the "Super Circular" of the Office of Management and Budget (OMB). In addition, FTA Circular 5010.1E, Award Management Requirements, provides guidance on FTA's financial requirements; while FTA Circular 9040.1G provides guidance to assist in the application and administration of these funds. Please see the links below for additional information.

Subrecipients are to comply with the regulations in place at the time the FTA funds were authorized and appropriated to GDOT. As an example, MAP-21 was in effect for federal fiscal years 2013 through 2015 while the FAST Act requirements cover federal fiscal years 2016 through 2020. When in doubt, subrecipients should confirm with GDOT which federal authorization funds a specific contract award. Generally, however, this simple advice from FTA will apply, "old money, old rules; new money, new rules."

Below is a matrix of all eight current FTA Circulars, the date of the last update and the subject of the circular. Each of the circulars can be accessed in full by clicking on the specific circular.

FTA has opted to develop circulars for CFR's requiring additional information specific to the utilization of federal funds for public transportation. Below the matrix is a paragraph highlighting each of the eight circulars and the importance to recipients and subrecipients of FTA funds in the operation of a public transportation system.

Number	Name	Last updated	What it covers
C 9040.1G.	Formula Grants for Rural Areas: Program Guidance and Application Instructions (Section 5311)	2014	Section 5311 requirements
C 4220.1F	Third Party Contracting Guidance	2013	Procurement requirements
C 4702.1B	Title VI Requirements and Guidelines for Federal Transit Administration Recipients	2012	Title VI requirements
C 4703.1	Environmental Justice Policy Guidance for Federal Transit Administration Recipients	2012	Environmental Justice
C 4704.1A	Equal Employment Opportunity (EEO) Act: Guidance	2017	EEO requirements
C 4710.1	Americans with Disabilities Act (ADA): Guidance	2015	ADA requirements
C 5010.1E	Award Management Requirements	2018	General requirements for all FTA grants
C 5100.1	Bus and Bus Facilities Program: Guidance and Application Instructions (Section 5339)	2015	Section 5339 requirements

FTA Circular 9040.1G – The FTA Program Guidance and Application Instructions Circular is intended to assist recipients in the administration and preparation of grant applications for the Formula Grants for Rural Area Program codified under 49 U.S.C 5311.

FTA Circular 4110. 1F - The Third-Party Contracting Guidance Circular is intended to provide contracting guidance to recipients and subrecipients who propose to use FTA funds to finance the procurement of a third-party contract.

FTA Circular 4702.1B – The updated Title VI Requirements and Guidelines for Federal Transit Administration Recipients provides guidance to recipients and subrecipients on how to comply with Title VI regulations, as well as to ensure recipients and subrecipients provide meaningful language access to persons who are limited English proficient. The circular provides specific compliance information for each type of recipient and provides comprehensive appendices including additional guidance and examples to ensure an understanding of the requirements.

FTA Circular 4703.1 – The Environmental Justice Policy Guidance for Federal Transit Administration Recipients provides guidance on incorporating environmental justice principles into proposed plans, projects, and activities with funding from FTA.

FTA Circular C 4704.1A – The EEO Circular provides guidance on FTA specific reporting requirements and explains the complaint and oversight process. The circular also provides guidance on how to prepare a compliant EEO Program plan.

FTA Circular C 4710.1 – The Americans with Disabilities Act: Guidance Circular was developed by FTA to assist public transit providers in complying with the DOT regulations implementing the transportation-related provisions of the Americans with Disabilities Act (ADA) of 1990 and Section 504 of the Rehabilitation Act of 1973, as amended. The purpose of the ADA Circular is to provide guidance concerning the requirements of the DOT ADA regulations. FTA's goal is to help public transit providers meet their obligations under the ADA by outlining and explaining the vast body of requirements in an easy-to-use, consolidated format.

FTA Circular 5010.1E – The FTA Award Management Requirements Circular is intended to assist recipients and subrecipients in administering FTA-funded projects and in meeting award responsibilities and reporting requirements. Recipients of FTA funds have a responsibility to comply with regulatory requirements and to be aware of all pertinent material to assist in the

management of FTA federally assisted awards. If there is a conflict between FTA Circular 5010.1E and the program-specific circular, the program-specific circulars prevails.

FTA Circular 5100.1- The Bus and Bus Facilities Circular provides guidance to GDOT on how to apply for federal grants available under the Bus and Bus Facilities Program and addresses the requirements that must be met in the application for Section 5339 program assistance. This circular incorporates provisions of the Moving Ahead for Progress in the 21st Century Act (MAP-21. Section 5339 funds are generally incorporated into the Section 5311 grant application GDOT submits to FTA annually for review and approval.

Executive Orders

Federal agency requirements may come from Executive Orders, which are directives signed by the President of the United States and have the force of law. As an example, Executive Order 13166, signed by President Clinton on August 11, 2000, required federal agencies, such as FTA, to examine the services provided, identify any need for services to those with limited English proficiency (LEP), and develop and implement a system to provide those services so LEP persons could have meaningful access to them.

Title VI and Executive Order 13166 are federal LEP requirements to improve LEP access for LEP applicants and LEP beneficiaries of government-funded programs. Additional information can be found at the link below:

The Executive Order <u>https://www.transportation.gov/civil-rights/civil-rights-awareness-</u> enforcement/title-vi-executive-order-13166

Section II: Key Federal Definitions

It is important to understand how the federal government defines key roles in the financial management process. The following definitions were extracted from the Super Circular, or 2 CFR, Part 200.

§200.69 Non-federal entity. Non-federal entity is defined as a state, local government, Indian tribe, or nonprofit organization that carries out a federal award as a recipient.

The State of Georgia is the non-federal entity.

§200.74 Pass-through entity. Pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

GDOT is the pass-through entity, as the designated recipient by the Governor of Georgia. GDOT executes contract agreements, or subawards, with subrecipients to carry out eligible activities of specific programs within the FTA.

§200.92 Subaward. Subaward means an award provided by a pass-through entity to a subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through a legal agreement, including an agreement that the pass-through entity considers a contract.

GDOT executes a contract agreement with eligible subrecipients for specific activities allowed under the FTA program

§ 200.93 Subrecipient. Subrecipient means a non-federal entity that receives a subaward, or contract agreement, from a pass-through entity to carry out part of a federal program. Prior to issuing the award, the pass-through entity conducts a risk assessment of the subrecipient.

GDOT partners with eligible subrecipients via executed contract agreements to provide public transportation per FTA's requirements. GDOT conducts an annual risk assessment of subrecipients approved for funding. Section 200.331(b) requires GDOT to evaluate each subrecipient's risk of noncompliance to determine appropriate subrecipient monitoring. Section 200.331(d) further requires pass-through entities to monitor subrecipient activities to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations and the terms and conditions of the subaward. Under the same subsection, the pass-through entity must monitor the subrecipient to determine whether performance goals are achieved.

Understanding the Super Circular: 2 CFR Part 200

The Super Circular combined eight previous federal regulations into one comprehensive regulation codified at 2 Code of Federal Regulations (CFR) Part 200 (Subparts A – F). The Office of Management and Budget (OMB) streamlined the eight OMB Circulars on Administrative Requirements, Cost Principles, and Audit Requirements for all Federal awards into one document, referred to as the Super Circular for all awards made after December 26, 2014. OMB's goal with these changes was to improve the administration of administering federal funds, modernize cost accounting and improve the audit and close-out process.

The Super Circular also sets forth pre- and post-award requirements, including standards for financial and program management; property standards; procurement standards; performance and financial monitoring and reporting; record retention and access; closeout; cost principles; audit requirements; and more.

2 CFR Part 200 affects non-federal entities, including state and local governments and subrecipients that receive federal assistance awards as a recipient or subrecipient as well as their auditors. For profit entities are also subject to a portion of the rules.

Summaries of important sections codified within the Super Circular are listed below. Both recipients and subrecipients should understand the specific requirements of each section.

Super Circular - Part §200.302 - Financial Management Systems

Section 200.302 of the Super Circular provides detailed guidance on the requirements of financial management systems for both GDOT and the subrecipient as outlined below:

- GDOT and all subrecipients of FTA funds are required to maintain detailed financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the Federal award.
- 2. The financial management system must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that FTA funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award and contract agreement with GDOT.
- 3. The financial management system must be capable of tracking funds received and expensed using the following criteria:
 - a. Name of the Federal Agency (FTA);
 - b. GDOT Contract # (TOO-XXXX);
 - c. Specific FTA Program (5311);
 - d. Federal award identification number (Grant #);
 - e. CFDA title and number (20.526 Formula Grants for Rural Areas); and
 - f. Name of the pass-through entity (GDOT)
- 4. All financial records must clearly identify the source and use of funds for FTA funded activities. These records must contain back-up documentation pertaining to authorizations, obligations, unobligated balances, assets, expenditures, income and/or interest and be supported by invoices, receipts, purchase orders, etc.

- GDOT, as the recipient of FTA funds, is responsible for oversight of FTA funded activities.
 GDOT is required to monitor subrecipient activities performed with FTA funds awarded under contract agreements to assure compliance with applicable federal requirements and performance expectations are being achieved.
- 6. Subrecipients should review the list below to ensure updated written policies are in place for each of these areas of financial administration. The written procedures are needed to determine the allowability of costs in accordance with Subpart E—Cost Principles of the Super Circular and to ensure compliance with the terms and conditions of the federal award with FTA.
 - a. Procurement
 - b. Contract Administration
 - c. Payroll
 - d. Records to justify costs of salaries and wages
 - e. Inventory
 - f. Vendor Payments
 - g. Budgeting and Accounting
 - h. Cash Management
 - i. Cash Receipts
 - j. Disbursements
 - k. Audit resolution
 - I. Records retention

Subrecipients: Please contact your Transit Project Manager to request technical assistance if you identify gaps in your written policies or assistance is needed to update the policies.

Super Circular – Part §200.303 Internal Controls

Section §200.303 of the Super Circular provides details of the requirements to establish and maintain written internal control for all recipients of federal funds. These requirements are summarized below:

- The written internal controls policy and procedures should provide reasonable assurance that the recipient and/or subrecipient is managing federal funds in compliance with federal statutes, regulations, and the terms and conditions of the federal award and the contract agreement with GDOT.
- 2. The written internal controls procedures should be capable of evaluating and monitoring compliance with federal statutes, regulations and the terms and conditions of the federal award and the contract agreement with GDOT.
- The internal controls procedures should detail steps for taking prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
- 4. The internal controls procedures should provide reasonable measures to safeguard protected personally identifiable information and other information FTA, GDOT, or the subrecipient considers sensitive consistent with applicable federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.
- The following policies are provided as best practices. Subrecipients must determine the most appropriate and cost-effective controls to provide reasonable assurance of compliance with federal program requirements in 200.303.
 - a. Specific officials designated to approve payrolls and financial transactions at various dollar levels.

- b. All receipts are promptly logged, restrictively endorsed and deposited in an insured bank account.
- c. Bank statements are promptly reconciled to the accounting records and reconciled by other than the individuals handling cash, disbursements and maintaining accounting records.
- d. All disbursements except petty cash or electronic funds are made by numbered checks.
- e. Supporting documents such as purchase orders, invoices, etc., accompany all checks for signature.
- f. Invoices are marked paid or otherwise prominently noted after payments are made.
- g. The policy prohibits checks to cash or the advance signing of checks.
- h. Multiple signatures are required on all checks.
- i. Individuals in a position of trust are required to take leave with delegation of duties to other staff while on leave.
- j. Applications for federal funds are coordinated with and approved by the subrecipient during an official meeting prior to submission.

§200.331 Federal Requirements of GDOT as the Recipient of FTA Funds

Section 200.331 of the Super Circular details the requirements of GDOT as a pass-through entity and recipient of federal funds. Many of these requirements impact how contract agreements are structured with subrecipients and how GDOT conducts monitoring activities to ensure federal compliance. The requirements are detailed below:

 GDOT must ensure every contract agreement is clearly identified to the subrecipient as a subaward and includes the following information at the time of the execution of the contract agreement. Should any of these data elements change, the changes should be included in a subsequent Supplemental Agreement (SA). If some of this information is not available, GDOT must provide the best information available to describe the Federal award and subaward. The required information includes:

- a. Federal Award Identification;
- b. The subrecipient's legal name (which must match the name associated with its unique entity identifier);
- c. The subrecipient's unique entity identifier;
- d. The federal award Identification Number (FAIN);
- e. The federal date of award to GDOT by FTA;
- f. The Contract Agreement period of performance start and end date;
- g. The amount of federal funds obligated by GDOT to the subrecipient in this contract;
- h. The total amount of federal funds obligated to the subrecipient by GDOT including the current obligation;
- i. The total amount of federal funds committed to the subrecipient by GDOT;
- j. The project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); and
- k. The FTA and GDOT are identified as the federal awarding agency and pass through entity respectively, and contact information for the awarding official of GDOT:
 - i. GDOT must identify the CFDA number, CFDA name, and dollar amount made available under each contract agreement;

- ii. GDOT must Identify whether the award is R&D; and
- iii. GDOT must include the Indirect cost rate approved, including if the de minimis rate is charged per §200.414, as part of the contract agreement.
- 2. All requirements imposed by GDOT to subrecipients are to ensure the federal funds from FTA are used in accordance with federal statutes, regulations and the terms and conditions of the federal grant award.
- Any additional requirements GDOT imposes on the subrecipient in order for GDOT to meet its own responsibility to the FTA including identification of any required financial and performance reports.
- 4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between GDOT and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f).
- 5. A requirement that the subrecipient permit GDOT and auditors to have access to the subrecipient's records and financial statements as necessary for GDOT to meet the requirements of this part.
- Appropriate terms and conditions concerning closeout of the contract agreement between GDOT and the subrecipient.

- 7. GDOT should evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the contract agreement for purposes of determining the appropriate subrecipient monitoring required, which may include consideration of such factors as:
 - a. The subrecipient's prior experience with the same or similar contract agreements to provide transit services;
 - b. The results of previous audits including whether or not the subrecipient received a Single Audit in accordance with Subpart F—Audit Requirements, and the extent to which the contract agreement with GDOT has been audited as a major program;
 - c. Whether the subrecipient has new personnel or new or substantially changed systems; and
 - d. The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- 8. GDOT should consider imposing specific contract agreement conditions upon a subrecipient if appropriate. Examples of these conditions include, but are not limited to:
 - a. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
 - b. Requiring additional, more detailed financial reports;
 - c. Requiring additional project monitoring;
 - d. Requiring the subrecipient to obtain technical or management assistance; or

- e. Establishing additional prior approvals.
- 9. GDOT should monitor the activities of the subrecipient as necessary to ensure the federal funds included in the contract agreement are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the contract agreement; and the performance goals of the subrecipient are achieved.
- 10. GDOT's subrecipient monitoring program must include:
 - a. Reviewing subrecipient financial and performance reports;
 - Following-up and ensuring the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means pertaining to federal funds provided to the subrecipient from GDOT;
 - c. GDOT should issue a management decision for all audit findings pertaining to federal funds provided to the subrecipient under an executed contract agreement with GDOT;
 - d. Based upon GDOT's assessment of risk posed by the subrecipient as identified through the risk assessment tool, the following activities will be undertaken by GDOT to ensure proper accountability and compliance with program requirements and achievement of performance goals:
 - i. Providing subrecipients with training and technical assistance on programrelated matters;
 - ii. Performing on-site reviews of the subrecipient's transit program operations; and

- iii. Requesting Agreed-Upon-Procedures (AUP) engagements with GDOT's Office of Audits. Refer to §200.425 of the circular for additional information.
- e. GDOT must verify sub-recipients expending \$750,000 or more in federal funds during their fiscal year complete and submit a single audit for that year;
- f. GDOT must evaluate whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions necessitating adjustments to GDOT's records; and
- g. GDOT should consider taking enforcement action against non-compliant subrecipients as described in §200.338 of the Super Circular, including but not limited to:
 - i. Temporarily withhold cash payments pending correction of the deficiency(ies) by the subrecipient;
 - Disallow both use of funds and any applicable matching credit for all or part of the cost of the activity or action not in compliance;
 - iii. Wholly or partly suspend or terminate the contract award;
 - iv. Initiate suspension or debarment proceedings as authorized under 2 CFR 180;
 - v. Withhold further federal funds for the project or transit program; and
 - vi. Take other remedies that may be legally available.

Understanding the Purpose for Using the Uniform System of Accounts

GDOT subrecipients are required to submit all reimbursement requests to GDOT for transportation-related costs and revenues using a template populated with the Uniform System of Accounts (USOA). This is intended to simplify reporting and increase accountability. GDOT must be able to reconcile the subrecipient's chart of accounts to the USOA accounts. The Secretary of Transportation maintains the reporting system, called the National Transit Database (NTD) to collect public transportation financial and operating information using an accounting structure defined as the Uniform System of Accounts (USOA). The data collected through the NTD helps support public transportation planning decisions at the federal, state and local levels. The USOA is the basic reference document for the NTD and contains the accounting structure required by Federal Transit laws.

The main purpose of the USOA is to ensure that data definitions are uniform for all transit agencies. Each transit agency must maintain the accounts and records necessary to meet its own internal information requirements as well as those specified in the USOA. FTA recommends that reporting agencies maintain records in a manner that supports ready analysis by the prescribed accounts and permits preparation of financial and operating data directly from such records at the end of the fiscal year,

More information on the Uniform System of Accounts (USOA) can be found at: <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/ntd/56681/uniform-system-accounts-usoa-effective-fy18_0.pdf</u>

GDOT and the subrecipient are both responsible for documenting and supporting all costs charged to a federal grant. Examples of supporting documentation include, but are not limited to:

- General Ledger Reports,
- Payroll Records and Reports,
- Time Records,
- Purchase Orders,
- Invoices for goods and services purchased,
- Executed contracts with Third Party Operators (TPO), etc.

GDOT reserves the right to request additional supporting documentation deemed necessary to adequately substantiate the eligibility of charges to the federal grant.

CHAPTER 4: Eligibility - Applicants, Services and Funding Categories

This chapter defines the eligibility requirements to receive Section 5311 and Section 5311(f) intercity bus funds. Additional information is provided related to the types of services and expenses eligible for reimbursement and the required match requirements.

Section I: 5311 Program Eligibility

The purpose of the Section 5311 program is to support public transportation for people living in any area outside of a UZA [urbanized area] as designated by the Bureau of the Census. A UZA consists of a core area and the surrounding densely populated area with a total population of 50,000 or more, with boundaries fixed by the Bureau of the Census. Areas not within a UZA as of the 2010 Census are eligible for Section 5311 funding even if they are included within the metropolitan area planning boundary. Since the goal of Section 5311 is to enhance the overall mobility of people living in rural areas, Section 5311 projects may include transportation to or from rural areas. The service area may include destination across a state line. Operators of interstate service are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations." (FTA Circular 9040.1G, Chapter III, Section 2(a)). Subrecipients are prohibited from providing exclusive service within an urbanized area.

Eligible Applicants

Eligible applicants include state agencies; regional commissions; local public agencies, and private nonprofits.

Subrecipient eligibility is more clearly defined below:

1. **State Agency** - any legally constituted state government agency, authority or commission of the State of Georgia;

- Local Public Agency any legally constituted political subdivision of the State such as towns, municipalities, counties, local transportation authorities, Indian Tribes (federally recognized or other Indian tribe commissions) or other public agencies established under state law for the purpose of public transportation; and
- 3. Private Nonprofit Organization A nonprofit organization is a corporation or association determined by the United States Secretary of the Treasury to be an organization by described by 26 U.S. C. § 501(c) that is exempt from taxation under 26 USC 501 (a). To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. Private/nonprofit applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of the charter as listed with the Georgia Secretary of State's office.
 - a. As part of the application process, each private nonprofit applicant will be required to submit a letter of support signed by an authorized official of the proposed county which currently does not have public transportation services as well as the applicable Regional Commission for that county. A non-profit organization must comply with all local, state and federal regulations and submit a complete application to the Department in order to be considered for funding. All private non-profits meeting threshold requirements will be afforded an opportunity to receive funding under the Section 5311 program.

Eligible Types of Transit Services – Section 5311

All public transportation services provided with funding support from the Section 5311 program must be open to the general public on a regular and continuing basis. A description of the types of eligible public transportation services under the 5311 program include:

1. Transportation of residents of a non-urbanized area to or from the nearest urbanized area.

- 2. Service designed for the general public but also part of a coordinated project designed to maximize the usage of services by transportation disadvantaged persons.
- 3. Joint-funded Section 5307 and Section 5311 transportation projects are encouraged, provided the level of 5311 funds allocated for service in the area is documented, fair and equitable. This is usually documented through the creation of cost centers for each type of service.
- 4. The services must focus on the rural areas of Georgia. This does not preclude service into urbanized areas of the state and/or into neighboring states provided passengers reside in Georgia and the service originates from or ends in a rural area of Georgia.
- 5. Whenever possible, subrecipients should coordinate service in areas where there is shared geographic service destinations.

Ineligible Transit Services – Section 5311

The following types of transit services do not meet the definition of public transportation services and, therefore, are not eligible activities:

- 1. Exclusive service provided within an urbanized area.
- Services outside of the subrecipient's eligible geographical service area(s) unless the purpose is to drop off and/or pick up passengers where the trip originated within the eligible service area.
- 3. Exclusive taxi service or charter services to individuals or groups which exclude use by the general public.

Section II: Cost Sharing and Financial Assistance Categories

Cost Sharing: Federal, State, and Local Cost of Eligible 5311 Expenses

The table below represents the maximum eligible federal percentage for various types of expenses. The state and local percentages are based on historical data and subject to change based on the availability of state funds.

Category	Federal	State	Local	Total
Operating	50%	0%	50%	100%
Capital	80%	10%	10%	100%
Planning	80%	0%	20%	100%

Eligible Financial Assistance Categories

Under GDOT's Section 5311 Program, funds are available for eligible operating and capital assistance to provide public transportation in non-urbanized areas. Planning funds are eligible under the FTA guidelines. However, GDOT awards Section 5303 and 5304 planning funds to eligible Metropolitan Planning Organizations (MPO) and Regional Commission's in support of local and regional planning projects. Subrecipients are encouraged to discuss any proposed request for planning funds under the Section 5311 with the assigned District Transit Project Manager. Eligible Job Access Reverse Commute (JARC) activities are considered on a case-by-case basis during the annual application process.

The budget submitted as part of the annual application process must define the category and the amount of funds the subrecipient is requesting. The subrecipient should carefully prepare their annual budget in accordance with federal financial requirements and in line with historical requests. Subrecipients should not inflate their annual request beyond operational needs. Any request for additional funds from prior year's award must be justifiable and based on demonstrated need.

Financial assistance under the Section 5311 Program is dependent upon the availability of federal and state funds each fiscal year (July 1 – June 30) and follows the same allowable activities requirements as stated by FTA. GDOT's funding priority is to ensure operational funds are made available for public providers in order to avoid any interruption of transportation services. Capital requests are considered based on a needs assessment and in conjunction with the Transit Asset Management Plan (TAMP).

Eligible project costs under the Section 5311 Program are determined in accordance with 2 CFR Part 200, Subpart E, FTA Circular 9040.1G (as amended) and guidance provided by GDOT. Below are the categories of eligible project costs as well as examples of specific types of expenses.

1. Operating Expenses

Under GDOT's Section 5311 Program, subrecipient administrative expenses are treated as part of the operating budget and eligible for reimbursement at 50%. Understanding the treatment of operating expenses, farebox revenue, purchase of service revenue and excess purchase of revenue is critical to successful operation of a public transit system. GDOT's budget template and reimbursement form break down eligible operating costs under the 5311 program into two categories: administrative and operating. These expenses must be justified and well documented. Each category of operating expenses is more clearly defined below:

Administrative:

- Labor Transit Manager/Director, Supervisor, Bookkeeper, Administrative Assistant;
- Fringes FICA, Medicare, insurance, retirement, workers compensation, etc.;
- Supplies Office Supplies, etc.;
- Services Janitorial, legal, accountant, computer support, payroll, security services, advertising, office equipment lease or rental, facility rental or leases;
- Utilities Electricity, gas, water/sewer, telephone;
- Insurance Liability, property, etc.;
- Taxes Property taxes, vehicle taxes, etc.; and
- Miscellaneous Dues/subscriptions, travel/meetings, postage, etc.

Operating:

- Labor Drivers, dispatchers, mechanics;
- Fringes FICA, Medicare, insurance, retirement, Workers compensation, etc.;
- Contracts Third-party-operator (TPO);
- Supplies Vehicle parts & supplies, safety supplies, fire extinguishers, etc.;
- Services Temporary help, vehicle maintenance repair, equipment rental, etc.;
- Fuel Gas, Oil;
- Tires , Tubes, etc.;

- Taxes Property taxes, fuel tax, etc.; and
- Miscellaneous Driver training

Note: Routine preventive maintenance and vehicle leases are funded as operating rather than capital expenses under GDOT's 5311 Program.

2. Capital Expenses

The Federal share for capital projects may not exceed eighty percent (80%) of the net project cost. The net project cost is defined as that portion of the project that cannot be reasonably financed from the subrecipient's revenues. In addition to the Federal share, GDOT may provide up to ten percent (10%) of the capital cost from State funds. State match is dependent on state funds appropriated to the Transit Program each year. Required local funding for the capital acquisition will at a minimum ten percent (10%) of the costs. Local participation could be greater depending upon the availability of State and Federal funds.

Eligible capital costs included in FTA Circular 9040.1G are listed on page III-8 <u>https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/formula-grants-rural-areas-</u> <u>program-guidance-and-application</u>

Below is a listing of eligible capital costs:

- Vehicles including buses, vans or other paratransit vehicles;
- Vehicle rehabilitation or overhaul;
 - Requires re-approval by GDOT District Transit Project Manager;
 - See Chapter 8, Asset Management for more information;
- Wheelchair lifts and restraints;
- Extended warranties which do not exceed industry standards;
- Radios and communications equipment;
- Surveillance / Security equipment;
- Transit related intelligent transportation systems;
- Operational support such as computer hardware or software;
- Software Licenses;

- Capital portions of costs for service under a contract;
- Rehabilitation and/or construction of passenger shelters, bus stop signs, or other types of public transit facilities;
- Construction of or improvements to park-and-ride lots where such facilities are utilized for public transportation or ridesharing modes that provide some form of eligible public transportation;
- Joint development projects as outlined in FTA Circular 9300.1B;
- Facilities to provide access for bicycles to transit facilities or equipment for transporting bicycles on transit facilities; and
- Mobility Management activities may include:
 - Job Access Reverse Commute projects funded under the former Section 5316 program. A JARC project is defined as "a transportation project to finance planning, capital and operating costs that support the development and maintenance of transportation services designed to transfer 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.

3. Planning

The Federal share for eligible rural transit planning projects may not exceed eighty percent of the project cost. Subrecipients should discuss any proposed planning activities with the assigned GDOT Project Manager in advance.

4. Local Expense Share

Only eligible expenses outlined in the Super Circular, Office of Management and Budget (OMB) Uniform Guidance Subpart E – Cost principles, may be used in determining project costs. Sources for local matching funds include, but may not be limited to:

- Revenue from local appropriations,
- Dedicated tax revenues,
- Private donations,

- Net income from advertising,
- Concessions, and
- Amounts received under a service agreement with a state or local social service agency or undistributed cash surplus such as excess POS revenue.

Common Sources of Eligible Local Match include the following:

- Dedicated match which is specified in the county or non-federal entity (NFE) budget;
- Non-FTA share of program income, such as Purchase of Service contracts through the Department of Human Services:
 - NOTE: DHS ineligible local match sources are: FTA 5310, 5316 JARC and 5317 New Freedom funds;
- Medicaid contract revenues;
- Advertising revenues earned in current year may be used as local match;
- Dedicated tax source, such as "Transit Special Local Sales Tax" (TSPLOST);
- Monetary donations to the transit system; and
- Incidental Income
 - Incidental Income is defined as revenues derived from "incidental use" of an FTA facility or FTA rolling stock asset such as rents, meals on wheels program, or other sources that have been approved by GDOT;
 - $\circ~$ The subrecipient must complete an FTA incidental use form and submit for review and approval by FTA and GDOT; and
 - The FTA Incidental Use form, labeled as <u>Exhibit 10</u> and included in the Appendix, should be requested from your GDOT 5311 Program Manager.

5. Ineligible Expenses

2 CFR Part 200, Subpart E defines expenses ineligible for reimbursement under all federal grant programs. Some of the more common ineligible expenses include:

- Entertainment expenses;
- Fines and penalties;
- Interest expense on long-term loans and debt retirement;
- Interest expenses on short-term loans not approved by GDOT in advance;

- Federal, state or local income taxes;
- Depreciation of intangible assets;
- Activities of local public governing bodies performed as a normal or direct aspect of public administration (e.g. expenses of a local government in considering transit matters); and
- Contributions to a capital reserve account.

Section III: 5311(f) Intercity Bus Program

Intercity bus services are defined as regularly scheduled services for the general public operating with limited stops over fixed routes connecting two or more urban areas not in close proximity. Intercity bus service does not include commuter service. FTA encourages states to utilize the 15% funding authorized under49 U.S.C. 5311(f) to support the following national objectives:

- 1. Improve connections between nonurbanized areas and larger regional areas;
- 2. Provide transit services of residents in nonurbanized areas; and
- 3. Support the infrastructure needs of the intercity bus network through prioritized capital investments.

Eligible Applicants

Eligible applicants for Section 5311(f) funds are limited to operators of intercity bus services. Subrecipient eligibility is more clearly defined below:

For the purpose of Section 5311(f) only, FTA permits states to pass through funds to private intercity bus providers in a subrecipient relationship. Therefore, private for-profit operators of Intercity bus services are eligible applicants of the 15% set-aside of the annual 5311 apportionment identified as 5311(f) to develop and support intercity bus transportation in Georgia.

Eligible Types of Transit Services - Section 5311(f) - Intercity Bus

Eligible services under FTA's Section 5311(f) program are defined as regularly scheduled bus services for the general public which operates with limited stops over fixed routes connecting two or more urban areas not in proximity. The intercity bus transit provider must have capacity for transporting passenger's luggage and make meaningful connections with scheduled intercity bus services.

Ineligible Types of Transit Services - Section 5311(f) - Intercity Bus

Commuter services, charter and tour services are not eligible for intercity bus funding.

Eligible Funding Activities:

It is GDOT's policy to assist with eligible capital investments identified through the annual submission of an application by an intercity bus provider. Examples of eligible capital investments include:

- Vehicles such as motor coaches;
- Construction or rehabilitation of intercity bus terminals;
- Construction or rehabilitation of multi-modal joint use facilities; and
- Construction or rehabilitation of facilities supporting intercity bus services.

Ineligible Funding Activities

GDOT does not provide funding to assist with operations, planning or marketing expenses. A one-time exception was made during 2020 to provide operations support due to impacts of the COVID-19 pandemic on intercity bus providers.

Funding Intercity Bus Capital Projects in an Urbanized Area

The use of Section 5311(f) funds for capital projects in urbanized areas is limited to those aspects of the project that can be identified as directly benefiting and supporting service to and from rural areas. These projects must be included in both the metropolitan Transportation Improvement Program (TIP) and the Statewide Transportation Improvement Program (STIP) and follow the appropriate project selection requirements contained in the joint planning rule. (See 23 CFR part 450 and 49 CFR part 613.)

Cost Sharing: Federal, State, and Local Cost of Eligible 5311(f) Expenses

The table below reflects federal cost sharing eligibility of 80% for approved capital projects. Operating, planning, and marketing activities are not eligible for federal or state funding under GDOT's policy.

Category	Federal	State	Local	Total
Capital	80%	0%	20%	100%
Operating	0%	0%	100%	100%
Planning / Marketing	0%	0%	100%	100%

CHAPTER 5: Subrecipient Application Preparation and Review

This chapter provides guidance to applicants seeking FTA Section 5311 funds. The chapter explains each of the requirements for submitting a complete application, general timelines, and GDOT'S methodology to review applications. Factors impacting GDOT's ability to award Section 5311 funds, such as those counties trending urban, are covered in this chapter under Section V.

Section I: Public Awareness Requirements

Public Notice and 15-day Comment Period

All applicants planning to apply to GDOT for FTA Section 5311 funds are required to provide public notice in the local government's legal newspaper describing the proposed transit services. The public notice, which requires a 15-day comment period, provides public awareness and a notification to all interested persons, businesses, and agencies of the applicant's intention to provide transportation services. The notice should invite interested private operators within the service area to comment or request a public hearing on the proposed services by written notice to the applicant. A minimum of 15 days response time must be provided. Written comments, requests for a public hearing, and a written notice of intent by private for-profit transportation operators to provide or participate in any or all proposed services, must be submitted no later than fifteen (15) days from the date of the publication. If no response is received within the 15-day period, the applicant provides a certification on letterhead using the template provided and includes as part of the application package. GDOT requires the original legal ad and notarized publishers' affidavit from the newspaper to accompany the certification.

Public Meeting Requirements

All applicants requesting funds in support of public transportation must make all public meetings, including advisory committee meetings, public hearings, and board meetings, accessible to individuals with disabilities. Meetings must comply with all applicable ADA accessibility requirements and should also be conducted in such a way that all participants can participate in an equal and meaningful way.

Minimum requirements identified by U.S. DOT include:

- The meeting location must be accessible by public transit, including paratransit.
- Primary entrances and doorways used for the meeting must be accessible, barrier-free, and usable by persons with disabilities, including wheelchair users.
- There should be circulation space for wheelchairs throughout and at the front of the meeting space.
- Microphones should be adjustable to wheelchair height.
- Path of travel signs for an accessible route to the meeting room should be posted.
- Meeting materials should be available in alternative formats prior to the meeting.
- Sign language interpreters should be available if requested.

Changes Requiring Public Notification

Public notification is also required when providers of rural public transportation consider making changes to certain activities. The National RTAP has developed a list of these changes and/or activities which require a transit agency to provide notification to the public. The changes, outlined below, fall into three classifications: compliance, priorities/strategies and allocation of funds.

- Compliance
 - American with Disabilities (ADA) Program changes,

- Disadvantaged Business Enterprise (DBE) activities,
- o Title VI Program, Nondiscrimination and Environmental Justice Policies,
- Proposed rule changes,
- Regulatory approaches, and
- State-specific requirements;
- Priorities and Strategies
 - Agency initiatives and plans,
 - Bus service and fare changes,
 - Environmental impacts and Programs,
 - New technologies,
 - o Transit studies, and
 - Transportation coordination and intercity initiatives;
- Allocation of Funds
 - o Public awareness of projects or activities to be financed,
 - New funding sources, and
 - Building projects.

Additional Resources

The links below provide additional information on transit activities requiring public outreach and notification:

Administrative Procedure Act https://www.archives.gov/federal-

register/laws/administrative-procedure/552b.html

- The Reg Map: Informal Rulemaking <u>https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/RegulationsMap</u> <u>.pdf</u>
- Improving Regulation and Regulatory Review <u>https://www.reginfo.gov/public/jsp/Utilities/EO_13563.pdf</u>
- The Informal Rulemaking Process
 <u>https://www.transportation.gov/regulations/rulemaking-process</u>

Section II: The Call for Projects and Application Timeline

The Call for Projects

The *Call for Projects* announcement provides information on available funding and solicits applications from eligible applicants. GDOT issues the *Call for Projects* under the 5311 Program in the fall, generally no later than September 30th. However, it should be noted the timing of the announcement and release of the application package by GDOT is contingent upon publication of the annual apportionment in the federal register.

Existing subrecipients and prospective applicants should refer to the GDOT Transit Program Section of GDOT's website for additional information and links to the annual application package at http://www.dot.ga.gov/IS/Transit. All applicants are encouraged to review the application package following the *Call for Projects* notification and to contact the assigned district TPM for technical assistance as needed.

Timeline of Deadlines and Activities

Below is a table identifying timelines, deadlines and major activities applicants should be aware of associated with the development and submission of Section 5311 applications.

Timeline	Activity
May – June	As the current fiscal year ends, GDOR internal conference calls are scheduled with Project Managers to review any subrecipient concerns requiring action prior to June 30. The 5311 applications are reviewed to determine if any changes are needed in processes or procedures in preparation for the next fiscal year's activities.
July – August	Project Managers should schedule meetings with assigned subrecipients to discuss the contract after the June 30 to review and evaluate ridership trends, cost of operations, expansion opportunities and overall future needs of the public transit system.
September - October	Subrecipients and other interested parties are notified by GDOT via email of the <i>Call for</i> <i>Projects</i> along with a link to the application package. Completed applications must be submitted before the established deadline electronically in the BlackCat Transit System. The Fleet Manager provide the district TPM's with the updated rolling stock pricing for distribution to subrecipients to assist in preparing accurate capital budgets. The District TPM's provide technical assistance and remind applicants of upcoming deadlines.
October – November	The district TPM's monitor assigned subrecipients to ensure the application and authorizing resolution are placed on the board's agenda for approval. The applicant's Board or Council must pass the Authorizing Resolution prior to submittal of the application. The Resolution identifies the official authorized to execute and file the application as well as execute the agreement to receive funds from the Federal Transit Administration. The resolution also certifies the applicant will comply with FTA Circular 9040.1G, FTA Certifications and Assurances and GDOT Program requirements. The district TPM's should strive to attend these public meetings as a representative of GDOT's Transit program. District TPM's should monitor subrecipients to ensure the public notice is posted in the local newspaper with a 15-day comment period ending prior to the deadline for submittal of the application.
November	Generally, the deadline for electronic submittal of applications is the end of November.The district TPM's should follow up to ensure all assigned subrecipient applications are completed and submitted prior to the deadline.The Program Delivery Manager creates a spreadsheet to monitor the receipt and status of applications.

Section III: Completing the Application Package

Beginning with the FY 2022 Call for Projects, applications will be submitted online in the

Blackcat Transit Management System (http://gadot.blackcattransit.com). User access is granted to all subrecipient agencies who contract with GDOT. To gain access, new applicants should contact their GDOT District Transit Project Manager. The online application includes a series of fillable PDF files, a signed transmittal letter, authorizing resolution, original legal ad and notarized publishers' affidavit from the newspaper, as well as other required documents listed in the application. Prior to submittal, subrecipients are encouraged to utilize the application checklist included in the application. GDOT District Transit Project Managers (DTPM's) should meet with assigned subrecipients within 90 days of the anticipated release of the application package to review and evaluate ridership trends, cost of operations, expansion opportunities and overall future needs of the public transit system.

The items below are listed according to their placement within the current application package. An explanation is provided for each required item to assist the applicant in completing the application. These items represent the major components of a complete application package.

- **Grant Application Checklist** A checklist is included to assist applicants in verifying all required information and documents have been completed and are attached.
- Grant Application Profile Identifies the legal name, address, type of organization and authorized representatives of the applicant. The authorized representatives include the official executing the contract, attestor and notary. The profile also includes the applicant's unique nine-digit Data Universal System (DUNS) number and E-Verify number.
- Transmittal Letter The transmittal letter must be signed by the authorized official of the subrecipient and placed on the subrecipient's letterhead. The transmittal letter should be scanned and attached to the application. The letter provides GDOT with verification of the date and by whom the application was submitted. The letter also gives the subrecipient a permanent record of having submitted the application.
- Authorizing Resolution The resolution should be prepared using the template included in the application package. The resolution must be approved by the authorizing board or council and properly witnessed and notarized. The resolution should include the seal of the applicant and the notary. The resolution authorizes the

designated official to file an application with GDOT requesting FTA funds to support public transit. A scanned copy of the completed, signed and notarized resolution should be submitted as an attachment.

- State of Good Repair: Vehicles Funded by FTA The application includes a table requiring the following information for each vehicle: the GDOT Vehicle number; year, make and model of the vehicle; VIN number; FTA grant number; mileage data; condition level; ADA lift equipped; and confirmation if a replacement vehicle is requested as part of this application. The list must identify all vehicles meeting the useful life benchmark (ULB) as of the end of the current fiscal year for which a replacement vehicle is being requested.
- State of Good Repair: Facilities Funded by FTA The application includes a table requiring the following information: the name and type of facility; physical address; condition; and the FTA grant number identifying the source of the federal funds.
- Budget The detailed budget includes the amount of operating funds requested, the quantity and type of vehicles requested and the quantity and type of small capital items. The budget must break down the total of federal, state, and local funds by category. Pricing for transit vehicles to be purchased by GDOT using the Department of Administrative Services (DOAS) statewide vendor contracts will be provided to applicants by the District Transit Project Manager prior to the deadline for submittal of the application. In Blackcat, applicants build budgets for each operating, capital, and planning project, and attach projects to their application.
- **Contracting Opportunities** A detailed list of all anticipated contracting opportunities, including a description of the activity, key milestone dates, and estimated budget.
- Purchase of Service (POS) Contracts The application includes a table requiring a listing of all POS contracts. The table includes the name of the contracted agency (such as Department of Human Services, LogistiCare or Regional Commission); the contract start and end dates; total contracted amount; cost per unit and anticipated annual trips. All non-eligible POS revenues must be deducted from total transit operating expenses to arrive at the net section 5311 operating expenses each month.
- Local Matching Funds The application includes a table identifying all sources of

local funds. All local match funds included in the application must be traceable back to the source of origination and may only be used once as a local match source for a federal grant. FTA funds from Section 5310, 5316 and 5317 are not eligible sources of local match.

- Three-year Operating Budget The application includes a table covering a three -year operations budget for federal and local sources. The financial data request includes the most recent completed year for which you have actual historical data, the current year and the budget from the completed application.
- Third Party Operators (TPO) The application includes a request for the applicant to verify whether a TPO is under contract to provide transit services. All subrecipients contracting with third-party-operators (TPO) must attach a copy of all current TPO contracts to the application. The TPO contracts must include specific terms including dates and costs.
- Public Notice Public comment is required prior to submittal of an application for funding. The 15-day comment period allows the public to make statements regarding the proposed project. The public notice published in the local legal newspaper and the 15-day comment period should conclude prior to the submittal date of the application. If no responses are received during the 15-day period, the subrecipient completes the public notice certification template included in the application package.
- Private Enterprise Coordination Certification Subrecipients receiving written comments, requests for a public hearing or a notice of intent or interest by a privatefor-profit transit operator, must complete a private enterprise coordination certification. The certification is signed by the authorized official and must include the names, addresses, and contact information for all private providers
- Title VI Data Collection, Reporting and Economic Impacts The application includes multiple pages for providing responses to numerous questions including Title VI related lawsuits or complaints, federal funding requests, three-year civil rights compliance reviews, NTD database requirements, transit financial and performance data, economic impact, service area and coordinated services.
- A No Intent to Charter This certification must be signed by the authorized representative stating the subrecipient will not provide charter service with FTA

funded equipment or provide exclusive service.

- Drug & Alcohol Program The certification, included in the application, and signed by the authorized representative, states the subrecipient or its contractors has implemented an alcohol misuse prevention Program and anti-drug abuse Program as required by FTA.
- **Drug Free Workplace Certification** The certification, included in the application, states the subrecipient provides a drug-free workplace.
- Equivalent Access for Persons with Disabilities The certification included in the application is only required if the funding request includes a request for a vehicle without disability access features, such as a wheelchair lift.
- **Civil Rights Assurance** The certification, signed by the authorized representative, states no person on the basis of race, color, or natural origin, will be subjected to discrimination in the level and quality of transit services and related benefits.
- Debarment and Suspension The certification, required for all federal funding requests exceeding \$25,000.00, states the subrecipient has not been debarred, suspended, proposed for debarment, declared ineligible, and is not in the process of being debarred, voluntarily excluded from conducting business with a federal department, or disqualified from participation in a federally funded project.
- SAM Each application must attach a copy of the subrecipient's current SAM Registration. The System for Award Management (SAM) is a web-based, governmentwide application containing business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes.
- DBE Reporting The application contains certification whereby the authorized representative agrees to provide semi-annual DBE reports, known as the Uniform Report of DBE Commitments, Awards and Payments, to GDOT by the requested deadline.
- Lobbying The application contains a certification whereby the authorized representative must certify that no federal funds have been paid or will be paid to influence federal contracting and financial transactions and to require the recipients of Federal funds to report all lobbying activities. Lobbying Requirements apply to all

contracts and subcontracts of \$100,000 or more at any tier under a federal grant.

- FTA Certifications & Assurances The application contains a certification whereby the authorized representative of the applicant certifies to FTA and GDOT, as part of the annual certifications and assurances process, that it has the legal, financial, and technical capacity to carry out its proposed Program of projects, including safety and security aspects of the Program.
- Indirect Cost Rate if the subrecipient intends to charge indirect costs, the appropriate documentation supporting the indirect rate must be attached to the application. More information can be found in Chapter 6: Financial Management.

Technical Assistance and Submittal of the Application

Applicants are encouraged to seek technical assistance from the assigned District TPM during the preparation of the application, including preparation of the budget and requests for replacement or expansion vehicles. Additionally, applicants are encouraged to review the completed application and attachments against the checklist included at the beginning of the application package. Failure to submit a complete application may impact the Transit Program's ability to complete a timely evaluation and provide a funding recommendation. Applicants should follow instructions related to the submittal of the application package to GDOT. Questions should be directed to the district TPM.

Section IV: GDOT's Methodology and Review of Applications

Fair and Equitable Distribution of Funds

GDOT's application review process and associated methodologies are structured to ensure a fair and equitable distribution of funds to all eligible subrecipients. All applications are treated equally and reviewed using the same criteria and procedures. GDOT has adopted a policy whereby support for existing systems and new systems within un-served areas have the highest priority for funding under the Section 5311 Program. Applications received from areas with existing programs are required to coordinate with these existing transit programs to avoid

a duplication of services. While applications received from areas without existing public transit systems are a high priority, these applications must be evaluated against program eligibility requirements as well as other sustainability factors, including, but not limited to the following:

- Positive feasibility study projections and/or a proposed system start-up plan;
- Level of city, county, and regional commission support;
- Transit asset management and vehicle maintenance plan; and
- Management teams' experience in transit operations.

First-time applicants are encouraged to meet with GDOT Transit Program staff early in the planning process to discuss potential transit projects. Pre-planning meetings may be valuable in understanding program requirements. First-time applicants may wish to conduct a feasibility study first. If so, a 5311 application must be prepared and submitted to GDOT. However, the completion of a feasibility study does not guarantee approval of funding to begin transit operations.

Multi-step Review Process

Each application undergoes a multi-step review process before a panel of knowledgeable transit program evaluators before a final funding recommendation is made and incorporated into the Program of Projects (POP).

GDOT will consider funding all applications that:

- Meet the FTA transit project eligibility guidelines;
- Are properly documented as a funding request in a complete application
- Included in the appropriate STIP or TIP; and
- Have committed the required level of local matching funds.

It should be noted the total federal funding level for the Program of projects (POP) cannot exceed the total amount of Section 5311 funds available, including funds from the current fiscal year apportionment, unobligated carryover funds from previous years and funds transferred from other FTA Programs, or flexible funds for highway or transit.

Performance Metrics

By following significant decision-making requirements outlined in both MAP-21 and the FAST Act, GDOT, as a recipient of FTA Funds, has transitioned to a performance-driven, outcomebased approach to awarding funds to subrecipients in support of public transit. As part of this performance-based approach, GDOT is now required to link investment priorities from the Statewide Transportation Improvement Program (STIP) and Transportation Improvement Program (TIP) to achieve performance targets.

FTA established national performance measures in safety, infrastructure condition, congestion, system reliability, emissions, and freight movement. The performance management framework seeks to improve project decision-making through performance-based planning and Programming and foster a transparent and accountable decision-making process for MPOs, states, and public transportation providers. In response to these new requirements, GDOT, with staff assistance from Georgia Tech, developed a methodology to award funds based on system operations performance, demographic factors, and historical benchmarking. This methodology is complementary to how FTA apportions Section 5311 funds to states. The rural formula is based on land area, population, low-income factors, and vehicle revenue miles.

The operating assistance methodology is based upon a ranking system between one and five for each metric, where five corresponds to better operating performance. According to GDOT's approved Transit Asset Management (TAM) plan, capital requests are evaluated, incorporating the Useful Life Benchmark (ULB) for each specific type of equipment requested. GDOT ensures all inputs used to assess and score subrecipient applications are up-to-date and accurate. For example, population and poverty data are derived from the most recent 5-year American Commuting Survey (ASC) prepared by the U.S. Bureau of the Census. Data from the most recent National Transit Database (NTD) submittal is used for the operating performance and system/service metrics. Data that cannot be verified as accurate is not used. The underlying principles associated with the methodology for evaluating operating and capital funding requests are further explained below.

Operating Assistance Methodology

The principal factors used in the operating assistance methodology are Operating Performance Metrics (PF) and Service/System Characteristics (SF). Within the two key factors are specific metrics as listed:

- Operating performance metrics (PF)
 - o Cost per hour
 - Cost per trip
 - Cost per vehicle
 - Farebox revenue per trip
- Service / system characteristics (SF)
 - o Miles per trip
 - Trips per vehicle
 - % population in poverty
 - % population ages 65 or older

Each subrecipient receives a ranking between 1 and 5 for each of the metrics listed above. Five (5) represents the highest performance and service/system characteristics and one (1) represents the lowest level. The rankings are developed using the most recent performance and demographic data available for all subrecipients. It should be noted rankings are calculated separately for subrecipients that operate three or fewer vehicles and those that operate four or more vehicles.

Recommendations for Operating Awards: Minimum and Maximum Federal

GDOT has established *minimum and maximum* recommended federal operating contract award levels for each subrecipient using a formula based on the average of the rankings for the operating performance (PF) and system/service characteristics (SF).

The minimum recommended award is equal to:

(Maximum spent in prior five years) x 1.05 + PF + SF ranking

The *maximum* recommended federal operating contract award must satisfy the following criteria:

- 1. Cannot be greater than a previously established trending urban cap;
- 2. Cannot be greater than the amount requested in the submitted application; and
- Cannot be greater than 5% of amount awarded in the current executed contract for requested amounts greater than 200,000 and cannot be greater than \$10,000 for requested amounts less than \$200,000

Capital Assistance Methodology

- Replacement Vehicles
 - Subrecipient applications requesting a replacement vehicle(s) described as a *medium* size, light duty transit buses in the TAM Plan, must have a total of at least 150,000 revenue miles or the vehicle is at least five years old. The 150,000 miles can be projected as of December 31st of the fiscal year in which the application is submitted. The calculation should use the actual mileage to date to arrive at the projected mileage.
 - FTA assets must meet a minimum useful life policy. The following are acceptable methods for measuring the useful life:
 - Generally accepted accounting principles;
 - Independent evaluations;
 - Manufacturer's estimated useful life;
 - Internal Revenue Service guidelines;
 - Industry standards;
 - The recipient's independent auditor provides concurrence that the useful life assigned to the property is reasonable for depreciation purposes; and
 - Proven useful life developed at a federal test facility.

 The useful life of rolling stock begins on the date the vehicle is placed in revenue service and ends when it is removed from "revenue" service. Revenue service miles do not include periods of extended removal from revenue service or other non-revenue miles.

• Overhaul / Rebuilding Vehicles

Subrecipient applications requesting capital funds to overhaul or rebuild a vehicle must meet the following criteria as per FTA C 5010.1E, Section IV, page 27:

- o Overhauls are requested to make sure rolling stock reaches its useful life;
- o Overhauls do not extend the useful life of rolling stock; and
- Rolling Stock must have accumulated at least 40 percent of its useful life prior to the request for capital funding.

• Expansion of Vehicle Inventory

Subrecipient applications requesting to add new vehicles must document the need, such as increased demand, a proposed expansion of the transit system service area, etc. Assigned GDOT Transit Staff will conduct an evaluation of all expansion requests using the following criteria:

- A review of trips by vehicle for the most recent completed service year to confirm vehicles are exceeding the minimum service criteria:
 - 500 one-way trips per month per vehicle
 - 120 hours per month per vehicle; or
 - 1,000 miles per month per vehicle.

Other Capital

Capital, other than vehicles, is generally procured by the subrecipient under the Section 5311 Program. Price or rate quotations must be obtained from an adequate number of qualified sources with a minimum of two (2) valid quotations on company stationery or other

suitable document identifying the business name, person submitting the quotation. Email quotes are acceptable; however, phone quotations are not acceptable.

All quotations should include specifications, terms, and conditions and/or appropriate contract, where applicable. All procurements must Include applicable FTA clauses based upon the dollar threshold and type of procurement and should be reviewed and approved by the assigned GDOT Transit Project Manager first. Subrecipients are encouraged to read more on Procurement in Chapter 8. A detailed list of eligible capital items can be found in Chapter 4.

Section V: Factors Impacting Funding

Trending Urban Policy Objectives

The objectives of the "Trending Urban" policy, developed by GDOT and approved by FTA in 2015, are to assist GDOT in meeting the requirements of the Section 5311 Program as it relates to funding awarded to subrecipients to support public transit. As outlined in FTA Circular 9040.1G III-5 Eligibility a. paragraph 2:

The purpose of the Section 5311 program is to support public transportation for people living in any area outside of a UZA as designated by the Bureau of the Census. A UZA consists of a core area and the surrounding densely populated area with a total population of fifty thousand or more, with boundaries fixed by the Bureau of the Census. Areas not within a UZA as of the 2010 Census are eligible for Section 5311 funding even if they are included within the metropolitan area planning boundary, which includes the surrounding area expected to be urbanized within twenty years and/or the air quality nonattainment boundary.

Since the goal of Section 5311 is to enhance the overall mobility of people living in rural areas, Section 5311 projects may include transportation to or from rural areas. The service area may include destinations across a state line. Operators of interstate service are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations. States can use Section 5311 funds for public transportation projects, including job access and reverse commute projects, and intercity bus transportation projects in rural areas.

Trending Urban Policy

The policy detailed below, adopted by GDOT in 2015, is used to calculate Section 5311 funding in rural counties experiencing rapid growth, or "trending urban." Population data from the final 2010 census as well as annual census estimates have been reviewed by GDOT and other experts to assist counties in preparing for the transition from Section 5311 to Section 5307. The 2020 census, which is now underway, will be used by the federal government to determine the federal funding for the state of Georgia and the cities and counties within it. It is anticipated that a number of counties may transition following the release of the final 2020 Census data from the rural Section 5311 program. However, until this data is available, all counties who are "trending urban" will receive funding utilizing the policies and methodologies described below:

- 1. Transit systems in rapidly growing counties should monitor the annual census estimates and projections in advance of the decennial census as a mechanism to anticipate when changes to full eligibility under the rural 5311 Program might occur.
 - a. GDOT will provide technical assistance and guidance to rapidly growing counties in partnership with the applicable MPO, Regional Commission, etc. to understand where the population changes are occurring within the county and what strategies should be considered in order to maintain public transportation service.
- GDOT will review the final decennial census figures_to identify counties currently
 receiving funding under the rural 5311 Program and whose populations have exceeded
 the population eligibility requirements as well as those who are nearing the maximum.

These figures are typically released two years after the decennial census has been performed. The next anticipated census release is 2022.

- 3. For all systems operating in counties where the population is greater than the maximum of 50,000 allowed under the 5311 Program, GDOT will provide formal notification to the county outlining the potential change in eligibility under 5311 within three (3) months of release of the formal census. GDOT will also provide notification to those counties who are approaching the maximum population eligibility under the rural Program as a strategy to encourage planning in advance of reaching the maximum population under the 5311 Program.
 - a. The formal notification will include a request for a system analysis of ridership for last full year of operations. The analysis should isolate trip origination and destination for each one-way passenger trip based on the following criteria: rural to urban, rural to rural, urban to rural or urban/urban.
 - b. All urban to urban trips are ineligible under the 5311 Program.
 - c. The formal notification to those systems nearing the maximum population under the 5311 Program may also include a request for any existing Transit Development Plans, or similar studies (developed by Regional Commission or Metropolitan Planning Organization, etc.) which should include current population, population projections, transit projects and overview of existing transit systems, and county short-range (5 yr.) and long-range (10+ yrs.) transit planning elements.
 - d. Should census projections indicate the county's population is likely to exceed the eligibility of the 5311 Program near or before the next official decennial figures are available, the subrecipient should begin planning to maximize and sustain funding opportunities.
 - e. There is no provision from FTA to allow the county to slowly transition from rural to urban in terms of funding eligibility.
 - f. Systems may use the following links for Bureau of the Census lists of urbanized areas (UZA's) based on data collected in 2010 census: <u>http://www.census.gov/geo/www/ua/2010urbanruralclass.html</u>

http://www.census.gov/geo/reference/ua/urban-rural-2010.html

- g. Systems may use the following link for Bureau of Census reference maps of the 2010 urbanized area: <u>ftp://ftp2.census.gov/geo/maps/dc10map/UAUC_RefMap/ua/</u>
- 4. Reports from the subrecipient's dispatching system may be used to query ridership data according to census tracts based on trip address origination and address destination. Your MPO or county GIS Department may be able to assist by overlaying trip address origination and destination points detail onto GIS mapping by census tract. A GIS Program will map trip details, common patterns & areas of high-density trips. This information may assist in development of a fixed route system, should the county wish to develop.
- 5. Due to annual changes in trip data, the basis of funding under the 5311 Program for any current year will be determined using the prior year detailed ridership analysis as one factor for award. Based on information provided by the subrecipient, GDOT will analyze data submitted to assist with one methodology factor to determine the award amount.
- 6. Once a baseline budget has been established for an impacted county, all future annual funding amounts will remain the same until the release of the next decennial census data and a re-evaluation of the county's population eligibility can be completed by GDOT's Transit Program.
- Because the decennial census criteria may result in a change to census tract boundaries, the rural service area vs. urban service area should be reviewed and redrawn as necessary, in coordination with the MPO.
- GDOT will review the 5311 annual budget request and in determining the basis for award, a trip analysis will be reviewed. The following methodologies will be used to determine basis for award:
- 9. Award Methodology

Please reference the worksheet at the end of this section to better understand the calculations described below. The following scenario is a hypothetical example of data from *ABC Transit* submitted for consideration by *Sample County*.

- a. The percentage of rural Trips compared to urban trips based on a trip analysis to determine the % of rural trips eligible for 5311 funds. Formula = federal funding request (FY15 baseline) x % of rural trips (ex. \$ 442,228 request x 18% rural trips = \$ 79,600)
- b. The percent of rural population compared to urban population for boundary area x funding request. Formula = 27% rural population x \$442,228. funding request = \$120,284
- c. Fully-allocated cost (FAC) x the number of eligible rural trips
 - Formula = FAC (total expenses/total trips (\$482,048 total expenses /35,506 trips = \$ 13.58 FAC)
 - ii. $($13.58 (FAC) \times 6,391 \text{ eligible trips} = $86,790.)$
- d. FAC by service miles (336,294 rural eligible miles/total expenses)
 - Formula = \$482,048 total expenses/336,294 miles = \$1.43 per mile x
 60,432 rural miles = \$86,561
- e. FAC by service hour (21,097 service hours/total expenses) Formula = \$482,048. Expenses /21,097 hours = \$22.85 per hour x 3,797 rural miles = \$86,771.
- f. The percentage of low-income and/or elderly and disabled population in the service area exceeding the state average. For every % point above state average for both categories, the sub-recipient will receive an additional \$5,000 per percentage point (8% = State poverty level) Formula = 6% over state average x \$5,000 = \$30,000 additional award to be added to award amount.
- g. System revenues, i.e. farebox, DHS Purchase of Service revenues, Medicaid revenues, advertising revenues, etc. may offset system expenses in the event of a reduced award.
- h. GDOT will apply this policy equally and consistently, informing the subrecipient of the award amount and providing a breakdown of the calculations as per the adopted methodology to arrive at the award. GDOT will make changes to the

STIP, as needed based on data received from the MPO's and District offices and according to direction by the Department.

- 10. FTA designates 5307 eligibility (small urban) using a formula after the final decennial data is posted in the Federal Register and in the FTA Allocation Table 3.
 - a. These small urban systems are eligible for 5307 operating and capital funding from GDOT. Large UZA areas incorporated within an MPO will be eligible for 5307 funds. Eligible for operating funds will be dependent upon the existence of fixed route service and NTD urban reporting for the past two years.

SAMPLE

ABC Transit Census Methodology Worksheet

ABC Transit applied to GDOT requesting \$221,114 in federal operating funds. ABC Transit is in a county experiencing rapid growth and providing trips in both rural and urban areas. The total budget of \$442,228 includes the requested \$221,114 in federal Funds and \$221,114 match in local funds. The following statistical data was submitted in accordance with GDOT Census policy instructions and used to calculate the highest award available of \$150,284.00.

A - Rural eligible % of trips x funding requesttotal system tripsTotal eligible rural 18% = 6,391Budget Request =\$442,228 x 18% = \$442,228.AwardMethodologyTotal county27% ruralBudget request\$442,228 x \$442,228.Award	
Methodology Total county 27% rural Budget request \$442.228 x Award	= \$ 120,284
% of ruralpopulationpopulation= \$ 442,22827% =population x73% urban;\$ 120,284funding request27% rural	
C. Methodology -Total eligible rural trips xFAC = Total budget expended6,391eligible rural trips x \$ 13.58 = \$ 86,790Budget request - n/aAwardAward - n/aAward - n/a	= \$86,790
D. Methodology - FAC byFAC = total budget60,532 eligible miles X \$ 1.43=Awardservice miles for rural tripsexpended \$482,048/336 ,294 miles = \$1.43 per mile\$482,048/336 ,294 miles = \$1.43 per mileAward	= \$86,561
E. Methodology FAC = 3,797 rural hours Award \$482,048.00/ \$482,048.00/ x \$ 22.85 = \$ Award FAC x service hours \$22.85 per hour 86,771 Award	\$ 86,771
F. Methodology - % above poverty level x18.2% poverty avg.Award additio to to source to averag of A-E abovepoverty level x \$5,000 per percentage point24.30% county = 6 points above average. 6 x \$5,000 = \$30,000.00Award additio to averag of A-E above	n
Total AwardHighest award scenario + elderly and poverty factor B+F (\$120,284 + \$30,000)	\$ 150,284

CHAPTER 6: Financial Management

Subrecipients of Section 5311 funding must meet federal requirements related to how FTA funds and related revenues are controlled, accounted for, spent, reported on, audited, and ultimately closed out. The FTA requirements are primarily based on 2 CFR Part 200, often referred to as the "Super Circular" of the Office of Management and Budget (OMB). FTA Circular 5010.1E, Award Management Requirements, provides guidance on how the Super Circular applies to FTA grants such as Section 5311.

GDOT is responsible for conducting oversight activities to ensure subrecipients receiving FTA funds utilize the funds in a manner consistent with intended purpose and in compliance with regulatory and statutory requirements. GDOT conducts a number of oversight activities to accomplish this goal.

Section I: Financial Management Requirements

Before GDOT awards any FTA funds in support of public transit under the Section 5311 program, the authorized representative of the subrecipient must provide annual "Certifications and Assurances" as required by federal law. These certs and assurances are part of a complete application package submitted by subrecipients annually to GDOT for review. By signing these "certifications and assurances", the subrecipient agrees to comply with all rules and regulations in effect at the time funding is requested. An excerpt from Section 1 of the Assurances contains the following language which is agreed to by all subrecipients:

"As the duly authorized representative of the applicant, you certify that the applicant: has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application."

Subrecipients, therefore, by signing these Certifications and Assurances annually, are committing to having adequate financial resources, including local match, to ensure the timely

completion of the proposed project detailed in the application. A copy of FTA's Certifications and Assurances is included as Exhibit 1 in the Appendix.

Subrecipient Financial management procedures and internal controls must be in accordance with FTA Circular 5010.1E "Grant Management Requirements" and 2 CFR 200, commonly known as the "Super Circular." GDOT has developed a comprehensive checklist to assist subrecipients in determining if existing financial procedures and policies meet all federal requirements. Subrecipients are encouraged to utilize the checklist to evaluate the compliance of current financial procedures and policies. The checklist is included as Exhibit 2 in the Appendix.

A summary of the major components of a compliant financial management system are listed below:

- Establish the "Transit Program" as a separate Cost Center within their financial system;
- Ability to accurately identify and apply all expenses and revenues to the Transit Cost Center. These include federal awards, authorizations, obligations, unobligated balances, assets, liabilities, source of local match, expenditures, program income from incidental use, purchase of service contract revenues from DHS, DCH NEMT/Medicaid or other approved human service entity contract or subcontract, derived/earned from federally funded assets;
- List Federal awards received and expended for each cost center including:
 - o The Federal program(s) under which awards were received,
 - o The Catalog of Federal Domestic Assistance (CFDA) title and number,
 - o Federal award identification number and year, and
 - Subrecipient/grantee name, and the name of the agency for which federal funds are being passed through to, (third-party operator), if applicable:
 - (For example: FTA Section 5311 (CFDA 2509) GDOT Project # TOOXXXX; 20XX Anywhere Regional Commission (pass through entity) to "ABC Company" Third-party operator);
- Transparency in reflecting accurate, current, and complete disclosure of the financial

results of each Federal award or program which is supported by source documentation;

- Demonstrate effective control and accountability for all funds, property, and other assets to adequately safeguard federal assets and ensure they are used solely for authorized purposes;
- Match all revenues derived from the federal program with related expenses for the same time period;
- Submit expenses based on the approved GDOT contracted budget and scope for each Federal project award;
- Have procedures governing the receipt and payment of funds approved by GDOT in advance of submitting a reimbursement. Drawing funds directly from the Treasury (§ 2 CFR 200.305) by GDOT is limited to the minimum amounts needed to carry out the purpose of the approved program or project. Advance payments paid to a subrecipient by GDOT must be limited to the minimum amounts needed and timed to cover the actual, immediate cash requirements in carrying out the project or program. Advance payments must be deposited and maintained in an insured account by the subrecipient whenever possible;
- Subrecipients must strive to make timely submission of expenses to GDOT (within 30 days of end of prior month);
- Subrecipients must make prompt payment to third-party operators/contractors within 30 days of receipt of payment by GDOT, in accordance with the federal regulations. (Exceptions may be made if the federal agency, or pass-through entity reasonably believes the request for reimbursement to be improper, or for extenuating circumstances such as a government shutdown);
- Ensure consistent treatment of costs charged to the transit program (for example: if a cost is assigned as a direct cost, it cannot also be treated as an indirect cost);
- Ensure personnel have the necessary technical capacity, are properly qualified for their assigned responsibilities, and are held fully accountable for the same;
- Subrecipients must review staff functions to reduce the opportunity for unauthorized or fraudulent acts and establish sufficient segregation of duties;
- Subrecipients must be able to trace and track direct expenditures associated with

the federal program back to source documentation that is supported by cancelled checks, general ledger entries, paid invoices, payrolls, time and attendance records, contract documents, etc.;

- Subrecipients with a current and approved indirect cost plan from their cognizant agency who also directly operate the transit system (in-house and not through use of a third-party operator), should submit the approved ICRP to GDOT. Should the ICRP be expired or the basis for the ICRP changed, an updated ICRP must be approved by the agencies' cognizant agency;
- Subrecipients receiving less than \$ 35 million in federal grants who have never established an ICRP, may choose to use the simplified 10% "de-minimis" cost allocation method for indirect costs. The de minimis cost allocation method does not require any documentation or approvals;
- Subrecipients without an approved ICRP from a cognizant agency may choose to develop a cost allocation plan, identifying agency-wide indirect costs. The document identifies, accumulates and allocates the agency-wide indirect costs to each cost center, such as a Transit Cost Center. The cost allocation plan must be submitted to GDOT for review and approval prior to adding these costs to a reimbursement request;
- Subrecipients may also elect not to seek reimbursement of any indirect costs associated with the transit program;
- Provide timely reports of all financially assisted activities in accordance with the financial reporting requirements and the subrecipient agreement with GDOT. For example, submission of the single audit report when meeting the reporting threshold of \$ 750,000 annually in federal funding;
- Monitor and compare actual expenditures to project budget to ensure no cost overruns;
- Provide oversight of Third-party operators (TPO) to ensure financial information and requests for reimbursement conforms to the established third-party contracted rate performance and productivity data, other terms of third-party contract, and is supported with source documentation of data and expenses;
- When enlisting a third-party operator, the subrecipient must review the third-party

operator's basis for the development of the proposed unit cost. A TPO will include the indirect costs in their contracted rate. If a cost reimbursement basis is used by the TPO, the basis for an ICRP must be determined with verified or audited documentation of the TPO delivering the transit service;

- When a subrecipient contracts with a TPO for delivery of transit services, the subrecipient can only charge indirect costs against the federal grant applicable to their administrative costs, since the operations is not being conducted in-house by the subrecipient. The subrecipient must then have formal approval of any indirect costs, or administrative fees to be charged to the federal grant;
- Ensure expenses charged to the federal project include only eligible costs as outlined in the Office of Management and Budget (OMB) cost principles and applicable FTA program regulations;
- Ensure expenses are consistent with the approved project budget, and are necessary and reasonable for proper and efficient performance or administration of the transit program;
- Subrecipient expenses charged against an FTA grant must have been incurred within the GDOT contract award periods;
- Expenses must be given consistent treatment by the local government in terms of classification (e.g., an indirect cost under one Federal grant is considered an indirect cost under all Federal grants received by the governmental unit);
- Follow generally-accepted accounting principles (GAAP);
- Ensure eligibility of local match source as defined by FTA requirements;
- Ensure availability of local match funding;
- Ensure payment requests are the net of all applicable credits (i.e. warranty claims, rebates, overpayments, etc.); and
- Ensure no expenses are duplicated and charged to more than one grant source (no double dipping).

Third Party Operator Contracts

Subrecipients contracting with third-party operators will negotiate unit rates, inclusive of all associated costs; TPOs will request reimbursement for services using these unit rates, any profit percentage or indirect cost rate of a "for-profit" TPO must be included in the negotiated unit rate and must be stated in the corresponding contract between the TPO and the "pass-through" entity.

Subrecipients are encouraged to use GDOT approved templates included in the Appendix:

- Third Party Operator Request for Proposal (RFP)- Exhibit 3A,
- Third Party Operator Rate Budget Worksheet RFP Excel Document Exhibit 3B, and
- Third Party Operator Contract Template <u>Exhibit 3C</u>.

This process should be initiated well in advance of any existing TPO contract expirations. GDOT recommends six months prior to expiration of current fiscal year. For more information on how to distribute costs when contracting for operations, please see AASHTO Audit Guide which provided direction on audits and allocation procedures for FTA grants. See:

https://store.transportation.org/Page/PDFDownloadUserGuide or

https://www.bpmcpa.com/News-Events/100004/AASHTO-Uniform-Audit-Accounting-Guide-2016-Edition

NOTE: There may be instances, such as the COVID-19 pandemic and resulting CARES Act funds, that require Subrecipients utilizing TPOs to amend contracts to allow for reimbursement of FTA-approved fixed expenses. In these situations, GDOT will provide instructions and/or tools to assist, including updated information on Allowable Costs. A fixed expense amendment is intended to allow for reimbursement of specifically identified fixed costs that are separate from the costs to operate service. TPOs continue to bill subrecipients for all provided service using the established unit rates.

Basis of Accounting - Accrual Accounting Guidelines

Consistent with FTA Circular 9040.1G and 9030.1F, GDOT requires all 5311 systems to use the accrual basis of accounting for their "Transit Cost Center" when filing monthly reimbursement forms. Subrecipients may choose cash, modified cash, or an accrual accounting system. However, the accrual accounting system is the preferred and most accurate of the three financial reporting methods as it recognizes transit cost center transactions for revenue when earned and expenses when incurred.

Reimbursement of Expenses to Subrecipients

All costs submitted must be in accordance with 2 CFR § 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Super Circular. Subrecipients must submit their requests for reimbursements with clear, convincing, and reliable documentation. GDOT requires all subrecipients to align program activities/expenses to the FTA Chart of Accounts and include the general ledger entries for the time period reimbursement is requested. The subrecipient's general ledger should clearly pertain to the expenses entered on the monthly reimbursement form.

Subrecipient 3-5-year Financial Plan

Subrecipients are encouraged to develop a 3-5-year financial plan for their transit system in order to:

- Consider all federal and local funds including bond revenues or TSPLOST funds used for transit projects in order to maintain an adequate level of funding to meet the transit system needs.
- 2. To plan for any "sunset provisions" for legislation dates that would eliminate a current state or local funding source.

Section II: Subrecipient Eligible Expenses and Match Requirements

Subrecipient Reimbursement Percentages

Federal funding may be used to pay for a predetermined percentage of the expense, depending on the expense type. The remainder of the expense must be paid by the subrecipient as "local share or match" to the project. The following table reflects the GDOT predetermined reimbursement rates for each expense type.

Expense Type	Federal	State	Local
Administrative	50%	0%	50%
Operating	50%	0%	50%
Capital	80%	10% **	10%

** GDOT's ability to provide a 10% match for capital items is contingent upon the amount of state funds appropriated annually.

Invoices for expense types listed above must be submitted using GDOT's standard invoice form template as determined annually. While submittal of a request for reimbursement of capital expenses may not occur monthly, subrecipients are required to submit a monthly invoice for reimbursement of operational expenses incurred in providing public transit service. Monthly reimbursements to subrecipients allows GDOT to drawdown grant funds monthly. GDOT is required to utilize awarded federal grant funds in accordance with the FTA's terms and conditions at the time of grant award. Failure to utilize federal funds in a timely manner may result in the de-obligation of funds.

Types of Eligible Expenses

Monthly operating expenses are classified as administrative and operations. Subrecipients may submit a request for reimbursement of capital expenses throughout the year. Below is a breakdown of eligible expenses by category:

1. Operating Expenses

Subrecipient administrative expenses are treated as part of the operating budget and eligible for reimbursement at 50%. Understanding the treatment of operating expenses, farebox revenue, purchase of service revenue and excess purchase of revenue is critical to successful operation of a public transit system. GDOT's budget template and reimbursement form break down eligible operating costs into two categories: administrative and operating. These expenses must be justified and well documented. Each category of operating expenses is more clearly defined below:

Administrative:

- Labor Transit Manager/Director, Supervisor, Bookkeeper, Administrative Assistant;
- Fringes FICA, Medicare, insurance, retirement, workers compensation, etc.;
- Supplies Office Supplies, etc.;
- Services Janitorial, legal, accountant, printing, computer support, payroll, advertising, office equipment lease or rental, facility rental or leases, drug & alcohol compliance;
- Utilities Electricity, gas, water, sewer, telephone, pest control, phones;
- Insurance Liability, property, etc.;
- Taxes Property taxes, vehicle taxes, etc.;
- Miscellaneous Travel and training; dues/subscriptions postage, etc.;
- Indirect Costs Requires submittal of certification for applicable ICRP.

Operating:

- Labor Drivers, dispatchers, mechanics;
- Fringes FICA, Medicare, insurance, retirement, Workers compensation, etc.;
- Contracts Third-party-operator (TPO);
- Supplies Vehicle parts & supplies, safety supplies, fire extinguishers, etc.;
- Services Temporary help, vehicle maintenance repair, equipment rental, etc.;
- Fuel Gas, Oil;
- Tires Tires, Tubes, etc.;
- Taxes Property taxes, fuel tax, etc.; and
- Miscellaneous Driver training.

2. Capital Expenses

The Federal share for capital projects may not exceed eighty percent (80%) of the net project cost. The net project cost is defined as that portion of the project that cannot be reasonably financed from the subrecipient's revenues. In addition to the Federal share, GDOT may provide up to ten percent (10%) of the capital cost from State funds. State match is dependent on state funds appropriated to the Transit Program each year. Required local funding for the capital acquisition must be at a minimum ten percent (10%) of the costs. Local participation could be greater depending upon the availability of State and Federal funds.

Below is a listing of eligible capital costs:

- Vehicles Buses, vans or other paratransit vehicles for revenue service;
- Vehicles Used for administrative use in support of operations;
- Vehicle rehabilitation or overhaul:
 - Requires re-approval by GDOT Transit Project Manager;
- Shop equipment (tools, air compressors, etc.);
- Spare Parts;
- Wheelchair lifts and restraints;
- Extended warranties which do not exceed industry standards;
- Radios and communications equipment;
- Surveillance / Security equipment;
- Transit related intelligent transportation systems;
- Operational support such as computer hardware or software;
- Fare collection equipment, including stationary and mobile equipment;
- Software Licenses;
- Capital portions of costs for service under a contract;
- Rehabilitation and/or construction of passenger shelters, bus stop signs, or other types of public transit facilities;
- Construction of or improvements to park-and-ride lots where such facilities are utilized for public transportation or ridesharing modes that provide some form of eligible public transportation;

- Joint development projects as outlined in FTA Circular 9300.1B;
- Facilities to provide access for bicycles to transit facilities;
- Equipment for transporting bicycles to transit facilities;
- Mobility Management activities may include:
 - Job Access Reverse Commute projects funded under the former Section 5316 program. A JARC project is defined as "a transportation project to finance planning, capital and operating costs that support the development and maintenance of transportation services designed to transfer 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; and

3. Planning

The Federal share for eligible transit planning projects may not exceed eighty percent (80%) of the project cost. Subrecipients should discuss any proposed planning activities with the assigned GDOT Project Manager in advance.

4. Local Expense Share

Annually, within the application, the subrecipient must indicate the source of their local match commitment to ensure it meets eligibility as FTA local match. The subrecipient must certify that the local match committed to the grant is not derived from FTA funds. GDOT will include this certification in the Section 5311 program applications.

The operating local match source must be certified by the subrecipient each month when submitting their reimbursement form. The source of local match may not be used to match more than one grant or project when there is excess local match. Excess local match must be reported monthly on the GDOT reimbursement form. GDOT does not allow in-kind match.

Only eligible expenses outlined in the Super Circular, Office of Management and Budget (OMB) Uniform Guidance Subpart E – Cost principles, may be used in determining project costs. Sources for local matching funds include, but may not be limited to:

- Revenue from local appropriations,
- Dedicated tax revenues,
- Private donations,
- Net income from advertising,
- Concessions, and
- Amounts received under a service agreement with a state or local social service agency or undistributed cash surplus such as excess POS revenue.

Common Sources of Eligible Local Match

- Dedicated match which is specified in the county or non-federal entity (NFE) budget;
- Non-FTA share of program income, such as Purchase of Service contracts through the Department of Human Services (DHS):
 - NOTE: DHS ineligible local match sources are: FTA 5310, 5316 JARC and 5317 New Freedom funds;
- Medicaid contract revenues;
- Advertising revenues earned in current year may be used as local match;
- Dedicated tax source, such as "Transit Special Local Sales Tax" (TSPLOST);
- Monetary donations to the transit system; and
- Incidental Income is defined as revenues derived from "incidental use" of an FTA facility or FTA rolling stock asset such as rents, meals on wheels program, or other sources that have been approved by GDOT:
 - The subrecipient must complete an FTA incidental use form and submit for review and approval by FTA and GDOT, and
 - The FTA Incidental Use form should be requested from your GDOT 5311 Program Manager. See the Appendix, <u>Exhibit 10</u>, Incidental Use Request Form.

Unallowable Costs

The following types of expenses in the bulleted list below are not eligible for reimbursement

under the § 49 U.S.C. Section 5311 or 5339 programs.

- Entertainment;
- Fines and penalties;
- Charitable donations;
- Interest expense on long-term borrowing and debt retirement;
- Federal, State and local income taxes;
- Indirect costs associated with transit-related functions or activities of regional or local subrecipients performed as a normal consequence of general public administration (e.g. expenses of a City Council or County Commission in considering transit matters);
- Depreciation accrued by transit operators for facilities or equipment purchased with Federal, State, or local capital assistance;
- Depreciation of an intangible asset and/or depreciation in excess of the rate otherwise used for income purposes;
- Expense for contingencies or capital assistance including contributions to a capital reserve account or fund;
- Gift cards, unless directly connected to an established safety plan. Gift cards are considered cash. Gift cards issued for any reason must be considered taxable income;
- Food items such as turkeys or hams;
- Bereavement or get-well flowers;
- Food purchases for staff, birthday cakes, coffee, creamer, etc. (outside of eligible expenses incurred during travel); and
- Other similar items.

Profit

Profit as a separate line item is not an allowable expense. Subrecipients with TPO's must negotiate a unit rate, such as per hour, per one-way trip, per mile, etc. where the cost rate includes profit. The rate established must be based on TPO's verified cost of operations data.

Indirect Cost Rate Percentage or Cost Allocation Plan Process

GDOT must review and approve, when applicable, all Cost Allocation Plans for indirect costs as determined by the subrecipient or authorizing agency. (See Section IV of this chapter for more information on the reimbursement of indirect costs.)

Budget Revisions

All budget revisions must receive prior, written approval from GDOT. A budget revision allows adjustments to certain budget line items as a result of unforeseen expenses or operational changes. All budget revisions must balance back to the approved budget reflected in the GDOT Contract. A budget revision does not provide any additional federal or state funds.

All line item budget revisions must be formally requested by the subrecipient in writing and signed by an authorized representative detailing the proposed budget re-alignment. The proposed budget revision is submitted to the assigned Transit Project Manager (TPM) using the approved GDOT budget revision form contained within the Subrecipient Reimbursement Workbook. Once the budget revision is reviewed by TPM, it is submitted for review to the Assistant Program Delivery Manager with final review and approval by the Program Delivery Manager.

A budget revision does not increase or decrease the original award amount and can be adjusted internally without affecting the executed contract agreement. Budget revisions must be consistent with the activities contained in an approved Statewide Transportation Improvement Program (STIP) and satisfy applicable National Environmental Policy Act (NEPA) requirements and do not rise to the level of a cardinal change.

Budget Supplementals

The subrecipient should carefully prepare the proposed annual budget in accordance with federal financial requirements and in line with historical expenses. Subrecipients should not

inflate the annual request beyond operational needs. Any request for increased funds in an amount greater than the prior year award must be justifiable based on demonstrated need.

Budget supplementals are a request for additional federal dollars due to a justifiable shortfall of the federal award amount. Budget supplementals must be formally requested and sent to your Transit Project Manager. Requests for amendments must be justified and submitted no later than March 1, annually. Each request will be reviewed based on a demonstrated need for increased funding above that approved in the annual budget and contained within the "Program of Projects." Requests for budget supplementals may or may not be approved based on the availability of federal funds and the subrecipient's justification of need. Depending upon the amount requested, these requests may be reviewed by multiple transit staff, including the Transit Project Manager, Assistant Program Delivery Manager, Program Delivery Manager, Grants & Contracts Manager and the GDOT State Transit Program Manager.

Insurance Proceeds

Insurance proceeds received from claims related to FTA property must be applied to replace the damaged or destroyed property if useful life remained. If the property was not within the useful life period or the subrecipient does not need to replace the federal property, the insurance proceeds must be returned to GDOT (less the subrecipient deductible) in an amount equal to the remaining federal interest, if any. Subrecipients must show this as a credit amount in the corresponding USOA code on the Monthly Reimbursement Form.

When the useful life has been met, GDOT will retain the proceeds for reinvestment into the GDOT Transit program and reimburse the subrecipient's original 10% local share. Any deductible paid by the subrecipient will be returned to the subrecipient, if useful life has been met. This will eliminate the need for the subrecipient to expense the deductible on the reimbursement form. This will be accomplished through the internal process established in the Fleet/Asset Management procedures.

When assets are within useful life and are being replaced, GDOT will use the insurance proceeds

received (as lien holder) for replacement cost including the subrecipient's original 10% local share and apply to the replacement cost. While rare, any proceeds in excess of replacement cost must be retained in a dedicated Transit Enterprise Fund and reinvested into a transit project or returned to GDOT.

Section III: Subrecipient Reimbursement Process & Contract Closeout

The procedures outlined in this section provide the subrecipient with an understanding of the invoicing requirements and the account structure that must be followed in order to successfully submit reimbursements to GDOT for payment of approved FTA funded projects. The chapter also outlines the process for contract close-out following the submission of final invoices.

GDOT and Subrecipient Staff Technical Capacity

GDOT will ensure that staff and subrecipients are adequately trained in the completion, review and processing of monthly 5311 operational invoices in order to meet technical capacity requirements of the FTA. Each subrecipient must ensure they have proper staff in place with the technical capacity to achieve this.

Invoicing Requirements

All invoices must have a unique invoice number, name and address of the subrecipient, and GDOT Project number. The invoice must clearly state the time period for which the reimbursement is being requested. All requests for reimbursement should be submitted in a timely manner to GDOT or within thirty (30) days following the end of the prior month period. Invoices submitted must be verified with supporting documentation substantiating the payment request along with the general ledger used within the subrecipient's financial system.

The Subrecipient Reimbursement Workbook

The GDOT Invoice is a formatted excel document comprised of numerous worksheet tabs including:

- GDOT reviewer Instructions,
- Subrecipient Instructions,
- Revenue Definitions,
- Expense Definitions,
- Cost Allowability,
- Accounting Crosswalk,
- Subrecipient Reimbursement Request (SRR),
- Detail of Monthly Expense and Revenue (by month and year),
- Invoice Summary,
- Annual Operating Budget, and
- Budget Revision Request.

An example of the subrecipient reimbursement workbook is included in the Appendix as **Exhibit <u>4A</u>**. Subrecipients are encouraged to review each tab of the workbook to understand the overall process and refer to the applicable worksheets in preparing the monthly reimbursement.

The Uniform System of Accounts (USOA)

The Uniform System of Accounts (USOA) is the accounting structure required by the Federal Transit Administration to accumulate public transportation financial and operating information. The uniform reporting system provides information to assist government in making public sector investment decision. The Subrecipient Reimbursement Workbook uses accounting codes from the USOA to record revenue and expenses.

Subrecipient are encouraged to review the tabs labeled "Revenue Definitions, Expense Definitions, Cost Allowability and Accounting Crosswalk" to better understand the relationship between the USOA codes and the subrecipient's financial system chart of accounts. The list of applicable USOA codes is contained in the Subrecipient Reimbursement Workbook under a tab named "Accounting Crosswalk." A detailed explanation of each type of expense is contained in the Appendix and labeled as <u>Exhibit 4B</u>, USOA Expense Codes.

Steps in the Subrecipients Reimbursement Process

- 1. The subrecipient must establish a "Transit Cost Center" to isolate costs incurred by the FTA federally funded transit program.
- 2. At the beginning of each state fiscal year, the Transit Project Manager (TPM) will enter the approved subrecipient budget amounts into the "Annual Operating Budget" for the associated USOA Line Items to populate the subrecipient base budget for the fiscal year.
- 3. The Transit Project Manager will email the populated reimbursement workbook to the subrecipient. The budget and formula cells are password protected and must not be changed. GDOT's Excel document should not be duplicated by the subrecipient.
- 4. At the end of each month, the subrecipient's assigned personnel will complete the GDOT reimbursement form using the subrecipient general ledger (county, city, regional commission, or private non-profit entity) using data from the "5311 Transit" cost center.
- The general ledger should be cross-referenced to the USOA line item numbers by category to ensure staff of both the subrecipient and GDOT are able to line up the transit costs for ease of review.
- 6. The subrecipient will enter all expenses on the appropriate USOA Line item directly from the general ledger.
- 7. The subrecipient will enter all revenues into the appropriate months tab in the Subrecipient Reimbursement Workbook. All program income derived from the FTA funded GDOT contract must be reported in entirety. The USOA Revenue categories generally used are listed below:

USOA Code	Description
4110	Farebox
4200	Contract Revenue (Purchase of Service) Non -Federal
	Source

4200.1	Non-eligible Contract Revenue (for example: POS derived from a Federal Source, i.e. 5310, 5316, 5317)
4140	Incidental Charter Service (all requests for Charter must have pre-approval by GDOT)
4130	Advertising Revenue
4150	Contract Maintenance Revenue (i.e.; outsourcing of a maintenance facility) revenues must be placed in Transit Enterprise Fund and used in future year awards toward transit re-investment
4150	Investment Income
4300	Local Tax as Levied
4300	Other Federal Cash Grant
4150	Other Revenue
4610	Contributed Services

- 8. A listing of all eligible transit expense Only "Transit" related costs should be entered on the GDOT reimbursement form (both eligible and ineligible based on federal financial management guidelines). The subrecipient must include transit expenses that are not eligible for reimbursement under federal grant procedures. These amounts must also be supported by the subrecipient's general ledger. Ineligible transit amounts that represent other cost centers of the entity (other than "Transit") must not be entered in the "ineligible" column for transit in order to "balance" the subrecipient general ledger. The general ledger must be isolated to show only costs for the Transit Cost Center (eligible and ineligible costs attributed to the Transit Program). Subrecipients are encouraged to highlight expenditures and notate the corresponding USOA if the accounting system utilized does not break the costs out to show this level of detail.
- Subrecipients with an approved Indirect Cost Rate Plan (approved by the cognizant agency or by GDOT) should enter the administrative indirect costs charged monthly under the 5090 Administration – Miscellaneous Expense on line 335 of the Monthly Reimbursement Form. For more information on how to report Indirect Costs, please see Chapter Four.
- 10.Local match must only include eligible sources of FTA match as per FTA Circular's 9040.1G in support of the Section 5311 Program and 5010.1E "Award Management Requirements." The subrecipient must certify and ensure local match used is from an eligible FTA match source.
- 11. When a subrecipient or third-party operator have a contract with DHS or Medicaid for purchase of service "program income," all revenues earned by the subrecipient or TPO

organization must be recorded in the county from which the revenues were derived. Eligible revenues may be used for local match to meet the subrecipient match requirement, but the following guidance must be applied to ensure transparency and compliance with GDOT's Financial Policy.

- a) Subrecipients serving a regional area must report all revenues earned by the transit system without arbitrarily dispersing revenues earned among multiple counties. All subrecipients receiving FTA 5311 funds which are then passed through to a TPO as per a contractual agreement, must ensure the TPO allocates the revenues to the county where earned. All revenues earned or derived from the use of assets funded with federal funds must be reported. The revenues for that month placed in a reserve account. However, revenues placed in a reserve account must be noted on the reimbursement form in the 'Invoice Summary' worksheet section under the 'Reconciliation Section' up to the maximum allowable and approved by GDOT. In the event the revenues must be deducted from the net operating deficit for that month. The subrecipient is only allowed to maintain the reserve account for to the maximum amount allowed by GDOT.
- b) All subrecipients employing a TPO to provide operational services must review the costs of the TPO each month and request supporting documentation. The TPO must report, to the subrecipient, all revenues earned (farebox and Purchase of Service) and be able to accurately and transparently account for all revenues earned using federal assets since the TPO receives federal funds through the subrecipient (pass-through entity i.e. a county, regional commission, or private non-profit). This also applies when the Private for-profit directly holds the DHS or Medicaid Contract and pays staff or operational costs with federal FTA dollars.
- c) A Regional Commission may pass through funds from a DHS purchase- of- service contract to a for-profit entity for operations where the for-profit entity is also under contract with a 5311 subrecipient as a third-party operator. Should the third-party operator, operating as a for-profit entity, utilize an FTA 5311 asset to deliver transit services, the TPO must fully divulge all revenues produced using the

federal asset(s) and report this to the 5311 subrecipient entity monthly for purposes of reimbursement requests. Full transparency of all program income derived using federal assets is required, in lieu of reporting only the amount needed for match. Excess program income must be fully reported to the subrecipient and to GDOT.

- 12. Once all entries have been verified and entered from the subrecipient's general ledger, the subrecipient should carefully review the general ledger to insure all transit costs have been correctly entered in the appropriate USOA Line and email the reimbursement request to the Transit Project Manager.
- 13. The Transit Project Manager will review the reimbursement request for accuracy and completeness followed by completion of the "Internal Monthly Invoice Review Report." The Monthly Invoice Review Report is the first tab in the Subrecipient Reimbursement Workbook. It should be completed, printed, signed and dated. The reimbursement request and the completed invoice review form are submitted for review and approval. A copy of the Internal Monthly Invoice Review Report Form is included in the Appendix and labeled as Exhibit 5A.
- 14. If discrepancies are noted, the Transit Project Manager should complete the "Internal Monthly Invoice Discrepancy Report" and send back to the subrecipient by email for correction within 5 business days of receipt. A copy of the discrepancy report form is included in the Appendix and labeled as <u>Exhibit 5B</u>.
- 15. The Transit Project Manager will follow up with the subrecipient to ensure payments are not delayed and that the corrected invoice is returned with corrections made within 5 business days for final review and processing by GDOT.
- 16. The Reimbursement form, general ledger and invoice checklist are sent to the Transit Project Manager for review and processing for reimbursement of expenses.
- 17. The submitted Reimbursement form will be reviewed in entirety by the Transit Project Manager immediately upon receipt or within two working days of receipt of reimbursement request.

The Importance of Monthly Reimbursement Submittals by Subrecipients

FTA monitors GDOT's drawdown of federal funds not less than quarterly and may request an] explanation when the percentage rate of drawdown for a grant is below an acceptable burn rate. GDOT's ability to drawdown FTA grant funds monthly is contingent upon the receipt and payment of monthly subrecipient reimbursement requests. Transit Project Managers are directed to monitor subrecipients to ensure monthly reimbursement requests are submitted for the cost of transit operations.

Subrecipients who have not submitted a reimbursement within the last 60 days of the monthend billing cycle will be contacted by the TPM. The TPM will provide an update to the assigned Assistant Program Delivery Manager and/or Program Delivery Manager. The subrecipient will also receive a letter outlining GDOT's concerns and a request to submit all past due reimbursement requests. An example of this written notification is included in the Appendix labeled as <u>Exhibit 5C</u>, Request for Outstanding Reimbursement Invoice.

GDOT Internal Tracking – Monthly Subrecipient Reimbursements

- Not less than weekly, the Program Delivery Manager (PDM) will review the Transit Program's internal tracking sheet to monitor the status of outstanding subrecipient invoices.
- 2. Not less than monthly, the internal tracking sheet will be updated for all subrecipients until the subrecipient's contract is ready for close-out.
- The TPM is responsible for monitoring all assigned subrecipient's internal standard operating procedures and all deliverables outlined in the executed contract with GDOT until the contract is closed.
- The TPM should monitor the status of assigned subrecipient reimbursements to determine project balances in Peoplesoft. The Grants Administrator in the Office of General Accounting can set up Peoplesoft permissions and authorize the user access for Peoplesoft.

GDOT Internal Oversight of Subrecipient Reimbursements

- 1. The TPM and/or final reviewers will randomly select subrecipient reimbursements throughout the year for review.
 - a) Supporting documentation for selected general ledger entries will be requested to verify expenses charged.
 - b) The supporting documentation will be reviewed for accuracy in posting and cost allowability, in relationship to the general ledger.
 - c) Subrecipients failure to provide sufficient documentation or identified errors may trigger additional oversight.
- g
- 2. Each month GDOT will randomly select one or more subrecipient invoices from each district for a quality assurance review, as determined by the TPM or Program Delivery Manager.
 - a) Supporting documentation will be requested for one or more USOA accounting categories for each selected invoice
 - b) The supporting documentation will be reviewed for accuracy in posting and cost allowability, in relationship to the general ledger.
 - c) Subrecipients failure to provide sufficient documentation or identified errors may trigger additional oversight.

Year-end Contract Closeout Procedures

- Subrecipients must submit the final invoice within 90 days of contract expiration and invoice will be marked as "FINAL" on the invoice Subrecipient Reimbursement Request (SRR).
- GDOT is unable to close the contract until final reimbursement requests for A1 (Operating Costs), A2 (Rolling Stock) and A3 (Small Equipment) have been submitted folder and processed.
- 3. The operating portion (A1) of the project may be exhausted; however, the project must remain open until the small equipment (if any) and rolling stock (vehicle) purchases have been delivered, invoiced, and processed for payment.

- 4. The internal tracking sheet used by GDOT staff will be updated monthly to reflect project close-outs. This tracking sheet will be reviewed weekly by the Program Delivery Manager to monitor the status of open contracts and outstanding invoices of subrecipients.
- 5. The Transit Project Manager is responsible for ensuring all assigned subrecipient's deliverables pertaining to the GDOT contract are completed and the project closed within 90 days of contract expiration.
- 6. Any final requests for payment beyond the 90 days may, at the discretion of GDOT, be denied.

Triggers resulting in an Enhanced Review of Monthly Operating Reimbursements

The following may trigger an in-depth review of the subrecipient's written invoicing policies, procedures and/or documentation:

- 1. Errors on the submitted monthly invoice will result in a request for supporting documentation of all transactions for that month.
- Subrecipients with repeat verified discrepancies may be subject to a 100% review of invoices. In addition, GDOT may randomly select any set of reimbursements at any time for audit review.
- 3. Subrecipients may be subject to additional oversight as a result of the following factors:
 - a) Volume of receipts received by TPM,
 - b) Errors in invoices,
 - c) Increased risk factors following completion of the annual Risk Assessment,
 - d) Loss of or turnover in key personnel,
 - e) Demonstration of a lack of technical capacity,
 - f) Third-Party Operator complexity or multiple contractor layers, and/or
 - g) For-Profit providers (Third-party Operators) missing documentation.

Random Reviews Performed as Oversight

GDOT reserves the right to conduct an in-depth review of random subrecipient reimbursements to ensure accuracy, completeness and compliance with program regulations as outlined below:

- GDOT Transit Project Manager or any final reviewers may randomly audit subrecipient reimbursements throughout the year and request supporting documentation for general ledger entries to verify expenses charged are allowable and consistent with the source documentation, such as an invoice, contract billing, etc.
- Random Selection Quality Assurance: Each month, GDOT will randomly select one or more subrecipient invoices from each district for quality assurance review, as determined by the Transit Project Manager, or Program Delivery Manager. Supporting documentation will be requested for one or more USOA accounting categories for each selected invoice and supporting documentation will be reviewed for accuracy in posting and cost allowability, in relationship to the general ledger.

GDOT Checking Peoplesoft for Reimbursement Status

The Transit Project Manager may be asked to check the status of any outstanding subrecipient reimbursements or to determine project balances. The Grants Administrator in the Office of General Accounting will set up Peoplesoft permissions and authorize the user access for Peoplesoft.

Reimbursement of Capital Expenses

Subrecipients are encouraged to verify the description and quantity of small capital items listed on the exhibit as part of the executed contract document prior to the obligation of federal funds through a purchase order or purchase. Following the purchase of approved small capital items, subrecipients should complete the Subrecipient Reimbursement Request (SRR) and attach the paid invoice along with any other supporting documentation to the assigned TPM. All small capital items must be purchased prior to the expiration date on the executed contract with GDOT. A copy of the SRR is included in the Appendix and labeled as <u>Exhibit 6</u>, Small Capital SRR.

Overpayment or Underpayment of Small Equipment

In the event an underpayment is noted for the subrecipient share of local match for equipment, an invoice will be sent electronically to the subrecipient requesting a check or electronic payment in the amount of the underpayment be submitted.

- 1. In the event an overpayment is made by a 5311 subrecipient for small equipment (10% local share), reimbursement of the overpayment must be requested by the subrecipient by submitting a Subrecipient Reimbursement Request (SRR) form with the amount of overpayment showing as a negative amount. This request should include the paid invoice for the small equipment and any other supporting documentation that may be requested by the Department.
- 2. Copies of the transaction will be made and filed electronically by the Project Manager in the same manner that all reimbursement electronic copies are kept.
- 3. The Transit Contract Specialist will notate the tracking sheet and then place the request in the Program Delivery Manager's in-box for signature.
- 4. The Program Delivery Manager will then route the overpayment/underpayment to the Fiscal Services Department.

Electronic Filing of Reimbursements

All 5311 reimbursement files will be maintained on ProjectWise or PT Common as directed by the Program Delivery Manager and filed by fiscal year. At a minimum the files will include:

District Folders

For each fiscal year, 5311 district folders will be set up with three sub-folders to upload and track subrecipient reimbursement activity.

• **Submitted:** The Project Manager will place all reimbursement requests into this folder which will serve as an inbox for reimbursements. Files will not be moved from this folder until they are being processed by the Transit Contract Specialist

- **Received:** Once the designated staff prints, notates tracking sheet and sends the invoice to the Program Delivery Manager for review and signature the Transit Contract Specialist will then move the invoice from Submitted folder to Received folder.
- **Returned:** Any reimbursement forms requiring correction will be placed in the Returned folder by the Transit Contract Specialist and the Transit Project Manager will be notified of needed corrections. After the revised copy is received and approved by the Transit Project Manager, they will place the corrected reimbursement into the Submitted folder and note within the file name "REVISED" so the revised copy can be distinguished from the original submittal.

GDOT Perceptive Content

Following a review to determine the reimbursement request is complete, the Transit Contract Specialist will scan and save in the applicable "Received" folder.

The Transit Contract Specialist should save the approved invoice in the "Received" folder, and email the invoice to the following Perceptive Content email address: intermodalinvoices@dot.ga.gov.

The invoice will be managed, approved, and paid via the Perceptive Content system. The approving Division Director (and/or Assistant Division Director) will receive an email with a link to the Perceptive App and will view and approve the invoice accordingly.

Any issues regarding the invoice will be communicated from General Accounting to the specified Coder in the Transit Program and the Transit Contract Specialist. The Contract Specialist is expected to follow-up with the appropriate Project Manager concerning invoice issues within 3 business days. The status of any invoice can be determined by any Transit Program employee by logging into Perceptive Experience web-based portal.

Once in the Perceptive Experience web-based portal, navigate to invoice by selecting the "Documents" link. Under the "Document Views" heading, select "Invoice Number" and enter the desired number.

After approval in Perceptive Content, the invoice is uploaded into PeopleSoft and a voucher is created. Once the voucher is paid, Perceptive Content will send a payment notification to the

Transit Contract Specialist. The Transit Contract Specialist will forward the email to the applicable Project Manager and the Project Manager will forward to the subrecipient.

The payment data will come back into Perceptive Content to be stored with the invoice. Afterwards, the payment data and invoices go into archive in Perceptive Content and are available for view by all Transit Program employees.

Section IV: Indirect Cost Allocation Rate Plans – ICRP

This section seeks to assist the subrecipient in understanding the options available for recovery of eligible indirect costs and which option is most applicable to their organization. The purpose of a cost allocation plan (CAP) is to ensure the services being provided are necessary and the costs incurred for those services are reasonable and allowable. A cost allocation plan or indirect cost rate plan (ICRP) is designed to ensure the accurate distribution of indirect costs to a federally-funded transit program. The calculation of an indirect cost allocation rate and submittal of a cost allocation plan can be time consuming and complex. There have been several notable changes to indirect costs from prior OMB circulars to the uniform guidance found in the Super Circular. Notably, indirect cost is referenced 217 times and cost allocation plan 84 times in Subparts A-F and Appendices of the Super Circular.

Definitions

Allocation - The process of assigning a cost, or a group of costs, to one or more cost centers. Using a basis for allocation, costs are spread to each cost center, such as a Transit Cost Center, based on the proportional share of the cost.

Cognizant Agency - The cognizant agency is the federal agency responsible for reviewing, negotiating and approving cost allocation plans or indirect cost proposals. The cognizant agency is the federal or authorized agency which provides the most federal funds to the subrecipient.

Cost Allocation Plan (CAP) – An accounting document identifying agency-wide indirect costs. The document identifies, accumulates and allocates the agency-wide indirect costs to each cost center, such as a Transit Cost Center.

Total Direct Cost (TDC) – Direct costs that can be identified specifically with a project, contract, service or other activity of an organization, such as a Transit Cost Center.

Modified Total Direct Cost (MTDC) - MTDC means all direct salaries and wages, fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subcontract. MTDC excludes unallowable items such as equipment, capital expenditures, rental costs, and that portion of each subcontract in excess of \$25,000.

Indirect Cost – An indirect cost that cannot be specifically identified with a project, contract, service or other activity of the organization. The cost is incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved as per §2 CFR Part 200.56.

Indirect Cost Allocation Rate Plan (ICRP) – An indirect cost plan consists of the documentation prepared by a non-federal entity to calculate a specific percentage rate that can be applied to a program, grant, or cost center (such as a Transit Cost Center) to determine the recovery amount. It is required to substantiate the establishment of the indirect cost rate as per §2 CFR Part 200.56.

De Minimis Rate - Under 2 CFR Part 200.414(f), a subrecipient who has never received a negotiated indirect cost rate from their cognizant agency may elect to charge indirect cost using the de minimis rate for an indefinite period. The de minimis rate is 10% of modified total direct costs (MTDC).

Options Available to Subrecipients Seeking to Recover Indirect Costs

Title 2 CFR 200 was implemented by all federal agencies on December 19, 2014,

consolidating eight OMB Circulars, including the Circulars governing direct and indirect costs. These streamlined and revised regulations include changes to the calculation and application of indirect costs to federal awards. GDOT subrecipients are not required to submit an indirect cost proposal and may not elect to claim "indirect" costs under the Section 5311 program. This election may be due to their organizational structure, or indirect costs are not incurred in the administration and operation of the public transportation program. Subrecipients who are eligible to recover a portion of eligible indirect costs may use the option most appropriate or applicable as detailed below.

Option #1: ICRP Approved by Subrecipient's Cognizant Agency

A subrecipient may already have an approved Indirect Cost Allocation Rate Plan from their federal cognizant agency. This is the federal agency providing the most federal dollars to the subrecipient. In such cases, the subrecipient must submit the approved Indirect Cost Allocation Rate Plan (ICRP) to GDOT as part of the annual application process. The approved ICRP should include an organizational chart and be based on audited data no more than two years old.

For GDOT to honor a subrecipient's established ICRP, the subrecipient must update and seek approval from their cognizant agency periodically to ensure the ICRP basis is still relevant. An ICRP may only be applied to all administrative and operating expenses when the subrecipient is delivering transit services.

Subrecipients contracting with a Third-party Operator (TPO) for the delivery of transportation services, may only charge administrative costs incurred by the subrecipient using the approved ICRP to that portion of administrative monthly expenses incurred. Subrecipients opting to allocate administrative expenses may wish to utilize the template developed by GDOT for this purpose. The template is labeled as "Transit Staff Time Sheet Allocation" and included in the Appendix as <u>Exhibit 7A</u>.

A subrecipient using a TPO for operations cannot apply their approved ICRP rate to the operations of the TPO. Doing so is considered a "distorting expenditure" and is prohibited by

federal guidelines/regulations as further explained below:

Indirect costs charged to a federal grant must be based on actual expenses for staff time needed and other administrative costs that may be incurred to provide oversight of the grant or third-party operator, when enlisted. All indirect costs charged to a grant must be reasonable and necessary and should be based on actual staff time allocated for the administration of the contract. In all instances, salaries and wages must be supported by time sheets whenever federal dollars are used in the payment of administrative or operational staff of a subrecipient or third-party operator.

When FTA funds pass from a subrecipient to a Third-party operator (TPO) and represent the largest amount of federal funds received by the TPO, then the subrecipient is responsible for reviewing the TPO's indirect cost plan (only related to their transit operations) to determine if the ICRP rate proposed by the TPO is valid and based on audited data of the TPO. The subrecipient should review and negotiate the ICRP and contract rate to arrive at a reasonable and justified rate based on support documentation from the TPO. The indirect costs assumed by the TPO then become part of the negotiated rate by which the TPO is reimbursed for providing transit operations. This rate may be an hourly, per trip, per mile or per day negotiated trip rate.

Option #2: ICRP Calculated and Submittal to GDOT for Approval

An indirect cost rate plan consists of the documentation prepared by a non-federal entity, such as a subrecipient, to calculate a specific percentage rate that can be applied to a cost center, such as a Transit Cost Center, to determine the recovery amount. It is required to substantiate the establishment of the indirect cost rate as per §2 CFR Part 200.56. An indirect cost rate is a ratio of indirect costs divided by an equitable distribution base.

The audited data from the prior year is typically used to generate the indirect cost rate for the following year (allowing time for the audit to be completed).

Preparation of an indirect cost allocation plan is not prepared for a single grant award or program

activity. Indirect cost allocation plans apply to the organization as a whole - not just a single activity or cost center.

Documentation required for submittal of an ICRP during annual "Call for Projects"

Indirect Cost Allocation Plans and supporting documents must be included in the subrecipient's application during the annual "Call for Projects." GDOT has provided templates for items (f) and (g) below to assist subrecipients. These templates are included in the Appendix and labeled as <u>Exhibit 8A</u> - Governmental Certification of ICRP, <u>Exhibit 8B</u> - Private Non-Profit Certification of ICRP, and <u>Exhibit 8C</u> - Worksheet Calculation, which is an excel worksheet to detail all costs used to arrive at the indirect cost percentage.

Subrecipients submitting an indirect cost proposal to GDOT for review and approval must include the following elements:

- a) **Cover Letter** A cover letter indicating the proposed rate and any special circumstances in the development of your organizations' indirect cost rate proposal.
- b) **Organizational Chart** An organizational chart outlining the organizational structure for the period for which the proposal applies.
- c) Statement of Activities A statement describing the major activities performed and responsibilities of all units comprising the organization. The statement should provide enough detail permitting the reviewer to differentiate levels of benefit provided and received within the organization.
- d) Rate Proposal A statement incorporating the rate proposed and a description of the indirect cost allocation methodology. The proposal must include subsidiary worksheets and data, cross-referenced and reconciled to audited financial data. Work sheets at a minimum should include a schedule of expenses, by function (or major Federal program).
- e) Audited Financial Statements A complete copy of the audited financial statements used in the methodology. The audited financial statements must be no more than two years old. Generally, the audited data from the prior year is used to generate the indirect cost rate for the following year, allowing time for the audit to be completed.

- f) Certification Every Submittal Must Contain a Certification that is basically a recital of the "Certificate of Indirect Costs" found in Appendix VII to 2 CFR § 200, commonly referred to as the contract provisions for non-federal entity contracts under federal awards
- g) Financial Management This certification is signed on behalf of the subrecipient and/or operator by an individual at a level no lower than Chief Financial Officer (CFO) of the organization submitting the Indirect Cost Allocation Plan. GDOT has created two certification templates, governmental and private non-profit. These certifications are included in the Appendix and labeled as <u>Exhibit 8A</u> and <u>Exhibit 8B</u>, respectively.
- h) Calculation Worksheet Details of the amount of direct base costs incurred under all Federal awards by function and/or cost category. GDOT has created an excel template to assist in developing an indirect cost rate proposal. The Calculation Worksheet template is included in the Appendix as <u>Exhibit 8C</u>.
- Budget Subrecipients must include the total amount of calculated indirect costs for the upcoming fiscal year under Account Code 5090 Administration = Miscellaneous Expense as part of their proposed budget. The amount on line 5090 for indirect costs should reconcile back to calculations in the proposed ICRP submitted to GDOT for review and approval.

Breakdown of Steps to arrive at an Indirect Cost Rate

The distribution base typically will be one of the following:

- 1. Total Direct costs identified specifically with a project, contract, service or other activity of an organization, such as a Transit Cost Center or
- Modified total direct costs (MTDC) all direct salaries and wages, fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subcontract. MTDC excludes unallowable items such as equipment, capital expenditures, rental costs, and that portion of each subcontract in excess of \$25,000.

The base selected is a local decision, typically made by the Chief Financial Officer (CFO) of the

organization. For public transit agencies, use of Modified Total Direct Costs (MTDC) typically yields the most accurate computation. While labor costs for transit are considerable, transit systems also spend heavily in other cost categories such as fuel and vehicle maintenance. Therefore, the MTDC generally results in the most equitable distribution of indirect costs, thereby meeting 2 CFR § 200 requirements.

Step 1: Classify Costs as Direct or Indirect Costs

Costs must be classified as either direct or indirect in accordance with the organization's policies and 2 CFR 200, as applicable. In classifying costs, the following "rules" must be followed:

- Costs must be treated consistently among all Federal awards,
- Costs must reflect all applicable credits, and
- Direct costs must exclude capital expenditures, depreciation of assets acquired with Federal funds, and other ineligible costs. (See 2 CFR 200.421-200.475)

Step 2: Total Cost Data

Summary tabulations should be made regarding cost data. The following information should be calculated:

- Total Direct Costs, by Cost Objective or Program;
- Total Indirect Costs; and
- Total Unallowable Costs.

Step 3: Eliminate Ineligible Costs

2 CFR 200 states various legitimate agency expenses are unallowable under Federal cost principles, such as depreciation, bad debt, fundraising, etc. In simplified terms, if the total of the unallowable expense includes indirect costs, the associated indirect costs are also unallowable for Federal reimbursement.

Step 4: Calculate the Indirect Cost Plan Rate (ICPR)

Using the data from Steps 1 – 3, the indirect cost rate is calculated using the following formula:

Indirect Cost Rate = Total Indirect Costs ÷ (Total Direct Costs) minus (-) Unallowable Items)

Example:

Total Indirect Costs =	\$123,596
Total Direct Costs =	\$873,423
Less Ineligible Items (Depreciation and fundraising costs) =	(\$66,281)
Modified Total Direct Costs (MTDC)	\$807,142

Calculation of the Indirect Cost Rate =	\$123,596 ÷ \$807,142
Indirect Cost Rate =	15.31% **

**Subrecipients should calculate the indirect cost rate to two decimal points.

The indirect cost rate of 15.31% is applied to all direct costs, minus ineligible items, for each reimbursement period following approval of the proposed plan and rate from GDOT.

Step 5: Monthly Calculation of Indirect Cost for Reimbursement

Apply the Indirect Cost Rate of 15.31% to the total direct costs for the month to determine the line item amount to populate on the reimbursement request.

Example:

Assuming the direct costs for the month are \$70,790.00 for the transit program, the following methodology should be used:

Total Direct Costs for the Month =	\$70,790
Multiplying by the Indirect Cost rate =	\$70,790. X 15.31% = \$10,837.94
Add Total Direct Costs + Indirect Cost =	\$70,790 + \$10,837.94
Total Amount Eligible for Reimbursement =	\$81,627.94

Note: *** All ICRP's must be approved prior to indirect costs being charged to a project.

Option #3: Declaring 10% De Minimis Rate of Modified Total Direct Costs

Under Part 200 Uniform Requirements, subrecipients may charge indirect costs using a "de minimis" rate. The de minimis rate is a fixed rate available without the need to negotiate with the cognizant federal agency for indirect costs or submit a proposed plan to GDOT for review and approval. However, the de minimis rate is an option only for subrecipients that have never received an approved federally-negotiated indirect cost rate. Any entity with a prior approved federally-negotiated indirect cost rate – even if it expired long ago – may not use the de minimis rate. Also, under the provision set out at 2 C.F.R. 200.414(f), local governments receiving more than \$35 million in direct federal funding are ineligible to use the de minimis rate. An entity that seeks to make use of the de minimis rate must comply with all FTA regulations and GDOT contract agreements related to the de minimis rate.

Subrecipients electing the 10% de minimis rate must complete the De Minimis Certification and include in the annual application for funding. The certification states your organization has never had a Negotiated Indirect Cost Rate Agreement (NICRA) and that your organization will apply the 10% De Minimis rate to all your federal grants. The 10% De Minimis Certification is included in the Appendix and labeled as <u>Exhibit 8D</u>.

This method allows subrecipients to charge a flat de minimis rate of 10% of its Modified Total Direct Costs (MTDC). The 10% de minimis rate may be used indefinitely as per 2 CFR § 200.414.

Below is a breakdown of costs included in arriving at the Modified Total Direct Costs base and examples of ineligible costs.

Eligible Items for MTDC Calculation	Excluded from MTDC Calculation
Salaries and Wages	Capital Expenditures
Fringe Benefits	Rental Costs
Materials & Supplies	Equipment
Services	Subcontracts exceeding \$25,000
Travel	
Subcontracts (the first \$25,000)	

The term "Modified" refers to certain exclusions of costs that must be removed from the total direct costs before the 10% indirect rate is applied to each funding source. According to the Uniform Guidance, the costs to exclude are capital expenditures, rental costs, and the portion of each subaward in excess of \$25,000. Please note – "rental costs" do NOT mean rent and utilities which are part of the overhead costs of the organization.

Subrecipients should calculate 10% of the eligible items listed above for the upcoming fiscal year. This is your 10% de minimis rate of Modified Total Direct Costs to be included as a line item on your budget under account code 5090 Administration – Miscellaneous. Costs must be consistently charged as either indirect or direct but may not be double charged or inconsistently charged as both.

The proper use and application of the de minimis rate is the responsibility of the subrecipient. The subrecipient's schedule of expenditures of federal awards must include a note on whether it elected to use the 10% de minimis cost rate in accordance with 2 CFR 200 § 200.510(b)(6).

GDOT reserves the right to perform an audit at any time to ensure compliance with 2 CFR § 200 and agreements with GDOT. If it is determined the subrecipient has inconsistently charged costs or is otherwise not in compliance with 2 CFR § 200, the subrecipient will be required to

reimburse GDOT for any identified overbillings. GDOT, in turn, is required to reimburse FTA promptly for all overbillings.

Certain GDOT subrecipients may not incur indirect costs as a result of their organizational structure. Additionally, GDOT subrecipients may choose not to claim any indirect costs in the administration and operation of a public transportation system. This information is provided to assist all subrecipients in understanding the options and steps required to recover eligible indirect costs.

GDOT Review, Negotiation, and Approval of Subrecipient Indirect Cost Rate

GDOT will review all ICRP proposals submitted by subrecipients during the application review period. The subrecipient should include the proposed ICRP percentage as a line item in the budget of the application package. This is necessary in order to verify the amount of Section 5311 financial assistance needed is not less than the amount available from FTA.

GDOT will maintain copies of all subrecipient or TPO ICRP's approved by their cognizant agency. All ICRP's must be approved prior to submitting a reimbursement request containing a line item for indirect costs.

GDOT may award 5311 funds to a subrecipient who contracts with a third-party operator (TPO) to operate the transit service. Both the Subrecipient and the TPO are required to comply with all federal regulations.

Subrecipients that utilize private, for-profit operators, consistent with the procurement requirements of federal funds, must secure these services through competitive means. This typically would mean a formal Invitation for Bids (IFB) or Request for Proposal (RFP). GDOT policy, effective in FY2020 requires subrecipients adopt unit pricing strategies (e.g., cost per trip, cost per mile, cost per hour, cost per day) for TPO's rather than utilizing cost reimbursement contracts. This negotiated rate should include the indirect costs of the for-profit and may include a profit margin not to exceed 10%.

Any Non-Federal Entity That Has a Federally Negotiated Indirect Cost Rate May Apply for a One-Time Extension of a Current Negotiated Indirect Cost Rates for a Period of Up to Four Years

Subrecipient Oversight of TPO – Eligible Indirect Cost

A subrecipient using a TPO for operations cannot apply their approved ICRP rate to the *operations* of the TPO. Doing so is considered as a "distorting expenditure" and is prohibited by the federal guidelines and regulations. However, federal regulations allow a subrecipient providing oversight to a TPO to utilize their approved indirect cost ratio to charge that portion of administrative costs incurred in the oversight of the TPO. These costs, eligible under 2 CFR 200.331, state subrecipients providing public transit services through an executed contract with a TPO remain responsible for monitoring and providing oversight of the TPO.

Indirect costs charged against a federal grant by a subrecipient must be based on actual expenses for staff time needed and other administrative costs incurred to provide oversight of the third-party operator or other contract deliverables. These costs must be reasonable and necessary and based on actual staff time allocated for the administration of the contract. In all instances, salaries and wages must be supported by time sheets whenever federal dollars are used in the payment of administrative or operational staff of a subrecipient or third-party operator.

Determining Direct and Indirect Costs in a Transit Environment

The total amount eligible for reimbursement under the Section 5311 programs equals the allowable direct costs, plus the allocable portion of allowable indirect costs, minus the applicable credits for all items in the approved project budget. (2 CFR 200.402)

Applicable credits refer to those receipts or reduction of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate using the following formula: (*Total Amount Eligible for Reimbursement = Direct Costs + Allocable Portion of Indirect Costs – Rebates/Credits*)

Following the definition above, direct costs are those expenses incurred by the subrecipient or operator that are directly related and strictly benefit only the Section 5311 program. Such expenses are totally allocable to the Section 5311 program.

There are no universal rules for classifying costs as direct or indirect under every governmental or nonprofit accounting system. The essential difference is the degree of ease with which a cost can be readily assigned to a cost objective with a high degree of accuracy. Such readily assigned costs are direct costs. It is important that all costs be treated consistently and should only be listed in one category (no double dipping of costs or changing of application of cost allocation methods once ICRP's have been approved).

Most transit operating costs are direct costs relating to all costs, other than administrative costs, used to operate the transit system. Typical direct costs include: driver salaries and fringe, vehicle repairs, fuel, vehicle insurance, tires, uniforms, vehicle washing services, compensation of employees for the time devoted and identified specifically to the performance of the grant and supported by time sheets, travel expenses incurred specifically to carry out the award, etc.

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective or program and cannot be readily identified with a final cost objective without effort disproportionate to the results achieved (*e.g.*, the level of effort necessary to split a cost and allocate to the expense category is difficult or impossible). Typical indirect costs may include:

- Administrative Salaries & Wages of staff performing accounting or personnel services for the subrecipient or operator, but whose time is not accounted for by functional activity;
- Administrative Facilities, including leased buildings where transit functions are not performed in a dedicated portion of the building, are eligible under the indirect category;

- Telephone or utility charges for basic phone service when there is no logical method to directly allocate costs;
- Certain central service costs and general administration of the organization;
- Accounting and personnel services performed within the subrecipient department; or
- Costs of operating and maintaining facilities, etc.

Allocation of Shared Indirect Costs

The table below lists common shared costs and some typical cost bases that are used to allocate them. Note that this is not a complete list. You may choose any cost base that results in an equitable and consistent allocation of costs.

Line Item	Cost Base(s)
Salaries	Time sheets showing actual time charged to programs
Fringe benefits	Salaries
Supplies	% of salaries
Rent	Square footage
Utilities	Square footage
Telephone (basic)	# of phones
Postage	Postage meter OR % of salaries

Copying	Copy log OR % of salaries OR # of full-time equivalents (FTE's)
Accounting/audit	# of transactions

Third-party operator organizations whose sole purpose is the provision of public transit service may have indirect costs; but all costs incurred would be directly attributable to the transit program and included in the unit rate. Other subrecipients, such as units of local governments, or operators such as Council on Aging, typically operate multiple departments or programs and may incur indirect administrative expenses associated with public transportation service delivery.

In Georgia, some counties or regional commissions employing TPO's may contribute costs to the program such as insurance premiums from the county due to the 5311 vehicles being titled to the counties. When monetary arrangements such as this exist, they should be clearly noted within the solicitation and the TPO should not include these costs within their "proposed" rates. This information should also be specified within the final contract between the two parties.

Section V: Program Revenue and Purchase of Service Guidelines

This section seeks to clarify the treatment of revenues received by 5311 subrecipients from certain contracted transit services. These services include Non-Emergency Transportation (NEMT – Medicaid), from Georgia Department of Human Services Coordinated Transportation System (DHS), including services funded with 5310 Enhanced Mobility for Seniors and Individuals with Disabilities, or other qualified human service agencies. These contracted services are considered "program income" when delivered by an FTA 5311 funded program for eligible passengers being transported through a Purchase of Service agreement to a qualified human service agency. These program revenues may be used as local match (if eligible) and/or maintained in a dedicated transit reserve account.

Definitions

Subrecipient - Any non-federal entity or person that receives federal assistance provided by Georgia Department of Transportation, but does not include a Third-party Contractor, Third-party Subcontractor, or Lessee.

Pass-through entity (2 CFR § 200.74) - A Non-Federal Entity (NFE) that provides a subaward to carry out part of a Federal program. GDOT has been designated by the Governor to make subawards. A subrecipient may also be a pass-through entity when enlisting a Third-party Operator to deliver transit operations.

A Pass-through Entity (GDOT) - Must have a contractual agreement with each Section 5311 subrecipient, and likewise, a subrecipient passing through federal funds to a Third-party Operator must also enter into a contractual agreement which includes certifications to comply with U.S. DOT's administrative requirements. A Section 5311 subrecipient stands in the shoes of GDOT and a Third-party Operator stands in the shoes of the subrecipient with the federal regulations passing down at all levels.

Third-party Operators - May be a Private, Non-profit, or For-profit entity which provides operational services for a GDOT 5311 subrecipient. As stated above, to comply with federal requirements, the subrecipient agrees to enter into a written agreement/contract with their Third-party Operator(s) and must include all appropriate federal requirements, clauses and certifications in the contractual agreement. The agreement must also state provisions related to the Third-party Operator's financial and programmatic responsibilities and rate structure enough to meet applicable federal requirements and specifying the responsibilities that the Third-party Operator will fulfill on behalf of the subrecipient.

Third-party Agreement - Includes written agreements or contracts supported in whole or in part with federal assistance awarded to a subrecipient by GDOT, including a sub-agreement with a subrecipient, a third-party contract, a third-party subcontract, a lease, or similar agreement as FTA may recognize.

Third-party Contract - A legal instrument by which a Subrecipient purchases property or services needed to carry out the project.

Sub-agreement - An agreement through which the Recipient (GDOT) awards federal assistance to its Subrecipient(s) to support or stimulate any of the Recipient's projects or related activities supported under the award, the accompanying underlying agreement, or amendments thereto, but does not include a third-party contract, third-party subcontract, or lease.

Third-party Participant - Any participant in the GDOT recipient's sub-agreement whose work under the project is supported with FTA funding. A Third-party Participant may be a Subrecipient, Third-party Contractor, Third-Party Subcontractor, Lessee, or similar participant in the Subrecipient's Project (for example, a partner in a joint development venture).

Farebox Revenue - At a minimum, operating revenues must include farebox revenues. Farebox revenues are fares paid by riders, including those who are later reimbursed by a human service agency or other user-side subsidy arrangement. Farebox revenues do not include payments made directly to the transportation provider by Human Service Agencies to purchase service. However, purchase of transit passes or other fare media for clients would be considered farebox revenue. A voluntary or mandatory fee that a university or similar institution imposes on all its students for free or discounted transit service <u>is not</u> considered farebox revenue.

Net Operating Expenses - Only net operating expenses are eligible for Federal reimbursement assistance. Net operating expenses are those expenses that remain after the provider subtracts operating revenues from eligible operating expenses.

Human Services Transportation Income

Under 49 U.S.C. § 5311(g)(3)(C), income earned 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 Section 5311 operating assistance. When used as local match, the subrecipient can only use non-FTA funds as match amounts (2CFR 200.307(e)(3)). FTA contract revenue, such as 5310 funding received from a DHS agreement, must be treated as revenue to reduce the net project cost for the month in which it was earned. This determination is made by the subrecipient; the application of contract revenue should be made on factors that are in the best financial interest of the subrecipient.

In either case, the cost of providing the contract service must be included in the total project cost. This means that the costs of delivering human service transportation must be in the same cost center, account, department, or fund as other Section 5311 expenses. If the transportation provider delivers Non-Emergency Medical Transportation (NEMT) based on a separate account or unit of the organization and NEMT expenses are recorded in another account, the use of these revenues cannot be used as match to Section 5311.

Not every organization that contracts for service may meet the definition of a human service agency. In considering the revenue source, GDOT will apply the following factors in determining if the contract qualifies under the provisions of 49 U.S.C. § 5311(g)(3)(C):

- The contracting agency uses funds to support client services documented by the General Accountability Office in GAO-03-697, Transportation Disadvantaged Populations.
- The contracting agency has registered as a Qualified Human Service Agency (QHSA) pursuant to 49 CFR § 604.15.
- The organization is requesting the Section 5311 subrecipient to provide "program transportation" as defined in 49 CFR § 604.03(o).

Unlike other forms of program income, non-FTA income from contracts to provide human service transportation may be used as local match in the GDOT contract year in which the income is generated.

Other Sources of Local Match

Human service agency contract revenues received through a purchase of service agreement may be used to meet all or part of the local matching share. If contract revenues are insufficient to meet the local match share, the remainder of the local match may be provided from:

- 1. An undistributed cash surplus;
- 2. A replacement or depreciation cash fund or reserve;
- 3. Amounts appropriated or otherwise made available to a department or agency of the government (other than DOT) that are eligible to be expended for transportation; or
- 4. Amounts made available to carry out the Federal Lands Highway Program established by Section 202 of Title 23.

Under no circumstances, even if derived from a purchase of service contract, may DOT funds (except as noted in item (4) above) be used as local match to the Section 5311 programs. Therefore, Section 5310 funds do not qualify as an eligible matching source of 5311 funds.

Program Income in Excess of Needs for Local Match

In circumstances where a subrecipient earns contract revenues and elects to use this income as local match in lieu of using the funds as revenue, GDOT will treat the funds as "program income" as noted in FTA Circular 9040.1G. Program income is defined as:

Program income means gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the Grant or Cooperative Agreement during the period of performance.

FTA Circular 5010.1E, Chapter VI, § 7a encourages recipients and subrecipients to earn program income. GDOT endorses this position and will not penalize subrecipients who generate program income in excess of amounts needed to meet the local matching share.

When a subrecipient earns program income in excess of that required for the local match, GDOT will apply the use of program income requirements to this excess revenue. This means subrecipients may retain these excess contract revenues as part of a recipient's undisbursed

cash surplus. GDOT policy allows a subrecipient to create a "Reserve" account for the excess POS. The cash surplus must be held in a restricted Transit Operating Reserve Account (TORP) and used only for transit operating and capital purposes incurred in a future year.

If the subrecipient chooses not to apply the excess program income against expenses incurred in a current or future year or for other public transportation purposes, then the amount of program income used for non-public transportation related purposes will be deducted from the total allowable federal costs to reduce the net allowable costs, also known as the Net Operating Deficit.

In accordance with the afore mentioned grant principles, GDOT has adopted the following policy:

Subrecipients and third-party operators shall report monthly a statement of non-Federal transportation purchase of service program income and the source of the income. All program income must be applied to the transit system of which it was derived. All revenues and expenses of a transit system must be fully reported on the GDOT monthly reimbursement form. Subrecipients and/or third-party operator pass-through agencies shall report all transportation purchase of service program income in excess of the federal award. The excess program income shall be used to reduce the system's total operating expense (net operating deficit) and or maintained in a dedicated transit reserve fund following written approval by GDOT.

Program income revenues generated from non-transit service activities such as; incidental use of facilities (rentals, etc.) or transit assets such as rolling stock (incidental use for Meals on Wheels); advertising revenues; etc. must be fully reported on the GDOT monthly reimbursement form. These funds must be set aside in a Transit Operating Reserve Account (TORP), which is restricted to an amount equal to 90 days (3 months) of average operational costs. The reserve account is intended for the purpose of prompt payment or continuing transit operations during a government shutdown, or other need which GDOT has approved. Once a 90-day reserve has been established, it can be re-invested in transit activities of the Transit Cost Center and then

built back up to the 90-day level approved by GDOT in order to maintain the reserve at a static amount.

GDOT Public Transit Program Reserve Policy Statement

The Transit Reserve Fund is a savings set aside to cover unexpected transportation expenses, capital purchases or improvements, transportation planning projects, or to cover unexpected shortfall in local match revenue. The Transit Reserve Fund can only be used to benefit transit.

GDOT shall allow subrecipients to retain **excess** program income up to an amount equal to three (3) months of the transit system's net operating expenses in a Transit Operating Reserve Account (TORP). Retained Purchase of Service program income must be generated from **non-FTA** funds. All Purchase of Service program income that is retained must be restricted for transit use only and reported to GDOT on the monthly reimbursement form. On a monthly basis, any excess Purchase of Service program income derived from FTA funds (5310 and 5339) shall not be retained and must be deducted from the transit system's operating expenses.

Subrecipients are required to report transportation purchase of service program income, including the purchase of service program income of third-party operators, and operating reserve account balances to GDOT on a monthly basis. If GDOT determines that the amount of this restricted fund balance exceeds allowable amounts, GDOT may adjust and apply these excess amounts as revenue to reduce total project costs, consistent with 2 CFR §200.307(e)(1).

How to Establish and Maintain a Transit Operating Reserve Account (TORP)

Subrecipients who generate transportation purchase of service program income from non-Federal sources, including income generated by third-party operators, are eligible to establish a Transit Operating Reserve Account (TORP) in an amount not to exceed three (3) months of the transit system's net operating expenses. Prior to establishing the operating cash reserve account, the subrecipient must:

- Submit transmittal letter to GDOT stating interest in establishing a Transit Operating Reserve Account;
- Submit a list of program income sources and the estimated annual revenues;
- Submit a properly executed "Transit Operating Reserve Policy" Certification.
 - GDOT has provided a template in the Appendix labeled as Exhibit 9; and
- Demonstrate the financial accounting capacity to establish and maintain a TORP restricted to transit uses only.

Upon receipt of the request from the subrecipient, GDOT will:

- Review the request and support documentation for completeness and accuracy communicating with the subrecipient as needed for clarification and/or corrections;
- Issue a letter notifying the subrecipient of approval and the maximum fund reserve balance allowed in the Transit Operating Reserve Account (TORP). An example of an approval letter is included in the Appendix and labeled as <u>Exhibit 8E</u>; and
- Example: Assuming \$500,000 in federal annual operating expense, the calculation for the 3 months reserve would be:
 - \$500,000.00 divided by 12 = \$41,666.66.
 - \$41,666.66 x 3 months = \$ 125,000 maximum reserve account balance

Subrecipients and third-party operators shall report monthly, a statement of non-Federal transportation purchase of service program income and the source of the income. All program income must be applied to the transit system of which it was derived. All revenues and expenses of a transit system must be fully reported on the GDOT monthly reimbursement form.

As stated above, a subrecipient may be a pass-through entity when enlisting a Third-party Operator to deliver transit operations via contractual agreement which includes certifications to comply with U.S. DOT's administrative requirements. A subrecipient stands in the shoes of GDOT and a Third-party Operator stands in the shoes of the subrecipient, with the federal regulations passing down at all levels. Therefore, subrecipients and third-party operators shall report all transportation purchase of service program income in excess of the federal award. The excess program income shall be used to reduce the system's total operating expense (net operating deficit) and/or maintained in a dedicated reserve fund, if this has been approved by GDOT.

Use of Transit Reserve Funds:

Unexpected and Unplanned Expenses

Subrecipients who have established and received approval for a Transit Reserve Fund are permitted to use the reserve funds to cover operating expenses, capital expenses, and/or transportation planning projects that are not already included in the subrecipient's annual budget. All subrecipients must notify GDOT in writing of the unexpected cost overrun or unexpected unbudgeted expense and their intent to use Transit Reserve Funds to cover the deficit. Section 5311 subrecipients must also submit a budget revision request to GDOT to increase the overall budget to include the additional expenses that will be incurred.

Subrecipients will report the additional expenses on the monthly invoice under the appropriate USOA code. The Transit Reserve Funds used to cover the additional expense will be reported on the monthly invoice in the revenue section under Contract Revenue from Reserve Account box.

Unexpected Local Match Revenue Shortfall

Transit Reserve Funds may be used to cover unexpected local match revenue shortfalls such as; reduced non-Federal purchase of service contract revenue due to a decrease in trips or deobligation of other previously committed local matching funds. All subrecipients must notify GDOT in writing of the unexpected local match shortfall and their intent to use Transit Reserve Funds to cover the deficit. Section 5311 subrecipients must also submit a budget revision request to GDOT to modify the source of local matching funds that will be used to match the FTA grant.

The Transit Reserve Funds used to cover the local match shortfall will be reported on the monthly invoice in the revenue section under Contract Revenue from Reserve Account box.

Section VI: Records Retention and Access

FTA requires GDOT and subrecipients of Section 5311 Funds to maintain detailed records of all federally funded projects and activities. In addition, the Federal Funding Accountability and Transparency Act (FFATA) requires GDOT to report specific information on each executed

subrecipient contract agreement. The responsibilities detailed below fall under the Transit Grants and Contracts Manager.

Definition of Records - FTA defines records as all data, documents, reports, statistics, subagreements, leases, third party contracts, arrangements, and other third- party agreements of any type, and supporting materials related to the receipt and expenditure of federal funds.

Detailed Records Retained for a Minimum of Three Years after Close-Out

Section 200.333 of the Super Circular and Section 9 of FTA's Master Agreement provide very specific guidance to GDOT, subrecipients and third-party participants or contractors with regard to the retention of records and also access to documents and sites. Pass-through entities, such as GDOT, may not impose any other record retention requirements upon non-Federal entities. Retention requirements include:

- **GDOT**: All records associated with the federal grant award must be retained for three years following submission of the final FFR and/or expenditure report.
- Subrecipients and Third-Party Contractors: All records associated with the receipt of federal funds must be retained for three years following the date of submission of the final expenditure report and close-out of the project.

The only exceptions to the three-year retention schedule are listed below and under Section 200.333 of the Super Circular:

- 1. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- 2. If the non-federal entity is notified in writing by the FTA, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- 3. Records for real property and equipment acquired with federal funds must be

retained for 3 years after final disposition.

- 4. When records are transferred to or maintained by FTA or GDOT, the 3-year retention requirement is not applicable to the non-Federal entity.
- 5. Records for program income transactions after the period of performance. In some cases, program income is reported after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-federal entity's fiscal year in which the program income is earned.
- 6. Indirect cost rate proposals and cost allocations plans. This applies to the following types of documents and their supporting records:
 - a) Indirect cost rate computations or proposals,
 - b) Cost allocation plan, and
 - c) Any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

All records must be readily available for authorized representatives of the U.S. DOT, the comptroller general of the United States, the State of Georgia Office of Audits and GDOT's Office of Audits for a period of three years from submission date of the final expenditure report and close-out. All financial records should adequately document the computation of the federal share and the required local share for each type of project or activity.

Access to Records and Sites

FTA's Master Agreement includes this definition and specific language under Section 9 regarding the provision of sufficient access to records and sites:

- Subrecipients and third-party participants must provide sufficient access to inspect and audit records and information related to the award, the accompanying Underlying Agreement, and any Amendments thereto to the U.S. Secretary of Transportation or the Secretary's duly authorized representatives, to the Comptroller General of the United States, and the Comptroller General's duly authorized representatives, and to GDOT and the Subrecipient.
- Subrecipients and third party participants must permit those individuals listed above to inspect all work and materials related to the award, and to audit any information related to the award under the control of the recipient or third Party participant within books, records, accounts, or other locations; and otherwise comply with 49 U.S.C. § 5325(g), and federal access to records requirements as set forth in the applicable U.S. DOT Common Rules.
- Subrecipients and third-party participants must allow access to the sites of performance. The subrecipient agrees to permit and to require its third-party contractors to permit FTA to have access to all sites of performance resulting from the award.

The closeout of a grant agreement by GDOT, a contract by either the subrecipient or a thirdparty participant does not alter the record retention or access requirements as outlined in the FTA's Master Agreement. The timeline for the retention of records does not begin until submission of the final expenditure report and request for close-out.

Section VII: GDOT Reporting Requirements - FFATA

This section outlines GDOT's requirements and steps for reporting under the Federal Funding Accountability and Transparency Act (FFATA). FFATA was signed into law on September 26, 2006. The intent is to empower every American with the ability to hold the government accountable for each spending decision. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is <u>www.USASpending.gov</u>.

Threshold Requirements

GDOT is required to file a FFATA sub-award report by the end of the month following the month in which GDOT executes a contract with a subrecipient if the amount is equal to or greater than \$25,000. It should be noted that if the initial contract award is below \$25,000 but subsequent modifications result in a total award equal to or over \$25,000, the contract award is then subject to the reporting requirements. If the initial award equals or exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

GDOT Accountability and Internal Process

The Transit Grants and Contracts Manager (GCM) is responsible for ensuring all data is submitted accurately and prior to the deadline for all executed subrecipient contracts meeting the threshold. The Transit GCM may request a Contract Specialist or other assigned transit staff member to submit the required information. Staff unfamiliar with the FFATA reporting system are encouraged to review a demonstration of the system at the link below before submitting data into the system.

https://www.fsrs.gov/documents/FSRS_Awardee_User_Demonstration.mp4

Below are the steps of GDOT's internal process:

- 1. The Transit Grants and Contracts Manager or an assigned Contract Specialist must each create a profile in order to submit data on behalf of GDOT.
- All FSRS users must create a login.gov account to access the system at <u>https://www.fsrs.gov/</u> as required by the Federal Funding Accountability and Transparency Act (FFATA).

- 3. After creating a profile and a confirmation email, click on the "Awardee" link.
- 4. From the main page, the user is able to review FFATA reports across all awards reported on in the system.
- 5. Within the main navigation Worklist
 - a) the My Worklist tab lists those contracts/grant awards that the user has added to their worklist for reporting purposes.
 - b) Create/Review Reports allows GDOT as a prime awardee, to review existing reports or create new reports in the system.
- 6. If the user has existing reports in the system, basic data elements from the report can be copied and used as the basis for another month's report for that same award.
- 7. To file a new report, the user clicks the Create New Report button on the top or bottom of the FFATA Report page.
- 8. Users then walk through a stepwise process to enter their award data.
- 9. Once the type of Award is established different fields will be presented based on whether it is a grant or contract.
- 10.Once the user enters the award number, a large amount of the information will be prepopulated
 - a) To ensure consistency between the FSRS.gov system and other government systems, the FSRS.gov system is designed to pull in data from other feed systems.
 - i. For Grants, a primary source of data is reported from USASpending and the System for Award Management (SAM) for prime award recipients
 - ii. For Contracts, the primary source of data is the Federal Procurement Data System (FPDS) and Dun and Bradstreet (D&B).
- 11. If the grant award has already been added to the user's worklist then the user can select from the available drop-down field.
- 12. If not, enter Find the grant in the worklist and click on the tab at the right to add to the worklist.
- 13.FTA grants must be added to the worklist before assigning a subrecipient contract to the grant.
- 14.Next click on the "Create FFATA Report" tab at the top. This link has tabs for draft, submitted and new reports.

- 15.New reports are created using the FTA Grant number the contract has been awarded under.
- 16.GDOT must report information for each subrecipient executed contract over \$25,000 by the end of the month following the month GDOT executes the contract.
- 17. The required data elements that must be reported for each subrecipient contract over \$25,000 include:
 - a) Name of subrecipient,
 - b) DUNS of the subrecipient,
 - c) Amount of Contract,
 - d) Contract Number,
 - e) CFDA Number (Note: The same CFDA associated with the FTA award),
 - f) Place of performance (including congressional district),
 - g) Title descriptive of the purpose of the funding, and
 - h) Location of the subrecipient (including congressional district).
- 18. Once GDOT has submitted the initial report for each subrecipient, GDOT may revise later to reflect changes in the data previously submitted or to reflect adjustments in the amount of the contract.
- 19. The FFATA files are archived electronically by fiscal year in a folder marked "FFATA" by month and grant number within the Transit section of PT Common.
- 20. The information reported by GDOT can be viewed at <u>http://www.usaspending.gov</u>.

Section VII: Subrecipient Close-Out Activities

Subrecipient Contract Close-out

Upon completion of all activities included in the executed contract, the subrecipient must submit a final invoice within 90 days requesting reimbursement for all remaining eligible

expenses. The invoice should be marked as "final." Should the subrecipient fail to mark the last invoice submitted as "final," the district TPM may request submittal of a reimbursement cover sheet marked "final" with \$-0- as the amount requested. This will confirm all projects under the contract have been completed and the contract will be closed in GDOT's accounting system.

GDOT has the right to initiate contract close-out under the conditions outlined below. However, GDOT will make every effort to notify subrecipients prior to the close out of a contract. The notification will indicate GDOT considers the project to be complete and no further reimbursements may be submitted.

- Where the subrecipient has not submitted a final reimbursement within 90 days of the contract's expiration date.
- Where the subrecipient is unresponsive to requests for submittal of a final reimbursement request in order to close the contract.
- Where the subrecipient has done little to complete the project activities as approved in the contract.

Section VIII: Subrecipient Audit Requirements

GDOT Monitoring

GDOT's Office of Audits is responsible for monitoring all subrecipients receiving federal funds during their fiscal year to verify compliance with all federal and state requirements. The Office of Audits reviews all single audit reports, whether uploaded to GDOT's Single Audit application, submitted to the Federal Audit Clearinghouse, or received by mail or email. Subrecipients spending less than \$750,000 in federal funds during their fiscal year are asked to certify that a single audit was not required. An audit contact person, usually an administrator or financial officer, submits this certification electronically within GDOT's Single Audit application. GDOT's internal procedures identify subrecipients and the amount of expenditures paid from federal funds during the fiscal year. Nine months following the subrecipients fiscal year end, GDOT will notify subrecipients who have not submitted a single audit report and request submission of either the single audit report or completion of the certification within GDOT's Single Audit application.

GDOT is required to verify all subrecipients are audited when it is expected the subrecipient's federal awards expended during the fiscal year meet or exceed the \$750,000 threshold as outlined in 2 CFR 200.331(f) and 2 CFR § 200.501.

Subrecipients Meeting the \$750,000 threshold

- Subrecipients expending \$750,000 or more in federal assistance in the subrecipient's fiscal year must submit a single audit to GDOT within nine months of the subrecipient's fiscal year end.
- The subrecipient is responsible for establishing requirements, as necessary, to
 ensure compliance by for-profit entities. The agreement with the for-profit must
 describe applicable compliance requirements and the for-profit entities compliance
 responsibility. Methods to ensure compliance for Federal awards made to for-profit
 entities may include pre-award audits, monitoring during the agreement, and postaward audits.
- The subrecipient is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.
- Subrecipient single audit responsibilities as outlined in 2 CFR § 200. 508 through 200.512.
 - Preparation of Financial Statements;
 - o Schedule of Expenditures of Federal Awards (SEFA);
 - A Description of Significant Accounting Policies;

- A Summary Schedule of Prior Audit Findings;
- The subrecipient must also prepare a corrective action plan (CAP) for any current year audit findings;
- $\circ~$ Auditee Responsibilities (2 CFR § 200.510); and
- A list of individual federal Awards:
 - Name of Pass-Through Agency,
 - Grant Identification Number,
 - CFDA Number (Section 5311 20.509),
 - Total Amounts Provided, and
 - Statement as to Whether Entity Used de minimis Indirect Rate;
- The completed audit must be submitted to GDOT within nine months of the subrecipient's fiscal year end via the Single Audit application link: <u>http://singleauditinternal.dot.ga.gov/</u>. The link can also be found on GDOT"s website under an icon labeled "Single Audit."
- Staff within GDOT's Office of Audits will review the audit, identify any audit findings and review proposed Corrective Action Plans (CAP).
 - GDOT must provide a written response to the subrecipient as to what corrective action is required.

Subrecipients below the \$750,000 threshold

- Subrecipients falling below the threshold of \$750,000 in federal assistance during the fiscal year must submit a certification on GDOT's web-based Single Audit reporting system.
- The certification must confirm that expenditures from federal funds during their fiscal year were less than \$750,000 and, therefore, the subrecipient is not required to have a single audit.
- The certification should be submitted no later than nine months after fiscal year end.
- The Single Audit application link is <u>http://singleauditinternal.dot.ga.gov/</u>. The link can also be found on GDOT's website under an icon labeled "Single Audit."

- The subrecipient is responsible for establishing requirements, as necessary, to
 ensure compliance by for-profit entities. The agreement with the for-profit must
 describe applicable compliance requirements and the for-profit entities compliance
 responsibility. Methods to ensure compliance for federal awards made to for-profit
 entities may include pre-award audits, monitoring during the agreement, and postaward audits.
- The subrecipient is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

Audit Standards

The audit must list by contract number all federal and state funds received for the support of transit operations or capital. The audit must be done on behalf of the legal entity executing the contract with GDOT. All subrecipients meeting the threshold for a Single Audit must comply with the "Audit Requirements" of 2 C.F.R. part 200, subpart F, and conform to U.S. Government Accountability Office (U.S. GAO) "Government Auditing Standards" in the conduct of audits of the award, the accompanying underlying agreement, and any amendments.

Audit Costs

The cost of an audit is allowable to the extent authorized by the cost principles of 49 C.F.R. part 1201, which incorporate by reference 2 C.F.R. part 200.

CHAPTER 7: Subrecipient Contracts – Preparation, Execution & Closeout

The Section 5311 Program is by far the largest of the transit programs under the administration of GDOT in terms of funding received annually from FTA and contracts executed annually between GDOT and subrecipients in support of public transit in Georgia's rural areas. The Transit Grants & Contracts Manager and assigned Contracts Specialists are responsible for the preparation and execution of these contracts. Generally, the contract's beginning and ending date will coincide with the state's fiscal year, July 1 to June 30th. All GDOT contracts are routed and executed electronically. Following the completion of application review process led by the Transit Program Delivery Manager, the Transit Grants & Contracts Manager assumes responsibility for the preparation and execution of contracts to subrecipients.

Major Activities

A summary of the steps required to prepare and execute contracts with Section 5311 subrecipients is listed below:

- 1. Review and approval of contract document;
- 2. Notice of intent to award letters;
- 3. Billing for 10% local match;
- 4. Contract Authorization Requests (CAR);
- 5. Project number and obligation of funds;
- 6. Contracts prepared and executed;
- 7. Notice to Proceed (NTP) letters; and
- 8. Contract close-out.

Section I: Timeline of Activities

The timeline for each of the activities required to prepare and execute the subrecipient

contracts for the Section 5311 program as outlined below is a reflection of the coordination required with FTA, GDOT and subrecipients.

Timeline	Activity
December	Transit Grants and Contracts Manager (GCM) oversees
	electronic set-up of subrecipient project folders for the
	upcoming fiscal year by the Transit Contract Specialists.
March	Contract Specialists under the supervision of the Transit
	Grants and Contracts Manager (GCM) prepare "Notice of
	Intent to Award" (NOIA) letters to subrecipients detailing
	the funding approved during the review process. The NOIA
	letters are developed using the Master 5311 POP.
March	The Transit GCM prepares and submits an application to
	FTA for Section 5311 funding.
March - April	Using the Master POP, a Billing Request form is prepared
	and submitted to GDOT Accounting by the Transit GCM.
	GDOT Accounting staff prepare and send invoices to
	subrecipients via email. A copy of the invoice billing is
	sent to the Transit GCM for verification.
March - April	The Transit Program Delivery Manager (PDM) requests the
	Asst PDM's to oversee the district TPMs in the preparation
	of Contract Authorization Requests (CAR) for all assigned
	subrecipients. The CAR's are uploaded to a designated
	folder by program, fiscal year and district. The Transit
	PDM reviews the CARs against the final approved POP for
	discrepancy followed by a secondary review by the Transit
	Grants and Contracts Manager.
	The Transit GCM monitors the GDOT lockbox report daily

TIMELINE FOR PREPARATION & EXECUTION OF SUBRECIPIENT CONTRACTS

	for deposits of the 10% local match from subrecipients			
	until all have been received and allotted.			
Мау	Transit Grants and Contracts Manager directs staff to			
	begin preparing subrecipient contracts using data from			
	each CAR. Certain information including fund source			
	codes, will not be available at this time.			
July	GDOT's Accounting staff obligates federal and state funds			
	for each subrecipient per the CAR. This action is			
	dependent upon source of funds and/or approval of the			
	FTA Grant.			
July - August	The Contract Specialists begin uploading contracts in			
	CATS for subrecipient review and execution. **This step			
	is dependent upon receipt of 10% local match, if			
	applicable, for new vehicles. The Grants and Contracts			
	Manager prepares a Daily Contract Status Report. This			
	report assists staff in identifying bottlenecks or issues with			
	execution. The daily report is sent until all contracts have			
	been fully executed.			
July – August	Executed subrecipient contracts are returned and routed			
	electronically for final review and execution by GDOT.			
July – September	Upon confirmation of the execution of subrecipient			
	contracts, contracts staff prepare and send the Notice to			
	Proceed letters, triggering the submittal of			
	reimbursements requests.			
September -November	The Transit GCM directs staff to ensure each subrecipient			
	Master Contract File is complete.			

Section II: Pre-contract Preparation Activities

Prior to the creation of each subrecipient contract document, a number of activities must be completed as outlined in the timeline and detailed below. Several of these activities require coordination and assistance from other GDOT Offices. Each step in the process is critical to ensuring the timely preparation and execution of subrecipient contracts.

1. Legal Review of Contract Document

The Transit Grants and Contracts Manager, (TGCM), is responsible for monitoring the Federal Register, U.S. Department of Transportation, Federal Transit Administration and other applicable websites to determine if any changes have been made to current laws and regulations or if new regulations or laws have been adopted since the last fiscal year began. If so, these changes must be incorporated into the Section 5311 subrecipient contract template. Each of the following sections, identified as "Articles" in the contract template, must be reviewed:

- Article I Scope and Procedures
- Article II
 Covenant against Contingency Fees
- Article III Employment Personnel
- Article IV Code of Ethics
- Article V Review of Work
- Article VI
 Authorization and Approval
- Article VII Responsibility for Claims and Liability
- Article VIII Compensation
- Article IX Substantial Changes
- Article X Payments
- Article XI Subcontracts and Assignments
- Article XII Contract Disputes
- Article XIII Termination for Cause and Convenience

- Article XIV Compliance with applicable State Laws
- Article XV Compliance with FTA applicable Clauses

Following a review by the Transit GCM, the contract template is submitted to GDOT's legal Office for review and approval. An email from a member of GDOT's legal staff should be archived in the master contract template file verifying the document has been reviewed and approved for the upcoming fiscal year contracts. The final, approved contract document should be archived electronically and marked as the final for use in the upcoming contract cycle.

2. Notice of Intent to Award

The Transit Grants and Contracts Manager (GCM) is responsible for the preparation and release of the *Notice of Intent to Award* (NOIA) letters to all subrecipients approved for funding. The letters are prepared following the approval of the Program of Projects and authorization to proceed with a grant application to FTA. A copy of the current NOIA templates are labeled as <u>Exhibit 7-1</u> and <u>Exhibit 7-2</u> and included in the Appendix. Below are the steps to complete the letters notifying subrecipients of approved funding and project activities:

- 1. The letter template(s) from the previous year should be reviewed by the Transit GCM and updated for any needed changes before releasing to the Contract Specialists.
 - a. Template # 7-1 is used for subrecipients approved for new or additional rolling stock and required to submit the 10% local match to GDOT before a contract can be uploaded electronically and sent for local execution. This template includes the address for submission of the 10% local match.
 - Template # 7-2 is used for subrecipients who did not request or were not approved for new or additional rolling stock and, therefore, not required to submit a 10% local match
 - c. Both templates encourage the subrecipient to remind all parties named in the review and execution of the contract to monitor emails for receipt of the electronic contract.
- 2. Each of the templates details the approved sources and uses of all funds for the

next fiscal year and provides a justification for any denied funding requests.

- All NOIA letters prepared by the Contract Specialists are reviewed by the Transit Grants and Contracts Manager and signed by the Transit Program Manager before release by the TGCM via email to subrecipients.
- 4. District Transit Project Managers (TPM's) are encouraged to read each letter when received by email against the approved application amounts and uses as a check and balance for human error.
- 5. District TPM's should ensure assigned subrecipients' carefully review the "Notice of Intent to Award" letter and advise of any concerns or questions immediately.

3. Billing for Rolling Stock 10% Local Match

The Transit GCM is responsible for ensuring the timely billing and receipt of the 10% local match from subrecipients approved for rolling stock. This step in the process is critical as GDOT's electronic contracting system will not allow a contract to be uploaded and released to a subrecipient for execution until 100% of the funding is received and allotted to the project. In addition, this will delay the submission of reimbursement requests and issuance of a purchase order by GDOT for the requested new vehicle(s). A copy of GDOT's Internal Billing Request Form is labeled as <u>Exhibit 7-3</u> and included in the Appendix.

This process requires coordination with GDOT's Revenue unit within the Accounting Office as well as the Transit Program Delivery Manager, Assistant PDM's and District Transit Project Managers. Below are the steps required to complete the billing and receipt of the 10% local match:

- 1. The Transit GCM utilizes a copy of the approved POP to highlight all subrecipients approved for rolling stock.
- 2. Using GDOT's Internal Billing Request form, the Transit GCM should populate the form with the highlighted lines from the POP. The fields include the name of the subrecipient, contact name, email address, project number, 10% match amount due and a description of the vehicle(s). The Billing Request template is available on GDOT's intranet.

- The Transit GCM should reconcile the total from the highlighted lines in the POP back to the completed billing request template to ensure completeness and accuracy.
- 4. The Transit GCM should submit the completed billing request to the email box established by the Revenue Unit at <u>arbillings@dot.ga.gov</u>. The Revenue unit within GDOT's Accounting Office will create invoices and send via email to each subrecipient.
- The Transit GCM should request a courtesy cc email of these invoices to subrecipients,
- 6. Upon notification to subrecipients by GDOT's General Accounting with the invoice attached, the TGCM should "start the clock" on receipt of the payments. Subrecipients are instructed on the invoice to submit the funds either by ACH or mail to the specific lockbox number assigned to the Intermodal Division.
- 7. Receipts for the 10% match are logged daily into GDOT's Revenue Accounts. These receipts will trigger an email to authorized Intermodal Management and Transit staff detailing pertinent information including name, amount, and description for the payment. The documentation for each payment to the lockbox includes a copy of the check, remittance stub, etc. to ensure the correct subrecipient and project number are given credit for the payment.
- The Transit GCM should monitor Intermodal's lockbox daily and request an update on any ACH deposits from General Accounting to verify subrecipient's local match is received in a timely manner.
- The Transit GCM should work with the Transit Program Delivery Manager (PDM) to request assistance from the Assistant PDM's and District PM's in monitoring the prompt submittal of the 10% match.
- 10. After 30 days, the Transit GCM should submit a request to GDOT's General Accounting to send a second invoice to subrecipients with unpaid 10% match.
- 11. The Transit GCM is responsible for ensuring all subrecipients have submitted the required 10% match and the payments are correctly posted to each account.
- 12. Communication is critical to ensure subrecipients approved for new vehicles understand the failure to submit the 10% local match as early as possible will delay

the release of the electronic contract, the ability of the subrecipient to submit reimbursement requests, and the timely issuance of a purchase order by GDOT for the requested new vehicles.

4. Preparation of Contract Authorization Requests (CAR)

The Transit Grants and Contracts Manager and the Transit Program Delivery Manager should coordinate to determine the most appropriate staff to prepare the Contract Authorization Requests (CAR). A copy of the current CAR is included as <u>Exhibit 7-4</u> in the Appendix. The CARS, prepared from details found in the approved POP, are routed internally to multiple offices for review and approval. The routing process includes:

- GDOT Accounting to set up each project in the State's Accounting System and allot the federal and state funds required;
- Transit Asset Management staff to verify approved rolling stock; and
- A final review and approval by the Transit Program Manager and Intermodal Management.

The CAR provides the Contract Specialists with the specific information required to create a legally, binding contract for each subrecipient. Approved CARs are returned to the Transit Grants and Contracts Manager to initiate contract preparation and execution.

Below are the steps required to prepare and route the CAR:

- The Transit Grants and Contracts Manager reviews the CAR template from the previous year in coordination with the Transit Program Delivery Manager to verify no additional fields or changes are needed to capture all information required for the legal contract document.
- 2. The source document for the project specific information of the CAR is the Program of Projects attached to the FTA Grant application.
- 3. The remainder of the information to complete the CAR is provided by the Transit Program Delivery Manager (PDM).
 - a. The Transit PDM oversees the preparation of a spreadsheet detailing the names of subrecipient reviewers and officials legally authorized to execute

the contract. This spreadsheet is used by both District TPMs as well Contract Specialists to verify the correct spelling of names and titles listed on the CAR.

- The Transit Program Delivery Manager requests each District Transit Project Manager to prepare a CAR for assigned subrecipients. This occurs following the issuance of the Notice of Intent of Award.
- 5. The fields of the CAR template include the official name and address of the subrecipient; a unique T-Pro project number; beginning and ending dates of the contract's operating assistance, capital assistance, and/or planning assistance; a breakdown fund sources and percentage of funds (federal state and local); names and email addresses of all parties authorized to review and execute the contract on behalf of the subrecipient; a description, scope and ALI for each line item funded. The Scope and Activity Line Item (ALI) Tree contains an inventory of Scope Codes and their associated ALIs available in TrAMS for application development. A copy of the ALI Tree is available at https://www.transit.dot.gov/funding/grantee-resources/teamtrams/scope-activity-line-item-tree
- 6. The CAR also includes signatures and dates of all GDOT staff reviewing and approving the CAR.
- The TPDM should request Transit Project Managers to reconcile completed CAR's back to the subrecipient line item details on the Master POP to ensure completeness and accuracy.
- Each CAR should also reconcile to the subrecipient's "Notice of Intent to Award" letter. Any changes to the Master POP following FTA's review process will require a revision to the associated CAR(s).
- 9. Once completed, the Transit Projects Managers upload the CARs to the folder designated by the Transit Grants and Contracts Manager for further review.
- 10. The TPDM conducts a secondary review and routes the CAR's to the Transit Grants and Contracts Manager.
- 11. The Transit GCM should separate the CARS into two categories:
 - a. CARS without any vehicle purchases can be sent immediately to Accounting for project set up and obligation of funds or
 - b. CARS with vehicle purchases cannot be forwarded to Accounting until receipt

of the 10% local match is received and allotted.

- 12. The approved cars are then sent to the Transit Program Manager for final approval.
- 13. Following approval by the Transit Program Manager, the CARs are returned to the Transit Grants and Contracts Manager.
- 14. The Transit Grants and Contracts Manager reviews the CARS to verify all sources of funding are confirmed as reflected on a printout of the Project Balance Report. The obligation of funds by GDOT Accounting and contract preparation cannot begin until all funding is received and allotted.

5. Project Set Up and Obligation of Funds by Accounting

Following the completion and approval of Contract Authorization Requests (CARs) by the Transit Program Manager as outlined above, the CARs must be routed to GDOT's Accounting Office to set up each project, including all fund sources and uses. The internal process is outlined below:

- All CAR's routed to General Accounting for contract set up and the obligation of funds should have a cover transmittal listing each subrecipient and project number.
 - a. The Transit GCM should retain a copy of the transmittal cover sheet listing all CARS as a "check and balance" to verify all are set up by Accounting and returned to Transit to begin contract preparation.
- General Accounting staff will use the information contained in each approved CAR to obligate federal and state funds for each subrecipient using a specific assigned project number from T-PRO. Local funds, such as the 50% operating match are also recorded on the project.
- 3. General Accounting staff should return the CARS to the Transit GCM following contract set up and submitting a request for the obligation of funds to SAO.
- It may take up to ten days for all funds to be obligated and reflected on the state's accounting system.
- GDOT's Project Balance Report (PBR) should be printed as confirmation that all funds have been allotted to the project. A copy of a PBR is labeled as <u>Exhibit 7-5</u> and included in the Appendix.

6. GDOT's internal Contract Authorization Tracking System (CATS), is designed to prevent an employee from releasing an electronic contract until all funds are allotted and obligated by fund source within the state's accounting system.

Section III: Subrecipient Contract Preparation and Execution

The preparation and execution of subrecipient contracts is a key performance metric for the Transit Program. GDOT understands that transit systems are unable to receive reimbursement of operating and/or capital funds already expended until the contract has been fully executed. The execution of the subrecipient contract allows GDOT to process reimbursement requests and in turn enables GDOT to begin submitting drawdown requests to FTA to ensure the grant funds are expended within the grant award period.

Contract Preparation

- Upon return of approved CARs from GDOT's Accounting Office, the Transit Grants and Contracts Manager assigns CARs to the Contract Specialists. Information from the CARS is used to populate the contract template.
- The Transit GCM should review the approved CARS in consultation with the Transit Program Delivery Manager and Program Manager to determine how to allocate or prioritize the CARS for contract preparation.
- 3. The Contract Specialists should log into Peoplesoft to verify all funds are allotted to the project and the federal state and local funds reconcile back to the CAR. If correct, the Contract Specialist should print the Project Balance Report (PBR) for each assigned contract as documentation all funds are allotted to the project. If the funding is incorrect, the Contract Specialist should inquire with GDOT Accounting and alert the Transit GCM.
- 4. Utilizing the approved Section 5311 contract template and attaching the PBR, the Contract Specialist populates the contract template and exhibits with data included

in the CAR.

- 5. Accuracy is critical in preparing and reviewing each subrecipient contract.
- 6. Fields within the contract document include the legal name of the subrecipient; the GDOT project number; the amount of federal, state and local funds; a description of each capital item approved, contract beginning and end dates and FTA Grant number.
- The contract document includes exhibits detailing the breakdown of funds for operating, large capital and small capital. The dollar amounts reflected in the exhibits must reconcile back the written dollar amounts included in the contract document.
- Additional Exhibits included as part of the contract document include but may not be limited to the following:
 - a. Compliance with State Audit;
 - b. Certification of a Drug-Free Workplace;
 - c. Georgia Security and Immigration Compliance Affidavit;
 - d. Certificate of Sponsor;
 - e. Primary Certificate of Debarment and Suspension; and
 - f. Lower Tier Certificate of Debarment and Suspension.
- Contract Specialists prepare a transmittal letter addressed to the subrecipient, attach completed contract document (includes the PBR, CAR and SAM Registration), instructions for electronic execution, and routes to the Transit GCM for a secondary review.
- 10. Following review and approval by the Transit GCM, all prepared contracts are then routed to the Transit Program Manager for a final review and signature of the transmittal letter.
- 11. Following signature by the Transit Program Manager, the completed contract, signed transmittal letter, and supporting documentation are returned to the Transit GCM for uploading into CATS.

The Contract Execution Process in CATS

- The Transit GCM updates the internal Contract Status Report daily and routes to all staff. The contract status report lists all subrecipients, the project number and all pertinent information and dates. The report is updated and used for monitoring the status of for each subrecipient until the contract is fully executed.
- 2. The contract document and transmittal letter are returned to the Contract Specialist for scanning and archiving in the subrecipient's folder.
- 3. The Contract Specialist logs into CATS to initiate the electronic submittal of the contract.
- 4. CATS generates a unique contract number each time a new contract is created in addition to the T-Pro number known as the project number.
- The Contract Specialist begins by looking for the "vendor" name, also known as the subrecipient. The subrecipient's name for the contract is found in the drop-down vendor list.
- 6. Other required fields include the type of contract, begin and ending dates of the contract, contract amounts, GDOT division, name of submitter, etc.
- 7. The Contract Specialist attaches the scanned contract document and transmittal letter archived earlier.
- The documents are routed using DocuSign for execution to the subrecipient's authorized representatives.
- 9. Contract Specialists should be prepared to assist local subrecipients as required in completing the execution, witness, and notary portions as required.
- 10. Once executed at the local level, the contract is returned electronically to GDOT for final review. Notification is sent to submitter that the contract has been returned.
- 11. The internal review includes the Chief Engineer, Legal, the Budget office, and the Treasurer. Following the final review and approval by the Treasurer, the contract document is then routed to the GDOT Commissioner for execution.
- 12. The system will automatically populate and add the date of execution on the first page of contract upon signature by the GDOT Commissioner.

- 13. CATS automatically emails a notice to the submitter, usually a Contract Specialist, stating the contract has been full executed.
- 14. The Contract Specialist should ensure a copy of the executed contract is printed from CATS and archived in the Master Subrecipient File by contract number.
- 15. A Notice to Proceed letter is prepared and sent to the subrecipient within five days
 (5) following the full execution of the contract. A copy of the NTP template is labeled as <u>Exhibit 7-6</u> and included in the Appendix.

Section IV: Archiving Contract Documents

FTA requires the retention of all project related documents for a period of three years following the submittal of the final request for reimbursement. Therefore, GDOT is required to maintain a record for each subrecipient by project number. GDOT archives all project folders and files electronically.

Subrecipient's Master Project Folder

The Transit Grant and Contracts Manager is responsible for maintaining the subrecipient's electronic master contract folder. The folder must be available to state and federal auditors upon request. The master contract folder is created under the Subrecipient's name with a sub-folder for each project number.

The Master Project Folder must include the following:

- 1. Signed copy of the Notice of Intent to Award Letter;
- 2. Signed and approved Contract Authorization Request (CAR);
- 3. Section 5311 Contract Document;
- 4. Project Balance Report (PBR);
- 5. SAM Registration;
- 6. Signed Contract Transmittal Letter;

- 7. 10% local match payment, if applicable, for vehicles;
- 8. Copy of the fully executed contract;
- 9. Signed Notice to Proceed (NTP) Letter;
- 10. NTP email;
- 11. Any Administrative Correction Notices; and
- 12. Email correspondence related to the contract.

Sub-Folders

The following Sub-folders may be created within the Master:

- 1. Reimbursements:
 - a. Submitted and approved for payment by Month for that project number and
 - b. Email correspondence related to reimbursements.
- 2. Supplemental Agreement by number (1,2, etc.):
 - a. Supplemental Agreement (SA) Document;
 - b. Executed SA;
 - c. Signed transmittal letter;
 - d. Signed Notice to Proceed letter;
 - e. NTP email;
 - f. Contract Authorization Request (CAR); and
 - g. Project Balance Report (PBR).

CHAPTER 8: Procurement

This chapter provides guidelines for conducting fair and equitable procurements using federal funds. The guidelines provided include a list of general procurement standards all subrecipients must follow as well as the dollar-value thresholds and categories of procurements for purchases made with FTA funds. Subrecipient procurement policies and procedures are expected to comply with FTA requirements as well as any state requirements. The federal requirements ensure federal funding is used to obtain the best and most appropriate product or service at the best price. The requirements are also designed to ensure that all vendors capable of providing a good or service are given an opportunity to compete for a contract. Subrecipients must also maintain written standards of conduct governing employees engaged in the awarding and administering of third-party contracts in order to avoid personal conflicts of interest or the acceptance of gifts or favors.

Additional resources that may prove beneficial are listed below. FTA's *Best Practices Procurement Manual (BPPM)* is an excellent resource containing requirements and guidance for procurements.

- FTA's Best Practices Procurement Manual (BPPM)
- <u>Third Party Contracting Guidance, FTA Circular 4220.1F</u>
- FTA Master Agreement
- <u>APTA's Standard Bus Procurement Guidelines</u>
- <u>National RTAP's ProcurementPRO</u>

GDOT has developed an FTA compliant procurement policy template. The Procurement Policy template is included as <u>Exhibit 8-1</u> and included in the Appendix. Subrecipients may choose to utilize this template for efficiency and to ensure compliance with all federal laws and regulations. At a minimum, subrecipient should compare their current procurement policy to the template provided to identify any subjects not addressed or to add clarity to the existing policy. Subrecipients are encouraged to contact their assigned Transit Project Manager (TPM) for technical assistance related to a compliant procurement policy.

Advanced Authority to Incur Costs with Federal Funds

Before initiating a procurement process for federally funded capital purchases, subrecipients must verify the following:

- 1. The current TIP includes a justification for the project(s);
- 2. The subrecipient's application to GDOT included the items to be procured;
- 3. The items to be procured are detailed in the current executed contract with GDOT;
- 4. The subrecipient has sufficient state and federal funds remaining on the project to cover the anticipated cost of the procurement. If in doubt, the subrecipient should confirm the current balances available on GDOT's accounting records from the TPM; and
- 5. If sufficient state and federal funds are not available, the subrecipient has committed local funds in writing to cover the balance.

Subrecipient contracts including federal capital funds cannot be executed until FTA has approved GDOT's application and a grant award has been executed.

Section I: Procurement Standards for States, Subrecipients and TPO's

The procurement of goods or services by subrecipients, subcontractors and third-partyoperators must follow FTA requirements as outlined in this section when purchasing with federal funds. Subrecipients may conduct their own procurement, with oversight from GDOT's Transit Program; however, the solicitation documents must be reviewed and approved by Transit Program staff prior to the obligation or expenditure of state or federal funds larger than the micro purchase of \$10,000.00. Below is a summary of the basic requirements for states, subrecipients, and third -party operators.

<u>States</u> must follow the same policies and procedures it uses for procurements from its nonfederal funds when procuring property and services under a Federal award. As a state entity GDOT must comply with 2 CFR 200.322 (*Procurement of Recovered Materials*) and ensure that every purchase order or other contract includes clauses as required by 2 CFR 200.326 (*Contract Provisions*).

<u>Subrecipients</u> must maintain and follow its own documented standards of conduct and procurement procedure which reflect applicable State, local, and tribal laws and regulations. All procedures must conform to the requirements of 2 CFR 200.318 (General Procurement Standards) through 200.326 (Contract Provisions). This includes covering conflicts of interest governing the performance of its employees engaged in the selection, award and administration of contracts. Subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of contracts or purchase orders related to federal purchases. These standards apply to any Third-party contractors purchasing goods, services, or equipment using federal funds passed down through the subrecipient. At a minimum, subrecipients must adhere to the procurement requirements outlined below:

- Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of contracts or purchase orders.
- Ensure procurements initiated by a third-party contractor utilizing federal funds are monitored and approved by the subrecipient to ensure FTA compliance.
- Avoid the acquisition of unnecessary or duplicative items.
- Utilize state and local intergovernmental purchasing agreements/schedules, where appropriate.
- Perform a written "Independent Cost Estimate" (ICE).
- Award contracts only to responsive and responsible contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract.
- Be responsible and responsive, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements.

- Maintain records sufficient to detail the history of procurement. The records must include, but are not necessarily limited to, the following:
 - A rationale for the method of procurement.
 - Basis for selection of the contract type, contractor selection or rejection, and the contract price.
- Ensure all contract opportunities are competitive in nature and provide full and open competition.
- Exclude any geographic preferences within solicitations.
- Avoid placing unreasonable requirements such as unnecessary experience and excessive bonding on potential bidders.
- Avoid specifying a "brand name" but when included must state, "or approved equal."
- Avoid organizational conflicts of interest.
- Not engage in non-competitive contracts to consultants on retainer.
- Not engage in sole source single bids, except in the event of an emergency and with GDOT pre-approval.
- Avoid arbitrary action in the procurement practice (follow your written guidelines).
- Include all applicable FTA clauses based upon the dollar threshold and type of procurement. A copy of the FTA clauses matrix is included and labeled as <u>Exhibit 8-</u> <u>2</u> in the Appendix.
- Comply with the Brooks Act for procurement of architectural and engineering services.
- Comply with all Buy America requirements.
- Do not split procurement purchases to avoid FTA threshold requirements.

- Verify vendors have not been excluded from entering into contracts funded with federal funds by searching the System for Award Management (SAM), <u>https://sam.gov/SAM/</u>.
- Comply with restrictions for lobbying and ensure OMB form LLL is completed for contracts or awards greater than \$250,000.00.
- Do not allow any cardinal changes; that is, change orders issued must be within the original scope of the contract. GDOT must be notified in writing before issuing any change orders.

<u>Third-party contractors</u> All contractors doing business with subrecipients as a private, forprofit entity, must comply with the requirements as set forth in FTA Circular 4220.1F. However, purchases made solely with local funds are not required to meet FTA requirements. Additional Information regarding federal requirements for third party contractors can be found at the links below:

Circular 4220.1f – Third Party Contracting Guidance
 <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Third%20Party%20Contracting</u>
 ng%20Guidance%20%28Circular%204220.1F%29.pdf

• Super Circular Procurement Standards - 2 CFR 200.318 through 200.326 <u>https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1.4.31&rgn=div7</u>

Section II: Understanding Federal Procurement Requirements

The federal government imposes a set of standards and requirements for the acquisition of supplies, equipment and real property purchased with federal funds. Transactions relating to the expenditure of public funds require the highest degree of public trust and impeccable

standards of conduct. The general rule is to strictly avoid any conflict of interest or even the appearance of a conflict of interest in recipient-contractor relationships. Listed below are explanations of the most common clauses or tasks required of subrecipients participating in a procurement involving FTA funds.

Independent Cost Estimate (ICE)

An independent cost estimate (ICE), a tool to assist subrecipients in determining the reasonableness or unreasonableness of the bid or proposal being evaluated, is required for every procurement valued over \$10,000.00. An ICE received from any vendor will eliminate that vendor from bidding or contracting with transit agency for that procurement. The ICE must be performed on all contract modifications, such as change orders. The ICE is required at the *beginning* of the procurement process and is necessary to determine the type of procurement method to use. An ICE template is included and referenced as <u>Exhibit 8-3</u> in the Appendix. To develop an ICE, the subrecipient should use information such as:

- The current market prices for commercial items.
- Estimates based on previous, similar purchases or projects.
- Informal cost estimates from manufacturers for the type and number of items being procured.
- Prices received by other transit agencies for goods or services comparable to the project.

Subrecipients should obtain the independent cost estimate prior to publishing the procurement, soliciting vendors, or in the case of a micro purchase, before the item is purchased.

Examples of places to obtain an ICE are:

- A like-kind vendor;
- A public agency that recently purchased a like-kind item;
- A city or county engineer (if applicable); and
- A catalog showing the product and a sale price.

All ICEs must document the date of the estimate and the name of person preparing the ICE. The ICE must be retained as part of the procurement file. For all purchases greater than the \$10,000 micro purchase, the ICE must be submitted to the Transit Project Manager for review and approval. The subrecipient should not proceed with the procurement prior to receiving concurrence in writing from GDOT.

Understanding the differences between a Cost or Price Analysis

As part of the evaluation of bids and proposals prior to an award, the subrecipient must determine whether to perform a cost or price analysis. As seen in the table below, a price analysis compares a vendors *total* price as a unit in comparison to the total price of other vendors or suppliers without breaking it down into the various components. A cost analysis *breaks down* the reasonableness of the price by reviewing and evaluating the individual components and the profit that make up the price. A cost analysis should always be used to analyze and compare the components making up a vendor's total price.

Supplier Price		Supplier costs		
\$51,250	One unit	Direct Labor \$20,000 Direct Material 5,000 Overhead 22,500 + Profit \$3,750 Total cost \$51,250) <u>0</u> 0	
Price Analysis looks at the supplier's price in comparison to other market prices.		Cost Analysis breaks down the total price into its components, looking at the supplier's costs to determine the profit margin contained in that price.		

Price Analysis

A price analysis is a direct comparison of a vendor or supplier's price with benchmark prices for the same good or service, such as quotes or bids received from competitors and comparison with Independent Cost Estimate (ICE) The considerations for preparing a price analysis may include:

- o adequate price competition;
- o prices set by law or regulation;
- o established catalog and market prices;
- o comparison to previous purchases;
- o comparison to a valid recipient independent cost estimate; or
- o value analysis.

A Price Analysis Template, identified as <u>Exhibit 8-4</u> has been developed and included in the Appendix.

Cost Analysis

Once a reasonable and objective cost for the good or service has been determined from completion of the ICE, this information can be used to develop a cost analysis. GDOT has developed an excel based Cost Analysis Template, labeled as <u>Exhibit 8-5</u> which is included in the appendix. A cost analysis is the appropriate approach when a proposer has been asked to submit the various elements of the cost, as is typical when professional consulting or architectural and engineering (A&E) services are being procured. Examples of proposed cost elements include:

- o labor,
- \circ overhead,
- \circ direct expenses, and
- o profit.

To conduct a cost analysis, look at each cost element and how it was developed to determine if it is reasonable. In such cases, the ICE will need to be broken down into cost elements as well, in order to use it to evaluate the proposer's price. Questions to be asked include:

- How does the proposer or bidder's price quote compare to the expected price range (the price range determined through the ICE)?
- If it is much higher than the expected price range, is there a risk of overpaying for the goods or services by choosing that contractor?
- If the quote is significantly lower than the expected price range, does the bid or proposal contain all of the project elements requested?

The ICE provides a baseline of comparison to conduct the cost analysis while reviewing the bids/proposals and reviewing contract options. The ICE and a cost analysis are especially critical in the following situations:

- There is no price competition (e.g., for architect-engineer procurements);
- Only one price proposal was received; and
- Proposers are submitting price proposals for goods or services that are not gexactly comparable (e.g., for procurements of high-technology items or professional services).

It can also be useful in competitive procurements to alert the subrecipient when all competitors appear to be submitting unreasonably high cost proposals.

Buy America Requirements

FTA's Buy America statute requires all procurements costing more than \$150,000 of iron, steel and manufactured products used in FTA-funded projects must be made in the United States. using at least the minimum required percentage of domestic content, and you are responsible for ensuring that all of the materials your contractor or bidder uses are in compliance with this requirement. While it is possible under the law to apply for and receive waivers for this requirement, it is rare that they will be granted. The \$150,000 contract value is based on the total contract amount, including labor and options, and not just the value of the goods purchased. Also, be mindful that subrecipients are not permitted to break up procurements in order to stay under the \$150,000 threshold. Should a procurement result in bids near \$150,000, subrecipients are encouraged to include the Buy America Certifications in the solicitation, with a note clarifying that if the bid is more than \$150,000, the bidder must certify per the Buy America requirements, but if the bid is \$150,000 or less, no certification will be necessary.

When procuring rolling stock, which includes train control, communication, traction power equipment, and rolling stock prototypes, the cost of the components and subcomponents produced in the U.S. must be:

- more than 65 percent for FY2018 and FY2019
- more than 70 percent for FY2020 and beyond

The final assembly for rolling stock also must occur in the U.S. Additionally, rolling stock procurements are subject to the pre-award and post-delivery Buy America audit provisions set forth in 49 U.S.C. § 5323(m) and 49 CFR part 663.

Unlike rolling stock, manufactured goods must be 100-percent produced in the U.S.A. Manufactured goods are considered produced in the United States if:

- All the manufacturing processes for the product take place in the United States.
- All of the components of the product are of U.S. origin. A component is considered of U.S. origin if it is manufactured in the United States, regardless of the origin of its subcomponents.

More information related to Buy America requirements can be found in FTA's Buy America Handbook at the link below:

https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/buyamerica/58191/buy-america-handbook-rpt0106.pdf

Vendors Excluded from Contract Awards

Subrecipients are required to search the System for Award Management (SAM), <u>https://sam.gov/SAM/</u>, to verify vendors have not been excluded from entering into contracts

funded with federal funds. This must be documented and placed in the procurement file. This documentation should be included as part of the procurement package submitted to the Transit Project Manager for review and approval.

Fair and Open Competition

The primary purpose of any procurement is to obtain optimal quality and service at minimum cost through free and open competition. A secondary purpose is to guard against favoritism and profiteering at public expense, and to provide equal opportunities to participate by every potential vendor. All subrecipient procurements should be designed to ensure that all qualified vendors have a fair opportunity to benefit from spending public funds.

Competition in procurement is the process in which two or more vendors attempt to secure business by the most favorable price, quality, and service. Procurement practices should only rule out vendors for sound business reasons. Subrecipients should not engage in exclusionary practices, such as limiting competition. GDOT will not approve procurements that appear to restrict competition by using exclusionary or discriminatory specifications such as:

- placing unreasonable requirements on firms in order to qualify the vendor to do business;
- requiring unnecessary experience and bonding;
- allowing noncompetitive practices between firms (collusion, price fixing);
- noncompetitive awards to any person or firm on retainer contracts;
- conflicts of interest within the agency;
- specification of a name brand product without listing its salient characteristics and notallowing an alternative product to be offered;
- using any arbitrary action in the procurement process; and
- geographic preference.

Geographic preference for local or state firms is prohibited, except in cases where federal statutes expressly mandate or encourage geographic preferences. Geographic location may be

a selection criterion in the purchase of architectural and engineering services provided that an appropriate number of qualified firms compete for the contract.

Davis-Bacon (Federally Funded Projects Only)

For all construction, alteration, or repair (including painting and decorating) of public buildings or public works projects over \$2,000, the Davis-Bacon Act requires payment of prevailing wage rates to all laborers and mechanics on federal or federally-assisted contracts. The prevailing wage rate, referred to as the "Davis-Bacon wage rate," is determined by the U.S. Secretary of Labor and should be included in the contract between the transit system and the contractor. Two types of wage determinations exist:

- General wage determinations contain prevailing wage rates for the types of construction designated in the determination and are used in contracts performed within a specified geographical area. General wage determinations contain no expiration date and remain valid until modified, superseded, or cancelled by a notice in the Federal Register by the Department of Labor. The General wage determinations should be used whenever possible.
- Project wage determinations are used at the specific request of the grantee. They
 are used only when no General wage determination applied and they are effective
 for 180 days from the date of the determination.

The subrecipient is responsible for ensuring a copy of the most current wage determination of the Department of Labor is included in the solicitation and ensuing contract.

Statewide Contract Purchase Requirements

An assignability clause is not required when purchasing from a State GSA (Intergovernmental agreement). However, all contracts must be awarded with full and open competition and not subject to geographical preferences. FTA and applicable federal Clauses must be attached *prior* to the issuance of a purchase order when a GSA contract is used. Other requirements of purchases made under a statewide contract include:

- Rolling Stock contracts must not exceed five (5) years.
- Transit Vehicle Manufacturer, also known as "TVM" Certification must be obtained from rolling stock manufacturer and included in bidder's proposal.
- No advance payments to contractors shall be made without prior GDOT/FTA approval.

Section III: Procurement Thresholds and Methods

In general, the dollar amount of your purchase or contract impacts how much effort must be put into identifying and evaluating potential vendors for goods or services. The dollar thresholds below took effect for FTA recipients and subrecipients on June 20, 2018:

- \$10,000 or less is considered a "micro-purchase," and involves the fewest federal requirements.
- Over \$10,000 up to \$250,000 is considered a "small purchase" and triggers additional requirements, including comparing costs from multiple vendors.
- Over \$250,000 is considered a large purchase and triggers the need for a formal competitive solicitation and other additional requirements.

The type of goods or services being procured also impacts when certain federal requirements are triggered. For example, buying a vehicle entails special requirements, while construction contracts have different requirements. For specifics guidance subrecipients should refer to the matrix of FTA clauses and applicability, labeled as <u>Exhibit 8-2</u> included in the appendix. The matrix provides the dollar-value thresholds as listed above and the five categories for purchases made with federal funds. The five categories are summarized in a matrix below and followed by a description of the requirements for each category.

PROCUREMENT CATEGORIES

	Micro	Small	Large	Large Purchase	Large -Request for
	Purchase	Purchase	Purchase	Request for	Qualifications
			Sealed Bid	Proposal (RFP)	(RFQ)
Amount of	Total is	Total is	Total is	Total is	Refer to The
Purchase	\$10,000 or	\$250,000 or	\$250,000 or	\$250,000 or	Brooks Act
	less	less	less	more	
Nature of	Standardized	Standardized	Standardized	Services cannot	Architectural and
Product or	Product or	Product or	Product or	be precisely	Engineering
Service	Service	Service	Service	defined, and	Services
				price is only one	
				factor for	
				consideration	
Competitive	No	Yes	Yes	Yes	Yes
GDOT	No	Yes	Yes	Yes	Yes
Approval					

Micro Purchases: Capped at \$10,000

A micro-purchase is defined as a purchase of supplies or services using simplified acquisition procedures where the aggregate amount does not exceed the micro-purchase threshold currently set at a maximum value of \$10,000.00. It should be noted that any type of construction project greater than \$2,000 must adhere to the Davis-Bacon Act. The purpose of the micro-purchase is to allow the non-federal entity to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and in accordance with 41 U.S.C. 1908. Additional requirements include:

- The purchase opportunity must be distributed among qualified suppliers. While the regulation does not require written quotes for micro purchases, subrecipients are advised to retain documentation to the extent possible to evidence a good faith effort was made.
- The documentation should include a determination of how the price is fair and reasonable and how that determination was derived.
- The subrecipient may not divide or reduce the size of its procurement to avoid the additional procurement requirements applicable to small or large acquisition.

GDOT prior approval is *not* required for micro purchases made by subrecipients following the guidelines outlined above. However, GDOT has developed an excel formatted workbook to assist subrecipients, labeled as <u>Exhibit 8-6</u> and included in the Appendix, to assist in documenting the research and making the final determination of a qualified supplier. Subrecipients should use the matrix, completing the tab marked "Micro" and submit with the reimbursement request. All pertinent documents supporting the micro-purchase must be archived for future audit review.

Important Threshold: All procurements listed below require GDOT review and written approval before obligating any federal or state funds. Further, large procurements of \$250,000.00 or greater require multiple GDOT review and approval levels. Subrecipients are encouraged to use the excel workbook, formatted with instructions and a tab for each type of procurement. A summary of the differences for each type of procurement is outlined below, after which a more detailed breakdown of the requirements for each procurement type is provided.

- Small, Large, and Sole Source procurements: The subrecipient should begin by discussing the proposed procurement with your assigned TPM and completing an Independent Cost Estimate (ICE), if applicable. Note that consultation with a TPM is required prior to engaging in procurement activity for all purchases greater than \$10,000.
- The subrecipient should carefully review each of the tabs in the excel procurement checklist and complete the most applicable procurement checklist.

- Large Procurements require GDOT's express written approval at 3 critical points during the procurement process:
 - Approval of the bid/proposal package;
 - Approval of the vendor recommendation; and
 - Approval of the contract documents.
- GDOT's oversight of large procurements provides guidance throughout the process and ensures that FTA requirements are followed. In addition to following FTA regulations, subrecipients are responsible for following the procurement policies of their governing entity and all applicable state and local regulations.

Small Purchases: \$10,001 up to \$250,000

The purpose of the small purchase is to allow non-federal entities to adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold of \$250,000.00. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and in accordance with 41 U.S.C. 1908. GDOT specific requirements for small purchases are detailed below:

- All small purchase activity must be pre-approved in writing by the assigned Transit Project Manager (TPM) prior to awarding the contract or placing the order.
- The small purchases checklist tab, an excel document labeled as <u>Exhibit 8-6</u>, includes the following items or tasks that must be completed.
 - Print the Procurement Overview & Summary Page from the excel workbook,
 <u>Exhibit 8-6</u>. Complete, sign and date evidencing completion of the following:
 - o Documentation of GDOT's Pre-Approval Prior to Purchase
 - Independent Cost Estimate (ICE)
 - Complete Specifications w/ Required FTA Clauses
 - Price Quotations
 - Price Analysis
 - o SAM Search
 - o Responsible Vendor Determination
 - o Awarded Vendor's Proposal

- P.O. with applicable FTA clauses
- Invoice from vendor
- Delivery Receipt (Capital Items Only)
- o DBE Form
- Notice of Contract Claims & Resolutions (If applicable)
- o Notice of Protests & Resolutions (If applicable)
- Davis Bacon (Construction Only)
- Once all of these tasks have been completed and the items and/or services received and accepted, the subrecipient should submit the complete procurement package to the TPM for review and approval along with a request for reimbursement.
- Subrecipients are reminded of the following requirements to ensure a compliant small purchase is reimbursable with state and federal funds:
 - Price or rate quotations must be obtained from an adequate number of qualified sources with a *minimum* of two (2) valid quotations on company stationery or other suitable document identifying the business name, person submitting the quotation.
 - Email quotes are acceptable.
 - Phone quotations are *not* acceptable.
 - All quotations must include specifications, terms, and conditions and/or appropriate contract, where applicable.
 - If a single quote or bid is obtained in response to a solicitation, the subrecipient must review the solicitation to determine if it was unduly restrictive.
 - If the solicitation is found to be adequately disseminated, the subrecipient should seek feedback from potential bidders as to the reason they did not respond to the solicitation. If the reason for receiving a single bid is out of the subrecipient's control, the competition can be considered adequate and the award valid. However, this is contingent upon evidence the price is reasonable after performing a cost analysis.
 - Subrecipients should refer to guidance included on the following pages for Sole Source Purchases.

• The subrecipient may not divide or reduce the size of its procurement to avoid the additional procurement requirements applicable to large acquisitions

Important Threshold: All large procurements, including sealed bids, request for proposal (RFP) and request for qualifications (RFQ), have three specific stages within the procurement process requiring GDOT review and written approval: 1) approval of the bid/proposal package;
2) approval of the vendor recommendation; and 3) approval of contract documents.

For all large procurements, subrecipients should print the template for the appropriate type of large procurement under the excel workbook tab labeled as <u>Exhibit 8-6</u>. The following tasks are separated into the previously identified three stages requiring GDOT review and approval:

Phase I: Review and Approval of the Bid or Proposal Package:

- Discuss procurement with GDOT TPM
- Independent Cost Estimate
- Complete Specifications
- o Written Selection Procedures (included in solicitation)
- o Complete Solicitation Package, including applicable FTA Clauses
- o Advertisement & Public Notice
- $\circ~$ GDOT Concurrence on Bid/Proposal Package and Process

Phase II: Review and Approval of the Vendor Recommendation

- o Emails to Potential Vendors & Proof of Advertisement Publication
- Bid Opening Form/Record of Proposals Submitted
- Responsiveness Determination
- Price/Cost Analysis
- Bid/Proposal Rejection Explanation (if any)
- o SAM Search
- Responsible Vendor Determination
- Bid Tabulation/Selection of Lowest Price (RFQ)
- o Evaluation Rating Sheets & Summary (RFP)

- o Recommended Vendor's Proposal
- o GDOT Concurrence on Recommended Vendor

Phase III: Review and Approval of Contract

- o Sound and Complete Agreement
- All applicable FTA Clauses are in Contract
- Contract Mods (In Scope)
- Attorney Approval of Contract
- o Documentation of Board (or Authorized Governing Entity) Approval
- o Delivery Receipt (Capital Items Only)
- Procurement Overview & Summary Form
- o DBE Form
- Notice of Protests & Resolutions (If Applicable)
- Notice of Contract Claims & Resolutions (If Applicable)
- Davis-Bacon (Construction)
- Copies of Bonds (Construction)
- Buy America (Bus & Rolling Stock)
- Evidence of Negotiations w/ Highest Ranked Suppliers & Ranking Based on Technical Capability Only (A&E)
- o GDOT Concurrence on Contract

Note: Tasks under Phase I are required for all large procurements. Some tasks listed under Phases II and III may not be required as a result of the procurement type. Subrecipients are encouraged to seek technical assistance from the assigned TPM to better understand the requirements of a specific task and confirm if the task is applicable.

Large Purchases - Sealed Bids: Over \$250,000

A sealed bid competitive procurement process is used when complete specifications or purchase descriptions are available, and the total project exceeds \$250,000. Sealed bid is

most commonly used to obtain prices for specific goods and services. Price is a major factor in a sealed bid procurement. Large purchases with sealed bids must involve two or more bidders and the award is given to the lowest responsible bidder. Design specifications of goods and services to be procured under a sealed bid are not subject to negotiation. Bids that deviate from the specifications are rejected as nonresponsive. A sealed bid procurement must meet the following requirements:

- Bids must be solicited from an adequate number of known suppliers and publicly advertised;
- Must have a clear set of written specifications for proposed purchase in order to obtain the best quality products or service at minimum cost;
- Must have written specifications for solicitation outlining protest procedures;
- Must be publicly opened at the time and place prescribed in the Invitation for Bid (IFB);
- Must be sealed and date and time stamped upon receipt;
- Must be received by the stated proposal submission deadline;
- Must contain all applicable FTA clauses;
- Must be awarded to the lowest and most responsive/responsible bidder; and
- Must not be rejected except for a sound and well documented reason.

Large Purchases - Request for Proposal (RFP) – Over \$250,000

The RFP procurement process is competitive and used when a general, rather than specific description of goods and services is available. The RFP method is typically used when contracting for professional services such as consulting, operations management or purchasing dispatching software, all of which include factors other than price. Vendors will typically submit a "statement of work" and a "cost proposal." Contractors may have flexibility in how the goods or services are produced and the award is based on an evaluation of price and

other criteria. Communication with vendors may be used to negotiate an optimal contractual agreement. Examples of this type of procurement include:

- Precise physical specifications are not firm;
- Basis of the award includes factors other than or in addition to price; and
- Discussions with bidders is expected following submittal of the bid or proposal.

The RFP competitive proposal process requires the following:

- RFP's must be publicly posted and all responses considered to the extent practical as evidence of solicitation from an adequate number of qualified sources.
- The RFP must contain scoring or evaluation factors and level of importance.
- A written method must be provided for conducting technical evaluations and vendor selection.
- Award must be made to the most responsive and responsible firm submitting a proposal when price and all other factors are considered.

Large Purchase - Request for Qualifications (RFQ) – Procurement of Architectural and Engineering (A & E) Services

A competitive procedure based on the Brooks Act should be used when contracting for A & E services. Other types of services considered A & E include program management, construction management, preliminary engineering, design, surveying, mapping and services that require performance of a registered or licensed architect. The Brooks Act (Public Law 92-582), also known as Qualifications Based Selection (QBS), was enacted on October 18, 1972 and establishes a qualifications-based selection process, in which contracts for A & E are negotiated based on a demonstrated competence and qualification for the type of professional services required at a fair and reasonable price. A major distinction of the QBS procurement procedures, price quotations are *not* a consideration in the selection process.

 Public Law 92-582 below makes it clear which activities are also eligible as A & E related services:

- "Such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operation and maintenance manuals, and other related services."
- Basic steps involved in pursuing design work under QBS:
 - Public solicitation for architectural and engineering services;
 - Submission of an annual statement of qualifications and supplemental statements of ability to design specific projects for which public announcements were made;
 - Evaluation of both the annual and project-specific statements;
 - Development of a short-list of at least three submitting firms in order to conduct interview with them; and
 - o Interviews with the firms.
- The Brooks Act requires that:
 - o A vendor's qualifications be evaluated;
 - Price be excluded as an evaluation factor;
 - o Negotiations be conducted with only the most qualified vendor;
 - If unable to make an agreement on price, negotiations with the next most qualified vendor should be conducted until a contract award can be made; and
 - Negotiations cannot be reopened with a party once the next vendor has been contacted.

Geographic preference may be used in A & E procurements as long as a reasonable number of contractors are available. For more information on the Brooks Act, see FTA's <u>Best Practices</u> <u>Procurement Manual</u>.

Written Contracts - Common Missing Contract Elements

Through numerous audits and reviews of subrecipient contracts, FTA has identified critical missing elements resulting in a contract that is neither sound or a complete agreement. Often these contracts do not provide remedy clauses for breach of contract, termination for convenience, or for cause. Subrecipients are encouraged to review this list and ensure all critical elements are addressed, as applicable, in order to avoid potential legal issues. Examples of these common missing elements include:

- Missing delivery dates;
- Conflicting labor rates between contract line items and exhibit items;
- Liquidated damages included without a date certain for its application or without the dollar damages stated;
- Unpriced option years, or option quantities;
- No performance period in a contract for services or conflicting periods of performance;
- No time period or mechanics for exercising options;
- Ambiguities between contract terms and conditions and documents included with no "Order of Precedence" clause or other means to resolve the ambiguities;
- No payment provisions or progress payment provisions including title to property;
- Purchase Orders for high dollar amounts lacking all the normal contract terms and conditions;
- Failure to specifically identify the basis for annual price adjustment;
- Different start dates were listed in different parts of the contract;
- Fixed price contract with a dollar amount included for "unforeseen conditions" without provisions for implementation or price adjustment, etc.; and
- Not including clear, accurate and complete contract specifications or statements of work.

Noncompetitive Process – Sole Source Purchases

Sole source procurement is not permissible unless there is only a single supplier. The subrecipient may not divide or reduce the size of its procurement to avoid the additional procurement requirements applicable to large acquisitions.

All sole source purchases greater than \$10,000 require GDOT's written review and approval before execution of a contract or issuance of a purchase order obligating state or federal funds. The subrecipient should print the forms marked "Overview and Summary" and "Sole Source" in the excel workbook labeled as <u>Exhibit 8-6</u>.g

GDOT's process for the review and approval of a sole source purchase has been divided into two phases. Phase I is the submittal of documentation by the subrecipient to the TPM evidencing the necessity to request sole source approval. Phase II includes all of the tasks required to proceed with a sole source award following receipt of GDOT's written approval.

Phase I: Completion of the "Sole Source" checklist and submit documentation to GDOT

- Consult with assigned TPM;
- Complete an Independent Cost Estimate (ICE);
- Complete Specifications;
- Complete a Cost Analysis;
- o SAM Search;
- Responsible Vendor Determination;
- FTA Clauses (In Solicitation);
- Prepare a Sole Source Justification for purchases greater than \$10,000 on letterhead and signed by the authorized representative as to why the item or service is available only from a single source;
- Complete the appropriate sections of the "Overview and Summary" to confirm FTA-compliant procurement processes were followed and properly documented;
- Submit to the assigned GDOT TPM for review;

- GDOT's review and approval of a sole source procurement requires final approval by the Transit Program Manager; and
- The Transit Program Manager issues written approval to complete a sole source purchase by contract or issuance of a purchase order.

Phase II: Execution of contract and receipt of sole source purchase

- Following written approval from GDOT, initiate sole source purchase;
- FTA Clauses must be included in the contract or P.O.;
- Execute a contract or issue a purchase order;
- Goods or services received from Vendor;
- Delivery Receipt (Capital Items Only);
- DBE Form;
- If applicable:
 - Notice of Contract Claims & Resolutions (If applicable);
 - Notice of Protests & Resolutions (If applicable);
 - Piggybacking;
 - Copies of Bonds (Construction); and
 - Buy America (Bus & Rolling Stock);
- Following the receipt of an invoice for the goods or services identified in the sole source award, the subrecipient should prepare and submit a reimbursement request, attaching a copy of the executed contract and any other documentation requested by GDOT;
- It is critical that the subrecipient and GDOT archive all documentation related to the procurement, determination of a sole source award, contract or purchase order, and paid invoices; and
- The procurement documentation must be cross referenced back to the TOO-XXXX project number identified in the executed contract between the subrecipient and GDOT.

Examples of Circumstances Requiring a Sole Source Award

The following are examples of circumstances which could necessitate a sole source procurement:

- The compatibility of the equipment, accessories, or parts is of paramount consideration.
- The sole supplier's item is needed for trial use or testing.
- An upgrade to proprietary software or hardware is required.
- The item is one of a kind.
- An award to another contractor would result in unacceptable delays in fulfilling the subrecipient's needs in support of public transportation.
- An award to another contractor would result in substantial duplication of costs not expected to be recovered through competition.
- The public emergency will not permit a delay caused by competitive solicitation

Protest Procedures and Issues

Both the sealed bid and competitive proposal methods require the subrecipient to have written protest procedures. A protester must go through these written procedures before appealing the subrecipient's decision to GDOT or FTA.

Subrecipients are required to follow reasonable administrative practices and sound business judgment in the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the subrecipient of any contractual responsibilities under its contracts. GDOT nor the FTA will substitute its judgment for that of the subrecipient unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or federal authorities having the proper jurisdiction.

Section IV: Disadvantaged Business Enterprise (DBE)

DBEs are defined as for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis. To participate in the DBE program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification from the relevant state.

Prompt Payment

Subrecipients are required to include a prompt payment clause in all 3rd-party contracts funded with FTA funds, including A & E contracts. This requirement comes from the Disadvantaged Business Enterprise rule found at 49 CFR § 26.29. The clause requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each payment from GDOT.

Below is the prompt payment language GDOT requires in all FTA-assisted contracts:

"The Contractor agrees to pay each subcontractor (and extends to any second-tier contract) under their FTA Funded contract for satisfactory performance of its contract no later than thirty (30) days from receipt of each payment the prime contractor receives from THE GEORGIA DEPARTMENT OF TRANSPORTATION'S FTA funded transit program. Any disputes that arise regarding payment to any subcontractor after the satisfactory completion of work may be brought to the attention of the GDOT TRANSIT PROGRAM, who will make a determination whether there was good cause. Any delay of payment from the above-referenced time frame may occur only for good cause following written approval from the GDOT FTA funded transit program. This clause applies to both DBE and non- DBE subcontractors. Failure by the prime contractor to carry out the requirements of the Prompt Payment without just cause,

is a material breach of their contract with the Georgia Department of Transportation and may result in the GDOT FTA funded transit program withholding payment from the prime contractor until all delinquent payments have been made (no interest will be paid for the period that payment was withheld, when applicable), termination of this contract, or other such remedy as the GDOT FTA funded transit program deems appropriate. Additionally, contractors are discouraged from withholding retainage from subcontractors, but if done, any retainage payments should be made within 30 days of satisfactory completion."

The Best Practices Procurement Manual provides more details on the Prompt Pay requirement in Chapter 7, Section 7.2.4 - Prompt Payment Mechanisms.

https://www.transit.dot.gov/resources/procurement/bppm-disadvantaged-businessenterprise#BM7_2_4

DBE Goal Setting

Every three years GDOT to establish a three-year DBE Goal for submission to FTA. The submission must include the methodology used to establish the goal and other items detailed in 49 CFR 26.45. This is required of all recipients reasonably anticipating the award (excluding transit vehicle purchases) of more than \$250,000 in FTA funds in prime contracts in a Federal fiscal year. The overall three-year goal must be submitted to FTA for review by August 1 preceding the federal fiscal year in which the goal submission is due.

GDOT adopted an overall race-neutral goal of 10.55% for the FY2019-FY2021 period. This goal is not to be considered as a fixed quota, set aside or preference. The DBE goal can be met by prime contractors, subcontractors, or other vendor supplied services that are certified DBE businesses.

DBE Good Faith Efforts

All procurements should make Good Faith efforts to solicit bids from certified DBEs. This may include wide distribution, posting solicitations on minority websites or among trade publications, etc. Good Faith Efforts should be documented to substantiate outreach.

Section V: Lobbying, Debarment & Suspension

Lobbying

Lobbying is defined as influencing or attempting to influence an officer or employee of any Federal department or agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining a federal grant, cooperative agreement, or any other federal award. Recipients of federal funds from any source exceeding \$100,000 annually must certify they have not and will not use federally appropriated funds for lobbying.

Subrecipient Responsibilities related to lobbying:

- Subrecipients must sign a certification of compliance pertaining to lobbying activities which is included as part of the annual application for funding.
- Where third party contractors are involved, subrecipients must obtain a signed certification of compliance from the contractor.
- If non-federal funds have been used to support lobbying activities in connection with a contract from GDOT and the subrecipient received federal funds exceeding

\$100,000, the subrecipient must complete Standard Form-LLL and submit it to the assigned TPM.

 Contractors receiving more than \$100,000 in federal funds from a subrecipient and expensing non-federal funds to support lobbying, must complete and submit Standard Form- LLL to the subrecipient. The subrecipient is responsible for submitting to the assigned TPM.

Debarment and Suspension

Subrecipients receiving more than \$25,000 in a contract from GDOT in support of public transportation must certify they are not debarred or suspended from any federal agency. This is accomplished by signing the annual certifications and assurances included as part of the submitted application and request for funds. A contract award may not be made to a prospective contractor or subcontractor if that contractor is excluded or disqualified under the standards of the U.S. DOT regulations and U.S. OMB guidelines, unless the Federal Government has provided an exception as permitted under those regulations and guidelines.

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

GDOT will not enter into any third-party contract or agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. All recipients and subrecipients including private contractors are required to register with https://www.sam.gov/SAM/

Subrecipient Responsibilities

- Sign a certification of compliance pertaining to debarment and suspension.
- Verify that a third-party contractor is not disqualified by a federal agency.
- Obtain a signed certification or add a clause or condition to the contract or subcontract regarding debarment and suspension.

Section VI: Record Keeping and Retention Requirements

Under 49 U.S.C. § 5325(g), FTA has the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with federal assistance as authorized by 49 U.S.C. Chapter 53. The record keeping and access requirements apply to all contracts funded in whole or in part with FTA funds. FTA standards, in one way or another, require detailed documentation. This documentation may be in the form of written policies, directives, procedures and forms or the written record may be contained in digital format. Either way, FTA and GDOT must ensure that the public record is complete for every acquisition using Federal, State and local public funds, evidencing fair and open competition and achieving the most efficient and economical use of limited public funds.

Procurement File

Subrecipients must retain all records pertinent to procurements where FTA funds are used for three years following the submission of the final expenditure report. The procurement file for each purchase must be complete, including documentation supporting the rationale or justification used on each procurement; details of reviews and analyses completed, and approvals for official contract actions taken. GDOT has developed a Procurement Checklist for use by subrecipients, identified as <u>Exhibit 8-7</u> and included in the appendix. The checklist is comprehensive and can be used for various types of procurements. The checklist is a good tool to ensure completeness of the procurement and contract file. One of the most consistent

findings in all procurement system reviews conducted by FTA is inadequate documentation of decisions and determinations made. It is very important that every event in the procurement process be archived. It should be possible to reconstruct the entire procurement and contract administration processes from these records. It is important to maintain an audit trail from the beginning of the procurement through close out of the contract.

Record Keeping and Access Applicability to Third Party Contractors

The record keeping and access requirements extend to all third-party contractors and their contracts at every tier and subrecipients and their subcontracts at every tier. Subrecipients must ensure all procurements include these requirements. Model language, provided below, may be used by subrecipients regarding records retention and access for federally funded procurements.

Model Language for Third Party Contract Procurements

<u>Record Retention</u>. The Contractor will retain, and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the contract, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third party agreements of any type, and supporting materials related to those records.

<u>Retention Period</u>. The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. § 200.333. The Contractor shall maintain all books, records, accounts and reports required under this Contract for a period of at not less than three (3) years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.

Access to Records. The Contractor agrees to provide sufficient access to FTA and its

contractors to inspect and audit records and information related to performance of this contract as reasonably may be required.

<u>Access to the Sites of Performance</u>. The Contractor agrees to permit FTA and its contractors' access to the sites of performance under this contract as reasonably may be required

Section VII: GDOT Oversight of Procurement Activities

The assigned Transit Project Manager (TPM) serves as the first point of contact to subrecipients for all procurement related questions. Once a subrecipient has initiated a new procurement but before any federal or state funds have been obligated, the TPM should conduct a first level review of submitted documentation to ensure compliance with all applicable state and federal laws and regulations. The Program Delivery Manager (PDM) may require a second level review, based on the value and/or type of procurement, by an Assistant PDM and/or Transit Compliance Manager. With the exception of final approval for sole source procurements, the PDM conducts the final review and signs off indicating approval of the subrecipient's procurement. Sole source requirements require the written approval of the Transit Program Manager following GDOT internal reviews as described above. All questions or issues identified during the review process as well as the approval sign off must be documented and included as part of both GDOT's and the subrecipient's procurement file for audit purposes and cross-referenced back to the unique project number identified within the subrecipient's executed contract with GDOT.

A description of the procedures incorporated as part of GDOT's monitoring and oversight related to subrecipient procurements is detailed below:

- 1. The Transit PM (TPM) is responsible for reviewing the subrecipient's procurement policy as part of the annual desk level risk assessment. Every three years the procurement policy is reviewed as part of a full compliance review.
- 2. Should the TPM have any compliance questions or concerns after conducting the review, a copy of the policy in question and specific concerns should be emailed to the

Transit Compliance Manager, Transit Program Delivery Manager (PDM) and assigned Assistant PDM requesting a review and technical guidance.

- 3. If a determination is made that the subrecipient's procurement policy is not compliant, the Transit Compliance Manager will prepare and email a letter to the subrecipient's authorized representative identifying the areas of non-compliance. The template letter requests either an updated plan be submitted within 30 days or a timeline for submitting an updated, compliant procurement plan. GDOT has developed a template letter for non-compliance which is labeled as <u>Exhibit 8-8</u> and included in the Appendix.
- 4. The TPM should monitor communications, sending an email reminder after 15 days to the subrecipient requesting a status update. The email should courtesy copy all others assisting in the review process within GDOT. All communications, including emails, must be archived as part of the procurement file.
- 5. The TPM should continue to monitor the status, sending courtesy email reminders until a compliant procurement policy has been reviewed and accepted.
- 6. Should the subrecipient be non-responsive after a reasonable period time, the TPM should request assistance and escalation from the Transit Assistant PDM and/or Transit PDM in order to resolve the outstanding issue.
- 7. The TPM must review and monitor the timely purchase of all capital line items included in the executed contract between GDOT and the subrecipient, providing technical assistance as requested throughout the contract period.
- 8. For all procurements, the subrecipient is encouraged to discuss the proposed purchase and associated requirements with the TPM early in the process.
- The TPM should ensure completion of an Independent Cost Estimate (ICE), if applicable. The ICE is included as <u>Exhibit 8-3</u> in the appendix.
- 10. Once the procurement method has been determined, The TPM should ensure the subrecipient emails a copy of the posted procurement.
- 11. The subrecipient is responsible for submitting a package including all of the procurement documentation to the assigned Transit Project Manager in advance of any

commitment or purchase resulting in the obligation of federal or state funds. The items described in the procurement package must be consistent with the capital items listed in the executed contract between the subrecipient and GDOT.

- 12. The TPM is responsible for conducting the first level review of the subrecipient's procurement package to ensure all documentation is complete, accurate and meets FTA requirements. To support the review, the TPM should complete GDOT's Internal Review Checklist labeled as Exhibit 8-9 for the applicable type of procurement.
- 13. The TPM should sign off on the checklist and email the completed checklist and procurement package to the assigned Assistant PDM for review. Alternatively, the TPM may archive the package on the GDOT server and send an email with the hyperlink requesting review and approval.
- 14.A secondary review is conducted by an Assistant Program Delivery Manager. The Transit Compliance Manager will provide guidance and technical expertise as necessary.
- 15. With the exception of a sole source procurement, the final review and approval sign off is the responsibility of the Transit PDM, followed by an email indicating approval to the TPM and courtesy copy to the Assistant PDM and Compliance Manager.
- 16.All subrecipient requests to complete a sole source procurement must receive final approval from the Transit Program Manager.
- 17. Conversely, deficiencies identified within the subrecipient's procurement package or GDOT checklist review should also be communicated by the PDM with a deadline for response follow up.
- 18. Following final approval, the assigned Transit Project Manager is responsible for notifying the subrecipient by email in a timely manner in order to expedite the procurement of goods or services.
- 19. Following approval of a subrecipient's procurement package, the TPM is responsible for logging the procurement in the master excel spreadsheet created by the Transit Compliance Manager (TCM). The spreadsheet, by program and fiscal year, is the responsibility of the TCM, and is meant to ensure a complete master list of all procurements is accessible for tracking and future audits. The Procurement Log template is labeled as <u>Exhibit 8-10</u> and can be found in the appendix.

- 20. The Transit PM is required to electronically archive the entire subrecipient procurement package and all associated documentation for assigned subrecipients for audit purposes. Each entry on the master Procurement Log must have a correlating procurement file.
- 21. The Program Delivery Manager should instruct the TPM's as to the specific location to archive procurement packages on the GDOT server.
- 22. The TPM's are expected to provide technical assistance to assigned subrecipients issuing an RFP for the purchase of public transportation through a third-party operator (TPO) by providing a copy of FTA compliant templates as listed below:
 - a. Third Party Operator Request for Proposal (RFP)- Exhibit 3A
 - b. Third Party Operator Rate Budget Worksheet RFP Exhibit 3B
 - c. Third Party Operator Contract Template Exhibit 3C

Section VIII: Other Procurement References

- National RTAP Procurement Pro is a tool developed to ensure Federal compliance when creating a bid solicitation with FTA federal funds. <u>http://www.nationalrtap.org/Web-Apps/ProcurementPRO/</u>
- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards <u>https://www.ecfr.gov/cgi-bin/text-</u> idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_ main_02.tpl
- Federal Clauses Frequently Asked Questions:
 <u>https://www.transit.dot.gov/funding/procurement/third-party-procurement/contract-clauses</u>
- FTA Procurement Circular, 4220.1F, that applies to all grantee procurements may be found here: <u>https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/thirdparty-contracting-guidance</u>

- FTA Best Practices Procurement Manual (BPPM) is accessible online. <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/ft</u> <u>a-best-practices-procurement-and-lessons-learned-manual-2016.pdf</u>
- GSA Schedules <u>http://www.gsa.gov/portal/content/197989</u>
- State and local govt. schedules: <u>http://www.gsa.gov/portal/category/100631</u>
- Based upon description of the project, the GDOT reviewer may research the proper North American Industry Classification System (NAICS)
 code. <u>http://www.naics.com/search/</u>
- Third Party Contracting Topical FAQ's

https://www.transit.dot.gov/funding/procurement/third-party-procurement/third-party-procurement-faqs

CHAPTER 9: Transit Asset Management (TAM)

Transit Asset Management is the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risk, and costs over their life cycles for the purpose of providing safe, cost-effective, and reliable public transportation. TAM uses transit condition to guide both the management of capital assets and funding prioritization to improve or maintain a state of good repair.

In July 2012, the U.S. Congress enacted the MAP-21 (Moving Ahead for Progress in 21st Century) Act, which directed the Federal Transit Administration (FTA) to establish Transit Asset Management (TAM) requirements. Transit asset management (TAM) means a plan that includes an inventory of capital assets, a condition assessment of inventoried assets, a decision support tool, and a prioritization of investments. A TAM system provides a strategic and systematic process for operating, maintaining, and improving public transportation capital assets effectively, throughout the life cycles of those assets. In July 2016, FTA issued the final rule establishing requirements for Transit Asset Management (TAM) which apply to all subrecipients and subrecipients of FTA funds. The final rule included a requirement for state DOT's to offer a group TAM plan to subrecipients receiving FTA funds. FTA set a deadline for the adoption of all TAM plans of October 1, 2018. GDOT's Transit Asset Management (TAM) Plan was adopted on September 25, 2018. The group plan includes participants in the following three categories:

- Rural Program Section 5311 GDOT-Subrecipients
- Small Urban Section 5307 Providers
- Large Urban Section 5307 Providers

All of the current participants in GDOT's group TAM plan are classified as Tier II subrecipients operating 100 or fewer revenue vehicles during peak regular service hours. The regulation does not allow a tier II subrecipient to participate in more than one TAM plan. A tier II transit provider must provide written notification to GDOT, as the group TAM plan sponsor, if it chooses to opt-out of the group TAM plan. A subrecipient that opts-out of the group TAM plan must either develop its own TAM plan or participate in another sponsor's group plan.

Section I: TAM Plan Basic Requirements and Responsibilities

The purpose of the TAM Plan is to aid GDOT and group plan participants in achieving and maintaining a state of good repair (SGR) for all public transportation assets. The goal of the regulation, as detailed in Title 49, § Section 625, is to enhance safety, reduce maintenance costs, increase reliability, and improve performance. A capital asset is in a state-of-good-repair if the asset's condition allows it to operate at a full level of performance. In determining whether a capital asset is in a state-of-good-repair, GDOT and the subrecipient must consider the following state-of-good-repair standards under subpart D of § 625.41:

- The capital asset can perform the designed function;
- The asset in its current condition does not pose an unacceptable safety risk;
- The life-cycle investment has been met or recovered.

GDOT Responsibilities

GDOT, as the recipient of Section 5307 and 5311 FTA funds, is responsible for developing and submitting the group TAM plan to FTA. All participants in GDOT's group plan are classified as Tier II. A Tier II subrecipient is defined as owning, operating or managing:

- 1. one hundred (100) or fewer vehicles in revenue service during peak regular service across all non-rail fixed route modes or in any one non-fixed route mode;
- 2. A subrecipient under the 5311 Rural Area Formula Program; or
- 3. Any American Indian tribe.

Development of the group TAM plan includes setting performance targets applicable to the participants in the group plan and reporting TAM asset performance measures to the National Transit Database (NTD) annually in coordination with group plan participants.

GDOT, as the developer of the group TAM plan has four basic responsibilities:

1. Developing the group TAM plan in coordination with each subrecipient's Accountable Executive;

- 2. Listing all participating subrecipients in the plan;
- 3. Providing a copy of the final group TAM plan to all subrecipients in an easily accessible format; and
- 4. Outlining the responsibilities for TAM plan subrecipients.

GDOT's group TAM Plan will be updated in its entirety, at minimum, every four years. A copy of GDOT's current Transit Asset Management Plan can be accessed at: www.dot.ga.gov/IS/Transit

Subrecipient Accountable Executive Responsibilities

The regulation states the subrecipient's Accountable Executive is ultimately responsible for ensuring the TAM plan is developed and carried out in accordance with federal guidelines. The accountable executive is defined as:

"The single, identifiable person who has ultimate responsibility for carrying out the safety management system of a public transportation agency; responsibility for carrying out transit asset management practices; and control or direction over the human and capital resources needed to provide public transportation."

The Accountable Executive is responsible for ensuring the reporting requirements, in accordance with both § 625.53 (Recordkeeping for Transit Asset Management) and § 625.55 (Annual Reporting for Transit Asset Management) are completed. Furthermore, the Accountable Executive shall approve the annual asset performance targets; TAM plan document, and state-of-good-repair policy and goals. These required approvals shall be certified annually by the Accountable Executive and provided to GDOT as required by FTA.

TAM Plan Requirements

A compliant TAM Plan must contain four major components including:

- 1. An inventory of assets;
- 2. A condition assessment;
- 3. Documentation outlining the analytical tool used; and
- 4. The work plan for investment prioritization.

The inventory of assets section provides a list of all capital assets supporting the delivery of public transportation services by participants of the group plan. The condition assessment section includes the current condition of each capital asset and how the actual condition compare to the targets set for the asset category. The analytical or management approach section breaks out the information supporting the decision-making process, investment prioritization, risk management considerations, and strategies for maintenance, overhaul, disposal, acquisition, and renewal. The work plan for investment prioritization outlines the proposed investments and any applicable capital investment activity schedules.

GDOT's group TAM plan has been organized to comply with these four major components as further outlined below:

- 1. Capital Asset Inventory A detailed inventory of the number and type of capital assets.
 - a. GDOT's inventory includes all capital assets except for equipment with an acquisition value under \$50,000.
 - b. GDOT ensured the inventory included third-party owned or jointly procured exclusiveuse maintenance facilities, passenger station facilities, administrative facilities, rolling stock, and guideway infrastructure used by a provider in the provision of public transportation.
 - c. The asset inventory was organized to ensure a level of detail commensurate with the level of detail in the transit provider's program of capital projects.
 - d. GDOT's group TAM plan was broken down into the following categories:
 - i. Rolling Stock includes all service revenue vehicles;
 - ii. Equipment includes all non-service revenue vehicles and capital equipment; and

- iii. Facilities includes administration and maintenance buildings.
- 2. **Condition Assessment** Provides an assessment of the inventoried assets for which a subrecipient has direct capital responsibility.
 - a. GDOT's condition assessment includes detailed information necessary to monitor and predict the performance of the asset and to inform the investment prioritization.
 - b. GDOT determined the condition of rolling stock and equipment assets by comparison of the asset age to its Useful Life Benchmark (ULB).
 - i. The FTA term "Useful Life Benchmark (ULB)", is defined in the regulation as "the expected life cycle or the acceptable period of use in service for a capital asset." The ULB is a new term created for TAM and should be distinguished from the FTA Grant Minimum Useful Life requirement.
 - ii. ULB is not the same as an asset's useful life. ULB considers a provider's unique operating environment such as geography, service frequency, etc.
 - c. GDOT evaluated transit facilities using a 1-5 rating on the FTA Transit Economic Requirements Model (TERM) Scale. Condition assessments were conducted in accordance with the FTA's TAM Facility Performance Measure Reporting Guidebook.
 - d. Facility subsystems (e.g., electrical subsystem, shell, substructure, etc.) that received a rating below 3.0 based on visual inspections by facility owners were scheduled for rehabilitation. Each facility subsystem was considered as a separate project and scheduled for investment first by the condition rating, and then by the facility age.
- 3. **Management's Analytical Process** A description of GDOT's analytical process and decision-making support tools used to estimate the capital investment needs over time in order to development investment prioritization work plans.
 - a. GDOT elected to use FTA's *Transit Economic Requirements Model* (TERM Lite) to support decision making in the development of the GDOT Group TAM Plan.
 - b. GDOT established parameters in TERM Lite using only asset condition. Asset condition was, therefore, given a weight of 100%.
 - c. The TERM Lite tool assigned scores for each inventory line item followed by a prioritization of asset investments.
- 4. Investment Prioritization Work Plan A project-based prioritization of investments,

developed by GDOT in accordance with § 625.33, including a schedule for these proposed investments.

- a. The final rule requires GDOT's TAM plan to include a prioritized list of investments to improve the state-of-good-repair of transit capital assets. GDOT's asset investments are determined by sub-groups due to the different funding types received by the plan participants. Thus, assets are prioritized within each subgroup (i.e., 5311, 5307, or large urban), but not across subgroups.
- The project rankings are reviewed by GDOT staff to ensure consistency with TAM policies and strategies.
- c. When developing investment prioritizations, GDOT must give due consideration to state-of-good-repair projects posing an identified unacceptable safety risk.
- d. When developing investment prioritizations, GDOT considers the estimated funding from all available sources expected to be available in each fiscal year during the TAM plan horizon period. The Investment Prioritization reflects reasonably anticipated funding from all sources (federal, state and local) over the four-year period of the TAM plan.
- e. Consideration is also given in the development of investment prioritizations to the maintenance of accessible features and the requirements under 49 CFR 37.43 concerning the alteration of transportation facilities.
- f. The GDOT Group TAM Plan Asset Inventory is formatted using the Excel-based Inventory Publisher template available on the FTA website. The template, formatted to conform to the TERM Lite data fields, facilitates the data import process and requires completion of the following fields before importing into TERM Lite: Mode, Description, Asset Classification, Quantity, Year Built, Replacement Cost, Cost Year and Priority.

Useful Life Standards

GDOT has adopted the FTA minimum useful life standards to ensure timely replacement of vehicles. See FTA Circular 5010 (series), as amended, for FTA standards. Subrecipients must use the useful life standards identified below for all GDOT funded vehicles.

The useful life of rolling stock begins on the date the vehicle is placed into revenue service and continues for as long as it is in service. Vehicles may be replaced, with GDOT prior approval, once the useful life has been met if funds are available.

Category	Length	Typical Cha Approx. GVW	racteristics Seats	s: Average Cost	Minimum Life (Whichever comes first)	
Light-Duty Small Bus, Cutaways, and Modified Van	16 to 28 ft	6,000 to 14,000	10 to 22	\$30,000 to \$40,000	Year 4	Miles 100,000
Light-Duty Mid- Sized Bus	25 to 35 ft	10,000 to 16,000	16 to 25	\$50,000 to \$65,000	5	150,000
Heavy-Duty Large Bus	35 to 60 ft	33,000 to 40,000	27 to 40	\$325,000 to over \$600,000	12	500,000
Heavy-Duty Small Bus	30 ft	26,000 to 33,000	26 to 35	\$200,000 to \$325,000	10	350,000
Medium-Duty and Purpose- Built Bus	30 ft	16,000 to 26,000	22 to 33	\$75,000 to \$175,000	7	200,000

Minimum Service-Life Categories for Buses and Vans

GDOT, on behalf of Section 5311 subrecipients, reports the age of all vehicles annually to the National Transit Database (NTD). This data allows FTA to track the performance of revenue vehicles (Rolling Stock) and service vehicles (Equipment), by calculating the percentage of vehicles that have met or exceeded the useful life benchmark (ULB).

Reference: FTA Useful Life of Transit Buses and Vans, Report No. FTA VA-26-7229-07.1, April 2007, Table ES-1

**Incidental use service mileage does not count toward the minimum useful life mileage.

Utilization Standards

To ensure that vehicles purchased with federal funds receive maximum use, GDOT requires

rotating vehicles within the service area. Any system failing to use its primary fleet (excluding backup vehicles) may be denied replacement or rehabilitation funds. Vehicles and other capital assets must meet their minimum useful life criteria. Other assets include, but are not limited to, buildings, computers, furniture and fixtures, radios, fareboxes, etc.

Annual TAM Plan Review and Update

The TAM plan is considered a "living document" and should be reviewed on a regular basis to ensure the accuracy of the data and investment prioritizations. Beginning in 2018, GDOT began using the TAM plan data as a baseline measure for asset performance management. Following the annual state fiscal year end at June 30, GDOT staff update the inventory of transit assets and review the prioritized list of investments. Revisions are considered following an analysis of the needed investment prioritizations to ensure all transit assets remain in a state-of-good-repair. GDOT requires all Accountable Executives to review and approve by signature the revised TAM plan for the upcoming year.

Four Year TAM Plan Update

FTA requires GDOT, as the group sponsor, to update the entire plan at least once every four years. GDOT will seek to coordinate the TAM Plan update with applicable Metropolitan Planning Organization (MPO) in Georgia. The update requires input from all plan participants and signatures of approval from the authorized representative of all group plan participants.

Record Keeping and National Transit Database Requirements

All GDOT TAM plan records and documents are archived electronically and available for review upon request. GDOT, as the group TAM Plan sponsor for Section 5311 subrecipients, compiles and reports the following transit asset information to the National Transit Database (NTD). As part of the NTD Asset Inventory Module (AIM), the data requirements include:

Asset inventory data

- Condition assessments
- Performance results
- Projected targets for the next fiscal year
- A narrative report
- Methodology used to calculate the TAM metrics.

Assets are reported to NTD in the fiscal year in which the subrecipient begins utilizing the asset for public transportation service. Assets are not reported that are being assembled, under construction, or undergoing testing at the end of the fiscal year.

Performance targets are submitted to NTD on behalf of subrecipients in the following categories:

Category	Metric
Rolling Stock	Percentage of revenue vehicles within a particular asset class that are expected to meet or exceed their Useful Life Benchmark (ULB). Report one target for each vehicle type
Equipment	Percentage of service vehicles that are expected to meet or exceed their ULB. Report one target for each vehicle type
Facilities	Percentage of facilities with a condition rating expected to rate below 3.0 on the FTA Transit Economic Requirements Model (TERM) scale (1=Poor to 5=Excellent)
	Report one target for each facility type (Maintenance/Administration, Passenger/Parking)

The *Consolidated Narrative Report,* as required by FTA, outlines the results of the investment prioritization methodology, performance targets and resulting performance measures for the previous year. The narrative report and NTD data for all Section 5311 subrecipients must be prepared and submitted annually prior to the established deadline, usually October 1st.

Section II: Maintenance Plans

GDOT, as the subrecipient of FTA funds, is charged with ensuring rolling stock, equipment, and facilities purchased or constructed with federal funds by a subrecipient complies with all applicable laws and regulations. Subrecipients are required to have written maintenance

programs to ensure all assets are maintained, at a minimum, in accordance with applicable written maintenance and service guidelines. GDOT's goal is to mitigate risk and maintain a state of good repair for all assets through the review and analysis of identified performance data using established methodology, proper planning for the procurement and replacement of assets, annual safety evaluations, and regular preventative maintenance. Subrecipients must have appropriate procedures in place to ensure that the management and oversight of federally assisted property is properly administered as outlined below.

Maintenance Plan Requirements - Vehicles

All GDOT subrecipients are required to implement and maintain a maintenance program consistent with GDOT's Group TAM plan. Basic elements of the vehicle maintenance program include the following:

- 1. Vehicle and Lift Maintenance
 - a. Daily pre-trip vehicle inspections and cleaning
 - b. Scheduled preventive maintenance inspections and repairs
- 2. Farebox Procedures
 - a. How are fareboxes serviced and maintained?
- 3. Management of maintenance resources and assets
 - a. Parts inventories
 - b. Materials handling
 - c. Materials safety data sheets
- 4. Accidents / Road Calls
 - a. Accident procedures, documentation and corrective actions
 - b. Determining how road calls are prioritized and dispatched.
- 5. Warranty compliance and recovery
 - a. Documentation of warranty claims and repairs
- 6. On-site fueling
 - a. Fuel storage, deliveries

- b. Leak detection procedures
- 7. Standards for maintenance subcontractors.
 - a. Scope of Work
 - b. Terms and conditions
 - c. Cost
- 8. Information Management
 - a. Evaluation of data
 - b. Identifying trends and cost-saving options

Maintenance Plan Templates

GDOT has developed a Maintenance Plan Checklist, labeled as <u>Exhibit 9-1</u> and listed in the appendix, which includes all of the required elements for a compliant FTA maintenance plan. At a minimum, subrecipients are encouraged to review their maintenance plan against the checklist annually. GDOT has developed a compliant Section 5311 Maintenance Plan template. A copy of the template is listed as <u>Exhibit 9-2</u> and included in the Appendix. GDOT's maintenance plan includes templates available to subrecipients for use in completing regular preventive maintenance activities. The templates include:

- 1. Vehicle Pre-Trip Inspection Checklist
- 2. Lift Pre-Trip Inspection Checklist
- 3. Wheelchair Lift Maintenance Schedule Checklist
- 4. Body Maintenance Schedule Checklist
- 5. Annual Safety Inspection Checklist
- 6. Maintenance & Administrative Facilities Condition Assessment Rating Tool
- 7. Maintenance & Administrative Facilities Condition Rating Scale

Maintenance Plan Requirements - Equipment and Facilities

All GDOT subrecipients are required to implement and maintain a maintenance program covering equipment and facilities consistent with GDOT's Group TAM plan. Basic elements of the equipment and facilities maintenance program include the following:

- 1. Building Maintenance
 - a. Day to day upkeep and preventive maintenance of interior / exterior structural components permanently affixed to a building.
 - b. Emergency building maintenance procedures.
- 2. Grounds Maintenance
 - a. Lawns, trees, shrubs, sidewalks, fences, signs, street lighting, storm drains, irrigation systems, and parking areas.
- 3. Custodial Services
 - a. General cleaning of the building including insect control, trash removal, etc.
- 4. Equipment Maintenance
 - a. Inspection checklists
 - b. Schedule preventive maintenance
 - c. Evaluation of data for trends, etc.

Updating Subrecipient Maintenance Plans

Subrecipients maintenance plans are living documents and should be updated whenever inventory changes are made to reflect the current interval needs of the subrecipient's vehicle inventory. Plans must include the mileage interval frequency for oil changes and oil filter replacements. These preventive maintenance intervals must be met at least 80% of the time. The subrecipient is required to submit the Interval Checklist for all 5311 FTA funded vehicles for oil and oil filter change intervals at the beginning of the new state fiscal year to the assigned TPM for review. The assigned TPM will review to ensure compliance of the frequency as defined in the Maintenance plan

Subrecipients are expected to adhere to their written vehicle maintenance program to ensure the vehicles are maintained, at a minimum, in accordance with the manufacturer's maintenance and service guidelines. GDOT recommends preventive maintenance (PM) for revenue vehicles in accordance with the manufacturers' recommendations and guidelines.

Subrecipients may elect to hire third-party contractors to perform maintenance functions. subrecipients may also have leased assets maintained by a lessee. GDOT is responsible for oversight of all rolling stock active fleet maintained with FTA dollars. FTA-funded vehicles and facilities must be maintained in accordance with the written maintenance plan. Subrecipients must ensure any third-party operators are following the written maintenance schedule.

Section III: Property Management Requirements

Subrecipients must keep satisfactory records pertaining to the use of federally assisted property and submit upon request such information as may be required to assure compliance with federal and state requirements.

Fixed Asset Records

Capital assets purchased with federal and/or state-administered funds valued at \$5,000 or more must be accounted for in the subrecipient's fixed asset records. Asset cost includes the purchase price and costs associated with getting the asset ready for use. For example, the costs of a lift or destination sign, purchased as part of a vehicle, can be included in the cost of the vehicle. As stated in Circular 5010.1e, a subrecipient's fixed asset records must include the required 11 federal elements listed below:

- 1. Description vehicle make, model, and year or equipment make and model;
- 2. Vehicle VIN, equipment serial number, or building's physical address;
- 3. Acquisition date;
- 4. Cost;
- 5. Fund sources. i.e. Section 5311 etc.;
- 6. Percentage of federal participation in the cost;

- 7. GDOT contract and FTA grant number under which it was purchased;
- 8. Physical location of asset;
- 9. Use and condition of the asset;
- 10. Useful Life; and
- 11. Disposition data, as appropriate (disposal date, sale price, or, where applicable, the method used to determine its fair market value).

GDOT has developed an excel template for recording fixed assets incorporating all 11 of the elements listed in Circular 5010.1e. Subrecipients are encouraged to use this template or ensure internal fixed asset records include all required fields. The template is included in the appendix and labeled as Exhibit 9-3.

GDOT Identification Number

GDOT's Transit Program assigns all Section 5311 vehicles purchased with federal and/or state administered funds with a unique GDOT identification number to be used throughout the life of the asset. The asset number is not reused. The unique identification number is different from the subrecipient's internally assigned asset number. The Fleet Manager is responsible for assigning the GDOT identification number and maintaining a Master Inventory of all Section 5311 vehicles, including active, out of service and surplus vehicles. Vehicles meeting and/or exceeding the required useful life in miles or years as determined in the TAM plan are transferred to surplus following receipt of a replacement vehicle.

Physical Inventory and Reconciliation Required Every Two years

Subrecipients must complete a physical inventory every two years of all rolling stock and equipment reconciled against GDOT's Transit Program's capital asset records. Subrecipients are encouraged to communicate with the assigned TPM in advance to discuss the schedule for

conducting the physical inventory and the documentation required for submittal evidencing the physical inventory was completed and reconciled. Differences between the assets identified during the physical inventory, assets in the subrecipient's accounting records and assets included in GDOT's records must be investigated and resolved. Property should be tagged or otherwise identified as federally assisted property. Equipment to be inventoried includes rolling stock, computing devices, information technology systems, and all other such property used in the provision of public transit service. Documentation detailing completion of the physical inventory and reconciliation against capital asset records must be submitted to the assigned TPM within 30 days following completion accompanied by a transmittal letter detailing the process and recapping the assets inventoried.

Method of Depreciation

Capital items purchased with GDOT-administered federal and/or state funds are to be depreciated using the straight-line method of depreciation over the useful life of an asset in accordance with generally accepted accounting principles. Subrecipients must use GDOT useful life standards for assets purchased with GDOT-administered federal and/state funds. Depreciation expense is not an allowable reimbursable cost if the fixed asset was purchased, in part or in whole, with federal funds.

Vehicle Titles

Title to vehicles purchased with GDOT-administered FTA Section 5311 federal funds are titled in the name of the subrecipient with GDOT as the first and only lien holder. The Fleet Manager is responsible for the safeguard of all titles for Section 5311 vehicles until the vehicle has been disposed of following the completion of its useful life. The specific requirements for release of the lien on these titles is addressed under the Surplus Vehicle section of this chapter.

Insurance Requirements for all Assets

30 Day Notice

All policies must contain a provision that coverage afforded under the policy shall not be canceled, changed, allowed to lapse, or allowed to expire until thirty (30) calendar days after written notice has been given to the certificate holder on the certificate of insurance. All such coverage shall remain in full force and effect during the initial term of the agreement and any renewal or extension thereof.

Flood Insurance Requirements

A subrecipient using GDOT-administered federal funds, in whole or in part, in the purchase of facilities or facility improvements, agrees to have flood insurance as required by the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), for any building located in a special flood hazard area (100-year flood zone), before receiving federal assistance to acquire, construct, reconstruct, repair, or improve that building. Subrecipients must submit to the TPM a signed *Assurance of Flood Insurance Certificate*. The certificate must be updated and submitted annually. If the facility is re-designated to a nationally declared flood zone, the certification must be updated and submitted to the TPM within 30 days of the re-designation.

The building and its contents must be covered by flood insurance in an amount at least equal to the federal investment (less estimated land cost) or equal to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968. Current limits are \$500,000 per building and \$500,000 for the contents of each building.

FTA has defined building and contents coverage in its Emergency Relief rule, 49 CFR part 602, as follows:

Building - For insurance purposes, a structure with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site. This includes manufactured or modular office trailers that are built on a permanent chassis, transported to a site in

one or more sections, and affixed to a permanent foundation.

Contents coverage - For insurance purposes, contents are personal property within a building, including fixtures, machinery, equipment and supplies. In addition to the costs to repair or replace, contents insurance coverage shall include the cost of debris removal and the reasonable cost of removal of contents to minimize damage

Insurance for Real Property / Equipment

The subrecipient must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal assistance as provided to property owned by the recipient.

Insurance for Vehicles – Revenue and Non-Revenue

The subrecipient shall be responsible for maintaining required insurance coverage, property records, conducting capital asset physical inventories every two years, implementing adequate property internal controls and maintaining the property in proper working condition. Subrecipients shall maintain the minimum required insurance limits for all vehicles purchased with FTA and/or state funds as listed below and provide the assigned Transit Project Manager with a copy of the insurance certificate. Vehicles provided through a third -party provider or self-insurance are still required to maintain the minimum insurance limits. GDOT has the authority to order a vehicle used to deliver public transportation under FTA's Section 5311 program parked if it is deemed to improperly insured.

Vehicle Minimum Insurance Limits:

\$500,000	Bodily injury per person
\$700,000	All bodily injuries
\$ 50,000	Property Damage

Liability insurance coverage covers bodily injury and property damage. Bodily insurance covers the costs of an ambulance for the driver or passengers in another car involved in the auto

accident. Property damage covers the costs of damage to other cars or another person's property.

Repairs to Lift-Equipped Vehicles

Any lift-equipped vehicles in the 5311 Program should be repaired within five (5) business days of breakdown. If this cannot be accomplished, the subrecipient should notify the assigned Transit Project Manager in writing, outlining the reason this cannot be accomplished as well as a schedule for repairs and a return to service. The TPM should follow up with the subrecipient requesting confirmation the lift-equipped vehicles has been repaired and returned to service.

Out of Service Vehicles

A vehicle shall be considered out of service if the vehicle is unfit for revenue service. A vehicle found unfit for service must be taken out of service and shall not be returned to service until defects are corrected. A vehicle shall be considered unfit if *any* of the following conditions are found:

- Wheelchair lift or any ADA accessibility related equipment is not functioning properly;
- 2. Air conditioning is not working properly according to industry standards;
- 3. Tires have a tread depth less than the state and federal recommended levels;
 - a. Minimum of 3/32" Front and 2/32" Rear
- 4. Emergency equipment, i.e. exits, doors, windows, are inoperative; and/or
- 5. Any condition not in compliance with applicable federal and state regulations.

Subrecipients should not delay vehicle repairs due to the anticipated cost while a vehicle is still within the useful life period. If a vehicle is out of service for more than 30 days, the subrecipient must provide written notification to the assigned TPM along with the date for

expected return to revenue service. The TPM is responsible for monitoring the status until the vehicle is returned to revenue service. An email should be sent to the Transit Program Delivery Manager for any vehicle remaining out of service greater than 45 days in an effort to identify the delay and expedite the repair.

Lease of Vehicles

Should an emergency arise resulting in a vehicle being out of service greater than 30 days and the subrecipient does not have a spare vehicle, the subrecipient may request authorization from GDOT to lease a vehicle short term in order to maintain needed service levels within a service area. GDOT must provide written approval prior to the subrecipient executing a lease agreement. Copies of lease agreements must be forwarded to the Transit project manager within 48 hours. Payment of lease agreement invoices that did not receive prior written approval from GDOT may not be eligible for reimbursement.

Prior Approval Required for Vehicle Overhaul or Rebuild

Described below are two scenarios subrecipients may experience as part of managing a fleet of vehicles for public transit. It is important for subrecipients to discuss either scenario with the assigned Transit Project Manager before proceeding with repairs. Written approval from GDOT for either a vehicle overhaul or rebuild must be received before obligating federal and/or state funds for extensive repairs and/or rehabilitation.

Vehicle Overhaul - For a vehicle to be considered for overhaul, it must have accumulated at least 40 percent of its useful life. Vehicle overhaul means the systematic replacement or upgrade of revenue and non-revenue systems or components whose useful life is less than the useful life of the entire vehicle in a programmed manner. Overhaul is intended to enable the vehicle to perform to the end of the original useful life. A vehicle overhaul does *not* extend the original useful life. Rolling stock overhauls are an eligible capital expense. Vehicle overhauls also apply to rolling stock leased or acquired by a contractor for transit service.

- Vehicle Rebuilding Rebuilding of a vehicle is an eligible capital expense occurring at, or near, the end of the vehicle's useful life. The rebuild results in an extended useful life for the vehicle. In the operation of a public transit system, there may be times when it is less expensive or time-consuming to incur maintenance expenses, even substantial ones to rehabilitate a vehicle, than to purchase a new vehicle. Per award management requirements detailed in FTA circular 5010.1E., the following criteria are required in order to be eligible for reimbursement of a vehicle rebuild:
 - The vehicle must be at the end of its minimum useful life and in need of major structural and/or mechanical rebuilding;
 - The age is calculated as the years of service at the time rebuilding begins; and
 - The minimum extension of useful life is four years, or miles equivalent to four years.

Following a discussion with the TPM and approval to submit a request for consideration, the subrecipient should prepare the following:

- A written request on letterhead submitted to the assigned Transit Project Manager signed by the authorized representative of the subrecipient. The request should identify the vehicle, current mileage, calculated remaining useful life and a proposed course of action based on a professional mechanical inspection and the eligibility for vehicle overhaul or vehicle rebuild.
- 2. The request must contain a cost benefit analysis
- 3. The request must include two signed vendor quotes.

GDOT will provide a timely response by email following a review of the request and supporting documentation. Should the overhaul or rebuild begin prior to receiving GDOT's written approval, the expense may be ineligible for reimbursement. GDOT's Transit Program has the discretion to approve or deny such requests

Section IV: Other Allowed Uses of FTA Funded Assets

Incidental Use of Transit Assets

GDOT encourages the incidental use of federal and/or state funded capital assets to raise additional revenues for the transit program. However, the proposed Incidental use must be consistent with the original purpose of the transit asset. An acceptable incidental use does not affect a property's transit capacity or use. Justification for the incidental use of GDOT transit funded capital assets should be based mainly on a proposed use that benefits public transportation. Subrecipients should submit a completed Incidental Use form to the Transit Project Manager. A copy of the Incidental Use Request form is labeled as <u>Exhibit #10</u> and included in the appendix. The written request must adhere to all of the following criteria:

- The use does not interfere with the public transit services for which the asset was originally obtained;
- The use does not exceed 20 percent of the total use of an asset; and
- The use does not interfere with the subrecipient's continuing control over the asset.

Incidental Use Program Income

A subrecipient must have written procedures in place to track program income. These procedures include the ability to identify and record program income as well as the obligation and expenditure of program income. Program Income derived from incidental use must be based on competitive market rates of return and based on the appraised fair market value. With express written concurrence, GDOT and FTA allow income received from authorized incidental use to be retained by the subrecipient, provided the income is used to assist with eligible transit capital or operating expenses. This income cannot be used as part of the non-federal share of the award from which it was derived but may be used as part of the non-federal share of another FTA Award.

Incidental Use Expenses

The subrecipient may recapture all of the expenses related to the incidental use from the nontransit public entity or private entity, including all applicable excise taxes on fuel for fueling facilities and wear and tear to capital improvements with prior approval from GDOT. Additional information on Incidental Income can be found in Chapter 4.

Charter Service

Capital assets purchased with GDOT-administered funds are only available for charter service under certain conditions. See Chapter 11, Section VI for more specific guidance on Charter Service.

Meal Delivery

Capital assets purchased with GDOT-administered federal funds may be used for meal delivery if the delivery service does not conflict with providing public transportation services or reduce services to the general public. GDOT requires the nutrition program to pay the operating costs attributable to meal delivery. Federal and/or state administered funds cannot be used to purchase vehicles used solely for meal delivery.

Contracted Third-Party-Operator (TPO) Services

Capital assets purchased with federal and/or state administered funds may be used to provide contracted services through a third-party-provider (TPO). Services must not replace or minimize the primary mission of the subrecipient to provide public transportation service to the general public. Federal and/or state funded vehicles must be used to provide transportation services within the subrecipient's designated service area. Transportation within the designated service area includes:

- Transportation of an individual from the designated service area to a facility or location outside the service area and the return trip.
- Transportation to pick up an individual outside of the service area if it is part of a coordinated trip to a designated location.

The subrecipient should ensure that contracted rates for transportation services cover all anticipated expenses to include, but not be limited to, maintenance of vehicles and any administrative overhead. Transit providers must ensure that all transportation expenses associated with providing the service are allocated to contracts in a method that is based on benefits received. Additional information on cost allocation plans can be found in Chapter 6.

All capital assets purchased with federal funds administered by GDOT must be in the direct control of the subrecipient. The Transit Program reserves the right to approve or disapprove of use agreements involving assets purchased with the federal and state funds. The subrecipient must provide a written justification stating the best use of the asset is usage under a use agreement. If the justification is accepted, the subrecipient must address the following issues, at a minimum, with the subcontractor before the use agreement is signed:

- Drivers of the transit system or drivers from another agency may drive the vehicles provided the required insurance coverage is maintained and adequate for the use(s);
- 2. The use agreement must state who is responsible for insurance, maintenance, drivers, emergencies, backups, etc.;
- The vehicles must be operated as open to the general public without discrimination;
- Incidental service ridership and revenue miles must be reported separate from the service open to the general public;
- 5. Driver licensing requirements are clear and detailed; and
- 6. Drug and alcohol testing requirements are clear and detailed.

A subrecipient contracting with a third-party-operator (TPO) remains responsible for compliance with all state and federal rules and regulations.

Section V: Fleet Management - Master Inventory of Transit Vehicles

The Fleet Manager is responsible for maintaining a complete and detailed Master Inventory of

all Transit Vehicles purchased by GDOT on behalf of Section 5311 subrecipients. The Master Inventory, is also sub-categorized by active vehicles, pending surplus vehicles, surplused vehicles, vehicles removed from service due to accidents, etc. The Master Inventory contains, at a minimum, the following information:

- GDOT Vehicle Number
- GDOT District Number
- GDOT Contract Number
- Vehicle Description
- Vehicle Length
- VIN
- Tag Number
- Cost
- GDOT Purchase Order Date
- Vendor Delivery Date
- Total Cost
- Federal Percentage
- FTA Grant Number
- Subrecipient Name / Vehicle Location
- TPO name, if applicable
- Mileage at 6/30 of each fiscal year
- Status Active, Out of Service, Surplus, etc.
- Useful Life as per TAM plan
- Date Moved to Surplus
- Final Surplus Disposition

Each time GDOT issues a purchase order for a new replacement vehicle, a new entry is added to the Master Inventory by the Fleet Manager with all of the information available. The entry is updated following delivery and acceptance of the vehicle by the subrecipient. Simultaneously, the retired vehicle is removed from active service and transferred to the pending surplus. The status continues to be updated until the vehicle has been sold and is not longer a part of GDOT's Master Inventory.

The mileage for all vehicles is recorded at year-end, June 30th, annually in order to update GDOT's TAM Plan, identifying all vehicles meeting the useful life benchmark that need to be replaced. This mileage is also used by GDOT as part of the National Transit Database (NTD) submittal required by FTA.

<u>Section VI: Fleet Management – Order, Delivery & Payment of New</u> <u>Vehicles</u>

Process for ordering 5311 Vehicles

Following the full execution of Section 5311 contracts containing funding for vehicles, it is important for the Fleet Manager to log into the TEAMWORKS Financial System and initiate a requisition which, once approved, will notify GDOT's Procurement Office to prepare and issue a Purchase Order to the vendor for the specific make, model and year of the vehicle described within the executed contract. Below are the basic steps for navigating TEAMWORKS. However, the Fleet Manager should be familiar with the software before starting this process.

- 1. Log into TEAMWORKS Financial System
- 2. From the home screen menu, click on the blue folder
- 3. Once you click on the folder another screen will open
- 4. Click on eProcurement
- 5. Click on Requisition
- 6. Enter all the charging information and vendor ID number
- 7. Click on the special request screen and enter the item description, price, quantity and comments.
 - a. The comment section is used to add information for fiscal year, lettering information/striping information, GDOT# and contract number.
 - b. Once you have filled in the information, click add to cart.
 - c. At the top of the screen click on checkout.

- 8. This screen provides a summary of the information entered. Review the information carefully, including a review of lettering instructions, striping, etc. for each subrecipient.
- 9. You may "Save and Submit" or "Save for Later."
- 10. Clicking "Save" will assign a requisition number.
- 11. Clicking "Save and submit" will automatically send the new requisition to the first approver.
- 12. Choosing "Save for later" will not move the requisition forward until it is submitted.
- 13. Once the requisition has been approved and a Purchase Order (PO) issued, the procurement office will send a copy of the PO.
- 14. The purchase order will be sent to the vendor, resulting in an order being placed for the subrecipient's the transit vehicle.
- 15. The Fleet Manager should update the Master Inventory with the PO # and the date the order was placed.

Receipt of New Vehicles by GDOT and Acceptance by the Subrecipient

Upon notification from the vendor of the upcoming delivery of new vehicles, the Fleet Manager will coordinate with the vendor and subrecipient to schedule an inspection and acceptance of the vehicle. An in-plant inspector is required for all deliveries in excess of 20 vehicles by one subrecipient. The in-plant inspector shall not be an employee of the manufacturer and shall prepare a report providing accurate records of all vehicle construction,

The Fleet Manager should ensure the following activities are completed as part of the on-site inspection and acceptance of the vehicle by the subrecipient:

- 1. Verify the vendor has provided the Manufacturers Statement of Origin (MSO) and MV-1 to GDOT for the vehicle(s).
- Complete the Checklist as required for Post-Award Audit. The post award audit checklist is labeled as <u>Exhibit 9-4</u> and included in the appendix.
- 3. Review the requisition and PO against the delivery invoice to insure Buy America requirements were met.
- 4. Complete the Subrecipient Vehicle Acceptance Form, labeled as Exhibit 9-5 which requires

the following:

- a. A road test, visual inspection and operation (if applicable) were completed
- b. Post-Delivery Inspection Complete
- c. Representative accepting the vehicle on behalf of the subrecipient has provided the required Power of Attorney documentation
- d. Subrecipient has provided proof of insurance
- e. The invoice has been reviewed and signed by subrecipient's representative
- f. The vendor has provided all required delivery paperwork to the subrecipient's representative including:
 - i. A Certificate of Origin for the body and chassis
 - ii. An MV1 form for tag and title registration. The subrecipient should take this paperwork to the local tag/tax office for processing as soon as possible. A Title will be issued in the name of the subrecipient with GDOT named lien holder.
 - iii. The vendor will provide copies of the warranty registration for the subrecipient's records. Generally, the vendor will upload the warranty registration on behalf of the subrecipient.
 - iv. The subrecipient should review the warranty terms and conditions before considering any repairs. This is critical to ensure the warranty is not jeopardized.
- g. The subrecipient's representative has inspected and accepted the vehicle.
- 5. The Fleet Manager should complete the Post-Award certifications listed below for all vehicles procured by GDOT. Each of the exhibits is included in the appendix.

a. Buy America Certification	Exhibit 9-6
b. Purchaser's Requirement Certification	Exhibit 9-7
c. Purchaser's Requirements - Inspector Certification	Exhibit 9-8
d. Federal Motor Vehicle Safety Standards Certificati	on (FMVSS) <u>Exhibit 9-9</u>

- Following completion of these certifications, the Fleet Manager should route for review and signatures of the Transit Asset/Compliance Manager and final approval by the Transit Program Manager.
- 7. The completed certifications are archived by the Fleet Manager as part of the vehicle's permanent file.

Processing Vendor Invoices for Payment

The Fleet Manager is responsible for proper care and processing of vendor invoices received during the on-site inspection of the vehicle. This process includes the following:

- 1. Following delivery and acceptance of the vehicle by the subrecipient, the vendor invoice must be processed in a timely manner.
- 2. Verify the invoice received date is notated and approval stamp is used, providing a specific area for approval signatures and dates.
- 3. The Fleet Manager should review the invoice for accuracy, complete a SRR Payment cover sheet.
- 4. Attach the completed SRR to the vendor invoice.
- 5. Sign on Agency Representative Signature line.
- 6. Make a copy of the entire invoice paperwork for the file.
- 7. Route packet for signatures to:
 - a. Transit Compliance & Asset Manager
 - b. Transit Program Manager
 - c. Asst. Division Director or Division Director
- 8. Upon return of the invoice packet with required approvals, make copies of the signed paperwork.
- 9. Route the invoice packet to Accounting for further processing.
- 10. Accounting will send to the Procurement Department to process invoice.
- 11. Following a review by the Procurement Department, the packet will be returned to Accounting for payment processing.

Section VII: How to Report Vehicle Accidents

Section IV of FTA C 5010 e states that when vehicles purchased with federal funds are damaged,

the fair market value (FMV) must be calculated based on the condition of the vehicle immediately before the accident, irrespective of the extent of insurance coverage. If any damage occurred as a result of abuse or misuse with the subrecipient's knowledge and consent, the subrecipient agrees to restore the vehicle to its original condition or refund the value of the federal interest.

GDOT places a high priority on the safety of transit personal and patrons. As outlined in the circular, GDOT must maintain control over real property and other assets (rolling stock and equipment) and ensure these assets are used in transit service. When a public transit asset is involved in an accident and/or malfunctions, the subrecipient must notify the assigned Transit Project Manager. The process for email and written notification are outlined below:

- 3. All sub-recipients are required to notify the assigned Transit Project Manager (TPM) immediately by e-mail of any accident, either by the system driver or third-party operator (TPO).
- If the subrecipient is unable to reach the TPM for any reason, such as the accident occurred after hours, the subrecipient must follow up via e-mail to the TPM at the start of the next business day.
- 5. Without exception, the subrecipient must provide written notification to the TPM, providing all known details of the accident no later than 24 hours following the accident.
- 6. The subrecipient is required to notify family members, guardians, etc., of passengers on the vehicle, without regard to whether any injuries were sustained during the accident.
- In all cases, the subrecipient must complete and submit two reports following an accident, the Accident and Incident Report and the Post Accident Drug and Alcohol Testing Decision Report. Both of which are more fully described below:
 - a. The Accident and Incident Report (AIR) provides specific details related to the accident, including the date, time and location of the accident; a brief description of the accident; names of all passengers, description of injuries; name of TPO, if applicable; vehicle tag number, and GDOT number. The AIR is included and labeled as <u>Exhibit 9-10</u> in the appendix.

- b. The Post accident D&A Testing Decision Report (PADAT), labeled as <u>Exhibit 9-11</u> in the appendix. The subrecipient must decide whether to test or not test accordingly as outlined in 49 CFR § 655.44
 - i. The decision not to administer a drug and/or alcohol test must be based on the employer's determination, using the best available information at the time of the determination that the employee's performance could not have contributed to the accident. Such a decision must be documented in detail, including the decision-making process used to reach the decision not to test.
- 8. The subrecipient should request or pick up a formal copy of the Police Accident Report as soon it is available from the Georgia Highway Patrol post, sheriff's office, or the police department investigating the accident.
- 9. After receipt of the Police Accident Report, the subrecipient should immediately submit the following documents via email to the assigned TPM:
 - a. Police Accident Report
 - b. Post-Accident D&A Decision Report
 - c. Accident Report From
 - d. Witness Statements (if applicable)
- 10. Upon receipt of the documents detailed above from the subrecipient, the TPM should complete GDOT's Accident and Incident Follow-Up Report (FUR), labeled as Exhibit 9-12 and included in the appendix. The FUR is an internal GDOT document to be used during the review of the submitted documents from the subrecipient. The FUR verifies each document submitted by the subrecipient. The TPM is required to include other information, such as the date of the last vehicle inspection, and also to articulate needed corrective actions that should be taken by the subrecipient or TPO to minimize the risk of future occurrences. These corrective actions may include, but are not limited to, pre and post trip inspections, internal subrecipient and/or TPO procedure or policy changes, identifying additional training or discussions with personnel.
- 11. Following completion of the FUR, the TPM should submit all the documentation via email to the GDOT Fleet Manager.

- 12. The Fleet Manager will review the completed FUR along with the documentation submitted by the subrecipient detailed above and log into GDOT's internal spreadsheet developed to record and track all reportable accidents. The GDOT Vehicle Accident Log (VAL), labeled as <u>Exhibit 9-13</u>, records the specific details of each accident.
- 13. The Fleet Manager is responsible for capturing this data in order to aggregate accident data for Safety Management reporting purposes as required by FTA.
- 14. The Fleet Manager is also responsible for coordinating with the subrecipient and other parties, as applicable, to facilitate the completion of insurance reporting forms, including reporting, claims management, and settlements,
- 15. The Fleet Manager works directly with the subrecipient as well as the insurance carrier to facilitate any insurance claims and assist in the negotiation of any settlement amounts. The VAL should be updated as the status changes related to insurance claims and settlements.
- 16.Following agreement on the settlement amount for the totaled vehicle, the Fleet Manager will communicate with the subrecipient directly regarding replacement of the totaled vehicle via email.
- 17. The assigned TPM should be courtesy copied on all emails related to the accident and insurance settlement.

Section VIII: Insurance Settlements involving FTA Vehicles

Accidents involving public transit vehicles purchased with federal and state funds may often only need repairs. In some cases, the insurance company will determine the vehicle to be a total loss. The Fleet Manager is responsible for coordinating with the subrecipient and the insurance company, negotiating settlements as necessary, and initiating the process when a replacement vehicle is necessary. There may be times when the useful life of a vehicle has been met and the subrecipient does not deem a replacement vehicle necessary. Each situation involving an FTA funded asset must be examined and actions taken consistent with federal regulations. Detailed below are examples involving a damaged or totaled FTA funded asset and the steps needed to address each specific situation:

Asset Replacement Following Receipt of Insurance Proceeds

When an FTA-funded vehicle is declared a total loss by the subrecipient's insurance company, the insurance proceeds, based on federal and state percentages of participation in the purchase, may be used to assist in the purchase of a similar asset with GDOT approval. Below are the steps required by GDOT and the subrecipient to replace the totaled vehicle.

Replacing a Vehicle with Remaining Useful Life

Outlined below is the process for replacing a vehicle within its useful life utilizing insurance proceeds:

- The Fleet Manager receives the notification of settlement and settlement amount and archives all documentation electronically related to the accident under <u>P:\FLEET</u> <u>MANAGEMENT\5311 - Vehicle Replacements by fiscal year</u>
- 2. The Fleet Manager should request Accounting to ensure the received funds are posted in the same account as the anticipated budget obligation for the replacement vehicle and to communicate this account number to the Fleet Manager via email.
- 3. Following receipt of the settlement, the Fleet Manager should remove the vehicle from GDOT's Master Vehicle Inventory detailed within GDOT's TAM plan.
- 4. The Fleet Manager should pull the title for the totaled vehicle, identifying by the make, model and VIN, from the secure file.
- 5. The Fleet Manager should prepare an interoffice memo to the Intermodal Division Director, requesting signature for release of the lien on the back of the title. The Intermodal Division Director has been given authority by the Commissioner for this specific action.
- 6. The title and signed interoffice memo are routed to the Transit Program Manager for final review and approval before routing to the Division Director.
- 7. Upon receipt of the signed title from the Division Director, the Fleet Manager prepares a

transmittal letter. The transmittal letter and the enclosed signed title are sent via UPS to the insurance company. A template for the transmittal letter for insurance is labeled as <u>Exhibit 9-14</u> and included in the appendix.

- The Fleet Manager should determine the cost for the replacement vehicle as compared to the settlement amount received, calculating any balance required before an order can be placed.
- 9. Upon confirmation that a balance is required from the subrecipient, the Fleet Manager should provide a detailed breakdown of the calculation in an email and notify the subrecipient. The TPM should be copied on all emails related to the replacement of a vehicle.
- 10.All amounts due from the subrecipient require action by GDOT's Accounting Department. The Fleet Manager completes an internal Billing Request Form, labeled as Exhibit 7-3, and requests an invoice be prepared by GDOT's Accounting Department and emailed to the subrecipient.
- 11. This step in the process is critical as GDOT's electronic contracting system will not allow a contract to be uploaded and released to a subrecipient for execution until 100% of the funding is received and allotted to the project.
- 12. The Fleet Manager should courtesy copy the TPM when submitting the request for an invoice to be sent to the subrecipient for the remaining balance. The TPM should contact the subrecipient to encourage prompt payment of the balance due, reminding the subrecipient the replacement vehicle cannot be ordered until this balance is received by GDOT.
- Once the Fleet Manager confirms all funds have been received and allotted, a Contract Authorization Request (CAR) can be prepared. A copy of the CAR is labeled as <u>Exhibit</u> <u>7-4</u> and included in the appendix.
 - a. A copy of the CAR for the totaled vehicle should be pulled as the basis for preparing a CAR for the replacement vehicle.
 - b. The CAR for the replacement vehicle should use the contract number, TOO-XXXX, under which the original, now totaled, vehicle was obligated and purchased under.

- c. The CAR should clearly state the purpose for the contract is to replace the loss of GDOT vehicle # ____, under contract # ____.
- d. The Fleet Manager should verify, with assistance from the assigned TPM, all of the pertinent subrecipient information remains unchanged from the original CAR, including names and titles of officials or key personnel authorized to review, execute, witness and notarize the contract. Any changes should be verified in order to delay execution.
- e. The CAR must identify the fund source code under which the insurance settlement was posted and the amount, along with the remainder needed to cover the purchase of the replacement vehicle.
- f. Generally. a CAR for a replacement vehicle with remaining useful life will not include any new federal funds. The insurance proceeds received by GDOT will be classified as state funds along with any local funds required to reconcile with the cost of the replacement vehicle.
- 14.A copy of the settlement statement from the insurance company, highlighting the amount received, should be attached to the CAR.
- 15. After reviewing the CAR to ensure all required data fields are populated and a reference to the totaled vehicle has been noted, the Fleet Manager should sign the CAR and forward to the Program Delivery Manager and the Transit Program Manager for signature and approval.
- 16. The Fleet Manager should route the approved CAR to the Intermodal Fiscal Services Manager for review and to request funds be obligated for the specific contract.
- 17. The Transit Grants & Contract Manager ((TGCM) cannot begin the preparation of an electronic contract for the replacement vehicle until the funds have been obligated and are verified by printing a Project Balance Report (PBR). A copy of the PBR should be attached to the CAR as evidence funds have been set aside and obligated for the contract. A copy of a PBR is labeled as <u>Exhibit 7-5</u> and included in the Appendix.
- 18. It may take up to ten days for all funds to be obligated and reflected on the state's accounting system.
- 19.GDOT's internal Contract Authorization Tracking System (CATS), is designed to prevent

an employee from releasing an electronic contract until all funds are allotted and obligated by fund source within the state's accounting system.

- 20.Following confirmation all funds have been allotted, the TGCM, should request a Contract Specialist to initiate a new contract in CATS.
- 21. The contract document, prepared by the Contract Specialist, includes an exhibit detailing the breakdown of funds. The dollar amounts reflected in the exhibit must reconcile back the written dollar amounts included in the contract document as well as the amounts listed in the PBR.
- 22. Following completion of the contract document, the Contract Specialist should prepare a transmittal letter on GDOT letterhead, addressed to the subrecipient. This transmittal letter is labeled as <u>Exhibit 9-15</u> and included in the appendix.
- 23. The Contract Specialist conducts a final review of all of the documents and prepares a folder containing the documents for review by the TGCM. The folder incudes the transmittal letter, completed contract document for the replacement vehicle, PBR, CAR for the replacement vehicle, CAR for the original vehicle, SAM registration, and any instructions needed for electronic execution.
- 24. Following review and approval by the Transit GCM, the prepared contract is then routed to the Transit Program Manager for a final review and signature of the transmittal letter.
- 25. Following signature by the Transit Program Manager, the completed contract, signed transmittal letter, and supporting documentation are returned to the TGCM for uploading into CATS.
- 26. The TGCM will assign the contract to a Contract Specialist. The Contract Specialist of record will receive notification.
- 27.All of the documents must first be scanned and archived in the subrecipient's master contract folder under the specific contract number. These documents will be uploaded into CATS.
- 28.Next, the Contract Specialist should log into CATS to initiate the electronic submittal of the contract.
- 29. CATS will generate a unique contract number each time a new contract is

created in addition to the T-Pro number known as the project number.

- 30. The Contract Specialist begins by looking for the "vendor" name, also known as the subrecipient. The subrecipient's name for the contract is found in the dropdown vendor list.
- 31. Other required fields include the type of contract, begin and ending dates of the contract, contract amounts, GDOT division, name of submitter, etc.
- 32. The Contract Specialist attaches the scanned contract document and transmittal letter archived earlier.
- 33. The documents are routed using DocuSign for execution to the subrecipient's authorized representatives.
- 34. Contract Specialists should be prepared to assist local subrecipients as required in completing the execution, witness, and notary portions as required.
- 35. Once executed at the local level, the contract is returned electronically to GDOT for final review. Notification is sent to submitter that the contract has been returned.
- 36. The internal review includes the Chief Engineer, Legal, the Budget office, and the Treasurer. Following the final review and approval by the Treasurer, the contract document is then routed to the GDOT Commissioner for execution.
- 37. The system will automatically populate and add the date of execution on the first page of contract upon signature by the GDOT Commissioner.
- 38.CATS will automatically send an email to the submitter, such as the Contract Specialist, stating the contract has been full executed.
- 39. The Contract Specialist should ensure a copy of the executed contract is printed from CATS and archived in the Master Subrecipient File under the specific contract number.
- 40. The TGCM is responsible for verifying a copy of the contract for the replacement vehicle and all associated documentation is electronically archived in the subrecipient's master folder under the year and project number where the totaled vehicle was originally funded.
- 41. A replacement vehicle cannot be ordered until a contract for the replacement vehicle has been fully executed.

- 42. Following confirmation from the TGCM that the contract has been fully executed, the Fleet Manager may submit the order to the Department of Administrative Services (DOAS).
- 43.Upon email confirmation the replacement vehicle has been delivered to the vendor, the Fleet Manager notifies the subrecipient by email with a cc to the assigned TPM.
- 44. The Fleet Manager coordinates with the subrecipient to schedule a date and time for inspection and pick up of the replacement vehicle.
- 45.Upon receipt of the vendor invoice for the replacement vehicle, the Fleet Manager should detail the fund sources codes on the invoice. These codes will be used by GDOT's Accounting Department to record the expense in order to cancel out the revenues received prior to the expense occurring. The invoice should clearly be marked as a replacement vehicle.
- 46. Following the receipt of the vehicle and processing of the payment to the vendor, the totaled vehicle is removed from the GDOT Vehicle Inventory and placed in "inactive or surplus" status.

Insurance Proceeds – Asset Not Replaced – Did Not Meet ULB

In situations where an FTA funded asset is involved in an accident but has not met the useful life threshold and the subrecipient does not opt to replace the vehicle, the federal and state percentages of participation of the purchase of the vehicle must be returned to GDOT. Circular 5010.1E, page IV-21 states, "FTA retains a federal interest in federally assisted property financed with FTA assistance until, and to the extent that, FTA relinquishes its federal interest in that federally assisted property. This applies to real property, equipment and supplies."

Below are the steps required to recover these funds and remove the vehicle from GDOT's inventory:

- 1. The Fleet Manager, following calculation of the remaining federal and state interest in the vehicle, should update the assigned TPM of the current situation.
- 2. The TPM, with guidance from the Transit Program Delivery Manager, should ensure the

subrecipient is aware of the requirement to return the remaining public funds invested in a vehicle which will not complete its useful life.

- 3. The Fleet Manager should complete GDOT's Internal Billing Request Form and submit to GDOT's Accounting Office, detailing the specific federal and state amounts due and the rationale for the request of payment.
- 4. Accounting will prepare the invoice and email to the subrecipient. A copy of GDOT's Internal Billing Request Form is labeled as <u>Exhibit 7-3</u> and included in the Appendix.
- 5. The Fleet Manager and the TPM should work together to ensure timely repayment of the remaining funds are received by GDOT.
- 6. The Fleet Manager should coordinate with the Intermodal Fiscal Services Manager and Accounting to ensure the funds are posted correctly in order to offset a portion of the original federal and state amounts.
- 7. The Fleet Manager should remove the vehicle from GDOT's inventory of active vehicles detailing why the vehicle is being removed prior to completion of its useful life.

Insurance Proceeds - Asset has Met its Useful Life

If an asset has met its useful life, the repayment of federal and/or state funds may not be required. However, 100% of the insurance proceeds must be reinvested back into the public transit program. Failure to invest the remaining funds into the transit program, may result in a request for repayment of the remaining federal and/or state interest in the repaired vehicle.

Insurance Proceeds - Asset Repair with Remaining Useful Life

A subrecipient receiving insurance proceeds to repair an asset purchased with federal and/or state funds, must ensure the asset is satisfactorily repaired to the point where it is considered safe for public transit use. In the event the full amount of the insurance settlement proceeds is not needed to repair the damages and the asset has not met its useful life, the subrecipient should utilize the balance of the insurance settlement to assist in the operations of the transit program. Failure to invest the remaining funds into the transit program, may result in a request for repayment of the remaining federal and/or state interest in the repaired vehicle.

Reportable Incident Thresholds for NTD Reporting

Reportable incident thresholds for NTD reporting include any incidents with fatalities, disabling vehicle damage, or anyone needing medical attention away from the scene of the accident that involves a transit revenue vehicle. All FTA reportable incidents will be shared with the individual in charge of reporting NTD data to FTA.

Section IX: Disposition of Surplus Vehicles

GDOT retains an interest in all capital assets funded in whole or part in with Federal Transit Administration (FTA) program funds. 2 CFR 200.313 allows GDOT to use the proceeds from the sale of surplus vehicles to offset the cost of replacement assets. Following coordination for the acceptance and pick-up of a replacement vehicle(s) by the Section 5311 subrecipient and notification it has been placed into revenue service, the Fleet Manager begins the process for disposing of the retired vehicle(s).

The disposition of surplus Section 5311 transit vehicles is completed through either the purchase of the used vehicle by the subrecipient or the vehicle is sold through the Georgia Department of Administrative Services. All transit vehicle dispositions begin following receipt and acceptance of a new replacement vehicle by the subrecipient. It is GDOT's policy to complete the disposition of retired vehicles within sixty (60) days after delivery of the new replacement vehicle. Procedures for each of the disposal methods listed above are detailed below.

Retention of Surplus Vehicle by Subrecipient

1. Upon email notification to the subrecipient of the delivery date and time for a vehicle

replacement, the Fleet Manager prepares a letter to the subrecipient, incorporating the serial number, description and FMV of the vehicle(s) to be retired within the body of the letter. The purpose of the letter is to provides the subrecipient with the option of retaining the vehicle at FMV for purposes other than regular public transportation services. An example of the specific language and format of the option letter is labeled as <u>Exhibit 9-16</u> and included in the appendix.

- 2. The letter, signed by the Transit Program Manager, establishes a timeline of 45 days to submit payment, thereby exercising the option to retain the vehicle.
- 3. The email to the subrecipient with the letter attached should include courtesy cc's to the assigned TPM and the assigned Assistant PDM.
- 4. The letter clearly states the offer is not transferable and must be exercised in writing within forty-five (45) days. If not exercised, GDOT will proceed with the sale of the surplus vehicle through the Georgia Department of Administrative Services (DOAS).
- 5. The Fleet Manager should insert a comment to the Master Vehicle Inventory for the vehicle indicating the date the option letter was sent to the subrecipient. A reminder should be sent to the subrecipient at 30 days with a courtesy copy to the TPM and assigned Assistant PDM if no response has been received.
- 6. Subrecipient's opting to retain the vehicle will prepare a letter using the template included in GDOT's option offer. An example of the language and letter are labeled as <u>Exhibit 9-17</u> and included in the appendix. The letter, signed by the subrecipient's authorized official verifying retention, should be sent to the Fleet Manager with a courtesy copy to the assigned TPM. The letter should also confirm a check for the FMV amount provided in GDOT's option letter is being sent via ACH or mailed to GDOT's post office box number.
- 7. Following confirmation from Intermodal Management that funds in the correct amount have been received by GDOT from the subrecipient for the purchase of the retired vehicle, the Fleet Manager should pull the title for the retired vehicle(s) from the secure file designated for titles.
- The Fleet Manager should prepare an Interoffice Memo to the Intermodal Division Director requesting the Division Director to sign the back of the titles in order to release the lien. The memo should provide details of the retired vehicles by Subrecipient name,

GDOT #, VIN # and make, model and year. This detail provides an opportunity for a second review to ensure the correct titles have been pulled. A template of the memo language is included and labeled as <u>Exhibit 9-18</u> and included in the appendix.

- 9. Following return of the signed titles from the Division Director, the title(s) and a transmittal letter are then sent to the subrecipient return receipt by UPS. An example of the specific language and format of the letter transmitting the titles to the subrecipient is labeled as <u>Exhibit 9-19</u> and included in the appendix.
- 10.A copy of the signed transmittal letter and title should be archived by the Fleet Manager in the vehicle file prior to mailing.
- 11. An email should be sent to the subrecipient indicating when and by what method the title was mailed with a courtesy cc to the TPM.
- 12. The TPM should follow up to confirm the subrecipient has received the title.
- 13. The retired vehicle should be moved from Active to Surplus sold to adjust the inventory.

Subrecipients Return of Retired Vehicles to GDOT for sale as Surplus

Subrecipients who do not opt to retain the retired vehicle are requested to return the vehicle to a designated GDOT District location where it is processed for sale as a surplus vehicle. The process involving the return of vehicles as surplus requires significant coordination between the subrecipient, the Transit Program, GDOT's Office of Equipment & Facilities Management and the Department of Administrative Services. Detailed below is the process for the return of a vehicle to GDOT as a surplus vehicle:

- GDOT has established a 30-day window for the subrecipient to turn in the retired vehicle once the new replacement vehicle has been delivered and the subrecipient has opted not to purchase the vehicle at FMV.
- The Fleet Manager coordinates via email with the subrecipient, TPM, and the GDOT District Office to confirm a date to return the retired vehicle.
- Once a date and time for return of the vehicle has been established, the Fleet Manager sends an email to the subrecipient outlining the specific requirements for acceptance of the retired vehicle.

- a. The vehicle must be returned in a state of good repair and not be cannibalized.
- b. No parts or equipment should be removed from the vehicle.
- c. The vehicle should be turned in with all of the original equipment including safety equipment, wheelchair securement tie-downs, etc.
- d. The following must be removed from the vehicle:
 - o All County lettering
 - o Any and all decals and numbering
 - County tag
 - The 4-digit GDOT number
- e. Spray paint should not be used to cover the decals / numbering
- f. If the paint scratches are extremely bad, the surplus representative in the district may refuse the vehicle and require subrecipient to re-paint that area.
- 4. The TPM should ensure the subrecipient understands and complies with the turn in requirements before the vehicle is returned to the designated GDOT District location.
- 5. The Fleet Manager should pull the title of the retired vehicle to be returned from the secure location at the Atlanta Office and prepare an interoffice memo to the TPM via interoffice mail. An example of the specific language and format of the memo vehicle return is labeled as <u>Exhibit 9-20</u> and included in the appendix.
- 6. The purpose of the memo is to request the TPM schedule an on-site visit with the subrecipient to obtain a signature on the back of the title from the authorized representative as well as the final odometer reading.
- 7. GDOT must apply for and receive a new title before the vehicle can be sold at public auction by DOAS.
- 8. The Fleet Manager requests the TPM to have the subrecipient sign the back of the title releasing ownership in the "Notice to Buyer" section. Under the Notice to Buyer section the subrecipient *prints* the subrecipient's legal name on the line stating "Transferor" (sellers).
- 9. The authorized representative of the subrecipient then *signs* on the line stating "Sellers Name" in the Notice to Buyer section
- 10. The Subrecipient should not add a date when completing back of form.
- 11. It is important to verify both the date of lien release on the front of title and the date on

the "SECOND ASSIGNMENT" are the same.

- 12. On the day of the vehicle turn in, the TPM pulls a copy of the "Surplus Turn-In Form" and takes it to the designated GDOT District Office at the time and date agreed upon. A copy of the Surplus Turn-In Form is attached and labeled as <u>Exhibit 9-21</u> and included in the appendix.
- 13. The TPM completes the Turn-in Form by answering the following questions:
 - o Is all original equipment intact?
 - o Has the subrecipient removed all personal items?
 - Has all trash removed?
 - Did the subrecipient turn in the keys?
 - Was the license plate removed?
 - Were all decals/lettering removed?
 - Does the wheelchair lift operate?
 - Does the engine run?
 - Is the vehicle operable?
 - Has MIS Change Form been completed?
 - \circ $\;$ What is the condition of the tires? Good, Fair or Poor $\;$
 - What is the final mileage?
 - o List any mechanical deficiencies
- 14. After completing the Turn-In Form as outlined above, the TPM signs and requests the signature of the subrecipient's representative. The TPM provides a copy of the form to the subrecipient and the District Shop.
- 15. The TPM sends both the signed Surplus Turn-In Form and the Title via GDOT Interoffice Mail to the Fleet Manager.
- 16. Upon receipt of the signed title from the TPM, an interoffice memo is prepared and routed by the Fleet Manager to the Intermodal Division Director for signature on the back to release the lien. The template and language for the memo lien release is attached is labeled as <u>Exhibit 9-22</u> and included in the appendix.
- 17. The Fleet Manager completes an MV-1 form which will request a new title for the vehicle to GDOT. The MV-1 form can be found online at https://dor.georgia.gov/mv-1-dor-motor-vehicle-titletag-application.

- 18. The MV-1 must be sent to the Fulton County Tag office within 10 days from the date on the title. It may take up to six weeks to receive the new title.
- 19. The Fulton County Tag office will issue a new title which will be mailed to GDOT's Office of Equipment Management (OEM).
- 20. OEM will complete the paperwork in Asset Works for Georgia Department of Administrative Services (DOAS), allowing the transit vehicle to be sold on EBAY surplus sales.
- 21. GDOT ensures the surplus vehicle is kept under lock and key at a District Office or Maintenance Facility to ensure the safety and security of the vehicle.
- 22. GDOT District staff are available to assist interested buyers in conducting an on-site inspection.
- 23. Following the sale of the vehicle, DOAS will issue a Bill of Sale to GDOT's OEM.
- 24. GDOT's OEM will notify the District Office the vehicle has been purchased and request the following actions be completed:
 - a. The purchaser must provide proof of purchase to GDOT District staff prior to release of the vehicle.
 - b. The purchaser must sign the Bill of Sale prior to release of the vehicle.
- 25. Following release of the vehicle to the purchaser, GDOT District Staff will forward the signed Bill of Sale to OEM.
- 26. OEM will provide a copy of the Bill of Sale to Transit Program's Fleet Manager.
- 27. The Fleet Manager is responsible for the following upon receipt of the Bill of Sale:
 - a. The Bill of Sale is archived in the vehicle folder under Fleet Management
 - b. The Fleet Manager removes the vehicle from active inventory
 - c. The Fleet Manager tracks the receipt of funds from surplus sale proceeds from GDOT's Office of Financial Management on a Master Surplus Spreadsheet.
 - d. The Fleet Manager inquires with Financial Management if funds are not received from DOAS within a reasonable time following the sale of a vehicle.
 - e. The Fleet Manager maintains a record of all funds received from the sale of surplus transit vehicles as part of the Master Surplus Spreadsheet.
 - f. The Master Surplus Spreadsheet is reconciled with the Office of Financial Management not less than quarterly to ensure completeness and accuracy.

Revenue from the Sale of Surplus Vehicles under Section 5311 Program

Proceeds received by GDOT from the sale of a surplus vehicle (subrecipient or DOAS) of \$5,000 or less are placed in a transit surplus account by GDOT's Accounting staff. Proceeds greater than \$5,000 are placed in a restricted transit surplus account as required by FTA. These funds are used to offset future expenses incurred in the delivery of public transportation services.

Section X: Disposition of Real Property

Federal Regulation - Real Property Disposition

Real property is defined as land, including affixed land improvements, structures and appurtenances (i.e., right, restriction, or covenant attached to property). It does not include movable machinery and equipment.

FTA C 5010.1E, states "GDOT must be notified when property is removed from the service originally intended or if property is put to additional or substitute uses. The subrecipient must prepare and submit a real property excess inventory listing for all property purchased with GDOT administered federal funds that is no longer required for transit purposes for which it was originally purchased.

The subrecipient's real property excess inventory listing, at a minimum, must include:

- Fixed asset number
- Property address
- Original purchase date
- Original acquisition costs
- GDOT contract number
- Federal percentage of participation
- Description of improvements

- Summary on any conditions on the title
- Current use of the property
- Anticipated disposition or proposed action

The subrecipient's plan must identify and explain the reason for the excess property. Reasons for the excess property may include one or more of the following:

- 1. The parcel, when purchased, exceeded the subrecipient's need (uneconomic remnant, purchased to logical boundary, part of administrative settlement, etc.);
- 2. The property was purchased for construction staging purposes such as access, storage or underpinning, and construction is completed;
- 3. The intended use of the parcel is no longer possible because of system changes, such as alignment, or amendments to the contract agreement;
- 4. Improvements to the real property were damaged or destroyed; therefore, the property is not being used for purposes outlined in the contract agreement; and
- 5. A portion of the parcel remains unused and will not be used in the foreseeable future.

Subrecipients must obtain prior written approval from GDOT prior to disposing of real property. In determining if real property is no longer needed, GDOT may seek FTA guidance and/or concurrence. GDOT will notify the subrecipient of the final determination on the use of the excess property for other purposes or disposition.

If the subrecipient determines that real property is no longer needed for the purpose for which it was acquired, GDOT in consultation with FTA may approve the use of the property for other purposes.

Appraisal and Appraisal Review

For properties no longer needed for transit purposes, the subrecipient is expected to follow the valuation requirements of 49 CFR part 24 and obtain an appraisal and appraisal review to ascertain the value of the property considered for disposal applying the criteria below:

- Appraisals developed for disposition purposes are required to appraise the value of the land separate from the value of the improvements and these two values must be submitted in the report.
- GDOT's determination of the remaining federal interest in the federally assisted property, that have been removed from service before the end of the useful life of the improvements is determined by comparing the fair market value of the entire property with the value of the land plus the depreciated value of the improvements on the land and taking the greater of these two values as the remaining federal interest in the property.
- GDOT recognizes that exceptional circumstances may require the subrecipient to utilize another method of valuation to determine the fair market value of real property that is withdrawn from service.
- Under unusual circumstances, the subrecipient may request permission from GDOT to use another reasonable valuation method including, but not limited to accelerated depreciation, comparable sales, or established market values.
- Approval of an exceptional circumstance will necessitate consideration of the action the subrecipient took, any omission the subrecipient made, or any unfortunate occurrence the subrecipient suffered. For those situations where the existing improvements do not contribute to the highest and best use of the site valuation, subrecipients should use an accounting approach to ascertain the remaining economic life and value of the improvements rather than an appraisal valuation approach.

Disposition Methods

When real property is no longer needed for any transit purpose, the subrecipient should request disposition guidance from GDOT. Allowable disposition methods are as follows:

 Competitively market and sell the property and reimburse GDOT the greater of its share of the fair market value of the property or the straight-line depreciated value of the improvements plus land value.

- a. The federal share of the fair market value is the percentage of federal participation in the original contract award multiplied by the best obtainable price, minus reasonable sales costs.
- b. If the property has never been used for the appropriate purposes as outlined in the contract award, the subrecipient shall sell the property and reimburse GDOT the greater of the federal share of the fair market value or the entire amount of federal assistance spent on that property.
- 2. Sell the property and apply the net proceeds from the sale to the cost of replacement property. Return any excess proceeds in accordance with 2 CFR § 200.311.
- 3. Sell the property and use the proceeds to reduce the gross cost of another FTA eligible capital transit project. See 49 U.S.C. § 5334(h)(4).

Recording Sale Proceeds for Future Projects

The subrecipient is expected to record the receipt of the proceeds in the subrecipient's accounting system, reflecting the funds as restricted for a future capital project. The restricted funds are reduced as the proceeds are applied to one or more future approved capital projects. GDOT must approve the use of the proceeds in a future contract agreement, which should clearly show the gross cost reduced with proceeds from the earlier transaction. Examples of future eligible capital transit projects include:

- The acquisition of buses, facilities and equipment.
- Sell the excess property with the proceeds applied to the original cost of the total real property purchased under the contract agreement, thereby reducing the federal share.
- Transfer the property to a public agency for non-transit use with no repayment of the federal share. This is a competitive process, and there is no guarantee that a public agency will be awarded the excess property. See 49 U.S.C. § 5334(h)(1)-(h)(3).
- Transfer the property to another eligible subrecipient, maintaining the federal interest.

Section XI: Transfer of Transit Assets

Managing the transfer of federally funded assets is part of GDOT's management and oversight responsibilities. The transfer of a transit asset may be initiated when:

- GDOT determines the asset is underutilized and initiates the transfer process. For vehicles, GDOT may consider excessive inventory or low usage of vehicles that are not part of the regular fleet; or
- A subrecipient submits a request and supporting documentation to justify the request to GDOT.

Asset Transfer Approval Process

1. The transferring agency must submit a request to transfer assets in writing to the assigned TPM. The request must be supporting by the following:

A current fixed asset listing identifying the federally required information

- Vehicle VIN, equipment serial number, or building's physical address;
- Acquisition date;
- Cost;
- Fund source breakdown (federal, state, local);
- Percentage of federal participation in the cost;
- GDOT contract and FTA grant number under which it was purchased;
- Physical location of asset;
- Use and condition of the asset;

- Remaining Useful Life; and
- Current Status (in use for public transit, etc).
- 2. The TPM will conduct a physical inspection of the asset to determine condition and reliability of the asset.
- The Transit Program, under the leadership of the Program Delivery Manager, will determine if the asset can be transferred and conduct an assessment to identify a subrecipient to receive the asset(s).
- 4. The subrecipient transferring the assets must submit to the TPM a resolution adopted by the governing board of the subrecipient outlining the need to transfer the asset(s).
- The receiving subrecipient must submit to the TPM a resolution adopted by the governing board stating their willingness to accept the asset being transferred and identifying the scope of work regarding asset usage.
- 6. The TPM will forward the fixed asset listing and transfer information to the Program Delivery Manager and Fleet Manager for review. The Fleet Manager will confirm the asset book value and remaining useful life.
- 7. The TPM will coordinate with the Program Delivery Manager and the Grants and Contracts Manager to initiate the legal transfer of the asset.
- Assets transferred with a remaining federal interest of \$5,000 and having remaining useful life require an executed contract. A contract template for the transfer of an asset with remaining useful life is labeled as <u>Exhibit 9-21</u> and included in the appendix.
- The TPM will initiate a CAR, attaching both executed resolutions requesting preparation of contract in CATS. The contract must be signed by both the subrecipient transferring the asset and the subrecipient receiving the asset.
- 10. Following execution and transfer of the asset, the Compliance Manager shall update the Master Vehicle Inventory and TAMS plan inventory accordingly.
- 11. The TPM of both the subrecipient transferring the asset and the subrecipient receiving the asset should verify removal and addition of the asset on all subrecipient transit asset inventory records as appropriate.
- 12. The Transit Contracts and Grant manager shall update the appropriate FTA grant to reflect the transfer.

Asset Transfer Make-Ready Expenses

Make-ready expenses are costs incurred to bring the capital asset to the location and condition needed for it to operate in the manner intended and costs associated with returning an asset to its full functional serviceability. These expenses may be eligible for reimbursement. Such expenses include, but are not limited to, the cost of removal of decals, repainting the asset consistent with the subrecipient's color scheme, adding a logo, and other costs associated with making the transferred asset ready for use.DOT is required to maintain procedures for conducting oversight to ensure subrecipient control over FTA funded assets including, but not limited to, the following:

- Oversight to ensure subrecipients conduct a physical inventory of assets ever two years;
- Review the physical inventory results to verify state and subrecipients records are reconciled, accurate and complete;
- Review subrecipient insurance policies to confirm the federal interest in all capital assets is protected and GDOT is listed as a loss payee;
- Review subrecipient security measures to evaluate a control system is in place to deter damage, theft or loss of assets;
- Review disposition procedures for federally funded assets to ensure correct treatment and utilization of sale proceeds

GDOT reserves the right to conduct oversight and review subrecipient's records in accordance with FTA regulations.

Section XII: Oversight Procedures

GDOT Oversight Procedures

The following procedures apply to Transit Program staff responsible for oversight of 5311 program subrecipients with vehicles, equipment, and facilities. Oversight is provided as required by FTA to ensure compliance of applicable laws and regulations.

- The Transit Project Manager (TPM) will schedule a site visit generally in the 3rd or 4th quarter of the state fiscal year. The TPM is expected to confirm 100% of the fleet listed in TAMS is under the custody and care of the subrecipient for the purposes of public transportation. A copy of the site visit template is included and labeled as <u>Exhibit 9-24</u>.
- 2. Before going on-site, the TPM should request a copy of the Transit Fleet Manager's current vehicle inventory for each subrecipient. The Fleet Manager's inventory detail should be used to reconcile against the subrecipient's inventory.
- 3. Any deviations from the Fleet Managers master inventory detail should be noted and provided to the Fleet Manager for further investigation and resolution.
- 4. On-site, the TPM should request a copy of the subrecipient's inventory listing of rolling stock and small equipment purchased with FTA funds. The spreadsheet should include all of the data required by FTA and include remaining useful life and projected dates for surplus and/or disposition of FTA funded property.
- 5. On-site, the TPM should review records and provide oversight to ensure the subrecipient and associated contractors and lessees are following acceptable maintenance standards in compliance with FTA requirements.
- 6. The TPM will conduct a review of the written maintenance plan to ensure it is current and maintenance intervals are correctly reflected.
- 7. The TPM will conduct a review of the most recent completed year of maintenance inspections.
- 8. The TPM will review oil and oil filter change frequency to insure they meet the written plan frequency at least 80% of the time. The TPM should request a copy of the Preventive Maintenance Interval Log used by the subrecipient. A copy of the PM Interval Log is labeled as <u>Exhibit 9-25</u> and included in the appendix.

When determining on-time Maintenance, FTA defines on time as follows:

a. Note the date when each inspection was accomplished and record the vehicle mileage

(or hours) at the time of each inspection. Inspections that are no later than 10 percent of schedule are considered on time.

- b. For example, a scheduled 5,000-mile inspection would be considered "on time" if it was performed any time before 5,500 miles. If the subrecipient uses a different definition of an "on time" inspection, use the subrecipient's definition if deemed appropriate."
- c. FTA allows a 10 percent deviation from the scheduled interval as being considered on time. Review the sample preventive maintenance history to determine if fewer than 80 percent of the inspections for any mode or operation occurred on time.
- d. Failure of the subrecipient to meet the PM Interval requirement or have a current plan in place will result in written notification of the deficiency and request for a Corrective Action Plan (CAP).
- e. The subrecipient must then submit a CAP, specifically including an updated maintenance plan, to ensure frequencies are met for all future PM's.
- f. The TPM will request documentation detailing quarterly PM interval checks until assurance has been provided that the subrecipient is following their written plan.
- 9. During the site visit, the TPM should also provide oversight over the following areas:
 - a. Were any assets disposed of since last inventory, i.e. small equipment?
 - b. Were any assets disposed before their useful life period?
 - c. Is FTA funded equipment utilized for the project purposes only?
 - d. If no to above, do we have a completed incidental use form from the subrecipient that has been submitted to the FTA for approval, as required?
 - e. Does the subrecipient have current Certificates of Insurance for all 5311 vehicles?
 - f. Does the subrecipient pursue all warranty claims?
 - g. Is the facility in a flood zone, and does it require flood insurance?
 - h. Are parts ordered and/or assigned to a work order?
 - i. Are capital equipment and assets tagged? Subrecipients are required to have a control system to prevent loss, damage, or theft of equipment. Subrecipients may tag assets

for all FTA funded equipment with a property control number.

- j. If small equipment is not noted on the FTA Inventory Sheet (Appendix C), the TPM should request the subrecipient to include all small equipment within useful life period.
- k. The subrecipient must maintain an annual record of active inventory with date of surplus disposition noted that can be tracked annually and compared to past or future annual inventories.

As part of GDOT's continuing oversight, Transit Project Managers may conduct random reviews to verify subrecipients have adequate insurance on vehicles, real property and other transit assets. Insurance on new vehicles procured, delivered and inspected by both GDOT and the subrecipient, is verified prior to GDOT releasing the vehicle to the subrecipient.

CHAPTER 10: Drug and Alcohol Program

Transit systems are subject to regulations relating to substance abuse and, therefore, required to establish a drug abuse and alcohol misuse program to ensure operators and employees follow established policies. This chapter describes the requirements for drug and alcohol testing programs under FTA's rule 49 CFR Part 655, which applies to all subrecipients receiving FTA funds. The rule also applies to contractors providing transit services using FTA funded vehicles. A drug and alcohol-testing program must also be implemented under the applicable US DOT rules. The US Department of Transportation (US DOT) also issued 49 CFR Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs," which prescribes specimen collection and testing methods to be followed under the testing programs for all modal administrations.

Purpose of the Drug and Alcohol Program

The purpose of a Drug and Alcohol Program is to prevent accidents, injuries, and fatalities caused as a result of the misuse of alcohol and the use of prohibited drugs by employees. As required by FTA, GDOT must ensure all subrecipients with safety-sensitive employees implement a substance abuse prevention program consisting primarily of a testing program. GDOT provides regular training opportunities to assist subrecipients in complying with all aspects of the regulation. The regulation also requires the development of a detailed policy statement that must be distributed to all safety-sensitive employees and employee organizations.

Applicability

FTA's rule, <u>49 CFR Part 655</u>, applies to all subrecipients receiving FTA 5311 funds either directly or indirectly. The rule also applies to third-party contractors or third-party-operators (TPO) providing transit services using FTA funded vehicles. Subrecipients are also responsible for meeting all applicable requirements and following procedures of 49 CFR Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs," which prescribes specimen collection and testing methods to be followed under the testing programs for all modal administrations. Part 40 increased consistency across all modes of transportation and enhanced the integrity of the testing process. The amendment to Part 40 also added new standards concerning the roles and responsibilities of professionals who work with the US DOT federal drug and alcohol program. Employers are also responsible for all actions of their officials, agents and representatives in carrying out the requirements of the DOT agency regulations

Contractors providing maintenance services as an operations contractor **are** subject to FTA's drug and alcohol testing regulations. Operations Contractors performing safety-sensitive work, such as tire maintenance and overhaul or rebuild of vehicles, engines and parts or bodywork are subject to FTA regulations, unless the work is done on an ad-hoc (non-routine) basis.

Taxicab owner-operators, and/or their employees are required to comply with the US DOT drug and alcohol testing requirements if the transit system or its contractor has entered into a contract with one or more entities to provide taxi service. However, the drug and alcohol testing rules do not apply to taxicab owner-operators, and/or their employees, that accept a transit systems' subsidized voucher, if the rider can choose from a variety of taxicab operators.

Situations where the D&A Policy may not be applicable

- Warranty work performed by employees of a bus manufacturer is not subject to the regulations.
- Vendors from whom subrecipients purchase or exchange rebuilt engines or other components are not subject to the regulations unless that work is regular and on-going.
- Taxicab maintenance contractors provided the primary purpose of the taxicab company is not public transit service.
- Police officers patrolling public transit facilities as part of assigned normal duties are not subject to FTA testing.
- If a subrecipient uses a taxicab company to provide transit services (e.g., paratransit), the applicability of drug and alcohol testing depends on the nature of the service.
 - o If the subrecipient has a contract with one or more taxicab companies and schedules

and dispatches the trips, then the drug and alcohol testing regulations **do apply**. However, FTA regulations do not apply if a transit passenger (or broker) chooses the taxicab company, even if there is only one company available.

 Volunteer drivers are not subject to testing unless the volunteers are required to hold a CDL or receive remuneration in excess of expenses incurred while engaged in a safety-sensitive function

Section I: Drug & Alcohol Policy and Testing Program Requirements

Subrecipients and contractors providing public transit services using FTA-funded vehicles are required to formally adopt a drug and alcohol policy and testing program and compliant with the requirements of 49 CFR Parts 40 and 655. Subrecipients and contractors must have an anti-drug and alcohol misuse testing program in place by the date the subrecipient or contractor begins transit operations.

Requirements of the Drug and Alcohol Policy:

The policy applies to all employees who perform safety-sensitive functions. A safety sensitive employee is defined as an employee who may perform any of the following functions:

- Operate a revenue vehicle including when not in revenue service
- Operate a non-revenue vehicle when required to be operated by a holder of a commercial driver's license (CDL)
- o Control dispatch or movement of a revenue service vehicle
- Maintain, repair, overhaul, or rebuild a revenue service vehicle or equipment used in revenue service except as follows:
 - \circ $\,$ All maintenance contractors of grantees in UZAs under 200,000 $\,$
 - o Subcontractors of maintenance contractors
 - Carry a firearm for security purposes

The policy must also apply to applicants being hired to perform safety sensitive functions and existing employees being transferred to positions that will perform safety sensitive functions as outlined below:

- Safety-sensitive employees of all subrecipients are tested for marijuana, cocaine, opioids, phencyclidine, and amphetamines before performing safety-sensitive functions. Employees of all subrecipients are also tested randomly for marijuana, cocaine, opioids, phencyclidine, amphetamines, and alcohol.
- A safety-sensitive function is any duty related to operating, maintaining, or controlling the movement of any transit revenue vehicle (even if not in revenue service), carrying firearms (by security personnel only), or operating any equipment for which a commercial driver license (CDL) is required.
- FTA's definition of safety-sensitive includes the term "dispatch," however, supporting languagestates that transit systems may apply differing use of the terms "dispatch" or "dispatcher".
- Each subrecipient or contractor must decide whether employees, who may hold a title of dispatcher, actually control the movement of vehicles.
- The policy also applies to any contract employee or independent contractor that perform safety- sensitive service on the transit system's behalf or uses any FTA funded public transit vehicles.
- Subrecipients, as employers, may adopt other testing requirements under their own local authority. However, these requirements must be specifically identified as such in the drug-and alcohol-testing program and policy.
- All actions taken on the part of the employer in the situations must be formalized and included in the employer's substance abuse policy. Consequences for testing violations under local authority should also be addressed in this same policy.
 - A verified positive drug test result.
 - A confirmed alcohol test result of 0.04 or greater.
 - An employee who refused to submit to a test.

Templates for Developing Compliant Drug & Alcohol Policies

The drug and alcohol testing regulations (49 CFR Parts 40 and 655) allow each transit system to decide whether a zero-tolerance or second-chance policy is adopted. GDOT has developed templates for both zero-tolerance and second-chance policies which are FTA compliance as outlined below:

- Zero Tolerance A zero-tolerance policy asserts that an employee may be terminated if he
 or she is found to have used drugs or alcohol during work hours. Subrecipients who wish
 to adopt a zero-tolerance policy may wish to use GDOT's template labeled as <u>Exhibit 10-1</u>
 and included in the appendix.
- Second Chance A second chance policy gives an employee a second chance after a confirmed and verified positive drug test result. Sometimes the second chance agreement is called a "last chance agreement." GDOT has developed a second-chance policy template which is included and labeled as <u>Exhibit 10-2</u>.
- FTA provides a Drug and Alcohol Policy Builder to assist transit agencies in developing customized anti-drug and alcohol misuse policies that are compliant with FTA regulations. Subrecipients may wish to review the hyperlink below for additional guidance. The policy builder guidance can be found at:

https://transit-safety.fta.dot.gov/DrugAndAlcohol/Tools/PolicyBuilder/CreatePolicy.aspx.

Requirements of the Anti-Drug and Alcohol Misuse Testing Program

The items listed below are required to be included within a subrecipient's anti-drug and alcohol misuse testing program.

- 1. Policy Statement;
- 2. Education and training program;
- 3. Testing program; and
- 4. Procedures for referring a covered employee who has a verified positive drug test result or an alcohol concentration of 0.04 or greater to a Substance Abuse Professional (SAP), consistent with 49 CFR Part 40.

Detailed explanations of each element required in an anti-drug and alcohol misuse testing program follows.

1. Policy Statement Requirements

The subrecipient's local governing board must adopt an anti-drug and alcohol misuse policy statement which is made available to each covered employee. The policy statement shall include the following:

(a) The identity of the person, office, branch and/or position designated by the employer to answer employee questions about the employer's anti-drug use and alcohol misuse programs.

(b) The categories of employees who are subject to the provisions of this part.

(c) Specific information concerning the behavior and conduct prohibited by this part.

(d) The specific circumstances under which a covered employee will be tested for prohibited drugs or alcohol misuse under this part.

(e) The procedures that will be used to test for the presence of illegal drugs or alcohol misuse, protect the employee and the integrity of the drug and alcohol testing process, safeguard the validity of the test results, and ensure the test results are attributed to the correct covered employee.

(f) The requirement that a covered employee submit to drug and alcohol testing administered in accordance with this part.

(g) A description of the kind of behavior that constitutes a refusal to take a drug or alcohol test, and a statement that such a refusal constitutes a violation of the employer's policy.

(h) The consequences for a covered employee who has a verified positive drug or a confirmed alcohol test result with an alcohol concentration of 0.04 or greater, or who refuses to submit to a test under this part, including the mandatory requirements that the covered employee be removed immediately from his or her safety-sensitive function and be evaluated by a substance abuse professional, as required by 49 CFR Part 40.

(i) The consequences, as set forth in § 655.35 of subpart D, for a covered employee who is found to have an alcohol concentration of 0.02 or greater but less than 0.04.

(j) The employer shall inform each covered employee if it implements elements of an anti-drug use or alcohol misuse program that are not required by this part. An employer may not impose requirements that are inconsistent with, contrary to, or frustrate the provisions of this part.

2. Education and Training Program Requirements & Applicability

Subrecipients and third-party operators, as employers, are required to distribute a copy of the formally adopted drug and alcohol program policy to each covered employee prior to the employee performing a safety-sensitive function for the first time. The employee must also have access to the corresponding federal regulations. Employers and TPO's must also distribute policies to representatives of applicable employee organizations.

- Covered employees must undergo a minimum of 60 minutes of training on the signs and symptoms of prohibited drug use including the effects and consequences of drug use on personal health, safety, and the work environment.
 - The FTA has created a <u>video</u> to fulfill this training obligation.
 - Employers are also required to display and distribute to every covered employee informational material and a community service hot-line telephone number for employee assistance if available.
- Supervisors and any other person authorized by the employer to make reasonable suspicion determinations, such as dispatchers or other employees who see drivers regularly, are required to receive a total of 120 minutes of training as follows:
 - At least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use, and
 - At least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol use.

3. Testing Program Requirements - Drugs, Alcohol, New Hires, Random and Post Accident

U.S. DOT regulations in Part 40 establish qualifications for laboratories and personnel involved in conducting tests and reviewing results. Only testing laboratories that have been certified by the U.S. Department of Health and Human Services (DHHS) under the National Laboratory Certification Program (NLCP) are qualified to conduct U.S. DOT drug testing (49 CFR Part 40, Subpart F). Individuals who collect urine specimens must meet training requirements detailed under 49 CFR Part 40, Subpart C, and those who conduct alcohol tests must be certified technicians as detailed in Subpart J. Only a licensed physician can serve as the Medical Review Officer (MRO) who reviews and verifies test results. Minimum qualifications for SAPs are stated in 49 CFR Part 40, Subpart 0. Transit agencies are responsible for verifying that the testing laboratory and personnel engaged in testing meet the U.S. DOT qualifications. Outlined below are the requirements for both alcohol and drug testing programs as well as circumstances requiring a test.

Program Testing for Drugs

Subrecipients, as employers, are required to establish a testing program for prohibited drugs and drug metabolites. The program must ensure testing for the followingdrugs:

- o Marijuana
- \circ Cocaine
- o Opiates
- o Amphetamines
- Phencyclidine.

Consumption of these drugs is prohibited. A covered employee may be randomly tested for prohibited drug use anytime while on duty. Under the current rules, pre-employment testing modifications allow employers to hire applicants and assign them non-safety-sensitive duties pending receipt of a negative drug test. FTA also added a provision requiring pre-employment tests anytime a covered employee or applicant has not performed a safety-sensitive function within a 90-day period, if that person was also not in a random selection pool during the

timeframe

The following six types of testing are required:

- Pre-employment
- o Random
- Post-accident
- Reasonable suspicion
- Return to duty (Second Chance Policies only)
- Follow-up (Second Chance Policies only)

Program Testing for Alcohol

Employers are also required to establish a program testing for alcohol in the following circumstances:

- o Post-accident,
- Reasonable suspicion
- o Random
- Return-to-duty (Second Chance Policies only)
- Follow-up. (Second Chance Policies only)

Pre-employment alcohol tests are allowed, but not required under the regulation. If an subrecipient/employer chooses to conduct pre-employment alcohol tests, the testing procedures defined in 49 CFR Part 40 must be followed. Employers shall prohibit a covered employee, while having an alcohol concentration of 0.04 or greater, from performing or continuing to perform a safety-sensitive function. A covered employee can only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions.

Drug and Alcohol Background Checks of New-Hires

Subrecipients are required to obtain written consent from applicants or employees transferring into a safety-sensitive position. Any applicant or employee refusing to provide this written

consent shall not be permitted to perform safety-sensitive functions. Subrecipients must request the information listed below from DOT-regulated employers who employed the employee at any time during the two years prior to the date of the employee's application or transfer. The information requested shall consist of the following:

- Alcohol tests with a result of 0.04 or higher alcohol concentration;
- Verified positive drug tests;
- Refusal to be tested (including adulterated or substituted drug test results);
- Other violations of US DOT agency drug and alcohol testing regulations; and
- Documentation of any employee who violated a US DOT drug and alcohol regulation, including the employee's successful completion of US DOT return-to-duty requirements (including follow-up tests).

Information concerning an applicant who has tested positive on a pre-employment test must be requested of the applicant directly if it is unavailable from the employer. The subrecipient is required to ask the applicant or employee whether he/she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, safety-sensitive transportation work covered by US DOT agency drug and alcohol testing rules during the past two years. The employer shall not allow any applicant or employee acknowledging that he/she had a positive test, or refused to test, to perform a safety-sensitive function unless the applicant or employee documents successful completion of the full regimen of the return-to-duty and follow-up testing process.

FTA Random Drug and Alcohol Testing Requirements

FTA requires the following percentages of safety sensitive employees be randomly tested throughout the year:

Random Drug Testing	Random Alcohol Testing
50%	10%

These rates became effective on January 1, 2019. The tests must be spread throughout the service times of day, days of week, weeks of month, and months of the year with the goal of not being predictable to the employees. The transit employer may do the random selections themselves using a scientifically valid selection method or have a third-party administrator provide the selections every month, quarter, or some other specified time period. The public transit agency should work to find drug and alcohol testing sites who can conduct tests during all hours when public transit is in operation.

FTA Post-Accident Testing Requirements

A DOT post-accident test *must* be performed when there is an occurrence associated with the operation of a public transit vehicle, if as a result:

- 1. An individual dies (must test);
- 2. An individual suffers bodily injury and immediately receives medical attention away from the scene of the accident;
- 3. A vehicle (including non-transit vehicle) incurs disabling damage as the result of the occurrence and a vehicle is transported away from the scene by a tow truck or other vehicle; or
- 4. The public transit vehicle is removed from operation.

Who to test:

- Covered employee operating the transit vehicle, unless the transit employee's performance can be *completely discounted* as a contributing factor to the accident; and/or
- 2. Other covered employees who could have contributed to the accident.

Time limitations for post-accident testing:

- Employee must remain readily available for testing;
- Alcohol and drug testing must begin as soon as practicable following the accident;
- Do alcohol test first, if possible:

- o If not done within 2 hours of accident, document why; or
- o If not done within **8 hours** of accident, <u>cease attempts</u> and <u>document</u> why
- Complete alcohol test before starting the drugtest; and
- Do drug test as soon as possible after the alcohol test:
 - If not done within **32 hours**, <u>cease attempts</u> and <u>document</u> why.

4. Procedures for Referral to a Rehabilitation and Treatment Program

Subrecipients are required to maintain procedures for referring a covered employee who has a verified positive drug test result or an alcohol concentration of 0.04 or greater to a Substance Abuse Professional (SAP), consistent with 49 CFR Part 40. Subrecipients must advise employees who are found abusing substances about resources available to evaluate and resolve problems associated with drug use or alcohol misuse, even when a company policy allows for the termination of employment. If an employee is permitted to return to work (under a "second chance" policy), it is the substance abuse professional's (SAP) responsibility to ensure that he/she is not a threat to public safety. Because of this there are many regulations as to the SAP requirements, qualifications, roles, responsibilities and procedures. Employers can also implement Employee Assistance Programs (EAP) as a way to address substance abuse issues before they become a problem in the workplace. While FTA does not require employers to provide or pay for rehabilitation or treatment programs, they are often an integral part of substance abuse programs.

Section II: Outsourcing Drug and Alcohol Program Services

Subrecipients Contracting Out D&A Program Requirements

Subrecipients who contract out drug and alcohol testing program tasks remain accountable for compliance. Although not required to have active monitoring responsibilities with respect to contracted services, subrecipients should routinely ask to see documentation to ensure the contractor is meeting all regulatory qualifications. All agreements and arrangements, whether

written or unwritten, between subrecipients and contractors are deemed, as a matter of law, to require compliance with all applicable provisions of 49 CFR Part 40 and 49 CFR Part 655. Violations are subject to sanctions by the US DOT. Good faith use of a contractor is not a defense in any enforcement action initiated by FTA in which a subrecipient, as the recipient of federal funds, alleges noncompliance with the federal rules resulted from the actions of the contractor.

Consortia/Third Party Administrators (C/TPAs)

The rules allow a subrecipient's drug and alcohol testing program to be outsourced to any organization that provides or coordinates a variety of drug and alcohol testing services to employers. 49 CFR Part 40 incorporated public interest exclusions (PIE) to protect employers and employees from serious misconduct by a C/TPA's. The obligation to comply with Parts 40 and 655 must be included in the contractual language between the subrecipient and the C/TPA. While subrecipients may contract out drug and alcohol testing program functions; the subrecipient remains responsible for ensuring compliance. An employee's consent is not required for a contracted C/TPA to receive and maintain records concerning the US DOT's drug and alcohol testing program, including positive or negative individual test results, or a refusal to be tested.

The rules outlined in Part 40 expanded training requirements for:

- Collection sites;
- Medical Review Officers (MROs);
- Breath Alcohol Technicians (BATs);
- Screening Test Technicians (STT); and
- Substance Abuse Professionals (SAPs).

It is the responsibility of the subrecipient, as the recipient of federal funds, to verify that these individuals have met the training requirements.

Collection Sites

Collection site preparation and processes were expanded to protect the security and integrity of the collection process. Current specimen collection personnel must receive qualification training and demonstrate proficiency. New collectors must complete the training prior to performing collection functions. Refresher and error correction training is also required.

It is the subrecipients responsibility to ensure that collection sites, conducting FTA required testing on their behalf, use the most current Federal Drug Testing Custody and Control Form (CCF) and Alcohol Testing Form (ATF). These multi-part forms can only be used for FTA required tests and cannot be used for tests conducted only under local authority. Use of these forms for a non-federal test is prohibited and may result in a US DOT enforcement action. Subrecipients must closely monitor the collection sites' use of the CCFs and ATFs. For example, the custody and control seals must not be dated and initialed prior to removal from the CCF, as this is only to be done after they have been affixed to the bottles. To check for this, examine the subrecipient's copy for a faint shadow, imprint, or traces of carbon ink of a date or the employee's initials. Also, because these forms are to be used for federal drug and alcohol testing only, and the federal testing authority for transit agencies is the Federal Transit Administration (FTA), the forms should be reviewed to ensure the "FTA" box is checked rather than "FMCSA" or some other federal agency.

Medical Review Officers (MROs)

A licensed physician (medical doctor or doctor of osteopath) is responsible for receiving laboratory results. MROs must have knowledge of substance abuse disorders and have appropriate medical training to interpret and evaluate an individual's confirmed positive test result. MROs are required to take formal training and must pass an examination administered by a nationally recognized MRO professional certification board. Twelve hours of continuing education must be completed every three years. New MROs must meet the qualification training requirements before MRO functions can be performed. **Breath Alcohol Technician (BAT)/Screening Test Technician (STT)** – These technicians are required to undergo qualification training, as well and demonstrate proficiency of equipment operation and complete refresher and error correction training when required.

Substance Abuse Professionals (SAPs)

An SAP is a licensed physician, licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor with knowledge and experience of treatment of substance abuse. SAPs must receive qualification training and complete an examination by a nationally recognized professional organization. They are also required to complete 12 hours of continuing education every three years.

Section III: Confidentiality, Access to Records and Records Retention

Confidentiality and Release of Information

In order to protect the employees' privacy, specific written consent must be obtained for any release of test results or medical information to a third party. However, in any legal action related to an employee, (e.g. lawsuit, grievance, or administrative proceeding) resulting from a positive drug or alcohol test, or a refusal to test (including, but not limited to, adulterated or substituted test results), the employer may release employee test information without the employee's consent. These proceedings also include a criminal or civil action resulting from an employee's performance of safety-sensitive duties. Release of this information to the court system, once criminal or civil charges have been made, is allowed.

Subrecipients, as employers, must immediately notify the employee in writing of any release of information authorized by 49 CFR Part 40 or Part 655. Blanket releases of information are not allowed under any circumstances. Third party administrators and service agents must follow the same confidentiality regulations with respect to the use, release of information, and records retention requirements applicable to subrecipients.

Access to Records

All subrecipients performing FTA-required drug and alcohol testing must permit access by the US DOT to all facilities utilized and records compiled in complying with the requirements of 49 CFR Parts 40 and 655. They must also disclose information regarding drug and alcohol testing to the National Transportation Safety Board (NTSB) when requested in relation to any accident under investigation by NTSB.

Contracted transit service providers must permit access to these facilities and records by the transit system(s) which provide them with FTA funding or FTA-funded vehicles, in order for the transit system carry out their responsibility for overseeing compliance. The same applies to maintenance contractors, if covered by the FTA rule.

All Transit service providers, as sub-recipients of FTA funds or that possess or use vehicles purchased with FTA funds, and all their contractors that are subject to the FTA rule, must also permit access to these facilities and records by OPT, in order for OPT to carry out its oversight responsibilities as the direct recipient of such grants.

A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the covered employee's use of prohibited drugs or misuse of alcohol, including any records pertaining to his or her drug or alcohol tests, with the exception of the Substance Abuse Professional's (SAP) recommended follow-up testingschedule. The records shall be provided promptly to employees and shall not be contingent upon the subrecipient or employer's receipt of payment for these records. A subrecipient may disclose an employee's records to the employee or a decision- maker in a lawsuit, grievance, or other administrative or legal proceeding arising from the results of a drug or alcohol test conducted under the authority of 49 CFR Part 655 (including, but not limited to, a worker's compensation, unemployment compensation, or other proceeding relating to a benefit sought by the covered employee).

Subrecipients must release information regarding a covered employee's record as directed by the specific, written consent of the employee authorizing release of the information to the identified person.

Records shall be made available to a subsequent employer upon receipt of a written request

from a covered employee. Subsequent disclosure by the employer is permitted only as expressly authorized by the terms of the covered employee's request.

Record Retention

Each record must be kept for a specified minimum period of time as measured from the date of the creation of the record. Subrecipients and contractors providing transit services must maintain the records in accordance with the following schedule:

Five years:

- Records of covered employee alcohol test results indicating an alcohol concentration of 0.02 or greater;
- Records of covered employee verified positive drug test results;
- Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
- Covered employees' referrals to the SAP, and SAP reports;
- All follow-up tests and schedules for follow-up tests; and
- Copies of annual drug and alcohol Management Information System (MIS) reports submitted to OPT or FTA.

Three years:

Records of information obtained from previous employers under 49 CFR Part
 40.25 concerning drug and alcohol test results of employees.

Two years:

 Records of the inspection, maintenance, and calibration of Evidential Breath Testing (EBT) devices; and Records related to the collection process and employee training. (GDOT recommends employee training records be maintained for the duration of employment of the employee.

One Year:

 Records of negative and cancelled drug or alcohol test results, or alcohol test results with a concentration of less than 0.02.

Subrecipients must maintain this information in a secure location with controlled access. A contractor, working on behalf of the subrecipient, may maintain these records. However, the

subrecipient must ensure the records are available at the principle place of business within two days of a request. The following specific records must be maintained:

- Records related to the collection process:
 - Collection logbooks, if used;
 - Documents relating to the random selection process;
 - Documents generated in connection with decisions to administer reasonable suspicion drug or alcohol tests;
 - Documents generated in connection with decisions on post-accident drug and alcohol testing. (Employers must document the testing decision and the decision- making process for each accident. The documentation of the decision not to test is just as important as the documentation of the decision totest.); and
 - MRO documents verifying existence of a medical explanation of the inability of a covered employee to provide an adequate urine or breath sample.
- Records related to test results:
 - \circ $\;$ The employer's copy of the custody and control form;
 - Documents related to the refusal of any covered employee to submit to a test required by 49 CFR Part 655;
 - Documents presented by a covered employee to dispute the results of a test administered under 49 CFR Part 655;
 - Records related to referral and return to duty and follow-up testing;
 - Records concerning a covered employee's entry into and completion of the treatment program recommended by the substance abuse professional;
 - Records relating to employee training;
 - Training materials on drug use awareness and alcohol misuse, including a copy of the employer's policy on prohibited drug use and alcohol misuse;
 - Names of covered employees attending training on prohibited drug use

and alcohol misuse and the dates and times of such training;

- Documentation of training provided to supervisors for the purpose of qualifying the supervisors to make a determination concerning the need for drug and alcohol testing based on reasonable suspicion;
- Certification that any training conducted under this part complies with the requirements for such training;
- Annual Drug and Alcohol MIS reports; and
- Copies of Drug and Alcohol MIS reports that were submitted to GDOT or FTA.

Administrative Requirements

Breath Alcohol Technicians (BAT) and Medical Review Officers (MRO), etc., acting on behalf of subrecipients, are required to maintain their own training records. There is no federal requirement for a subrecipient to have a signed agreement among all of these agents. Service agents are, however, responsible for meeting the subrecipient's need to comply with FTA requirements and must produce within two days any information or records the subrecipient is asked to produce by FTA, GDOT, or a transit system in the case of service providers.

Section IV: FTA Reporting Requirements

Reporting of Results in Drug Testing Management Information System (DAMIS)

Subrecipients are required to maintain a record of the results of its anti-drug and alcohol misuse testing program which is reported. The summary data is reported for the previous calendar year into the Drug Testing Management Information System (DAMIS) Data Collection Forms and Alcohol Testing Management Information System (DAMIS) Data Collection Forms are required to be completed for drug and alcohol testing data concerning all employees covered under FTA rules. These reports are required to be submitted to GDOT by February 15th each calendar year, covering the preceding calendar year's activities. Guidelines for completion of this report are outlined below:

- GDOT provides DAMIS Report preparation instructions, along with a transit agency user ID# and password to all FTA Section 5311 subrecipients near the end of December each year.
- Subrecipients with Third Party Operators (TPOs) will be sent the TPO's user names and passwords. TPO's are required to enter their drug and alcohol testing data into the DAMIS web portal.
- Subrecipients are required to update to the Transit Program Compliance Manager on any changes in TPO under contract for the delivery of transit services.
- Subrecipient and applicable TPO's DAMIS reports are due in the web portal on or before February 15th of each year.
- DAMIS Certification must be signed by the subrecipient's governing board or other authorized individual or body. Failure to certify compliance with the drug and alcohol rules will result in jeopardizing federal funding from FTA. In addition, an FTA grant recipient is subject to criminal sanctions and fines for false statements or misrepresentation under Section 1001 of Title 18 of the U.S. Code.
- Should a revision be needed, GDOT will coordinate directly with the subrecipient and/or covered contractor so corrections can be made in the system.
- GDOT staff will review the subrecipient and contractor data and approve the final report in the web portal no later than March 15th of each year.

The subrecipient is responsible for ensuring the accuracy and timeliness of each report submitted by the consortium, or TPO acting on behalf of the subrecipient. The transit system is responsible for ensuring the accuracy and timeliness of each MIS report submitted by their contractors and forwarding them, along with their own MIS reports, to GDOT.

Certifying Compliance

Subrecipients of FTA Section 5311 funds must certify compliance with FTA's drug and alcohol testing regulations annually as a condition of receiving federal transit funds. Failure to certify compliance with 49 CFRPart 655 may result in the suspension of a subrecipients eligibility for Federal funding. Recipients of FTA funding are subject to criminal sanctions and fines for false

statements or misrepresentations under 18 USC 1001. GDOT, as the direct recipient of Section 5311 FTA funds, shall ensure that the subrecipients comply with 49 CFR Part 655. OPT shall certify to FTA compliance. Certifications must be authorized by the employer's governing board or other authorizing official and must be signed by an authorized person.

Recipients will be ineligible for further FTA financial assistance if the recipient fails to establish and implement an anti-drug and alcohol misuse program in accordance with 49 CFR Part 655.

Drug and Alcohol Regulation Updates

FTA's Office of Safety and Security provides drug and alcohol regulation updates free of charge. To receive notices of the latest newsletter postings visit the FTA Drug and Alcohol Regulation Updates <u>website</u>.

Questions concerning your drug and alcohol program should be directed to GDOT's Transit Program for Section 5311 recipients and their contractors. Answers to interpretation questions by the US DOT, Office of Drug and Alcohol Policy and Compliance (ODAPC), can be found on their websiteat <u>http://www.dot.gov/ost/dapc</u>. ODAPC and the Office of General Counsel (OCG) are the only official and authoritative interpreters concerning the provisions of 49 CFR Part 40.

Motor Carrier Regulations

The Federal Motor Carrier Safety Administration (FMCSA) rules (<u>49 CFR Part 382</u>) and US DOT's 49 CFR Part 40 apply to private over-the-road or charter bus operators, school bus operators, and human service agencies that provide their own transportation. In other words, there is no FTA financial support or FTA-funded vehicles provided in the delivery of these services. The only time FMCSA rules concerning drug and alcohol testing would apply to a subrecipient receiving FTA funds, either directly or indirectly, would be if a significant portion of the workforce spends more time driving for services that are not FTA funded or counted toward FTA funding. In this case, the employer can have two separate testing programs. An analysis of an employee's time spent on safety sensitive functions versus non-FTA funded driving duties

requiring a CDL, would determine in the which testing program the employee is placed. Those employees with a majority of FTA funded duties must be in an FTA compliant program, while those employees spending the majority of time on non-FTA-funded CDL related duties would be in a FMCSA compliant program.

An example of this might be an intercity bus carrier receiving Section 5311(f) funding. Although most of their employees may be covered by FMCSA drug- and alcohol-testing rules, one or more of their employees may be subject to FTA drug- and alcohol-testing rules. In these cases, either a separate random testing pool can be maintained for the employees' subject to FTA testing rules, or all employees may be combined in the same random testing pool provided the testing rate is the same, or the higher of the two rates published in the federal register for the calendar year is used. FTA's pre-employment, post- accident testing rules, training and education, etc. must be followed for any employee subject to FTA's 49 CFR Part 655 rules rather than FMCSA's 49 CFR Part 382 rules.

Section V: Drug-Free Workplace

Drug-Free Workplace Act of 1988

As part of omnibus anti-drug legislation, Congress enacted the "<u>Drug-Free Workplace Act of</u> <u>1988</u>". The act requires federal grantees to certify that they maintain a drug-free workplace. This includes any transit system or subcontractor whose agency receives any direct federal funding for any of their agency's programs. The drug-free workplace regulations cover the block grant programs as well as entitlement programs.

The regulations apply only to direct grantees of federal funds. Transit systems and/or their subcontractors, that do not receive direct federal transit funds, but whose agencies receive other direct federal funding, (e.g. Head Start funding), must also comply. This includes agencies that are part of a city or county that receives any federal funding directly. The recipients of pass-through funds only are not required to make drug-free workplace certifications. (Technical assistance, loans, loan guarantees, direct appropriations or veterans'

benefits to individuals are not considered grants.)

Direct grantees must publish a written policy (e.g. as part of a personnel policy or manual) that informs all of their employees that the unlawful possession, distribution or manufacturing of a controlled substance in the workplace is prohibited. The statement must identify the sites of the performance of the grant and the penalties to be imposed on employees who violate the grantee's drug-free workplace policy. Transit systems and/or their subcontractors that must comply with this regulation may incorporate the rules into their drug abuse and alcohol misuse program and policy. Transit systems that choose to address the drug-free workplace regulations separately are encouraged to include a reference in their drug and alcohol policy stating the need to comply with the drug-free workplace regulations and where additional information may be obtained. Grantees must also establish a drug-free awareness program to inform employees of the dangers of drug abuse in the workplace, the grantee's policy of maintaining a drug-free workplace, and any available drug rehabilitation and employee assistance programs. Grantees are not required to provide or pay for drug rehabilitation programs.

All employees must be given the drug-free workplace policy and informed that they must comply with the policy as a condition of employment. Temporary personnel and consultants who are on the grantee's payroll are also included. The policy must include a requirement that employees notify the grantee of any "criminal drug statute conviction for a violation occurring in the workplace" within five days of the conviction. The federal granting agency must be notified within 10 days after the grantee receives notice of such a conviction. Within 30 days of notice of an employee's conviction for a drug violation in the workplace, a grantee must either take appropriate personnel action against the employee, which can include termination, or require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program that is approved by a federal, state or local health, or law enforcement.

Section VI: GDOT Sponsored Drug & Alcohol Training

GDOT holds Drug & Alcohol training twice each year. The training classes, generally held in the spring and fall, are conducted by GDOT's Drug and Alcohol consultant. The Transit

Compliance & Asset Manager (TCAM) is responsible for scheduling the classes as outlined below:

- The TCAM will coordinate with GDOT's Drug & Alcohol Consultant under contract to identify dates for the upcoming training session at least 60 days prior to the intended training. Historically the training has been conducted as GDOT's Macon facility.
- 2. Upon confirmation of the dates and location, the TCAM prepares a blast email communication to all subrecipients. The communication includes details about the training and a link for registration. The communication should not be sent until the TCAM verifies with GDOT's IT Department that the link for the registration is posted on the GDOT Transit Website.
- At a minimum, each subrecipients' Drug and Alcohol Program Manager (DAPM) and the person named in the Drug and Alcohol Policy as the designated employee representative (DER), if any, should attend training once every two years.
- 4. Third Party Operators (TPO) may register and attend when engaged in transit operations since many are responsible for oversight of the safety sensitive personnel. All TPO activity related to D&A FTA compliance must be coordinated with the subrecipient. The GDOT subrecipient contracting with a TPO is responsible for oversight of the TPO's D&A Program.
- 5. Should a GDOT subrecipient attend an FTA sponsored training or NTI course in lieu of the Transit Program's training, it is the responsibility of the subrecipient to submit the FTA or NTI training certificate to the TPM in order to receive credit for the training. All outside certificates must be scanned and submitted to show proof of training.

Section VII: GDOT Oversight Procedures

GDOT will conduct an annual review of each transit agency's Drug and Alcohol Program Policy for compliance and provide technical assistance and offer training to correct potential deficiencies. On-site visits will be scheduled to provide technical assistance and conduct a review of required elements related to the subrecipient's drug and alcohol program that cannot be accomplished through a desk review. These include compliance with program management requirements, records maintenance and storage review, drug and alcohol program regulations, reviews of documentation related to employee training, collector compliance with regulations, and reviews of other program compliance requirements.

The following procedures apply to Transit Program staff responsible for oversight of 5311 program subrecipients to ensure compliance with the requirements of 49 CFR Parts 40 and 655. Oversight is provided as required by FTA to ensure compliance of applicable laws and regulations.

Review and Approval of Drug & Alcohol Policies

- GDOT will provide updated Drug & Alcohol Policy templates for subrecipients each time substantive regulatory changes are posted in federal register. Subrecipients will be provided with technical assistance as necessary to assist in completing a D&A policy update.
- Following a deadline for submittal posted via email by the Transit Asset & Compliance Manager, the assigned TPM should monitor subrecipients to ensure the update is received prior to the posted deadline.
- 3. Once submitted by the subrecipient, an initial review will be conducted by the TPM using the D&A Policy Checklist, labeled as <u>Exhibit 10-3</u>. Should the D&A plan be incomplete or missing key elements, the subrecipient will be sent a letter detailing the deficiencies. An example of the non-compliance D&A letter is labeled as <u>Exhibit 10-4</u>.
- Once the plan is found to be compliant, GDOT will issue a letter confirming compliance with FTA regulations and requirements. The compliant D&A letter is labeled as <u>Exhibit</u> <u>10-5</u>.
- Following receipt of the letter acknowledging compliance, the subrecipient should move to have the policy formally adopted by the respective board. A policy may be conditionally adopted by the board prior to formal review by GDOT.
- 6. During the on-site monitoring visit by the TPM, subrecipients will be reminded to review and update the D&A policy should material changes occur. Material changes may

include: changes in safety sensitive employee titles; changes in DAPM, changes in county policy from Zero Tolerance to Second Chance, etc.

- All compliant subrecipient plans should be scanned to file and placed in the appropriate folder. <u>P:\Transit Files\Drug and Alcohol Compliance\00 Subrecipient</u> <u>Drug and Alcohol Policies (all years)</u>
- The Transit Asset & Compliance Manager is required to maintain and update the D&A policy tracking sheet for all subrecipient policies in order to have documentation for FTA Comprehensive reviews.

Annual On-Site Visit - Drug & Alcohol Compliance

- In January of each year, each Transit Project Manager (TPM) should review assigned subrecipients to determine if all have completed the Initial Drug & Alcohol Review. The Initial Review Assessment (IRA) is conducted only once to establish a baseline. The IRA is labeled as <u>Exhibit 10-6</u> and included in the appendix.
- The TPM is responsible for requesting all existing assigned subrecipients to complete the annual D&A Update. The D&A Update, labeled as <u>Exhibit 10-7</u>, requires subrecipients to provide GDOT with critical information related to drug and alcohol policy updates, program management and records management.
- The TPM should monitor the receipt and completion of the D&A update by all subrecipients. All subrecipient D&A Updates should be received no later than 30 days following release to the subrecipient for completion.
- The TPM will conduct a review of the received D&A updates to ensure accuracy and completion before archiving the updates by GDOT district and year under <u>P:\Transit</u> <u>Files\Drug and Alcohol Compliance\Annual Site Monitoring or Desk Reviews</u>.
- Following a review of the subrecipient D&A Updates, the TPM should begin emailing subrecipients to request an on-site visit. The site visit should be scheduled not less than two weeks in advance.
- 6. The TPM is responsible for completing the D&A monitoring report during the on-site visit

with each subrecipient. The on-site D&A monitoring report, labeled as <u>Exhibit 10-8</u>, requires the TPM to conduct inspections related to all aspects of the subrecipient's drug and alcohol program to ensure compliance.

- Following the on-site visit, the TPM should either request the Drug & Alcohol program Manager (DAPM) to conduct a mock collection site monitoring or the TPM may accompany the DAPM to perform mock collection monitoring.
- 8. The DAPM or TPM will conduct an audit using the Collection Site Monitoring Checklist. The checklist is labeled as <u>Exhibit 10-9</u> and included in the appendix.
- The DAMP or TPM will determine whether a "mock" alcohol or drug test (or both) are completed and whether it will be pre-employment, random, post-accident or reasonable suspicion.
- 10.Upon determining the type of "mock" alcohol and/or drug test to be completed, the following should be evaluated and/or requested to determine compliance:
 - a. The collection site monitoring should verify the technician conducts mock testing using the CCF form instructions. These instructions must be followed to the letter and performed the same way for each test. The technician should be instructed to provide the testing just as if it was a real test in order to ensure it is conducted properly.
 - b. The alcohol testing machine should be checked for proper calibration and proper time zone shown (be aware of daylight-saving-time changes)
 - c. All technician training certificates should be requested.
 - d. Male and female technicians should be available in the event an "observed" collection must be conducted.
- 11.Should deficiencies be identified during the mock collection, these should be sufficiently detailed for corrective actions by the TPM on the D&A monitoring report form.
- 12. The TPM should review all sections of the D&A monitoring report form to ensure accuracy and completeness before leaving the subrecipient's site location.
- 13. The TPM should add comments to the completed subrecipient's D&A monitoring report form, specifically noting deficiencies and recommended corrective actions.
- 14. The completed D&A monitoring report should be submitted to the Assistant Program Delivery Manager and Transit Asset & Compliance Manager for review and approval.

- 15. The Transit Asset & Compliance Manager should review the completed Drug & Alcohol monitoring reports to determine the extent of the deficiencies requiring corrective action.
- 16.The Transit Asset & Compliance Manager, should prepare a letter to the subrecipient outlining the deficiencies. required corrective actions, and deadline for submittal of a corrective action plan (CAP). The corrective actions required template letter is labeled as <u>Exhibit 10-10</u> and included in the appendix.
- 17. Following review and approval of the submitted CAP, the TPM and DAPM should monitor until all CAP items have been resolved and closed. The TPM may be required to conduct a follow up site visit to evaluate the status and/or resolution of identified CAPs.
- 18. Following confirmation from the TPM that all deficiencies have been resolved, the Transit Asset & Compliance Manager should issue a letter indicating acceptance and close-out of all CAPs.
- 19. The letter should be sent to the subrecipient to officially close the open items detailed on the Drug & Alcohol Monitoring Report. The close-out template letter is labeled as <u>Exhibit</u> <u>10-11</u> and included in the appendix.
- 20.All correspondence related to the deficiencies, corrective actions and close-out should be attached to the TPM's completed D&A monitoring report and archived for further review and/or audits.

CHAPTER 11: Other Applicable Provisions

Subrecipients are responsible for being aware of and complying with all of the compliance elements of the Section 5311 program. These are contained in the most current version of FTA Circular 9040.1G. This chapter provides an overview of each of these program requirements and the responsibilities. Subrecipients are encouraged to review the circular in its entirety to ensure compliance with all of the program requirements.

A link to FTA Circular 9040.1G is listed below:

<u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Circular_9040_1Gwith_index_</u> _Final_Revised_-_vm_10-15-14%281%29.pdf

Section I: Civil Rights - Title VI

GDOT Title VI Program

GDOT is committed to ensuring compliance with Title VI of the Civil Rights Act of 1964 and all related regulations and directives. GDOT's Title VI Program is administered by the GDOT Equal Employment Opportunity Office. GDOT further assures every effort will be made to ensure non-discrimination in all of its programs, whether or not those programs and activities are federally funded. GDOT will take necessary steps to provide meaningful access to services for persons with Limited English Proficiency, including interpretation services, if needed.

GDOT submits a Title VI Program to the FTA regional office once every three years. GDOT's current "Title VI Plan is posted on GDOT's website at <u>http://www.dot.ga.gov/IS/Transit</u>. GDOT also has Complaint Procedures, a Discrimination Form, and a Complaint Log posted for use by subrecipients and the general public.

Subrecipient's Title VI Program Requirements

Subrecipients must have a compliant Title VI Plan on file with GDOT as a requirement for

funding. FTA requires submission of an updated Title VI Plan every three years. As part of GDOT's oversight responsibilities, a review of the Title VI Plan components is conducted at a minimum every three years as part of the on-site compliance review.

The following are general Title VI requirements for all FTA subrecipients, as detailed in <u>FTA</u> <u>Circular 4702.1B</u>:

- 1. Submission of a Title VI certification as part of the annual application process;
- 2. Development of Title VI complaint procedures, including procedures for submitting, investigating, and tracking such complaints;
- 3. Record of all Title VI investigations, complaints, and lawsuits;
- 4. Development and implementation of a public participation plan that includes an outreach plan to engage minority and limited English proficient populations;
- 5. Provision of meaningful access to individuals with Limited English Proficiency (LEP);
- 6. Notice to the public of protections offered under Title VI;
- 7. Efforts to encourage minority representation on transit-related non-elected planning and advisory bodies; and
- 8. Submission of an updated Title VI program to GDOT every three years, including:
 - a. A Title VI notice to the public stating the subrecipient complies with Title VI and informs members of the public of the protections against discrimination afforded to them by Title VI.
 - b. A copy of the subrecipient's notice to the public that it complies with the Title VI and instructions to the public on how to file a discrimination complaint.
 - c. A concise description of any lawsuits or complaints alleging discrimination in service delivery filed against the subrecipient, together with a statement of status or outcome of each such complaint or lawsuit.
 - d. A public participation plan that includes an outreach plan to engage minority, low-income and Limited English Proficient (LEP) populations, as well as a summary of outreach efforts made since the last Title VI program submission; this potentially includes a copy of the agency's alternative framework for providing language assistance.

- e. Procedures for tracking and investigating Title VI complaints.
- f. A table depicting racial composition of membership of any non-elected planning boards, advisory councils or committees, or similar bodies and a description of efforts made to encourage the participation of minorities on such committees or councils.
- g. A Board of Directors resolution or meeting minutes demonstrating the board approved Title VI program.
- An analysis of any environmental and/or social impacts as the result of proposed construction projects, including the impact on minority communities (including participation of minority and low-income populations in site selection). This information is required only for those projects that do not qualify as categorical exclusions in the environmental process.
- i. If the subrecipient operates fixed route service, system-wide services and policies.

Major Areas of Civil Rights Compliance

There are four major areas related to Civil Rights Compliance:

- 1. Nondiscrimination 49 U.S.C. § 5332 states that "a person may not be excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance (from FTA) because of race, color, creed, national origin, sex, or age." The statute gives FTA responsibility and authority for enforcing compliance with this provision and Title VI of the Civil Rights Act of 1964, as amended, by withholding financial assistance or referring the matter for civil action by the Attorney General.
- 2. Submission of Standard Assurances GDOT requires that each applicant for funds annually execute a set of standard assurances, including provisions for compliance with Title VI.
- 3. General Requirements In addition to the language contained in the Standard Assurance, each subrecipient must have a Title VI Plan on file with GDOT. Subrecipients are

responsible for submitting any changes or updates as part of the annual Section 5311 application and/or submitted to GDOT as requested. Civil Rights information will be reviewed during the GDOT compliance review process conducted every three years.

- 4. Equal Employment Opportunity (EEO) Subrecipients may not discriminate in employment on the basis of race, color, creed, national origin, sex, age, or disability. The subrecipient is responsible for its own compliance and for assuring GDOT that it is compliant with all EEO provisions.
 - a. If the subrecipient received more than \$1,000,000 or more in the previous Federal fiscal year and has more than 50 mass transit-related employees, the subrecipient must submit an EEO program to GDOT.

Environmental Justice Requirements

Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, requires the U.S. Department of Transportation (DOT) and the Federal Transit Administration (FTA), to identify and address, as appropriate, disproportionately high and adverse human health or environmental effects of programs, policies, and activities on minority populations and/or low-income populations (collectively "EJ populations"). The Georgia Department of Transportation and subrecipients of FTA funds shall incorporate environmental justice and non- discrimination principles into transportation planning and decision-making processes as well as project-specific environmental reviews.

Subrecipients will follow the guidance in FTA Circular 4703.1, "Environmental Justice Policy Guidelines for Federal Transit Administration Recipients," including environmental justice analysis and meaningful public outreach. The Circular provides examples of effective strategies for engaging minority and low-income populations in support of Title VI public participation plans.

Section II: Equal Employment Opportunity (EEO)

An Equal Employment Opportunity Program (EEO Program) refers to a written, detailed, resultsoriented set of procedures designed to achieve prompt and full utilization of people within a protected class at all levels and in all parts of the recipient's workforce, including compensation. The FTA Master Agreement requires all applicants, recipients, subrecipients, and contractors receiving FTA funding to comply with applicable Federal civil rights laws and regulations applicable to EEO.

Subrecipient Thresholds for EEO Program Development

- 1. Any subrecipient or contractor who meets <u>both</u> of the following threshold requirements must implement all of the EEO Program elements:
 - a. 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.
- 2. Any subrecipient or contractor who meets <u>both</u> of the following threshold requirements must prepare and maintain an abbreviated EEO Program:
 - a. Employs between 50-99 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.
- Subrecipients, and contractors who do not meet the EEO Program threshold above are not required to submit an EEO Program but are still required to comply with all Equal Employment Opportunity statutes and regulations.

General GDOT Policies – EEO

• All Section 5311 subrecipients are required to submit assurances to GDOT as part of the annual application process indicating their compliance with FTA's Equal Employment

Opportunity objectives, as detailed in FTA Circular 4704.1.

 Each year, prior to the subrecipient's notification of award, the Transit Program will review each subrecipient's potential award amount to evaluate whether the subrecipient exceeds the threshold requiring submittal of an EEO plan. Those subrecipients that reach the above thresholds will be required to submit an EEO plan to GDOT. GDOT will conduct a review of the EEO plan for compliance and notify the subrecipient as to whether any corrective action is required.

The EEO plan must:

- Confirm the Agency's commitment to EEO;
- Be signed and dated by the CEO;
- Include the name of the EEO Officer; and
- Include the seven (7) paragraphs on Page III-1, 2(a) of the circular UMTA C 4704.1, as amended.
- Modifications and/or updates to existing EEO plans on file must be submitted to the assigned Transit Project Manager along with copies of the Board minutes stating Board approval within 30 days of the official approval.
- All materials relating to EEO must also be placed in a conspicuous and accessible location so employees and applicants are aware of the agency's EEO commitment.

Section III: Disadvantaged Business Enterprise (DBE)

Subrecipients and their subcontractors are subject to federal regulations regarding the participation of disadvantaged business enterprises (DBE) in contracts containing FTA funds. These regulations are designed to create a level playing field and foster equal opportunity for disadvantaged business enterprises competing for work. It is the policy of the Georgia Department of Transportation (DDOT) to ensure nondiscrimination in the award and administration of federally assisted contracts and make a good faith effort to use disadvantaged business enterprises (DBEs) in federally assisted contracting and procurement activities according to regulations and objectives of <u>49 CFR Part 26</u> and State law. The GDOT

has established a DBE program in accordance with regulations and objectives of the United States Department of Transportation (USDOT) found in 49 CFR Part 26.

Information on GDOT's Disadvantaged Business Enterprise Program can be found at <u>www.dot.ga.gov/PS/Business/DBE</u>

Definition of a Disadvantaged Business Enterprise (DBE)

DBEs are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. DBE's have a net worth not exceeding \$ 1.32 million. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged.

DBE Certification Criteria:

- An individual personal net worth not exceeding \$1.32 million (49 CFR Part 26 D §26.67).
- The small business must meet SBA size criteria and have an annual gross income not exceeding \$23.98 million (49 CFR Part 26 D §26.65).
- The small business must be independent and owned by a minority, at least 51% (49 CFR Part 26 D §26.69).

Subrecipient Responsibilities:

All subrecipients of Section 5311 funds must comply with the following provisions of FTA's DBE requirements, regardless of the dollar amount of Federal financial assistance.

- 1. All subrecipients must provide data semi-annually, June and December 1st, on the DBE program to GDOT.
 - a. GDOT will send a formal notice to all subrecipients meeting the \$ 250,000 federal funds reporting threshold and instructions on completing the DBE report.
 - b. Subrecipients meeting this threshold must complete the semi-annual report and

return to GDOT by deadline stated.

- c. The small business must be certified by the GDOT EEO Office and included in the Uniform Certification Program (UCP) for Georgia.
- 2. The updated reimbursement form includes a section for DBE contract reporting
 - a. If you are below the \$250,000 report threshold, complete the section in the reimbursement form when DBE contracts are paid. This information will help GDOT meet our DBE Goal.
- 3. All subrecipients must create and maintain a bidders list, consisting of all firms bidding on prime contracts and bidding or quoting on subcontracts or DOT- assisted contracts. For every firm, the following information must be included:
 - o Firm name;
 - o Firm address;
 - o First status as a DBE or non- DBE;
 - o Age of the firm; and
 - o Annual gross receipts of the firm.
- 4. Each contract signed between the subcontractor and a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, sexual orientation, gender identity, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

- 5. Section 5311 subrecipients are required to make every reasonable effort to utilize DBEs in order to contribute to GDOT's attainment of its overall goal of a minimum DBE participation in the Section 5311 program as stated in the subrecipient grant agreement and as periodically updated through GDOT DBE methodology and goal assignment as per 49 CFR Part 26. Examples of good-faith efforts include:
 - a. Procurement Solicitation/Advertisement Efforts include outreach and engagement activities for DBE businesses;

- b. Refer small businesses to GDOT's EEO Small Business Outreach resources; and
- c. Document all procurement efforts related to DBE. This information is subject to GDOT and FTA audit and should be retained with procurement documents.

Section IV: Labor Protections

Employee Protection Provisions of Section 5333 (b) Special Warranty

GDOT addresses issues relating to Section 5333 (b) Special Warranty, Labor Protection Provisions, when applications are received from subrecipients for project consideration.

When GDOT recommends a project for funding, each subrecipient is required to provide a written acceptance of the terms and conditions of the Special Section 5333 (b) Warranty. The written acceptance provides assurance that the subrecipient agrees to be bound by certain portions of the National (Model) Agreement.

Each Section 5311 subrecipient will contractually assure compliance with the provisions of Section 5333(b) of the Federal Transit Law, indicating 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 project and of any other surface public transportation provider in the subrecipient's service area.

All Section 5311 applicants must provide assurance that they are in compliance with the law through the annual application process.

Section V: American Disabilities Act (ADA)

Title II & III of the Americans with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of

transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including access to fixed route bus and rail and complementary paratransit service. Compliance with the ADA covers virtually every aspect of transit operations, including transit system employees, service provision, vehicle purchasing, transit facility design, and information about transit services. Daily operations are impacted by the need to deliver consistent, high quality service to members of the riding public regardless of their disabilities or abilities.

Overarching Requirements

The ADA regulations focusing on public transportation providers are found primarily in 49 CFR Parts 27, 37, 38, and 39. These regulations are extensive and complex. The nondiscrimination requirements in 49 CFR Section 37.5 state that an organization may not discriminate against people with disabilities. This is the overarching requirement that needs to be applied throughout the transportation system and the entire organization.

The ADA regulations set minimum standards. Transit systems can choose to exceed these limits based on local circumstances. The following ADA requirements apply to all providers of public transportation:

- All printed material distributed to the public about public transit service must be available in accessible formats.
- Accessible material must be available on request and in a format the person can use such as large print, audio tape, and Braille.
 - NOTE: This does not mean that all material must be available in every format, but the process to obtain the requested material in the requested format must be in place so that the material can be available within a reasonable period of time.
- Individuals with speech and/or hearing impairments must have access to information provided by telephone.
 - This can be accomplished by equipping a phone line with a TTD or by using the GDOT Relay Service.
- The training requirement for all ADA- related transportation services applies to both public

and private entities in either demand response or fixed route service. Personnel are to be trained to proficiency as appropriate about their duties and includes drivers, dispatchers, supervisors, customer service representatives, etc.

- All access-related equipment including wheelchair lifts, securement systems, and public address systems must be maintained in good operating condition and repaired promptly when necessary. When equipment is out of order, reasonable steps must be taken to accommodate passengers who would otherwise use the equipment. Every effort must be made to repair lifts before the next day of service. If the lift cannot be repaired the next day, the vehicle can remain in service only if no spare is available. Vehicles with inoperable lifts can be kept in service for no more than three days for areas with population over 50,000 or five days for areas under 50,000.
- Transit providers must carry a wheelchair and occupant if the lift and vehicle can physically accommodate them, or unless doing so is inconsistent with legitimate safety requirements. Legitimate safety requirements include such circumstances as a wheelchair of such size that it would block an aisle or would be too large to fully enter a railcar, would block the vestibule, or would interfere with the safe evacuation of passengers in an emergency. These requirements must be based on actual risks, not on mere speculation, stereotypes, or generalizations about individuals with disabilities or about the devices they use for mobility purposes. Also, they do not apply to securement; a transit provider cannot impose a limitation on the transportation of wheelchairs and other mobility aids based on the inability of the securement system to secure the device to the satisfaction of the transportation provider. It would be inconsistent with this rule to allow transportation providers to deny service to people who use wheelchairs just because particular devices may be problematic from a securement point of view.
- Passengers who cannot use the steps to enter the vehicle must be allowed to use the wheelchair lift.
- Passengers with disabilities must be allowed to travel with service animals which are trained to assist them.
- Passengers must be permitted to travel with portable oxygen.
- Personal care attendants (PCAs) must be allowed to travel with a passenger with a disability; a PCA is not considered a companion. On complementary paratransit systems,

PCAs are not to be charged a fare. On fixed route systems, a fare can be charged. Systems cannot require that a passenger travel with an attendant.

- Service can be refused only if a passenger engages in violent, seriously disruptive, or illegal conduct.
- Special charges or extra fares cannot be imposed on individuals with disabilities, even if additional services are required, unless the fees apply to all other passengers as well.

Demand Response Systems - Equivalent Service

Section 5311 subrecipients operating demand response service must acquire accessible vehicles, unless the system, when viewed in its entirety, affords a level of service to persons with disabilities, including wheelchair users, equivalent to persons without disabilities. If this condition is met, non-accessible vehicles may be purchased. "Equivalent" service is determined based on seven (7) service characteristics that are further described below in the demand response section.

- Response time;
- Fares;
- Geographic area of coverage;
- Hours and days of service;
- Restrictions based on trip purpose;
- Availability of information and reservations capability; and
- Constraints on capacity or service availability.

Demand Response Systems – ADA Requirements

The following ADA requirements apply to systems providing demand response service:

- All newly purchased or leased vehicles must be accessible unless it can be demonstrated that the system, when viewed in its entirety including back-up or spare vehicles, provides equivalent service to persons with disabilities.
- GDOT requires at a minimum, 50% of the rural transit system's fleet be accessible.
- To be considered "equivalent," service must be equal to that provided to individuals without disabilities. Service must be equivalent in the following areas:

- Response time: is calculated as the time between the request for service and the actual trip and must be the same for passengers without disabilities as for those with disabilities.
- Fares: Fares must be the same for all passengers. There cannot be additional charges for accommodating mobility aids
- \circ $\,$ Service area: The geographic area must be the same for all passengers.
- Days and hours of service: Service cannot be limited by certain hours of the day or days of the week for passengers with disabilities.
- Trip purpose: Service cannot be limited based on trip purpose for passengers with disabilities.
- Information and reservations: Alternate forms of printed material must be available on request. NOTE: This does not mean that all material must be available in every format, but the process to obtain the requested material in the requested format must be in place so that the material can be available within a reasonable period of time. Systems must have access to a TTD or know how to use the GDOT Relay Service.
- Capacity constraints: Service must be provided on the same basis to passengers with disabilities as to those without disabilities. In looking at the system as a whole, there cannot be a disproportionate number of trip denials, excessively long trips, excessively long wait times, or a large number of missed trips for passengers with disabilities.
 Passengers can be offered a trip one hour on either side of the requested time. If a trip time cannot be negotiated within these boundaries, it is considered a trip denial.
- Reasonable Accommodations
- A transit system must make reasonable accommodations in policies, practices, or procedures when such accommodations are necessary to avoid discrimination on the basis of disability, unless the recipient can demonstrate that making the accommodations would fundamentally alter the nature of the service, program, or activity or result in an undue financial and administrative burden.

Training Reminders

• Staff & Drivers must be trained to proficiency in lift and wheelchair securement procedures,

including use of seat belt harness

- ADA passengers cannot be required to sit in priority seating offer a choice
- Can require wheelchairs to be secured in designated areas when vehicle equipped
- Allow Service animals Does not require identification; however, the animal must be trained to provide a certain task.
- Have clear written policy on Emotional Support Animals (ESA) if your system does not wish to allow ESA's

Training of Drivers

All Drivers must be trained to proficiency in the following areas:

- Drivers should ask first before offering to assist a passenger with disabilities;
- Track & Document all ADA complaints & report to GDOT;
- Make reasonable accommodations, as requested;
- Must allow mobility devices & portable oxygen supplies;
- Allow passengers to board as standees to ride lift, if requested; and
- 5311 Systems must complete "Certificate of Equivalency" if requesting non-lift equipped vehicles

Transit System Requirements

- Transit Systems should develop written guidelines for disabled passenger protocols in line with C 4710.1
- Transit facilities must be ADA accessible
- Drivers must report all lift failures immediately
- 5311 System vehicles with lift failures must dispatch ADA passengers to an operable lift vehicle. Repairs must be made within 5 business days to ensure capacity
- Keep all ADA equipment in good working order & follow PM's as recommended by Lift Manufacturer
- Route deviation service must not limit service to disabled passengers

GDOT Oversight – ADA

GDOT ensures oversight of subrecipients' compliance by requiring policies, practices, and procedures of subrecipients and third-party operators providing public transportation be submitted for review to ensure compliance with federal regulations. GDOT also checks for compliance during onsite reviews.

GDOT must also ensure all vehicles acquired with Section 5311 funds are equipped, maintained, and operated in accordance with <u>49 CFR Parts 27, 37 and 38</u> and that service provided does not discriminate against individuals with disabilities. All vehicles available for purchase on state contract are ADA compliant.

GDOT requires subrecipients provide adequate training to its operators on how to operate ADA/lift equipment and assist individuals with disabilities, when boarding and exiting the bus. Newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

Section VI: Charter Service

FTA's Charter Service regulations protect private charter operators from unauthorized competition from FTA grant recipients. In essence, the charter regulations were implemented to ensure that transit agencies, subsidized with federal money, do not unfairly compete with privately owned bus companies. Under the charter rules, with limited exceptions, local transit agencies are restricted from operating chartered services.

Applicable to GDOT Subrecipients

All FTA subrecipients are prohibited from providing charter service using FTA-funded equipment if there is at least one private charter operator in the area willing and able to provide charter service. As a condition for continuous FTA funding, subrecipients are required to annually sign a certification of no intent to provide charter services with their applications. This prohibition applies to bus and van services provided by direct recipients, subrecipients, or Third-Party Operators (TPOs) that provide bus or van services funded by FTA grants administered by GDOT.

FTA's Definition of Charter Service

- Transportation provided by a subrecipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:
 - A third party pays the transit provider a negotiated price for the group;
 - Any fares charged to individual members of the group are collected by a third party;
 - The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time;
 - A third party determines the origin and destination of the trip as well as scheduling; or
- Transportation provided by a subrecipient to the public for events or functions that occur on an irregular basis or for a limited duration and
 - A premium fare is charged that is greater than the usual or customary fixed route fare; or
 - \circ The service is paid for in whole or in part by a third party.

Tripper Service

Section 5323(f) of the Federal Transit Act of 1964, as amended, prohibits the use of FTA funds for exclusive school bus transportation for school students and school personnel.

The prohibition against the use of buses, facilities and equipment funded under the acts shall not apply to tripper service which is regularly scheduled public transportation service which is open to the public, and is designed or modified to accommodate the needs of school students and personnel, using various fare collections or subsidy systems. Buses used in tripper service must be clearly marked as open to the public and may not carry designations such as "school bus" or "school special". These buses may stop only at a regular service stop. All routes traveled by tripper buses must be within the subrecipient's regular route service as indicated in their published route schedules.

CHAPTER 12: Monitoring, On-Site Reviews, Deliverables & Deadlines

The Federal Transit Administration (FTA) has established regulatory requirements that apply to both GDOT and subrecipients. This chapter provides timelines and details associated with GDOT's monitoring program, financial audits and on-site Agreed-Upon-Procedures reviews.

Section I: Subrecipient Monitoring

The FTA requirements for subrecipient monitoring are primarily based on 2 CFR Part 200, often referred to as the "Super Circular" of the Office of Management and Budget (OMB). In addition, FTA Circular 5010.1E, Award Management Requirements, provides guidance on FTA's financial requirements while FTA Circular 9040.1G provides guidance to assist in the application and administration of Section 5311 funds. The FTA defers to the state, where possible, regarding the development of specific program standards, criteria, procedures and policies to ensure compliance by all subrecipients.

GDOT, as the recipient of FTA grant funds, is required to monitor subrecipients on a regular basis. GDOT oversight begins at the time of the application and contracting process. Desk reviews of subrecipient documents and on-site visits are used to determine if all requirements; are being met as specified in the contracts. GDOT's monitoring program provides staff with multiple opportunities to monitor subrecipient activities in each of the major compliance categories throughout the contract year, as outlined below in summary. Following the summary is a more detailed explanation of each monitoring activity:

Monthly

- Review of subrecipient reimbursements
- · Review and evaluation of subrecipient's transit statistical data

Semi-annual

Review of DBE activities

Annual

- 1st Quarter: Desk level risk assessments
- 2nd Quarter: Review and evaluation of applications requesting federal funds
- 2nd Quarter Review, Validation and Analysis of Subrecipient Drug & Alcohol Testing Data submitted as required to FTA MIS.
- 3rd Quarter: On-site monitoring of subrecipient's drug & alcohol Program
- 4th Quarter: On-site monitoring of subrecipient's maintenance activities and Inventory reconciliation of FTA funded assets.

Every Third Year

GDOT will conduct a comprehensive on-site review of each subrecipient every third year. The on-site review may be conducted with the assistance of consultants under contract. The on-site review is conducted in lieu of the desk risk assessment and other normally scheduled on-site monitoring activities including transit asset maintenance and drug and alcohol.

Additional information on each of these monitoring activities is provided below:

Monthly

Review of Subrecipient Reimbursement - Subrecipients are required to submit a reimbursement each month for up to 50% of all eligible public transit operating expenses. Transit Project Managers (TPM) are responsible for reviewing each reimbursement request for accuracy, completeness and eligibility. Supporting documentation for selected general ledger entries may be requested to verify expenses charged. The supporting documentation is reviewed for accuracy in posting and cost allowability, in relationship to the general ledger. Subrecipients who fail to provide sufficient documentation or have documented repeated errors may trigger additional oversight. Additional information on subrecipient reimbursements can be found in Chapter 6, Financial Management.

Review of Subrecipient Transit Statistical Data – Transit Project Managers are required to monitor the data collected in Q-Ryde, the dispatching software system provided by GDOT to subrecipient's for dispatching and routing of public transit trips. Data anomalies must be

researched to determine a rationale for the anomaly or if a human error. The data is aggregated and reported annually as part of GDOT's submission to the National Transit Database (NTD).

Semi-Annual

Review of DBE Activities - The Transit Asset & Compliance Manager (TACM) is responsible for collecting, reviewing and reporting all subrecipient DBE activity meeting the \$250,000 federal funds threshold to FTA on June and December 1. The TACM requests the data be submitted in advance to review for accuracy and completeness. The TACM monitors subrecipient DBE activities to ensure compliance and to encourage subrecipients to make every reasonable effort to utilize DBEs by conducting outreach, referring small businesses to GDOT's EEO program, and documenting all procurement efforts related to DBE. Additional information on DBE can be found in Chapter 11, Other Requirements.

Annual Monitoring Activities

Risk Assessments

GDOT's annual monitoring program begins with the completion of a desk level risk assessment by the assigned Transit Project Manager. The risk assessment tool is structured to identify subrecipients at more risk for noncompliance of FTA and/or GDOT requirements. The risk assessment tool is labeled as <u>Exhibit 12-1</u> and included in the appendix. The categories evaluated as part of the desk level risk assessment include:

- Financial Management
- Technical Capacity
- Maintenance
- ADA General
- Civil Rights
- Procurement

- Charter / School Bus
- Drug and Alcohol

Subrecipients categorized as having a higher risk are evaluated to determine the most appropriate corrective action response to mitigate the risk. Corrective actions may include, but are not limited to, requesting a Corrective Action Plan (CAP); conducting an Agreed-Upon-Procedures Audit, or conducting a comprehensive on-site compliance review. Subrecipients normally receive a desk level risk assessment in years one and two followed by a full on-site comprehensive review in the third year,

Review and Evaluation of Subrecipient Applications - Subrecipient applications undergo a multistep review beginning with the assigned Transit Projects Manager (TPM). The application is evaluated to ensure it meets project eligibility guidelines and is complete and properly documented. The application should include a detailed budget with committed local funds and should also be included in the appropriate STIP or TIP. GDOT, with the assistance of staff from Georgia Tech, developed methodology aimed at awarding funds based on system operations performance, demographic factors and historical benchmarking. This methodology is complementary to how FTA apportions Section 5311 funds to states. The rural formula is based on land area, population, low-income factors, and vehicle revenue miles. The Program Delivery Manager schedules panel reviews to review, evaluate and score each application using this methodology. GDOT considers this comprehensive approach as an extension of our subrecipient monitoring program. Additional information related to the review and evaluation of subrecipient applications can be found in Chapter 5, Subrecipient Application Process and Review.

Drug Testing Management Information System Reports – GDOT must ensure subrecipients submit the required data from their anti-drug and alcohol misuse testing program for the previous calendar year. The Transit Asset & Compliance Manager will provide subrecipients access to the Department of Transportation Public Drug and Alcohol Testing Database (DAMIS)

each February to upload the required drug and alcohol testing data for the prior calendar year. Following upload of the data by each subrecipient, the TACM must review the data to ensure it meets the required thresholds. For example, the random testing threshold is currently 50%. The TACM is required to review and validate the data for all Section 5311 subrecipients prior to the March deadline. Following acceptance by FTA, the TACM will prepare an excel document listing all subrecipients and totals for random drug testing, random alcohol testing and safety sensitive for review and discussion with the Project Delivery Manager and others. The subrecipient data is also needed by the PTM's in advance of completing the Drug & Alcohol Annual File Update and prior to conducting the onsite Drug & Alcohol monitoring visit in the third quarter. Additional information on Drug & Alcohol Program requirements can be found in Chapter 10.

On Site Monitoring - Drug and Alcohol Program – GDOT schedules a visit during the third quarter of each year to conduct on-site monitoring of a subrecipient's drug and alcohol policy and testing program. Staff also provide technical assistance during these visits. Specific elements related to the subrecipient's drug and alcohol program are evaluated that cannot be accomplished easily through a desk review. These include compliance with program management requirements, records maintenance and storage review, drug and alcohol program regulations, reviews of documentation related to employee training, collector compliance with regulations, and a review of other program compliance requirements. GDOT's specific procedures and a copy of the on-site monitoring report can be found in Chapter 10.

On Site Monitoring - Maintenance of FTA Assets - GDOT schedules an on-site visit during the fourth quarter of each year to conduct on-site monitoring related to the maintenance of FTA assets. The visit includes reconciling 100% of the fleet listed in TAMS is under the custody and care of the subrecipient for the purposes of public transportation. GDOT staff also review on-site records to ensure the subrecipient and associated contractors and lessees are following acceptable maintenance standards in compliance with FTA requirements. Additionally, GDOT staff review maintenance plans for compliance. The maintenance levels required are

calculated before reviewing preventive maintenance logs and/or records to verify the oil and oil filter change frequency meets the written plan frequency at least 80% of the time. Subrecipients identified with deficiencies resulting from the site visit are notified and required to take corrective actions. GDOT's specific procedures and a copy of the on-site monitoring report can be found in Chapter 9.

Every Three Years

A comprehensive on-site compliance review is completed at least once every three years for all subrecipients. The compliance review addresses each of the major regulatory areas GDOT is required to monitor, including:

- Legal
- Financial Management
- Technical Capacity Award Management
- Technical Capacity Project Management
- Transit Asset Management
- Satisfactory Continuing Control
- Maintenance
- Procurement
- DBE
- Civil Rights
- ADA General
- Charter / School Bus
- Drug & Alcohol

The on-site review will begin with an entrance conference and end with an exit conference. All compliance reviews go through a secondary level of review internally. The Transit Asset and Compliance Manager will email a notification letter to subrecipients at least 30 days in advance of the audit. The assigned Transit Project Manager will contact the subrecipient to ensure the availability of staff for the audit and to provide technical assistance as may be necessary. The timing of the on-site review is determined in coordination with the subrecipient to ensure the continuity of transit operation during the review. GDOT may request documents from the subrecipient in advance of the on-site visit while also requesting other be made available during the review. The on-site review will begin with an entrance conference and end with an exit conference. All compliance reviews go through a secondary level of review internally.

Section II: Deficiencies, Corrective Action Plans (CAP)s, Agreed Upon Procedures and Remedies for Noncompliance

When a deficiency is identified following either a desk review, on-site visit or comprehensive compliance review of a subrecipient's transit system, it is GDOT's objective to provide technical assistance and guidance to assist the subrecipient in addressing and resolving the deficiency as quickly as possible. Often a deficiency can be corrected by amending a document or policy at the subrecipient level. Other times, the deficiency may require a corrective action plan (CAP).

Following an internal review of a completed monitoring report and related documents submitted by the Transit Project Manager at the completion of a subrecipient monitoring activity, the Transit Asset and Compliance Manager, may wish to seek guidance from GDOT's Internal Office of Audits. This is determined based on the number of deficiencies, any identified material weaknesses in internal controls, and/or noncompliance with the provisions of federal statutes, regulations, or the terms and conditions of a federal award.

Consideration is also given as to whether the deficiencies are a repeat of findings from prior monitoring conducted by GDOT. The course of action chosen is determined by the severity and number of deficiencies.

Corrective Action Plan

A Corrective Action Plan (CAP) is usually the first option to assist a subrecipient in resolving identified deficiencies. The Transit Asset and Compliance Manager will develop a letter to the

subrecipient listing the deficiencies and request a corrective action plan within 30 days. In most cases, subrecipient's are eager to take corrective actions, allowing a timely close-out.

However, there are instances where the deficiencies are numerous and complex, requiring a detailed CAP listing each deficiency, proposed corrective action, and timeline for completion of the corrective action. To the extent the subrecipient is working in good faith to resolve the deficiencies and provides documentation and evidence to substantiate their efforts, GDOT will make every effort to avoid requesting an Agreed Upon Procedures (AUP) and/or issuing a sanction for noncompliance to the subrecipient.

Agreed Upon Procedures (AUP)

The Transit Program Manager, in consultation with the Intermodal Division Manager, may request GDOT's Office of Audits to perform an AUP as a result of identified subrecipient risks and/or significant deficiencies related to compliance with transit program requirements, including those established for the FTA Section 5311 Program, set forth by the Federal Transit Administration (FTA) and Uniform Grant Guidance. The AUP is conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards issued by the Comptroller General of the United States.

The nature and scope of the AUP is determined following a review of the subrecipient's risk factors and identified deficiencies. The AUP is structured and conducted in compliance with more rigid attestation standards, resulting in a written report detailing the level of work performed, time period, questioned costs, and deficiencies.

The Office of Audits will prepare a letter or interoffice memo to the Intermodal Division Director and Transit Program Manager, outlining the specific procedures to be undertaken and the schedule for the AUP.

Following completion of the AUP, a draft report is issued to the Intermodal Division Director and Transit Program Manager for review. Following the satisfactory review of the draft report, a meeting is scheduled on-site with the subrecipient to present and discuss the findings listed in the AUP. The subrecipient is provided an opportunity to review and submit evidence to refute any of the findings noted in the AUP prior to the release of the final report.

A copy of the final AUP report is shared with FTA as well as the subrecipient's response to the AUP. Depending upon the deficiencies identified in the AUP and/or the total of questioned costs requiring reimbursement, the subrecipient may submit a written request for additional time to address the identified deficiencies. GDOT may consult with FTA before issuing a response. Federal funds used to cover the cost of ineligible items or activities must be promptly returned to the federal government.

Remedies for Non-Compliance

Language within § 200.338 states that if a subrecipient fails to comply with federal statutes, regulations or the terms and conditions of a federal award, GDOT and/or FTA may impose additional conditions, as described in § 200.20. Should GDOT and/or FTA determine that the noncompliance cannot be remedied by imposing additional conditions, GDOT may take one or more of the following actions, as appropriate in the circumstances:

- a. Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action by GDOT or FTA.
- b. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- c. Wholly or partly suspend or terminate the federal award.
- d. Initiate suspension or debarment proceedings.
- e. Withhold further federal awards for the project or program.
- f. Take other remedies that may be legally available.

Section III: Deliverables and Deadlines

The table on the following pages provides a list of major activities and due dates by month to assist both subrecipients and GDOT to remain in compliance with FTA regulations. The

schedule of activities is subject to change based on FTA regulations and GDOT policy. Subrecipients are encouraged to use this as a guide of the major activities and deadlines occurring within a contract year. However, subrecipients should contact the assigned Transit Project Manager for confirmation or clarification as appropriate.

A number of acronyms used in the table to assist in presenting the information in a concise manner are detailed below:

ECHO	Electronic Clearing House Operation
DAMIS	Drug & Alcohol Monitoring Information System
DBE	Disadvantaged Business Enterprise
NTD	National Transit Database
TACM	Transit Asset & Compliance Manager
TGCM	Transit Grants & Contracts Manager
TPDM	Transit Program Delivery Manager
TPM	Transit Project Manager
TrAMS	Transit Awards Management System

SECTION 5311 - SCHEDULE OF DELIVERABLES AND DEADLINES

Luby.	Subrecipients:					
July	 Subrecipients submit NTD Operating/Financial Report for June to TPM 					
	Subrecipients submit Operating reimbursement for June to TPM					
	Subrecipients should submit final reimbursements for prior-year contract &					
	request contract closeout to TPM					
	GDOT:					
	TPM meets with subrecipients to evaluate financial needs and/or system					
	changes prior to the next application cycle.					
	 TPM completes a desk level risk assessment of subrecipients and submits to the TPDM. 					
	 TGCM completes quarterly financial and milestone updates in TrAMS 					
	 GDOT begins NTD data collection and analysis for previous FY 					
	 GDOT reviews/approves subrecipient reimbursement requests 					
	 GDOT submits ECHO request to FTA for reimbursement 					
	 GDOT reviews quarterly Federal Financial Reports (FFR) and monitors all FTA 					
	grants for timely utilization and grant close-out.					
A	Subrecipients:					
August	 Subrecipients submit NTD Operating/ Financial Report for July to TPM. 					
	 Subrecipients submit final reimbursement for prior-year contract & request 					
	contract closeout to TPM					
	GDOT:					
	TPDM reviews completed subrecipient risk assessments to determine if					
	additional reviews or corrective actions are warranted.					
	TACM sends email to subrecipients on drug & alcohol training dates					
	 GDOT reviews/approves subrecipient reimbursement requests 					
	GDOT submits ECHO request to FTA for reimbursement					
September	Subrecipients:					
September	Subrecipients submit NTD Operating / Financial Report for August to TPM					
	Subrecipients submit Operating Reimbursement for August to TPM					
	GDOT:					
	TPM provides technical assistance/monitoring procurements for capital items					
	listed in executed contract.					
	 TGCM releases application package on or about September 15 					
	TACM announces registration for semi-annual Drug & Alcohol Training					
	 GDOT reviews/approves subrecipient reimbursement requests 					
	GDOT submits ECHO request to FTA for reimbursement					
	TrAMS closes on or about September 20 th					
October	Subrecipients:					
	Subrecipients submit NTD Operating & Financial Report for Sept to TPM					
	Subrecipients submit Operating Reimbursement for Sept to TPM Subrecipients attend Drug % Alashed Training					
	Subrecipients attend Drug & Alcohol Training					
	Subrecipients completing GDOT application requesting 5311 funding					
	Subrecipients request board resolution and approval of application					
	Subrecipients prepare and post required public notice in local newspaper					

	GDOT
	• TPM's monitor subrecipients to ensure application and authorizing resolution are
Octobor	Placed on the board's agenda for approval.
October	• TPM's verify subrecipient's public notice is posted in the local newspaper with a
	15-day comment period ending prior to the deadline for submittal of the
	application
	 TPM provides technical assistance/monitoring procurements for capital items listed in executed contract
	 TACM sends email to subrecipients requesting DBE data for April 1 – Sept 30
	period
	TrAMS re-opens on or about October 20 th
	TGCM completes quarterly financial and milestone updates in TrAMS
	GDOT reviews/approves subrecipient reimbursement requests
	GDOT submits ECHO request to FTA for reimbursement
	GDOT reviews quarterly Federal Financial Reports (FFR) and monitors all FTA
	grants for timely utilization and grant close-out.
	GDOT conducts final audit/review of NTD Data and submits prior to deadline
Nevember	Subrecipients:
November	Subrecipients submit NTD Operating / Financial Report for October to TPM
	Subrecipients submit Operating reimbursement for October to TPM
	Subrecipients submit semi-annual DBE report to TACM by 11/01
	Subrecipients submit completed applications on/about November 15 th
	GDOT:
	TPM's begin initial review of subrecipient applications
	 TPDM creates master spreadsheet to monitor the receipt and review of subracipient applications
	 subrecipient applications. TACM reviews subrecipient DBE reports and prepares GDOT's semi-annual DBE
	 TACM reviews subrecipient DBE reports and prepares GDOT's semi-annual DBE report
	 GDOT reviews/approves subrecipient reimbursement requests
	 GDOT submits ECHO request to FTA for reimbursement
December	Subrecipients:
December	Subrecipients submit NTD Operating / Financial Report for November
	Subrecipient's submit Operating reimbursement for November to TPM
	Subrecipients attend annual GTA conference
	GDOT:
	 GDOT submits semi-annual DBE Report to FTA in TrAMS by 12/01
	 TPM's complete initial review of subrecipient applications
	 TPDM schedules review panels for application evaluation/scoring
	TGCM creates electronic subrecipient contract folders for next FY
	GDOT attends annual GTA conference
	GDOT reviews/approves subrecipient reimbursement requests
	GDOT submits ECHO request to FTA for reimbursement

January	 Subrecipients: Subrecipients submit NTD Operating & Financial Report for December Subrecipients submit Operating reimbursements for December to TPM
	 Subrecipients submit Operating reinbursements for December to TPM Subrecipients submit PM Checklist for July- December period to TPM
January	 GDOT GDOT review panels meet to complete application evaluation/scoring TPM's begin completing annual subrecipient D&A Program Updates and schedule D&A site visits TACM emails subrecipients DAMIS instructions for D&A calendar year report TGCM completes quarterly financial and milestone updates in TrAMS GDOT reviews/approves subrecipient reimbursement requests GDOT submits ECHO request to FTA for reimbursement GDOT reviews quarterly Federal Financial Reports (FFR) and monitors all FTA grants for timely utilization and grant close-out.
February	 Subrecipients: Subrecipients submit NTD Operating/ Financial Report for January to TPM Subrecipients submit Operating reimbursement for January to TPM Subs upload D&A data into DAMIS as per instructions from TACM
	 GDOT: TPDM & TGCM finalize scoring of subrecipient applications TGCM prepares and reconciles Program of Projects (POP) & submits for review /approval to management. TGCM creates application in TrAMS requesting FTA grant funds TACM reviews subrecipient D&A data submitted in DAMIS for accuracy TPM conducts subrecipient site visits to monitor Drug & Alcohol Program TPM prepares for annual subrecipient monitoring of assets by requesting a copy of the subrecipient's fixed asset records for reconciliation TPM provides technical assistance/monitors subrecipient procurements GDOT reviews/approves subrecipient reimbursement requests GDOT submits ECHO request to FTA for reimbursement
March	 Subrecipients: Subrecipients submit NTD Operating/Financial Report for February to TPM Subrecipients submit Operating reimbursement for February to TPM GDOT: TGCM monitors TrAMS & responds to application questions from FTA staff TGCM prepares "Notice of Intent to Award" (NOIA) to subrecipients TGCM submits request to Accounting for preparation of 10% local match invoice TACM validates subrecipient MIS D&A data for prior year by 3/15 in DAMIS TACM sends email to subrecipients on drug & alcohol training dates TPM completes subrecipient D&A site visits and submits reports to TPDM TPM requests TACM to provide list of subrecipient inventory of FTA assets TPM schedules subrecipient site visits to reconcile inventory and evaluate preventive maintenance of FTA assets
	 GDOT reviews/approves subrecipient reimbursement requests GDOT submits ECHO request to FTA for reimbursement

A 11	Subrecipients:
April	 Subrecipients: Subrecipients submit NTD Operating & Financial Report for March to TPM
-	
	Subrecipients submit Operating reimbursement for March to TPM
	Subrecipients complete capital contract purchases
	GDOT:
	TPM's schedule onsite visits for asset reconciliation and PM monitoring
	• TPM's prepare and submit Contract Authorization Requests (CAR) to PDM
	TCAM sends email to subrecipients requesting DBE data for Oct 1–Apr 30
	TACM emails subrecipients announcing registration for semi-annual Drug &
	Alcohol Training
	TGCM completes quarterly financial and milestone updates in TrAMS
	TGCM begins preparation of contract templates for next FY contracts
	GDOT reviews/approves subrecipient reimbursement requests
	GDOT submits ECHO request to FTA for reimbursement
	GDOT reviews quarterly Federal Financial Reports (FFR) and monitors all FTA
	grants for timely utilization and grant close-out.
May	Subrecipients:
Ividy	Subrecipients submit NTD Operating & Financial Report for April to TPM
	Subrecipients submit Operating reimbursement for April to TPM
	Subrecipients submit invoices for capital contract purchases
	Subrecipients submit semi-annual DBE report to TACM by 05/01
	Subrecipients attend Drug & Alcohol Training
	GDOT
	TPM continues subrecipient onsite visits for asset reconciliation and PM
	monitoring
	TGCM monitors GDOT lockbox for receipt of subrecipients 10% match
	TGCM begins preparing subrecipient contracts for next fiscal year
	TACM reviews subrecipient DBE reports & prepares GDOT's semi-annual DBE
	report for review/approval
	TACM attends Drug & Alcohol Training - Macon
	GDOT reviews/approves subrecipient reimbursement requests
	GDOT submits ECHO request to FTA for reimbursement
luno	Subrecipients:
June	Subrecipients submit NTD Operating & Financial Report for May to TPM
	Subrecipients submit Operating reimbursement for May to TPM
	Subrecipients submit final invoices for capital purchases
	GDOT:
	TPM completes subrecipient onsite visits for asset reconciliation and PM
	monitoring and submits reports to TPDM for review/approval
	TACM submits GDOT's semi-annual DBE report in TrAMs
	TGCM continues preparing /uploading subrecipient contracts in CATS
	GDOT reviews/approves subrecipient reimbursement requests
	GDOT submits ECHO request to FTA for reimbursement

Other Deadlines set by FTA

In addition to the calendar of activities detailed by month on the previous pages, a number of deadlines established by FTA extend beyond one year. A recap of these deadlines follows:

- 1. DBE Goal Setting Every three years
 - a. FTA requires submittal in TrAMS no later than August 1st preceding the Federal fiscal year in which the goal submission is due.
 - b. The current DBE goal for 2019-2021 expires in September 2021.
 - c. The Transit Program must present a proposed DBE goal for the next three- year period (2022-2024) to the GDOT Board no later than July 2021.
 - d. GDOT must submittal the proposed DBE goal to FTA prior to August 1, 2021 for review and approval.
- 2. State Management Plan (SMP) update Every three years
 - a. An update to the current SMP was released for public comment on December
 02, 2019 ?
- 3. State Management Review (SMR) Every three years
 - a. FTA conducts a review of GDOT and randomly selected subrecipients
 - b. The next SMR is tentatively scheduled for 2021
- 4. Title VI Plan Every three years
 - a. GDOT is required to update the Title VI Plan every three years.
 - b. The next update is due prior to May 31, 2022
- 5. Transit Asset Management Plan (TAMP) Every four years
 - a. GDOT is required to update the TAM Plan every four years
 - b. The next update is due prior to October 1, 2022

CHAPTER 13: FTA Apportionments, Program of Projects, Grant Award / Close-out

This chapter provides an overview of how funds are apportioned to Georgia to support public transit and the steps required by GDOT to apply for, administer and close-out grants awarded by FTA. The application requesting apportioned funds is submitted in FTA's electronic grants management system following GDOT's internal review and tentative approval of eligible applications.

Section I: FTA Apportionments

Each year, Congress passes legislation which, when signed by the President, appropriates funds for the Department of Transportation and related agencies. After the legislation is enacted, FTA publishes a Notice in the Federal Register that provides an overview of the apportionments and allocations based on these funds for the various FTA programs as well as statements of policy and guidance on public transit administration.

FTA's public transportation assistance program authorization is provided by federal transit law and Chapter 53 of Title 49, U.S. Code. The <u>Fixing America's Surface Transportation (FAST)</u> <u>Act</u> made changes to Chapter 53 and provided funding authorizations for FTA's public transportation assistance programs for five years, from 2016 through 2020.

FTA funds are generally available the year apportioned plus two additional fiscal years. Funds that remain unobligated after three years may revert to FTA for reapportionment under the Formula Grants for Rural Areas program.

FTA develops an excel spreadsheet annually reflecting Georgia's apportionments by program. The apportionment tables as well as additional information on FTA apportionments can be found at:

https://www.transit.dot.gov/funding/apportionments/apportionment-resources

Section II: Pre-Application Requirements

The following is a detailed list of requirements and activities to be verified and/or completed by the Transit Grants and Contracts Manager prior to preparation and submittal of an application to FTA.

A. Confirmation of Federal Funds Available

The Transit Grants and Contracts Manager must verify the total amount of federal funds available under the Section 5311 program. The total is determined by calculating the following:

- (1) The amount of *unobligated* operating and capital federal funds on open 5311 grants previously awarded from FTA.
 - a. The Transit GCM should ensure all recent Section 5311 subrecipient final payment requests have been processed and all unused contract funds have been returned to the grant.
 - b. The Transit GCM should verify these amounts with Intermodal's Fiscal Services Manager and GDOT's Accounting office to ensure accuracy.
 - c. It is GDOT's policy to utilize unobligated FTA grant funds using a FIFA, or "first-in-first-out" methodology. This methodology helps ensure the oldest FTA funds are expended first and the grant closed prior to the end of the availability period which is normally three years.
 - d. It is important that the unobligated capital funds remaining on previously awarded FTA grants not include any of the designated set-asides, such as the 15% designated for intercity bus projects.
- (2) Apportionments available under the Section 5311 Program not yet awarded as a grant to GDOT. The calculation requires the subtraction of the two set-asides:
 - a. 15% of the gross apportionment for intercity bus projects.
 - b. 10% of the gross apportionment for state administration.

B. Execution of Certifications and Assurances

Each fiscal year, FTA publishes the required certifications and assurances in the Federal Register and updates the certifications and assurances in the FTA electronic award management system. The Transit Grants and Contracts Manager (TGCM) should review the certifications and assurances annually for changes and additions prior to authorized representatives of GDOT electronically executing the certifications and assurances. GDOT is required to maintain adequate documentation supporting the assurances made to FTA.

C. Civil Rights

GDOT must ensure all required civil rights submissions are updated and current in FTA's grants management system, TRAMS, prior to entering a grant application. These include:

- GDOT's Title VI Plan
- Equal Employment Opportunity (EEO) Program
- Disadvantaged Business Enterprise (DBE) Program
- Americans with Disabilities Act (ADA) Paratransit Plan.

FTA's regional civil rights officer verifies that all required civil rights submissions are current at the time the grant application is entered. The required documentation must be submitted before the official submission of the grant. GDOT staff should maintain records of FTA approvals of civil rights submissions in the event a question concerning compliance arises.

D. Planning and Performance Management

MAP-21 and the FAST Act established a performance management program requiring significant changes to both the metropolitan transportation planning (MPO) and statewide transportation planning (STIP) processes. The goal of the performance management framework is to improve project decision making through performance-based planning and programming by increasing transparency and accountability in the decision-making processes for MPOs, states, and providers of public transportation.

The Statewide Transportation Improvement Program (STIP), is Georgia's four-year transportation and capital improvements program. Projects in the STIP include highway, bridge,

public transit, bike, pedestrian, railroad, and other improvements, The STIP lists federallyfunded transportation projects located outside Metropolitan Planning Organization (MPO) boundaries. Each MPO develops its own Transportation Improvement Program (TIP). The TIPs are included in the STIP by reference without modification once approved by the MPO and the Governor, or his designee.

GDOT is now required to include performance targets addressing both transit safety and the state of good repair in the long-range statewide transportation plan. The long-range transportation plan must include a system performance report and subsequent updates evaluating the condition and performance of the transportation system with respect to the established performance targets. The Statewide Transportation Improvement Program (STIP) must demonstrate the linkage between investment priorities and the performance targets by including a discussion of the anticipated effect of the STIP toward achieving the performance targets. GDOT is current approved STIP and the performance reports for the transit program can be reviewed at http://www.dot.ga.gov/IS/STIP.

All transit projects proposed for Section 5311 funding must be the product of the statewide planning process specified in the joint Federal Highway Administration (FHWA) and FTA planning regulations at 23 CFR part 450. With limited exceptions, GDOT must include all federal funds to be used for transit projects in the STIP consistent with 23 U.S.C. 135 and 49 U.S.C. 5304. Unlike the annual program of projects GDOT submits with each grant application to FTA, the STIP must cover a minimum of four years. For purposes of the STIP, GDOT may group its planned expenditures of Section 5311 and Rural Transportation Assistance Program (RTAP) funds into broad projects, such as vehicle acquisition for rural transportation, and training and technical assistance. GDOT may show the Section 5311 apportionment as one aggregate project. Currently, GDOT is listing each project for the upcoming year by project number. Funding for projects within an MPO area is shown in the locally adopted MPO TIP document. As previously noted, TIP documents are incorporated into the STIP by reference.

E. FTA Approval of the STIP

GDOT's four-year STIP is jointly approved by FTA and FHWA. The impact of this approval is reflected in the fact that FTA funds cannot be obligated until the STIP has been approved by FTA. GDOT must ensure all project planning requirements have been completed and are properly documented prior to the submission of an application for grant funds in FTA's electronica grants management system. The grant application must note the page(s) (or other location reference) in the most recently approved STIP on which the project(s) contained in the grant application is listed. FTA's electronic award management system, TrAMS, has a field designated "program date" where the date of the most recent FTA/FHWA STIP approval should be entered. In addition, although not statutorily required, FTA encourages recipients to include Section 5311 projects in a locally developed, coordinated public-transit, human services transportation plan.

F. Environmental

Although projects funded under the Section 5311 program do not generally require environmental review, the Program and Delivery Manager and the Grants and Contracts Manager must ensure that any proposed FTA-assisted project subject to an environmental review is evaluated and documented in accordance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 et seq.), before submitting for FTA review and approval.

G. Pre-Award Authority

Costs incurred by GDOT or a subrecipient prior to grant award may be eligible for subsequent reimbursement if the project was previously approved in the STIP. The project must also meet all FTA and GDOT statutory, environmental, procedural, and contractual requirements. It should be noted, reimbursement is subject to the availability of funds and grant award from FTA.

H. Fair and Equitable Distribution

The POP must provide for the fair and equitable distribution of the Section 5311 apportionment, as well as maximum feasible coordination with other public transportation

services assisted by other federal sources. GDOT is required to document its process for selecting applicants consistent with the current state management plan.

Section III: GDOT Funding Recommendations

Preparation of Funding Recommendations

The Funding Recommendations (FR) are prepared by the District Transit Project Managers (DTPM) following a detailed review and financial analysis of assigned applications. The Funding Recommendation, listed as <u>Exhibit 13-1</u> and included in the appendix, is generally completed in December following the electronic submission of applications in November. Each completed funding recommendation includes the subrecipient's name, requested federal and state funding for the next contract period and other critical information necessary to evaluate the application. Information critical to the review may include, but is not limited to:

- A description of any proposed expansion or reduction of the service area.
- Methodology and or business plan supporting the proposed expansion or reduction
- Key personnel changes within the public transit agency or TPO
- Utilization of previous and current year contracted funds
 - Including the federal and state amounts requested, awarded, expended and remaining balances.
 - Gauging the utilization of federal funds over the two-year period provides an objective benchmark for determining the applicant's ability to efficiently manage and expend requested federal funds for the upcoming contract period.

Evaluation of Funding Recommendations

The funding recommendations, presented by the district TPM's, are discussed during the review of Section 5311 applications. The funding recommendations prepared by the district TPM's must support the applicant's current request and demonstrate how well federal and state funds awarded in the two most recent years were utilized to provide public transit.

Following the completion of reviews, each DTPM is responsible for revising the initial funding recommendation, if necessary, to reflect the final federal and state funding approved.

SECTION 5311 APPLICATION REVIEW & FUNDING RECOMMENDATION - FOR FY 20					
Subrecipient Name:					
OPERATING	Prior FY Amount Awarded	Current FY Amount Awarded	Next FY Amount Requested	Next FY Amount Recommended	Approved Next FY Amount Awarded
REQUESTED FEDERAL:			·		
COMMITTED LOCAL:					
TOTAL AMOUNT:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUPPLEMENTAL RECEIVED:					
EXPENDED FEDERAL:					
EXPENDED LOCAL:					
FEDERAL FUNDS LEFT:	\$0.00				
SMALL CAPITAL	1			-	
REQUESTED ITEM(s)					
FEDERAL SHARE 80%:					
STATE 10%:					
LOCAL 10%					
TOTAL AMOUNT:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXPENDED FEDERAL:					
EXPENDED STATE:					
EXPENDED LOCAL:					
FEDERAL/STATE FUNDS LEFT:	\$0.00				
				[[
LARGE CAPITAL					
REQUESTED VEHICLE(s):					
FEDERAL SHARE 80%:					
STATE 10%:					
LOCAL 10%:					
TOTAL AMOUNT:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CERTIFICATON OF DISTRICT TRANSIT PROJECT MANAGER	The above-named application for Section 5311 funding complete and was submitted by the deadline date given. Any additional comments:				
Name of District TPM	Date			Date of Review	

Section IV: Developing the Program of Projects (POP)

The Program of Projects (POP), prepared by the Transit Grants and Contracts Manager, is a comprehensive spreadsheet detailing how GDOT proposes to utilize requested FTA Section 5311 funds. A template of the Master POP which contains the Section 5311 POP is included and labeled as Exhibit 13-2. The intent of the POP is to provide FTA with a detailed account of each type of project or activity contained in the submitted application.

Breakdown of the POP

The POP spreadsheet, reconciled back to data contained in the grant application, provides a list of all proposed sources and uses of funds. A breakdown of the activities for which FTA funding is requested is further described below:

- Subrecipient Projects By far the largest section of the POP is the detailed listing of subrecipient projects. This section is developed using information contained in each subrecipient's approved Section 5311 Funding Recommendation. Generally funding requested on behalf of Section 5311 subrecipients is in two categories: operating and capital. Information contained in the POP on behalf of subrecipients include:
 - a. Legal name of subrecipient
 - b. Project number assigned by GDOT TOOXXXX
 - c. GDOT District
 - d. Congressional District
 - e. Brief Description of Project
 - f. Operating Budget by Scope/ALI 50% Federal and 50% Local
 - g. Capital Budget Items by Scope/ALI- 80% Federal, 10% State and 10% Local

- h. Total Federal Award Amount (operating and capital)
- i. Total Federal and State Award Amount (operating and capital)
- j. Total Contract Amount
- k. Federal fund source Grant Number
- 2. Intercity Bus (ICB) Section 5311(f) FTA requires each state to spend 15 percent of its annual Section 5311 apportionment to carry out a program to develop and support intercity bus transportation, unless the governor certifies that the intercity bus service needs of the state are being met adequately. It is GDOT's current policy to limit eligibility for Section 5311(f) funds to capital projects at 80%. All projects in support of intercity bus service should be clearly identified and grouped together in the state's program of projects. Transit Program management may elect to submit a separate application later detailing the specific ICB projects to be funded with the required 15% of Section 5311 funding. However, GDOT staff must identify and reserve the 15% of the apportionment in the POP and ensure this amount remains budgeted for ICB projects.
- 3. **Rural Transportation Assistance Program (RTAP)** FTA provides a separate allocation to GDOT to develop and implement training and technical assistance programs in conjunction with the state's administration of the Section 5311 formula assistance program. GDOT may use RTAP funds to support rural transit activities in four categories:
 - a. Training
 - b. Technical assistance
 - c. Research
 - d. Related support services.

FTA encourages the use of RTAP funds to deliver training and technical assistance needed by all rural providers of public transportation, and not only to subrecipients of the Section 5311 program. There is no local match requirement for RTAP funds. RTAP funds are identified in the POP with scope code 635.00 and the ALI code for technical assistance of 43.50.02. 4. Appalachian Development Public Transportation Assistance Program (ADTAP) - FTA funds this program with an apportionment which is taken from the Section 5311 program to provide additional funding to counties designated within the Appalachian region of Georgia. Eligible activities including capital, operating, planning, job access and reverse commute projects, and administrative costs. Currently the following counties qualify for ADTAP funds:

Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Elbert, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Hart, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield.

Projects for the above counties are included within the section detailing subrecipient projects. However, the source of funding is identified as ADTAP and must reconcile back to the amount identified by FTA for this geographical area. These projects are also identified with scope code 648-00 and the appropriate ALI code for the specific use of funds.

- State Administration GDOT may use up to 10 percent of its apportioned Section 5311 funds to administer the Section 5311 program. GDOT is not required to provide a local share for state administration costs requested within the 10% threshold. State Administration funds must be identified in the POP with scope code 610-00 and ALI code of 11.80.00.
- 6. **Other** Specific funds transferred or flexed to GDOT may be included in the POP from time to time. These projects must be identified by the appropriate scope and ALI.

Reconciling the POP

All columns of the POP spreadsheet containing data must reconcile and balance. The total

federal funding request listed on the Master POP must agree with the total of federal funds requested in the electronic application submitted to FTA. Equally important, the federal funds requested cannot exceed the total amount of available Section 5311 funds apportioned to GDOT that have not previously been awarded in a grant.

The columns, labeled at the top, include total project cost as well as a breakdown by source: local, state and federal shares for both operating and capital. In addition to identifying the source of funding, all capital items are further broken down by type, such as rolling stock and equipment. The POP must be reconciled to confirm the sources and use of all funds. Federal sources and uses under the Section 5311 program may include the following:

- Sources of federal funds may include the following:
 - Current FTA apportionment
 - o Unobligated carryover grant funds from previous years
 - Funds transferred from other FTA programs
 - Flexible funds for highway or transit.
- Uses of federal funds may include the following:
 - o 5311 Subrecipient operating and capital projects approved for funding
 - o 5311(f) Subrecipient Intercity Bus projects approved for funding
 - \circ $\,$ ADAPTA Subrecipient operating and capital projects approved for funding
 - RTAP projects
 - o State Administration
 - \circ Other projects specified in transferred and/or flexed funds

FTA's Scopes and Alternative Line Item (ALI) Tree

FTA's 5010.1E Circular, Award Management Requirements, includes a requirement that scope codes and ALI's be included as part of any application submitted in TRAMS in order to assist FTA in tracking projects and activities approved in the grant award. The Scope and ALI Tree, labeled as <u>Exhibit 13-3</u>, is separated into tabs by general Scope Code Series. The first tab is a

summary of the available Scope Codes in TrAMS. The appropriate scope and ALI must be used when developing each project's budget. All rolling stock listed should include a vehicle description and fuel type whereas expansion activities should include a discussion on vehicle needs and types. FTA *Circular 5010.1E* provides the following definitions:

- Scope Codes are used to define the broad categories of work with each scope code having a defined listing of related activities or activity line items (ALIs). A project may have multiple scope codes and ALIs to clearly define the work necessary to complete a scope of work.
- Activity Line Items (ALI) provide the detailed description narrative and dollar amount to more fully explain the scope of work of that activity. Every ALI is associated with a specific Scope Code.

Examples of scope codes and ALI's used by GDOT to prepare the Section 5311 application include, but are not limited to:

Scope	Scope Code Name	Activity Type	ALI #	ALI Description
Code				
300-00	Operating Assistance	Operating Assistance	30.09.01	Up to 50% share
111-00	Bus Rolling Stock	Bus Replacement	11.12.15	Shuttle Van
111-00	Bus Rolling Stock	Bus Replacement	11.12.04	Bus <30 Ft
116-00	Signal & Communication Equipment – Bus	Acquisitions	11.62.03	Radios
610-00	State Administration	State Administration	11.80.00	State Administration
635-00	RTAP	RTAP	43.50.02	Technical Assistance
648-00	ADTAP	Operating Assistance	30.09.01	Up to 50% share

FTA treats all approved activity line items (ALIs) alike. Thus, a project activity included in the

grant award must be included in reports to FTA in sufficient detail to allow the status of the scope and ALI to be tracked. For example, the number of full-size buses listed under a grant award to GDOT must not be reported together with vans under the scope code 111-00 for "rolling stock," but instead reported separately under the applicable ALI.

Section V: Review and Approval of the POP

Prior to the submission of an application in TRAMS, the reconciled POP must go through a review and approval process with the Transit Division Director as well as Intermodal Management.

Internal Review Process

- 1. The preparation of the POP and grant application in TRAMS are time sensitive activities that must occur no later than March of each year in order to give FTA sufficient time to conduct reviews and award the grant to GDOT.
- The Transit Grants and Contracts Manager (GCM) is responsible for scheduling a meeting to discuss the reconciled POP and the development of a new application for funding. The Transit Program Manager, Transit Program Delivery Manager and Intermodal Management should be included.
- 3. Prior to the meeting, the Transit GCM should prepare a memo to the Transit Program Manager with a copy to the Intermodal Division Director, Assistant Division Directors and Program Delivery Manager recommending a grant application be submitted in TRAMS for FTA's Section 5311 Program. The memo should contain the following information:
 - a. A recap of sources and uses of funding
 - i. Total amount of federal funds needed to fund the POP broken down by operating, capital, intercity bus, RTAP and state administration.
 - ii. Total amount of federal funds currently unobligated and available for award
 - iii. Total amount of federal funds apportioned but not yet awarded to GDOT

- iv. Total amount of federal funds required from the apportionment to fund the grant application as per the detailed POP
- v. Total amount of state funds required to fund the grant application
- b. A summary of the project activities detailed in the grant application
 - i. Subrecipients
 - 1) The number of applicants approved for funding
 - 2) The number of applicants not approved for funding (if any)
 - 3) Recap of vehicles to be purchased replacement or expansion
 - ii. Intercity Bus 15% set-aside for projects
 - iii. RTAP amount available
 - iv. ADTAP amount available and utilized for operating and capital
 - v. State administration -10% set-aside
- 4. The Transit GCM should provide copies of the memo to all attendees and have a copy of the reconciled POP available to respond to any questions.
- 5. Following approval of the POP and application, the Transit GCM should move forward with the electronic transmission of the grant application saved in TRAMS to FTA.

Section VI: GDOT Application Submittal and Grant Award from FTA

The approved master POP is used to develop a new application to FTA. All applications prepared by GDOT are submitted to FTA in their electronic grants management system, TrAMS. This section details the numerous steps the Transit Grants and Contacts Manager utilizes to develop and submit an application to FTA for review and grant award. The steps listed below are designed to ensure the application is complete and can be processed by the FTA Regional Office in a timely manner. A print out from a previously submitted and approved Section 5311 application from TRAMS may be helpful in ensuring all sections of the new application are completed.

Overview of the Application Process in TrAMS

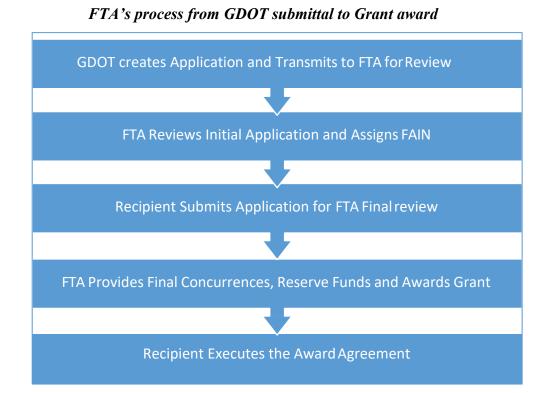
FTA will only assign a Federal Award Identification Number (FAIN) if the application is considered complete. The application will then be returned to the recipient for formal submission to FTA. After submission, FTA will conduct any additional reviews, reserve funds for the application, and then award the grant.

To create and transmit an application to FTA, you must be assigned Submitter or Developer permissions by the Transit Program Manager.

The 8 steps required to prepare and transmit an application to FTA are listed below:

- 1. Create the application
- 2. Complete the application details
- 3. Add one of more projects to the application
- 4. Add Project details
 - a. Project narratives and locations
 - b. Budget activity line items (ALI)
 - c. Project milestones
 - d. Add environmental determinations
- 5. Validate the project
- 6. Validate the application and submit for initial FTA review
- 7. Transmittal of the application for final review
 - a. If the application indicates pre-award authority, GDOT must submit an initial Federal Financial Report (FFR) before the grant can be awarded and executed.
 - b. Once the initial FFR has been submitted, GDOT authorized officials will receive a task to execute the grant award. The grant execution should be completed as soon as possible but must be completed within 90 days.
- 8. GDOT authorized staff executes the Grant Award in TRAMS

The flowchart below highlights FTA's process following GDOT's transmittal of the application for initial review:



How to Prepare and Transmit an Application to FTA

Step 1: To Create a New Application

- 1. After logging into TRAMS, click the 'Actions' tab to display a list of available user actions.
- 2. Click the 'Create Application' action.



3. The Application Details form will display with two sections: Application Details and

Application Financial Information.

- 4. **The Application Name:** Enter the Georgia Department of Transportation. This name is always used for grant awards and any future amendments.
- 5. Application Type: Select "Grant" from the application type in the drop-down menu.
- 6. **Application Point of Contact:** Select a point of contact from the drop-down menu provided. This individual will be the primary point of contact from the recipient organization regarding this application. Generally, this is the Transit Grants and Contracts Manager.
- 7. **Application Executive Summary:** Enter an executive summary describing the general purpose of the award, such as the following verbiage:

The Georgia Department of Transportation (GDOT) is the Designated Recipient for Section 5311 - Formula Grant for the rural areas of Georgia. GDOT is requesting that 15% of the 5311 apportionment be obligated to support intercity bus needs. The application total is "\$\$\$", which includes the FY__ apportionment. As outlined in the budget, these funds will be used to provide transportation services to ___ counties in Georgia; 15% for intercity bus projects, 10% state administration expenses and technical assistance through RTAP funds. As required by law, GDOT will maintain satisfactory continuing control over all FTA assets, as well as maintaining inventory for all FTA assets.

Step 2: Completing the Application Details

1. The items in this section are detailed below:

- a. Research and/or Development: Select the 'Yes' or 'No' option to respond to the question, 'Does this application include funds for research and/or development activities?' Normally the response will be "No".
- b. Period of Performance Start Date: The period of performance start date cannot be edited. There is placeholder text that will display until the time of award. The Period of Performance Start Date will be the Original Award Date (i.e. the date the Regional Administrator enters the PIN to obligate the award). Once the Award is obligated, the placeholder text will be removed and the field will be auto-populated with the proper date.
- c. **Period of Performance End Date:** Enter the period of performance end date. The system will not allow past dates to be entered. The Period of Performance End Date field is not mandatory at the time of application creation but must be populated before the application is transmitted. This field is only editable by the FTA Submitter or Developer while the application is In- Progress status.
- d. Pre-Award Authority (Required): Select the Yes or No option to respond to the question 'Is this application using pre-award authority?' Generally, the response will be "Yes". Selecting Yes will generate a task for an initial Federal Financial Report (FFR) after FTA makes the award. Important: GDOT's Accounting Staff serving as the FFR reporter must complete the Initial FFR before the GDOT's authorized official can execute the grant.
- e. Sub-allocation Funds: Select the appropriate button response to the question: 'Does this application include suballocation funds?' Generally, the answer will be "No" as GDOT is the designated recipient for Section 5311 FTA funds.
- f. **Indirect Costs:** Select the appropriate response to the question: 'Will indirect costs be applied to this application?' Generally, the answer for GDOT projects will be

"No". If the answer is 'Yes, indirect costs WILL be applied to this application at GDOT's approved rate.' an input box will appear, 'Please Provide Details'. In this case, additional details on the rate, applicable base, and amount of indirect costs must be provided.

- g. Federal Debt: Select Yes or No option to the question. The answer for GDOT will be "No"
- h. E.O. Review: Select either the Yes or No option as applicable to respond to the question, 'Does your State require E.O.12372 review?' The answer will generally be "No" for GDOT applications.
- New Application Created_Once all details have been entered for the new application, click the 'Create Application' button. Click the 'Cancel' button to discard the application and all information entered. The new application record will be created and saved.
 - a. A confirmation message will display: 'Click on the link below to view the new Application record,' and the Summary Dashboard will be displayed. You may either click on the hyperlink to automatically be redirected to the new application record and continue developing your application, or return to the record later by clicking the 'Close' button to return to the 'Actions' tab.
 - b. To access the application later, go to Records, Applications / Awards, and search for the application record.
 - c. The temporary 'Application Number' is also generated after clicking the 'Create Application' button.
 - d. There are 3 components of the temporary application number, each separated by a dash.
 - i. The first part (from left to right) is the Recipient ID
 - ii. The second part is the fiscal year.

iii. The third part is a unique number that is incremented each time a new application is created. This 'Application Number' is temporarily used to reference the application until the FAIN is assigned by FTA.

Application Created	
Success!	
Application Number 9900-2018-12	
Click the link below to open the new Application record.	
9900-2018-12 2311 FORMULA FFY17 & FFY18 FUNDS FOR MOB MGT & CAPITAL PROJECTS	

Once you access the application record, the Progress Bar will show that the application is in the 'In- Progress' phase, as shown in the image below. This is the first phase within the Pre-Award grant life- cycle.

Step 3: Create and Add a Project to the Application

Add Project to Application - Each application must include one or more projects. The application related action 'Add Project to Application' will be visible to Developers and Submitters when an application or amendment is in the status of 'In-Progress'. To add a new project to an application:

- a) Use the records tab to search and open the desired application/award. You may also proceed from the success screen hyperlink provided.
- b) Click the 'Related Actions' link from the navigation bar.
- c) Click the 'Add Project to Application' related action from the menu.



2. Create A Project – Step 1 of 3 Complete the "Project Overview" section:

Project Overvi	ew	
* Project Name	Proj 1 Statewide Rural Mob Mgt and Oper FFY2017 & FFY2018 Funding	
	Please create a project name. For example, Wilson Bridge Construction. You may rename this project at a later time.	
Project Description	Project 1 – Statewide Rural Mobility Management at 80% and Operating at 50%. The Project 1 amount is \$299,390 Federal which includes \$111,388 of 80% mobility management and \$34,102 of 50% operating funds. The Project 1 request includes <u>FFY 2017</u> Statewide (<u>DS</u>) lapsing funds in the amount of \$145,600 (45% of <u>FFY2017</u> apportionment) and <u>FFY 2016</u> Statewide (<u>DS</u>) carryover funds in the amount of \$153,790 (45% of <u>FFY2018</u> apportionment) for a total project 1 request of \$244,390. The requested funds will be used for mobility management or piects for five Regional Coordination Councils to Include Region Please describe the scope of this project and how it impacts the associated grant application.	•
* Project Benefits	Funding for this project will be used to support coordinated transportation service activities in the rural regions in cooperation with the State Coordinating Council for Community Transportation.	3
	Please describe the expected results of your project, include who will benefit from this project and how they will benefit (i.e. what is expected be achieved as a result of this project)	itec
Additional Information	This region is divided into nine Community Transportation Regions and each region has an associated Regional Coordinating Council (RCC) which is composed of local transportation providers, human service agencies, funding agencies and organizations, consumers, and regional planning commission staff. Section 2311 capital mobility management program funds are allocated by region according to a formula based on regional populations of residents over 65 and those between the ages of 5 to 64 with disabilities, using census data. Each region receives a proportional amount based on seniors and individuals with disabilities, nonulation at the cate of 52 18 ner person for disability nonulation and 51 95 ner person for	() ×

- a. Project Name (Required): Enter the project's name
 - i. It is recommended to be consistent in naming projects from year to year.
 - ii. As an example: State Fiscal Year 20__ Section 5311 Rural Program
- b. **Project Description (Required):** The description should identify the sources of federal funding and detail the various activities and the total federal funding requested for each, ending with the total federal funds request for this project.
 - i. The sources may include previously and/or current apportioned funds, designating set-asides such as 15% intercity bus and 10% state

administration, and RTAP funds.

- ii. The uses may include operating and capital projects for Section 5311 subrecipients, intercity bus projects, state administration, and RTAP.
- c. **Project Benefits (Required):** A statement outlining the project benefits consistent with the objectives of the program. The statement may contain wording such as the following:

This project will provide public transit access for the elderly, disabled, lowincome, and transit-minded individuals who use public transportation for critical transportation needs such as medical, shopping, pharmacy, employment, social, and other quality of life needs. Local communities derive economic benefits when they have public transit systems available for their residents. Having reliable, public transportation available may reduce the use of singe occupant vehicles and assist in reducing congestion on Georgia roads.

3. Capital Investment Project Details

is a New Starts, Small Starts or Core Capacity project funded through the FTA Capital Investment Grant Program?
is a new starts, small starts or core capacity project unded through the PTA capital investment drant Programs
Capital Investment Grant Program funds locally planned, implemented and operated transit capital projects, including d rail, light rail,streetcars, bus rapid transit, commuter rail, and ferries. Please see the following link for more information ut this program:
ital Investment Program
://www.fta.dot.gov/12304.html
(es, this is a Capital Investment Grant project. If you select "yes", the project(s) included in your application will use the 13 or 14 scope series and cost categories of FTA's Activity Line Item tree.
vo, this is not a Capital investment Grant project.
s, what type of major capital investment project?
Vew Starts
Small Starts
Core Capacity
NEXT STEP CANCEL

a. A yes selection will limit your budget activity line items to what is referred to as the Standard Cost Categories and specified scope codes (e.g. 140-00). A project

cannot have both the Standard Cost Categories and the traditional scope codes.

b. If you select Yes, select an option to identify the program and respond to the question, 'If yes, what type of major capital investment project?' The available types are: New Starts, Small Starts, Core Capacity.

Once all required project details have been entered, click the 'Next Step' button.

4. Create the Project | Step 2 of 3 - Add Project Location', will open.

	ce of Performance		-107 <u>2-</u> 25		
UZAS	States and Territories associated with your or	THE CONTRACTORY IN THE CONTRACT OF THE CONTRAC			
	Area Name	I	UZA C	Code	
	Florida		12000	10	
	Orlando, FL		12069	90	
	Congressional District	State	t	Representative Name	
	Congressional District	State	T	Representative Name	
	5	Florida		Corrine Brown	
	Visit the following site to View e.gov Search /www.house.gov/representatives/find/	Congressional Districts	by ZIP	code:	
Na	rrative				
* Lo	cation Narrative				

Click the 'Back' button to return to the previous step. Any input entered or selections made by the user before clicking this button are saved to the form. Click the 'Cancel' button to exit the project creation. The user is taken back to the Project Related Actions when the 'Cancel' button is selected.

- 5. Complete the following fields on the 'Create Project | Step 2 of 3 Add Project Location' form.
 - a. **Place of Performance:** Select one or more checkboxes from the grid for the Urbanized Areas (UZA) associated with the project scope of work.
 - b. **Congressional District:** Select one or more Congressional Districts where the project will take place
 - 6. Narrative (Required): Enter a location narrative
 - a. The narrative should identify the geographic area of the project, the sources of federal funding, details of the various activities, the total federal funding requested for each activity, and ending with the total federal funds request. The sources may include previously and/or current apportioned funds, designating set-asides such as 15% intercity bus and 10% state administration, and RTAP funds. The uses may include operating and capital projects for Section 5311 subrecipients, intercity bus projects, state administration, and RTAP.
 - b. When all information is entered, click the 'Next Step' button.
 - 7. Create the Project | Step 3 of 3', will open, collecting related program plan information

Create Proje	ect Step 3 of 3	
Other Project In		
Projects that request FTA	funding are required to be part of an approved program plan:	
1) Transportation Improve 2) StatewideTransportatio 3) Unified Planning Work I 4) Long-Range Plan	n Improvement Plan (STIP)	
Use the fields in the section	below to upload relevant program plan documentation	
Program Plan D	ocumentation	
STIP/TIP		
	DOT STIP-TIP	
New Document	C RTF - 34.08 KB	
Date	02/16/2018	
Description	DOT signed the Fiscal Year 2019 Certifications and Assurances on 6/27/2017. DOT is current with all Civil Rights submissions. All projects are listed in the Fiscal Year 2017 element of the 5 TIP. All administrative and statutory requirements have been met in accordance with the \$5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, as articulated in Federal Transit Administration Circular 9070.1 G.	
UPWP		
UPWP New Document	UPLOAD Dig Drop file nerve	
VALUE AND	UPLOAD The nerve	
New Document		

- 8. Program Plan Information allows an update to the required planning documents.
 - a. The 'Program Plan Information' related action allows the user to update the STIP/TIP, UPWP or Long- Range Plan information initially entered during the second step of the 'Add Project to Application' process Indicate the date of STIP Approval in the place provided and a description such as language below:
 - b. The Statewide Transportation Improvement Program (STIP), is Georgia's fouryear transportation and capital improvements program. The STIP lists federallyfunded projects located outside MPO boundaries. The STIP is developed in coordination with the citizens of Georgia, stakeholders, and in cooperation with local governments. Projects listed in the STIP are identified through GDOT's planning processes in keeping with the Governor's strategic goals to provide a lean and responsive state government that allows communities, individuals, and businesses to prosper. Depending on the funding program(s) associated with the project, you can include your approved STIP/TIP, Unified Work Program, or Long-Range Plan information. In each section, you may perform the following:
 - i. New Document: Add a document by clicking the 'Upload' button under the respective program and then selecting a document to upload from your computer.
 - ii. **Date:** Click on the date field to either type in a date or display a date picker.
 - iii. Description: Enter a document description.
- 9. Once all details have been entered for the new project, click the 'Finish' button to complete the create project steps.



- a. The new project record will be created and saved.
- b. A confirmation message will display with a hyperlink to the project record. Click the hyperlink to go directly to the new project record and continue developing your project, Click the 'Close' button to return to the application 'Related Actions' tab.
- c. On the 'Success' page, the Project Number is also generated. The format of the project number is the Temporary Application Number, separated by a dash (-), the letter 'P' and a unique number that is incremented each time a new project is created within the application. See the image below for the Project Number generated for this project.

Step 4: Adding Project Details to the Application

- 1. Project Details and Narratives After the new project has been created, additional details are required before the application is ready for transmission. Projects contain the following details:
 - a. Scope of work
 - b. Location where work will be performed
 - c. Funding sources and amounts (budget activity line items)
 - d. Project milestones
 - e. Environmental determinations
 - f. Project-specific documentation

Projects must be independently validated for completeness.

2. Budget Activity Line Items and Milestones

The Application and Project Budgets are formulated by adding project scopes and budget activity line items (ALIs) to a project. ALIs describe the type of work that the grant will support.

To add or update ALIs for a project:

- a. Use the Records tab to search and open the desired project.
- b. Click the 'Related Actions' link from the navigation bar.
- c. Click on 'Budget Activity Line Items and Milestone' related action from the menu.
- d. The 'Manage Budget Activity Line Items and Milestones' form will open. Any existing ALIs for the project will display in the 'Existing Line Item' section. If there are no ALIs associated, the grid will be empty.

Summary	Project Control Totals News Related Actions
4	Project Details and Narratives Manage Project Details and Narrative
4	Project Location Manage Project Place of Performance Information (Congressional District and UZA Codes)
4	Project Plan Information Manage Project's Program Plan Information (STIP/UPWP/LRP)
4	Budget Activity Line Items and Milestone Manage Budget Activity Line Item and Milestone
4	Environmental Determinations Manage Project Environmental Determinations
4	Validate Project Validate and Mark Project Complete
4	View-Print Application Generate View/Print for Application
4	Project Documents Manage Project Documents



- 3. Add Budget Activity Line Items (ALI): Click on the 'Add Line Item' button to add one or more ALIs to the project.
 - a. A new row will appear in the ALI table.
 - b. Select values from the drop-down menus for: Scope Code/Scope Name, Activity
 Type, and Line Item Number/Line Item Name. These values are dependent on each other. The value for Scope Code/Scope Name must be selected first.
 - c. The values for Activity Type will not populate until Scope Code/Scope Name is selected.
 - d. Similarly, the values for Line Item Number/Line Item Name will not populate until an Activity Type is selected. The relationships are based on the ALI tree.
 - e. Also notice that each added line item has a link that says 'DEL' to the right of the 'Line Item Number/Line Item Name' column. Clicking this link allows the user to delete the activity line item.

New	Budget Activity Line Ite	ms (ALIs)			
Status	Scope Code / Scope Name	Activity Type		Line Item Num <mark>b</mark> er / Line Item Name	
0	Select Scope 🔹	-	•		DEL
i must id Iten	select a scope, activity type and item name	e for each line item in the grid befor	e savi	ng	

- f. The scopes available depend on whether the project is a Major Capital Investment project (as selected on the "Project Details and Narratives" form)
- g. If Yes, the 13/14 series scopes will be available. Applicants should only use the 140-00 related scope codes in new applications.
- h. If this is not a Capital Investment Grant project' on the Project Details form), the user will see the standard capital, planning, operating, etc. scopes and ALIs from the FTA Scope/ALI tree when adding new line items.
- i. Once all ALI's have been added, click 'Save'.
- j. After saving, the ALI is added to the 'Existing Budget Activity Line Items' grid with a status of 'In Progress" and you may continue to add ALI's by clicking 'Add Item' to the 'New budget Activity Line Items' grid; and continue to save new ALIs.

Status	Scope Code / Scope Name	Activity Type	Line Item Number / Line Item Name	
0	117-00 OTHER CAPITAL ITEMS (BUS) 🔻	OTHER CAPITAL ITEMS (BUS)	11.7L.00 MOBILITY MANAGEMENT (53 •	D
0	112-00 BUS TRANSITWAYS/LINES -	ACQUIRE BUS TRANSITWAYS/LINES -	11.22.01 ACQUIRE - BUSWAY	D
				,

- k. Click 'Finish' to exit once all ALIs have been entered and return to the ALI summary page and begin to complete the required information for each added ALI.
- I. The new ALIs will appear on the 'Manage Budget Activity Line Items and Milestones' form in the 'Existing Line Items' table. Each new ALI will have a status of 'In-Progress' and summary level information related to quantity and budget. This information will auto-populate and the status will move from 'In-Progress' to 'Completed' as you complete the ALI information.

Status	Scope Name / Code	Line Item Number / Name 1	Activity Type	Quantity	FTA Amount	Total Eligible Cost
In- Progress	112-00 BUS TRANSITWAYS/LINES	11.22.01 ACQUIRE - BUSWAY	Acquire Bus Transitways/lines	0	\$0	\$0
In- Progress	117-00 OTHER CAPITAL ITEMS (BUS)	11.7L.00 MOBILITY MANAGEMENT (5302(A)(1)(L))	Other Capital Items (bus)	0	\$0	\$0

m. Input ALI Details: Each ALI requires additional details to be added. For a line item to have a status of 'Complete', it must have: a quantity, an extended budget description, an FTA funding source selected, at least 2 milestones, and all milestone estimated completion dates filled out. To add ALI details, select the check box against the desired ALI from the 'Existing Line Items' table. The form will expand to show the selected ALI.

						Cost
ogress	112-00 BUS TRANSITWAYS/LINES	11.22.01 ACQUIRE - BUSWAY	Acquire Bus Transitways/lines	0	\$0	\$0
ogress	117-00 OTHER CAPITAL ITEMS (BUS)	11.7L.00 MOBILITY MANAGEMENT (5302(A)(1)(L))	Other Capital Items (bus)	0	\$0	\$0
			SAVE UNE IT	EM DELETE	LINE ITEM	CANCEL
		117-00 OTHER CAPITAL	117-00 OTHER CAPITAL 11.7L.00 MOBILITY	gress 117-00 OTHER CAPITAL 11.7L.00 MOBILITY Other Capital Items (bus)	agress 117-00 OTHER CAPITAL 11.7L.00 MOBILITY Other Capital Items 0	gress 117-00 OTHER CAPITAL 11.7L.00 MOBILITY Other Capital Items 0 \$0

4. Line Item Scope: You may provide a customized name for the line item in the 'Line Item Scope' details section by updating the 'Custom Line Items Name' field or you may choose to keep the standard line item name.



- 5. Line Item Details: Update the line item details section
 - a. **Quantity:** Provide the Quantity of items that this ALI will cover in the 'Quantity' field. This field must be a whole number.
 - b. Extended Budget Description (Required): Provide description of the ALI in the 'Extended Budget Description'.
 - c. Third-Party Contractors: Update the third-party contractor question with the correct answer. Click on the button next to the 'Yes, 3rd Party Contractors will be used for this line item.' or 'No, 3rd Party Contractors will not be used for this line item'.

Quantity	
0	
ixtended Budget Description	
Support coordinated transportation service activities in the Small Urban regions in cooperation with the State Coordinating Council for Community Transportation,	Ì
Funding will be used for mobility management projects for three Small Urban Regional Coordinating Councils to include Region 7 (Nashua), Region 8 (Greater Manchester), and Region 10 (Southeast Seacoast).	•
Nill 3rd Party contractors be used to fulfill this activity line item?	
Yes, 3rd Party Contractors will be used for this line item.	
No, 3rd Party Contractors will not be used for this line item.	

- 6. **FTA Funding Information:** Update the FTA Funding Information Section with the requested amount to be provided by the grant.
 - a. FTA Funding Source: Select a value from the drop-down menu provided under the 'FTA Funding Source' field. The Funding Source selected determines whether the application is a discretionary or a formula application. If a non-discretionary, such as 5311, the Congressional Release process is not required.
 - b. If a discretionary funding source is selected for one or more Budget Activity Line Items, then the application will undergo the Congressional Release process before Obligation and Award Execution.
 - c. **FTA Funding Amount:** Update the FTA Funding Amount field with the desired amount of funding. (Note: The dollar sign and commas will auto populate once you click outside of the field.)
 - d. Non-FTA Funding Information Section: Provide information concerning additional local, state or other federal funding that will be provided for this ALI as applicable. All amounts should be entered as whole numbers.
 - i. Local Share Amount: Update the 'Local Share Amount' field with the amount the local government will be contributing, if applicable.
 - ii. Local/In-Kind Share Amount: Update the 'Local/In-Kind Share Amount' with the value of any local in-kind funding, if applicable.
 - iii. **State Share Amount:** Update the 'State Share Amount' field with the amount the state will be contributing, if applicable.
 - iv. State/In-Kind Share Amount: Update the 'State/In-Kind Share Amount' field with the desired amount, if applicable. (Note: you will be requested to upload a document to support these funds when validating the project.)
 - v. **Other Federal Share Amount:** Update the 'Other Federal Share Amount' field with the desired amount, if applicable.

- vi. Adjustment Amount: Update the 'Adjustment Amount' field with the desired amount, if applicable. Note: This information will not be additive to the 'Total Eligible Cost' of the activity budget or award budget.
- vii. Transportation Development Credit: Update the 'Transportation Development Credit' field with the desired amount, if applicable. (Note: This information will not be additive to the 'Total eligible Cost' of the activity budget or award budget. You will be requested to upload a document to support these funds when validating the project.)

The 'Total Eligible Cost' will be update after saving. This is the sum of the FTA Funding and Non-FTA Funding (excluding the Transportation Development Credit and Adjustment Amount).

- 7. Rolling Stock Information: When the scope code 'Rolling Stock' is selected, the Rolling Stock Information Section will display. Completing the Rolling Stock Information section is optional, based on your selection of scope code.
 - a. Vehicle Condition: Indicate whether the vehicles are new or used.
 - b. Fuel: Indicate the type of fuel that the vehicles will use.
 - c. Vehicle Size: Provide a short text describing of the size of the vehicle

Vehicle Condition	Fuel	
Used		÷.
Vehicle Size		

8. **Milestones:** A table will display with the minimum two milestones; auto populated to 'Start Date' and 'End Date.'

- a. Two milestones are required to pass project validation.
- b. A 'Rolling Stock' line item will have five standard milestones:
 - i. RFP/IFB Issue Date
 - ii. Contract Award Date
 - iii. Initial Delivery Date
 - iv. Final Delivery Date
 - v. Contract Completion Date
- c. The Estimated Completion Date for each milestone must be populated.

			ADD NEW MILESTONE
Name	Estimated Completion Date	i	Description
Start Date	2/28/2018		Requested funds will be used to support mobility management activities for the following five (5) Regional Coordinating Councils located in rural areas: Region 1 – Grafton-Coos RCC (Lead Agency is Upper Valley Lake Sunapee Regional Planning Commission, Lebanon) Region 2 – Carroll County RCC (Lead Agency is Mount Washington Valley Economic Council, Conway)

- d. You can update, delete, or add milestones to the default list. Details for each milestone in the grid must be provided for the ALI to be marked as complete.
- Update Milestone: To update a default milestone, click the checkbox next to the milestone name. The 'Milestone Details' section will open. Update the milestone name as desired. Add an estimated completion date and input a description. A name and completion date are required for each milestone. When done, click the 'Save Milestone' button.

	Name	Estimated Completion Date	1	Description
2	Start Date	2/28/2018		Requested funds will be used to support mobility management activities for the following five (5) Regional Coordinating Councils located in rural areas: Region 1 - Grafton-Coos RCC (Lead Agency is Upper Valley Lake Sunapee Regional Planning Commission, Lebanon) Region 2 - Carroll County RCC (Lead Agency is Mount Washington Valley Economic Council, Conway)
	End Date			
Mil	estone De	tails		
Miles	tone Name			SAVE MILESTONE DELETE MILESTONE CANCEL
Star	t Date			
Estim	ated Completic	on Date		
02/2	8/2018			
Miles	tone Descriptio	n		
Reco				is for the following five (5) Regional Coordinating Councils located vy Lake Sunapee Regional Planning Commission, Lebanon)

- 10.Add Milestones: Click the 'Add New Milestone' button and the form will expand to allow for the input of the milestone details. Add the milestone name, an estimated completion date and input a description. A name and completion date are required for each milestone. When done, click the 'Save Milestone' button.
- 11. Delete Milestone: Click the checkbox next to the milestone name. The 'Milestone Details' section will open. Click on the 'Delete Milestone' button and a confirmation prompt is displayed. Click 'Yes' to delete the milestone and collapse the form. Selecting the 'No' button will prevent any changes from occurring.
- 12.Save Line Item: Once all details for the selected line item have been added, click the 'Save Line Item' button. The button can be found below the 'Existing Line Items' grid and beneath the 'Milestones' section.



13. The 'Click Close Button to Save' form will appear. Warning: You must click the 'Close' button on this screen to complete saving. Failure to select the 'Close' button will result in incorrect Control Totals.

Success!			
Click Close button to save line	ritem and return to budget act	ivity line items form.	

14.Once saving is complete, the 'Budget Activity Line Items' form will reopen. The status for the saved line item will change from 'In-progress' to 'Completed' after all required information has been provided.

	itatus	Scope Name / Code	Name	Activity Type	Quantity	FTA Amount	Eligible Cos
lr p	n- Progress	112-00 BUS TRANSITWAYS/LINES	11.22.01 ACQUIRE - BUSWAY	Acquire Bus Transitways/lines	0	\$0	\$0
-	ompleted	117-00 OTHER CAPITAL ITEMS (BUS)	11.7L00 MOBILITY MANAGEMENT (5302(A)(1) (L))	Other Capital Items (bus)	0	\$405,440	\$567,238

Notice there are two fields above populated with dollar amounts based on recent updates to the Activity Line Items: FTA Amount and Total Eligible Cost. The FTA Amount is derived from the dollar amount entered in the 'FTA Funding Amount' field within the 'Manage Budget Activity Line Items and Milestones' form. The Total Eligible Cost includes the FTA Amount, plus some of the Non-FTA Funding. The Non-FTA Funding that is included in the Total Eligible Cost and includes all the values entered into the 'Local Share Amount', 'Local/In-Kind Share Amount', 'State Share Amount', 'State/In-Kind Share Amount', and 'Other Federal Share Amount' fields. The 'Adjustment Amount' and 'Transportation Development Credit' fields are not included in the 'Total Eligible Cost'

Local Share Amount	
\$101,360	
Local/In-Kind Share Amount	
\$12,424	
State Share Amount	
\$27,686	
State/In-Kind Share Amount	
\$1,043	
Other Federal Share Amount	
\$19,285	
Adjustment Amount	
\$7,202	
Transportation Development Credit	
\$1,112	
Total Eligible Cost	

- 15.Select all remaining ALI's and repeat the process of updating their information. All line items must have a 'Complete' status in order to successfully validate the project.
- 16.To delete an ALI, select the checkbox next to the ALI and then click the 'Delete Line Item' button that appears. A prompt will display confirming that you wish to delete.

	Status	Scope Name / Code	Line Item Number / 1 Name	Activity Type	Quantity	FTA Amount	Eligible Cost
	Completed	132-00 TRANSITWAY LINES - NEW START	13.23.01 CONSTRUCT BUSWAY	Construction	1	\$10,000	\$20.000
•	In- Progress	140-20 STATIONS, STOPS, TERMINALS, INTERMODAL	14.02.20 STATIONS, STOPS, TERMINALS, INTERMODAL	Stations, Stops, Terminals, Intermodal	0	\$0	\$0

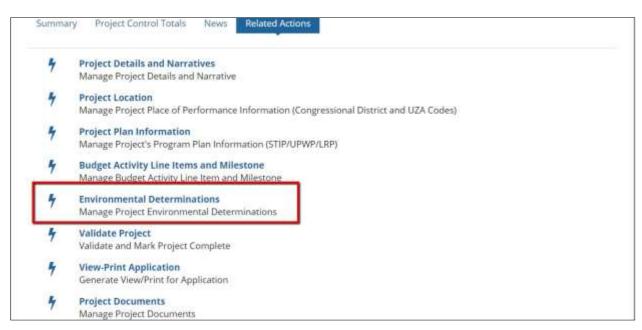
- 17.Once a line item is deleted the existing line items grid will no longer display the deleted line item.
- 18.Click the 'Cancel' button to exit out of the form without saving changes for the selected line item and collapse the form to exclude the line item sections.

Project Number 9900-2018-2-P1	cancel?	II changes if you cancel. Are yo				
Application FAIN 9900-2018-2	Details	NEW TRAC		10		
Temp App Number 9900-2018-2	r		on Status			
and the second second						
Existing Line To entra line nem. cl Status	e Items ck on the theckbox for the line it Scope Name / Code	em and a new sectors will appea Line Item Number / Name	r below with line it Activity Type	em end millestr Quantity	me details FTA Amount	Total Eligible Cost

19. Click the 'Close' button to return to the Projects Related Actions menu.



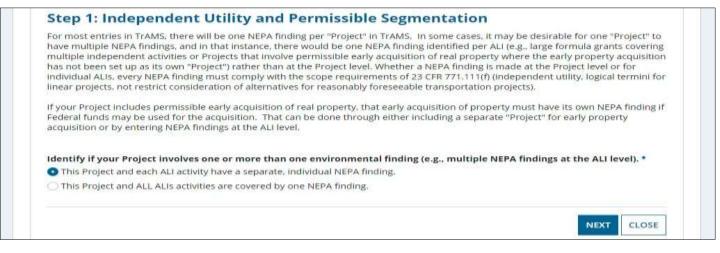
- 20. **Completing the Environmental Determination** Environmental determinations must be provided in order to complete project validation. Generally, Section 5311 projects will have one environmental determination which applies to the entire project, including all ALIs within the project. However, for projects including construction or related activities, you may select individual environmental determinations for each ALI. The steps below provide guidance for both types of projects. To complete the Environmental Determination, complete the following:
 - a. Use the Records tab to search and open the specific project.
 - b. Click the 'Related Actions' link from the navigation bar.
 - c. Click on the link 'Environmental Determination' related action from the menu to update environmental determination details.



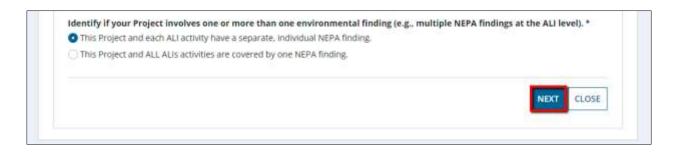
d. The Project Environmental Review Summary form will open. The top of the form contains information about environmental reviews.

Recipient Details	
tecipient ID	Recipient Name
900	Trams Transit Organization
Application Details	
AIN	Application Name
900-2018-12	2311 FORMULA FFY17 & FFY18 FUNDS FOR MOB MGT & CAPITAL
emp App Number	PROJECTS
900-2018-12	Application Status
	In-Progress
Project Details	
Project Number	Project Name
900-2018-12-P3	Proj 3 Small Urban Mobility Management FFr2017 & FFY2018 funding
FTA Environmental Review	

- e. At the bottom of the form, review the text in the 'Step 1: Independent Utility and Permissible Segmentation' section. Select whether this project is covered by one or multiple NEPA findings.
 - One: 'This Project and ALL ALIs activities are covered by one NEPA determination' – select this option when one environmental determination applies to the project.
 - Multiple: 'This Project and each ALI activity have a separate, individual NEPA finding' – select this option when each ALI within the project has its own environmental determination.



f. Click on the 'Next' button to move the next form. Click the 'Close' button on this, or any subsequent forms, to close the form without saving changes and return to the project 'Related Actions' menu.



- g. The 'Step 2: Project Environmental Finding Summary' section will appear.
- h. Projects with One NEPA Finding:
 - If 'This Project and ALL ALIs activities are covered by one NEPA finding' was selected, the form will display a single row for the entire project. Only one 'NEPA Class of Action' and its corresponding 'Category Exclusion' may be selected.
 - Select a value from the drop-down menu provided under the 'NEPA Class of Action' field. Once you select a class of action from the drop-down, the 'Category Exclusion' field will populate with appropriate values.
 - If 'Class II(c) Categorical Exclusion (C-List)' or 'Class II(d) Categorical Exclusion (D-List)' is selected, a new dropdown menu will appear displaying the possible categorical exclusion values.
 - Otherwise, the value of 'NA' will populate.
 - When the NEPA classes and categorical exclusions have been selected, click the 'Next' button to move to the next

page to provide detail information on the Environmental Findings.

i. The 'Step 3: Budget Activity Line Items Associated to NEPA Class of Action' section will display:

	Scope Code	Scope Name	Line Item Number	Line Item Name	FTA Amount	Total Eligible Cost	NEPA Class	Categorical Exclusion
	117- 00	OTHER CAPITAL ITEMS (BUS)	11.7L.00	MOBILITY MANAGEMENT (5302(A)(1)(L))	\$405,440.00	\$567,238.00	Class II(c) - Categorical Exclusions (C- List)	Type 10: Joint Development of Facilities
~	112- 00	BUS TRANSITWAYS/LINES	11.22.01	ACQUIRE - BUSWAY	\$23,100.00	\$25,991.00	Class II(d) - Categorical Exclusions (D- List)	Type 01: Highway Modernization

j. Projects with Multiple NEPA Findings

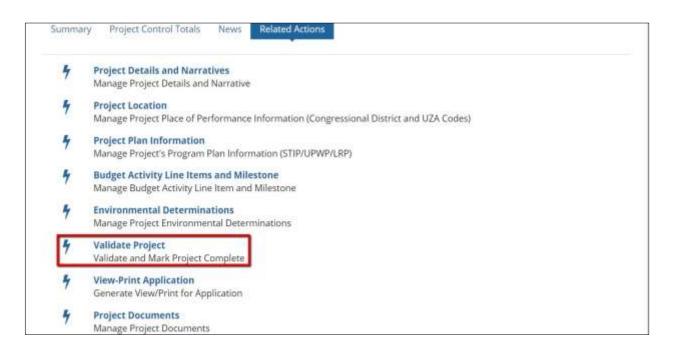
- When multiple findings have been selected you will be presented with a grid to select the ALI to be updated.
- Select an ALI by checking the box associated with the ALI and the form will expand to allow the entry of the details. If only one finding was selected for the project, selecting an ALI will not be required and the expanded form will automatically be displayed.
- Click on 'Save' to save all information and then click 'Close' to close the form and return to the project 'Related Actions' menu.



Step 5: Project Validation

All projects must be validated before the application can be transmitted to FTA to begin the review process. The validate the project, complete the following:

- 1. Search and open the desired project
- 2. Click the 'Related Actions' link from the navigation bar.
- 3. Click on the 'Validate Project' related action from the menu.



- 4. The system will validate the project to ensure all required elements for the project are present and will provide a summary of critical issues and warnings.
- 5. If the validation results in critical issues, each must be addressed individually before the project will pass validation.
- 6. Critical issues will result in a red box 'Validation Error' and the list of errors to be corrected. Potential critical errors include missing ALIs, incomplete ALIs, missing location details, and missing environmental determinations. The following screenshot shows two critical errors that must be addressed: an incomplete ALI and a missing congressional district.

Project Number		Project Name Date		te Created			
9900-2018-9-P1		Maple Ave Station	Maple Ave Station 2/5/2		2018 8:31 PM EST		
ritical Iss	ues						
	Validation Error						
	This project cannot pass Project Validation until these errors are corrected:						
		in the project have a	status of 'In-Progress'. Please ensu	re each line item has a :	status of 'Completed'		
Scope Number	Scope Name	Line Item Number	Line Item Name	FTA Funding Amount	Line Item Status		
112-00	BUS TRANSITWAYS/LINES	11,23.02	CONSTRUCT - TRANSIT MALL	\$0	In-Progress		
	 Each line item must hav Action). 	e a NEPA Class of Ad	ction/Environmental Determination	selected (Environmental	Determinations Related		

- 7. Click the 'Close' button to return to the available related actions for the project and update the project as necessary.
- 8. Once the project passes initial validation, you will be presented with a series of questions based on the ALIs in your project. The forms will only appear if the criteria apply to your project. The three potential forms are:

In-Kind Funding: When one or more of the ALI has an In-Kind funding source, documentation will be required. The 'Upload In-Kind Funding Document' page will display when a budget ALI contains In- Kind funding.

- Click on the 'Upload' button and select a document to upload.
- Click on the 'Save' button to continue.

If In-Kind documentation has already been uploaded during previous validations of a project, you can skip uploading a document by clicking on the 'Skip' button.

Project Details				
Project Number	t	Project Title	Date Created	Status
9900-2018-12-P3		Proj 3 Small Urban Mobility Management FFY2017 & FFY2018 funding	2/15/2018 5:29 PM EST	Ready for FTA Review
Document Det This project includes a b		S et activity line item that uses an In-Kind Funding source. Uplo	ad documentation for this additional	funding.
Upload Document	UP	PLOAD Drop files here		
	1	bad Documentation		

Transportation Credit: When one or more of the ALI's contain Transportation Development Credits as a Non-FTA funding source, you will be required to upload documentation. The 'Upload Transportation Credit Document' page will display.

- Click on the 'Upload' button and select a document to upload.
- Click on the 'Save' button to continue.
- If Transportation Credit Documentation has already been uploaded during previous validations of a project, you may skip uploading a document by clicking on the 'Skip' button.

Project Details				
Project Number	t	Project Title	Date Created	Status
9903-2018-12-P3		Proj 3 Small Urban Mobility Management FFY2017 & FFY2018 funding	2/15/2016 5:29 PM EST	In-Progress
Document Det		sclivity line item that uses a Transportation Credit source. Upload o	ocumentation for this addicional fu	nding
Upload Document	1.1	IAD 🗓 Orap film here		
	Upload	Documentation		

Rolling Stock When one or more of the ALI's contain rolling stock, the current fleet status associated to the recipient organization is shown. You may add new fleet types, update the current fleet items, delete fleet items, or bypass making any changes to the rolling stock by clicking the 'Close' button.

- The fleet status associated with the application will be the fleet status listed on the recipient organization profile at the time of application award.
- Fleet information will display in the application view print once the award is made.
- Use the Recipient Profile at any time to view or update fleet information.

before continuing with the project
ation
0.1201000 7200
ding Disposal Total
9

Confirmation of Project Validation

Once all validations have passed, the confirmation screen 'Project Validated' will display with the following message: 'Project Number [project #] has been successfully validated'. Click the Close button to return to the 'Related Actions' menu.

Project Vali	lated	
O Summer!		
Project Number 9908-2018-9	 I has been successfully validated. 	
		CLO

Uploading Project Documents - The Project Documents Related Action allows users to

upload new documents, remove or view documents. Documents supporting the project will display in the Project Documents related action This includes documents previously added as part of Project Validation. Documents added to the project will also display within the 'Application Documents' Related Action.

1. The 'Manage Documents' form will open.



2. Documents previously uploaded and associated with the project will display in a grid as shown in the "Manage Documents" screen below.

Project Details Project Number 9900-2018-12-P3 Current Documents			Project Name 12-P3 Proj 3 Small Urban Mobility Management FFY2017 & FFY20		Y2017 & FFY2018 funding	
a	Document Context	Document Type	Document File Name	Document Description	Date Uploaded	Uploaded By
0	Program Plan	Long Range Plan	9900-2018-12-P3 - Program Plan - Long Range Plan	Upon full execution of this Grant Agreement by the Recipient, the Effective Date will be the date FTA or the Federal Government awarded Federal assistance for this Grant Agreement. Long Range Plans Included in attachment document.	Mar 02, 2018	jane.trams@yahoo.com
	Program Plan	STIP/TIP	9900-2018-12-P3 - Program Plan - STIP_TIP	remanufacture of stations, stops, or vehicles. As a result, the Civil Rights Officer will not review this grant and does not need to provide a Civil Rights Concurrence. Additionally, the recipient's Civil Rights programs are in fundable status	Feb 20, 2018	jane.trams@yahoo.com
	Environmental Finding	Class <mark>II</mark> (c) - Categorical Exclusions (C-List)	Class IIc CE Apprvd NEPA		Feb 16, 2018	jane.trams@yahoo.com
	Project Budget	In-Kind Funding	In-KindPrjFunding		Feb 16, 2018	jane.trams@yahoo.com
	Project Budget	In-Kind Funding	In-KindPrjFunding		Feb 16, 2018	jane.trams@yahoo.com
						1 - 5 of 5

3. View Documents: To view a document, click the corresponding 'Document File Name' hyperlink. The file will download to your local file system.

	Document Context	Document Type	Document File Name	Document Description	Date Uploaded	Uploaded By
0	Program Plan	Long Range Plan	9900-2018-12-P3 - Program Plan - Long Range Plan	Upon full execution of this Grant Agreement by the Recipient, the Effective Date will be the date FTA or the Federal Government awarded Federal assistance for this Grant Agreement	Mar 02, 2018	jane trams@yahoo.com

4. Add a Document: Click the 'Add Document' button to upload a new document to the application. The "Add New Document" form will open. Fill in all required information as described below:

Project Details				
Project Number		Project Name		
9900-2018-12-P3		Proj 3 Small Urban Mobility Management FFY2017 & FFY2018 funding		
Upload New D	ocument			
* Document Context	Select Document Context			
Document Type	Select Document Type			
Document Description				
* Select Document	UPLOAD			

- a) Document Context: Select a context type ("<u>document category</u>") from the dropdown menu.") from the drop-down menu.
- b) **Document Type:** Select a document type from the drop-down menu. The available types depend on the selected context.
- c) **Document Description:** Enter a description for the document.
- d) Select Document: Click the 'Upload' button and select a file from your local system. You may only upload one file at a time. After uploading a file, hover over the 'page' icon next to the uploaded file and click the 'X' that appears to remove the file as needed.



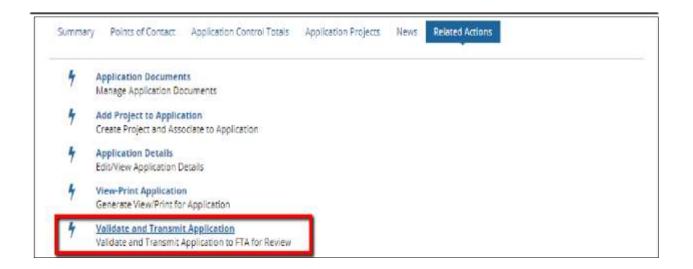
e) Once all details have been entered, click the 'Save' button to save the document.

Step 6: Application Validation and Transmission to FTA

Once all projects have been completed and validated, the application must be validated prior to submittal to the FTA for initial review. Users with the Submitter and Developer roles are authorized to transmit an application to FTA.

Validate and transmit an application

- a. Return to the 'Related Actions' associated with the application.
- b. Search and open the desired application.
- c. Click the 'Validate and Transmit Application to FTA' related action.



- d. The system will display a form with validation results. The results may contain Critical Issues and Warning Issues. You must resolve any critical issues to proceed with validation and transmit.
 - Potential critical errors include, but are not limited to, missing application details and missing projects. Potential warnings include, but are not limited to, expired Civil Rights programs.

Application Details				
Application Number	Application Name			
9900-2018-12	2311 FORMULA FFY17 & FFY18 FUNDS FOR MOB MGT & CAPITAL			
Temp App Number	PROJECTS			
9900-2018-12				
Critical Issues				
🕅 Validation Error	1			
This application cannot pass Application Validat	ion and be transmitted to FTA for review until these errors are corrected			
- The following projects in this application have	not passed Project Validation:			
- 9900-2018-12-P1				
Warning Issues				
warning issues				
A Warning				
This application can pass Application Validation	with the following issues, but they must be corrected prior to Award			
- Your organization has expired or incomplete ci Record, Civil Rights Information Related Action)	vil rights program compliances. Please update your civil rights programs (Recipient Organization			
Value accession in a loss and accessed CO Me for	Fiscal Year 2018 (Recipient Organization Record, Certifications & Assurances Related Action).			
- Your organization has not approved CoA S for				

e. If warnings only are displayed, they can be disregarded by clicking the 'Continue with Warnings' button.

This application can pass Appli	cation Validation with the following issues, but they must be corrected prior to Award
- Your organization has expired Organization Record, Civil Righ	or incomplete civil rights program compliances. Please update your civil rights programs (Recipient Is Information Related Action)
- Your organization has not ap Action).	proved C&A's for Fiscal Year 2018 (Recipient Organization Record, Certifications & Assurances Related
tion).	

- f. Once all critical errors have been corrected, revalidate the application. The 'Application | Validated' screen will display.
- g. To proceed with submission, click the 'Continue with Transmission' button. If you are not ready to transmit to FTA for initial review, click the 'Close' button to return to the 'Related Actions' menu without transmitting.

Application Validated	
Success1	
	CONTINUE WITH TRANSMISSION CLOSE

h. The 'Application | Transmitted' success screen will display. Click the 'Close' button to return to the 'Related Actions' menu.

Application Transmitted	
Application Number 9900-2018-12 transmission completed.	
	CLOSE

i. The 'Summary' page will update to show the new application status. The status bar will be set to 'Initial Review / Concurrence' and the application's status field will have changed from 'In-Progress' to 'Transmitted/Ready for FTA Review'.

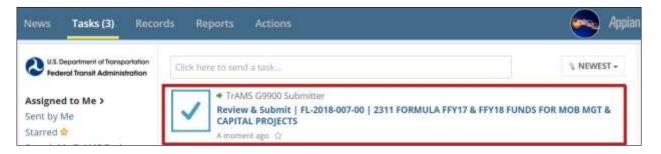
Records / Application 9900-2018 MGT & CA	3-12 231	1 FORMULA DJECTS	FFY17 &	FFY18 FUN	IDS FOR N	10B
Summary Point	s of Contact Appli	cation Control Totals	Application Projects	News Related A	Actions	
In-Progress	Initial Review / Concurrence	Final Concurrence	Obligation	Executed	Active	Closed
Recipient De	tails	R				
Recipient ID 9900			Recipien Trams Tr	t Name ansit Organization		
Application S	Status Inform	ation		2008		
Application Number 9900-2018-12						
Application Name						
2311 FORMULA FFY17	7 & FFY18 FUNDS FOR	MOB MGT & CAPITAL PR	ROJECTS			
Status Transmitted / Ready f	for FTA Review					

Step 7: Formal Transmittal of the Application to FTA

Following FTA's initial review of the application and assignment of the FAIN to the application, FTA will return the application to the recipient for formal submission. A 'Task' will be assigned to users in the recipient organization with the *Submitter* role group. All Submitters will receive an email notice indicating that a task has been assigned.

1. Steps to formally transmit the application to FTA

- a) Click the 'Tasks' tab to view a list of tasks for the logged-in user.
- b) Select the 'Review & Submit' task for the application.



c) The system will prompt you to accept the task. Click 'Yes' to accept the task within the 'Do you want to accept the task?' prompt. Clicking the 'No' button will return the task to the group and make the task available to any other users in your recipient organization with the Submitter role. Selecting 'No' will not reissue a notification email to the group.

	Accept	Task
Davia	u want to a	accept the task
DO yo	a manie co e	accept the case
Do yo	a want to t	accept the task

d) The 'Application | Submit Application to FTA' form will open.

Recipient ID	9900 https://facesteat1 fla.dot.gov/suite/tempo/records/i	Recipient Name	Trams Transit Organization
pplication De	tails		
Application Number (FAIN)	S https://taceslest1.fta.dot.gov/sulle/tempo/records/	Application Name	2311 FORMULA FFY17 & FFY18 FUNDS FOR MOB MGT & CAPITAL PROJECTS
Temp Application	9900-2018-12	Application Status	FAIN Assigned / Ready for Submission
Number		Last Modified Date	2/22/2018 5:09 PM EST
Last Modified By	region4.preawardmanager1		

- e) Submit to FTA: To submit the application, click the 'Submit to FTA' button.
- f) The 'Application Validation | Submit Application for FTA Review' Screen will be shown. Enter your 4-digit PIN in the 'User PIN' field and click the 'Confirm' button.

Submit to FTA

View/Print

Return with Comment to FTA.

Cancel

Application	n Validation Subm	nit Application	for FTA Review
lease review	the content below to cor	firm submission	
	edge and belief, all data entered are true officials of the applicant and the applicant		application is duly authorized by the ns and assurances if the federal assistance is
you agree, click on the	Confirm button to complete submission	of this application to the Federal	l Transit Administration (FTA).
Enter User PIN	i -		
lease note that this veri	ification is being recorded under the nam	ie of:	
Name	Jane Trams	Date	Feb 23, 2018
Title	Sr. Financial Analyst	User PIN	

g) Once the application is submitted, the following message will display: 'Federal Award Number has been successfully submitted to the FTA for Final Concurrence review'.

Application Review Submitted	
Success!	
Federal Award ID Number FL-2018-007-00 has been successfully submitted to FTA for Final Cor	currence review.
	CLOSE

- h) Click the 'Close' button. The system returns you to the 'Tasks' tab and the review link will now be removed from the task list.
- The application reaches the Obligation phase once the Legal Concurrence is logged. The Progress Bar will reflect the image shown below. To access the Progress Bar, navigate to the Summary Dashboard on the record tab.

Summary	Points of Contact	Application Control Totals	Application Projects	Review / Approvals	News	Related Actions
In-Progres	ss Initial Revie		Obligation	Executed	Active	Closed

Step 8: Execution of the Award

Once the application is obligated / awarded, the progress bar is updated on the summary dashboard to reflect that it is in the 'Executed' phase, as shown in the image below.

Summary	Points of Contact	Application Control Totals	Application Projects	Review / Ap	oprovals	News	Related Actions
In-Progress	initial Review Concurrence		Obligation	Executed	Active	2	Closed

During the development of the application, GDOT was given the option to identify whether the application plans to utilize Pre-award Authority. Generally, GDOT will request pre-award authority. The next step after obligating / awarding the application will be for the GDOT's assigned FFR reporter to complete the initial FFR. Once the initial FFR has been completed, GDOT's authorized official will be able to execute the award. After FTA has completed their reviews of the application, the Initial FFR has been completed and the funds have been obligated, a 'Task' will be assigned to GDOT's authorized users to execute the award. All users with the Official role in the recipient organization will receive an email notice indicating that a task has been assigned.

To complete the execute award task:

- 1) Click the 'Tasks' tab to view a list of tasks for the logged-in user.
- 2) Select the 'Execute Award for Federal ID Number [FAIN]' task.



3) The system will prompt you to accept the task at the top of the Award Execution Summary form. Click 'Accept' to accept the task within the 'You must accept this task before completing it' prompt. Clicking the 'No' button will return the task to the group and make the task available to any other users in your recipient organization with the Official role.



- 4) After accepting the 'Execute Award' task you will be able to:
 - a. View the Award Letter prior to executing
 - b. Execute the Award
 - c. Close the task to return it to the queue

Recipient Deta	ails			
Recipient ID		Recipient Name		
900		Trams Transit Organization		
Application De	etails			
Application Number		Application Name	2311 FORMULA FFY17 & FFY18 FUNDS FOR MO MGT & CAPITAL PROJECTS	
Obligation Fiscal Year	2018	Application Type	Grant	
Award and Exe	ecution Details			
Award Status	Obligated / Ready for Execution		Obligated / Ready for Execution	
Awarded By	region4.administrator1	Status		
	Administrator	Award Execution By		
	User Title			
Awarded Date	2/26/2018		User Title	
		Award Execution		

5) Select the 'View Award Agreement' button. The 'Award | View Award Letter for [FAIN]' screen will display. Click on the 'Award_Letter_FAIN' hyperlink to open and view the award information. WARNING: Be sure to click the 'Close' button on the View-Print form to be returned to the Execute Award task. Otherwise, you will have to wait 1 hour for the View-Print form to time-out and for the Execute Award task to be returned to you.



- 6) Click the 'Continue to Execute' button to execute the award. The 'Application | Execute Contract Award' screen will display
- 7) Provide your PIN number in the 'User PIN' field and click the 'Execute Award' button to complete the award execution. The award status will change to 'Active (Executed)' once this is completed.

Recipient Det	ails				
Recipient ID		Recipient Name			
9900		Trams Transit Organization			
Application D	etails				
Application Number		Application Name			
FL-2018-007-00		2311 FORMULA FFY17 & FFY18 FUNDS FOR MOB MGT & CAPITAL			
Obligation Fiscal Year		PROJECTS			
2018		Application Status Obligated / Ready for Execution			
Award Execution Details		obligated / Ready to Execution			
	ecution sign off is being recorded	under the name of:			
International Statements in the second	Official1 TRAMS				
Executed Date	Feb 28, 2018				
Enter User PIN	4				
Please note that this ve	rification is being recorded under	r the name			
of:		Date Feb 28, 2018			
Name	Official1 TRAMS	User PIN			
Title	Official	OSET PIN			
			8		
			CANC		
		EXECUTE AWARD			

 Once the proper PIN is entered and the 'Execute Award' button is clicked, the following success screen will display

Now that the award was successfully executed, the Progress Bar is updated to reflect that the application is now in the 'Active' phase. To access the Progress Bar, navigate to the Summary Dashboard within the application record.

Summary	Points of Contact	Application Control Totals	Application Projec	ts News	Related Actions	
In-Progress	5 Initial Review / Concurrence		Obligation 8	Executed	Active	Closed

9) Click the 'Close' button on the 'Application | Award Execution Summary' screen.

Congratulations on successfully submitting and executing an FTA grant in TRAMS!

Section VII: Grant Administration Following Award

Internal Notification to GDOT's Office of Accounting

Following email notification from FTA of a new grant award, the Transit Grants and Contracts Manager is responsible for providing both the Intermodal Grants and Contracts Manager and GDOT's Office of Accounting with a copy of the executed grant award. The following steps are required to complete this notification:

- 1. The Transit Grants and Contracts Manager (GCM) should archive a copy of the grant agreement electronically in the transit files by state fiscal year. Copies of FTA grant agreements are generally required by state and federal auditors during their audit of the transit program.
- The TGCM should provide a copy of the grant award via email to GDOT's Office of Accounting on the same day awarded if possible. The grant award is the source document used to create the necessary account(s) by the State Accounting Office (SAO).
- 3. The notification to GDOT's Office of Accounting is a critical component as the process may take several days, SAO must create fund source codes for the new grant and the associated breakdown of funding including:
 - a. Operating
 - b. Capital
 - c. Intercity Bus
 - d. RTAP
 - e. State Administration
- 4. Following confirmation that the grant has been added, GDOT's accounting staff will provide the Transit GCM with the fund source codes to be used for all contracts utilizing this grant as the source of federal funding.
- 5. The Transit GCM should email the fund source codes to the district TPM's who are responsible for completing assigned subrecipient Contract Authorization Requests (CAR). Each CAR must include the correct fund source codes in order for GDOT's accounting staff to obligate the correct subset of funding availability under the grant.

Grant Administration – Accountability and Safeguarding Federal Funds

The administration of FTA grants is segregated within GDOT to enhance the security of awarded federal grant funds, prevent the misappropriation of funds and ensure the transparency of all financial transactions.

Financial Administration of Grant Funds

The financial administration of all FTA grants is managed by the Office of General Accounting on a monthly, quarterly and yearly basis. GDOT's General Accounting staff is responsible for each of the following financial and/or accounting activities:

- Ensuring each grant awarded is added to the State Accounting System.
- Maintaining fund source codes for each grant and subset of grant funds.
- Obligating federal and state funds detailed under the Contract Authorization Requests (CAR) by subrecipient project number and fund source.
- Processing approved subrecipient requests or invoices for reimbursements.
- Preparing monthly drawdown requests for review and approval before submittal to the Electronic Clearing House Operation (ECHO).
- Submitting and tracking approved ECHO requests to verify payment received.
- Reconciling FTA grants quarterly in TrAMS and preparing Federal Financial Reports (FFR's) for review and approval.
- Submitting FFR's in TrAMS as quarterly or annually as required.
- Coordinating with the Transit GCM to verify unobligated grant balances as needed.
- Completing grant and subrecipient contract close-outs within the state's accounting system.
- Preparing final FFR and budget reconciliations in TrAMS before grant close-out is requested by the Transit GCM.

Transit Program Administration of Grant Funds

The Transit Program Manager and assigned staff are responsible for specific grant and project related activities including:

- Providing GDOT's Office of accounting with a copy of each new grant award.
- Review each completed Contract Authorization Request (CAR) for accuracy and completeness before forwarding to the Office of Accounting.
- Submittal of approved subrecipient reimbursement requests or invoices.
- Review and approval of monthly grant drawdown requests and supporting documentation.
- Monitor all approved project activities to ensure on-time and on-budget completion.
- Update and submittal of all grant milestones quarterly and yearly.
- Update each grant's program of projects (POP) as needed in TrAMS.
- Review and approval of Federal Financial Reports (FFR) quarterly and annually.
- Update of the internal spreadsheet listing all active FTA Grants and balances quarterly using data from each grant's FFR.
- Monitor each grant's period of performance to ensure the obligation and drawdown of all funds within the time allowed.
- Submittal of final reimbursement requests and requests for contract close-out.
- Monitor the close-out of all subrecipient contracts funded under the FTA grant.
- Coordinate with GDOT's Office of Accounting to verify unobligated grant funds.
- Initiating grant close-out requests in TrAMS.
- Completing grant close-outs in TrAMS following the completion of final reports.

FTA monitors GDOT's administration of awarded grants through its electronic Grants Management System, TrAMS. GDOT is expected to ensure funding is expended under all awarded grants in a timely manner.

Section VIII: Grant Amendments and Budget Revisions

From time to time it may be necessary to amend or revise a previously executed FTA Grant. It is important to remember that the most recently updated program of projects submitted by GDOT to FTA will be considered the approved program of projects and incorporated by reference in the grant agreement. The addition of federal funds or a change in the scope of the approved program of projects requires an amendment of the grant.

Grant Amendments

FTA requires a grant amendment any time additional funds are added to a active grant. The process of applying for a grant amendment is identical to the process of applying for a grant. Changes to projects within the grant are considered "budget revisions" if the grant total does not change. Budget revisions are handled electronically in TrAMS. Some revisions require advance FTA approval. The TrAMS system monitors the nature of the revisions and will block the revision until FTA sign-off is received, if required.

Budget Revisions Requiring FTA Notification, But Not Approval

GDOT may make the following revisions to an approved POP following notification to FTA,

- a) Add new eligible projects if the total is less than 20 percent of the total POP;
- b) Delete or reduce a project by more than 20 percent of the total POP.

Budget Revisions Requiring FTA Approval

The following revisions to an approved POP can only be completed following approval from FTA:

 a) 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) The proposed budget revision would transfer funds between operating and capital categories, or between activity line items with different federal matching ratios.
- c) Prior FTA approval is required if the budget revision would change the size or physical characteristics of the activities specified in the grant.
 - i. Example: A 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.
 - ii. An increase or reduce by more than two units in the number of rolling stock vehicles to be used in revenue service

Section IX: Grant Close-Out

GDOT is expected to ensure awarded grant funds are expended in a timely manner. Once all funds have been expended and projects have been completed, GDOT must complete the close-out process in FTA's electronic grant system, TRAMS. The close-out process requires coordination between the Transit Grants and Contracts Manager and GDOT's Office of Accounting. An overview of the steps required to successfully close an FTA grant include:

Six Steps in the Close-Out Process

- 1. The Transit GCG Initiates the Closeout Process
- 2. GDOT's MPR Reporter must complete and submit final reports.
- 3. GDOT's FFR Reporter must complete and submit final reports
- 4. GDOT must Reconcile the Budget
- 5. Submit the Closeout Request
- 6. FTA concurs and the Grant is closed in TrAMS

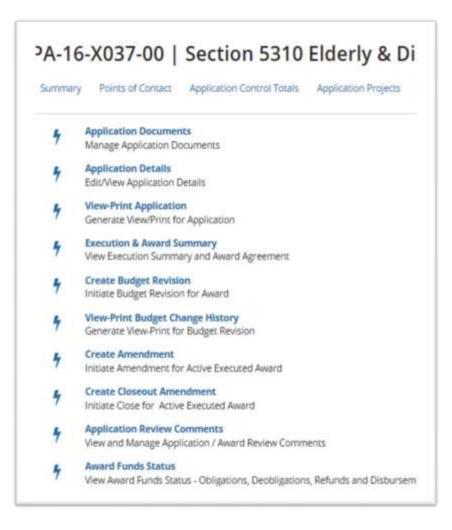
Step by Step Process

Below are instructions and screen shots outlining the six steps required to successfully close an FTA Grant. Although the screenshots provided by FTA are not of a Section 5311

grant, the close-out process steps remain the same.

Step 1 – Initiating the Closeout Process

- The Transit Grants and Contracts Manager (GCM) should advise the Intermodal Grants and Contracts Manager as well as the assigned member of GDOT's Accounting Department of the grant number to be closed via email.
- 2. The Transit GCM should log into TrAMS and click on Records to locate the specific grant number to be closed.
- 3. Click on "Related Actions" and find the menu option "Award Fund Status". It is generally located at the bottom of the screen, click on this tab.



4. Next, click on the Related Actions tab to update the end date and select Application

Details from the menu.

- The end date must be earlier or equal to the date the closeout is created.
- 5. Create the Close-out Amendment from the list of options on the screen.
 - Note: Only the Submitter or Developer role will be able to access this related action.
 - Verify the grant record has an application status of 'Active (Executed)'.
- 6. In the Award/Close Out Amendment screen, choose the appropriate reason for requesting the close-out amendment.
 - Generally, it will the first box "all approved activities are completed and/or applicable federal funds expended".

A-16-X037-00 Section 5310 Elderly & annery Points of Contact Application Control Totals Application Projects	No. of Concession, Name	
Award Close Out Amendment		
Recipient Summary		
Recipient ID 1/629	Recipient Name	PENNSYLVANA DEPARTMENT OF TRANSPORTATION
Award Summary		
Award Number PA-16-X037-00	Award Name	Section 5310 Elderly & Disabled
Award Date 3/22/2012 8:35 PM GMT+02:00	Award Status	Active (Executed)
Close Out Guidance		
Guidance on Programmatic and Award Management Requirements can be found in	FTA Groulars by visiong	
https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars		
Close Out Amendment Information		
* Close Out Reasons Z All approved activities are completed and/or applicable	Federal funds expended	
All applicable Federal funds expended		
C Runds are no longer needed to accomplish the grant pu	rpose	
Determined that the project has been essentially complete Determined that the project has been essentially been essentiall	eted and/or approved funds have been substantia	ily drawn dawn
Select one or more options		
Cose out		
Provide detailed organization for this close-out This Grant Close out will be recorded under the name of:		
Close Out By Johnita Glover		
Close Out Date 7/31/2019		
(1) Strength Strength (1997) Market (2)		
		CREATE CLOSE OUT AMENDMENT CANCEL

7. The message below will pop up. Select the blue hyperlink at the bottom of the pop up

and the summary page will display.

Amendment Closeout Created	
Successi	
A new closeout amendment for Federal Award ID Number PA-16-X037-01 has been created. Click the link below to view the new closeout amendment.	
PA-16-X037-01 Section 5310 Eldenty & Disabled	
	CLOSE

- 8. Under Closeout Status below you will notice three activities listed as "Incomplete"
 - a. Budget Reconciliation
 - b. Final FFR
 - c. Final MPR

In-Progress	Initial Review / Concurrence	Final Concurrence	Oblgation	Executed	Active	Oosed	
Recipient Detail	s						
Recipient ID			Recipient Na	me			
1429			Transportatio	n, Pennsylvania Department Of			
Award Status In	formation						
Award Number			Award Date				
PA-16-X037-01			NA				
Award Name			Executed Dat	e			
Section 5310 Elderly & Disa	bled		May 16, 2012				
Award Status			Last Disburse	ment Date			
Active Award / Ready for C	oseour		jan 02, 2015		3 5		
Period of Performance St	art Date		Period of Per	formance End Date			
3/22/2012			4/30/2015				
Close Out Detail	s						
Close Out Created Date			Close Out Status				
jul 31, 2019			Close Out Completion Status				
Close Out Created By							
Johnita Glover			Budget Reco	nciliation	INCOMPLETE		
Last Updated Date			Final FFR		INCOMPLETE		
jul 31, 2019							
Last Updated By			Final MPR		INCOMPLETE		
Johnita Glover							
Close Out Reasons							
All approved activities a	re completed and/or applicable Federa	I funds expended					
All applicable Federal fu	nds expended						
Funds are no longer ner	eded to accomplish the grant purpose						
Determined that the pro	ject has been essentially completed ar	id/or approved funds have beer	n substantially drawn down				
Failure by the grantee to	o make reasonable progress to comple	te approved grant activities					
Continuation of the pro	ect would not produce results comme	isurate with further expenditur	e of funds				
Crantes failed to compl	with the terms or conditions of the G	ant Apreement or other Sedera	Cratic inamante				

Step 2 – Updating the MPR

- 1. The GDOT employee(s) assigned to complete the FFR and MPR for this grant will receive close-out tasks via email as indicated below.
- 2. Generally, the FFR is completed by GDOT's Accounting office and the MPR is completed by the Transit Grants & Contracts Manager. (GCM)
 - a. The assigned GDOT employee will receive an email with a link to the task.



3. The Transit GCM should accept the "Complete Final MPR" task before editing the data.

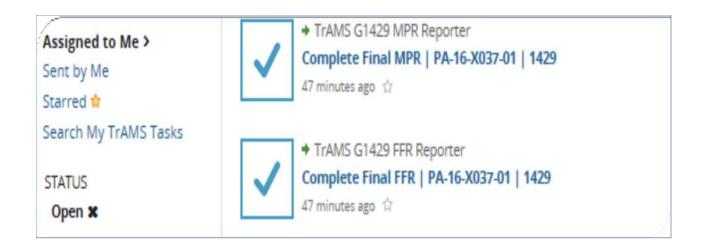
Milestone Pro	gress Report Summary		
Report Type	Quarterly	MPR Status	Work in Progress
Report Period	Quarter 4 (Jul - Sep), FY 2019	Updated By	Marci Malaster
Report Due Date	7/25/2019	Updated Date	7/26/2019
Recipient Sub	mission Remarks		
Submission Remarks			
	Provide any additional comments about the r	eport that would be useful for F	TA during the review.
	the FTA, if any, certify that it is true, comp	lete, and accurate to the best	uals providing the information submitted to of their knowledge. They are aware that any , civil, or administrative penalties (U.S. Code,
			SUBMIT TO FTA BACK SAVE

4. All pending milestones must be updated to pass validation with an actual date.

- a. New milestones may be added, if applicable
- 5. Save all changes made to the MPR before exiting.
- 6. This is followed by entering any overview remarks.
- 7. Click "Submit to FTA" after the MPR has been updated.

Step 3: Updating the FFR and Budget Reconciliation

1. A member of GDOT's Accounting staff will receive an email to accept the "Complete Final FFR" task.



 The award period must be updated to reflect the same begin and end dates as the final MPR.

Report Type	Ouarterly	FFR Report Status	Work in Progress
1. (A12)	Quarter 4 (Jul - Sep), FY 2019	Report Due Date	
Report Period Begin	7/1/2019	Updated By	N/A
Date		Updated Date	7/25/2019
Report Period End Date	7/25/2019		
Final Report?	Yes, Final Report		
	No, Not Final Report		

3. The final financial expenditures must be consistent with the final reconciled budget.

		Banda of France	and the first second seco
Type	N/A •	Period From	mmittal/000
Rate	0%	Period To	mmetal3359
Base	\$0	Amount Charged	\$0
		Federal Share	\$0
A. Federal Cas	sh on Hand at Beginning of Period		
Previous	\$0	Cumulative	\$0
This Period	50		Calculated by System
B. Federal Cas	h Receipts		
Previous	\$5,783,090	Cumulative	\$5,783,090
This Period	\$0		Calculated by System
C. Federal Cas	h Disbursements		
Previous	\$5,783,090	Cumulative	\$5,783,090
This Period	50		Calculated by System
D. Federal Co.	sh on Hand at End of Period (A + B - C)		

4. Provide final close-out remarks

Report Type Quarterly		FFE Report Status Work	in Drogram		
Report Period Quarter 4 gu	- Sant W 1018	Report Dire Date 7/21/			
Report Period Regin 7/31/2019 Date	#\$60.11 #31.0	Updated By Oone	a Knott Shuite		
Report Pariod End 7/31/2019 Data		Updated Bate 7/31/2019			
Final Report! © Yes, Final D No, Not F					
Status Log					
Previous Status	New Status	Updated Date	4	Updated By	
Work in Progress	Work in Progress	7/91/2019		Donna Knott Shultz	
Task Launched	Work in Progress	7/91/2019		N/A	
Recipient Remarks					
Julinsisches Remarks					
Doseout remarks					
felse, fictitious, or freudulent informa	tion may subject them to criminal, civil, or administrative		complete, and acc	surate to the best of their knowledge. They are aware that an	
Submitted By Donna Knott Submitted Data 7/31/2019	39,00				
pasmittes una 1/3/22/1					

5. Save all changes and click Submit after the FFR has been updated.

Step 4: Reconciling the Budget

- 1. Click on Related Items to complete the Budget Reconciliation
- 2. Under the "Existing Line Items", adjust the budget activity line items as necessary. Select the boxes requiring modifications to the budget to reconcile to actual.
- 3. Provide information in the "Updated" Extended Budget Description Field.

					0.000		018	P	
Fun	ding Source			1	Original Amount		Difference	Final Amount	
49 (JSC 5310 - Elderly	and Individuals with Disabili	ties (FY2012 and Prior)		\$6,035,838.00 \$0.00			\$6,035,838.00	
	sting Line I		1 and a new section will appear below wi	th line item and milestone details					
	Project Number	Scope Name	Custom Line Item Name	Activity Type	Award FTA Amount	Revised FTA Amount	Award Total Eligible Cost		
		Scope Name 111-00 BUS - ROLLING STOCK	Custom Line Item Name BUY REPLACEMENT <30 FT BUS	Activity Type Buy Replacement <30 Ft Bus		5577 S. T. T. T. S. S. S.	174 M 194	Cos	
	Number	111-00 BUS - ROLLING		Buy Replacement <30 Ft	Amount	Amount	Cost	Revised Total Eligible Cos \$6,638,536.00 \$980,539.00	

4. Update the FTA Funding Information Screen

Budget Revision #1: Twenty-one(21) additional vehicles will be added to this AU, resulting in an increase of \$312,178 of federal funding. This funding can be derived from the following changes: Reduce 11.80.00 by \$312,178. These changes are being requested due to the need for replacement buses (gas) by service providers.	
The Pennsylvaria Department of Transportation (PennDOT) intends to use these funds for the purchase of ninety-six (96) replacement <30-FT gasoline fueled buses. The organizations for which buses are being purchased have shown that they need to replace vehicles due to useful service life criteria being met for age and/or mileage. The year of the vehicles to be purchased will be 2013 and all vehicles will be lift-equip Model will be determined at time of order.	
See attached POP for details. Updated Extended Budget Description	
Budget Revision #3: Moving \$257,748 in federal funding from the Community Transit of Delaware County (CTDC) project to the Cambria County Transit Authority's (CCTA) project. The number of the buses under the CTDC project will change from 10 to 4, and the CCTA project from 5 to 6. (See attached Revised POP)	^
and the second	v

- 5. In the related actions tab, select "Validate and Submit Closeout."
 - \circ $\,$ The FFR and MPR must be updated and reconciled to proceed.



6. Click "yes" on the Close-out question: Is this budget final?

ecipient Summary	
Recipient ID 1429	Recipient Name PENNSYLVANIA DEPARTMENT OF TRANSPORTATION
ward Summary	
Award Number PA-16-X037-01	Award Name Section 5310 Elderly & Disabled
Award Status Active Award / Ready for Closeout	
loseout Question	
Is this budget final? 🧕 Yes, this budget is final	
No, this budget is not final	
No, this budget is not final	

Step 5 – Submitting the Request for Closeout to FTA

1. Confirm "complete" as the status for the Final FFR, MPR and Budget Reconciliation under Close-Out Details.

Close Out Details			
Close Out Created Date	Close Out Status		
ul 31, 2019	Close Out Completion	Status	
Close Out Created By			
ichnia Gover	Budget Reconciliation	COMPLETE	
Last Updated Date	Rea FR	COMPLETE	
Aig 01, 2019		CONTRACTOR	
Last Updated By	Final MPR	COMPLETE	
ichnia Gover			

- 2. Review the Close-Out Details as detailed on the next screen.
- 3. If correct, click "Submit to FTA" in the bottom right.

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Step 6 – Review and Closeout by FTA

FTA Review and close-out

- 7. FTA will review the data contained in the Closeout request.
- 8. FTA will change the status to "Closed" in TrAMs.
- 9. FTA will generate an email indicating the grant has been closed in TrAMS

APPENDIX

List of Exhibits & Supporting Documents

Exhibit	Name of Template	Type of Document/Purpose
1	FTA Certifications & Assurances	Word/Subrecipient
2	Financial Management Checklist	Word/Subrecipient
ЗА	RFP Solicitation- Third-party Operation of Transit Service	Word/Subrecipient
3B	Third Party Operator Rate Budget Worksheet for RFP	Excel/Subrecipient
3C	Third-Party Operator Contract Template	Word/Subrecipient
4A	Subrecipient Operating Reimbursement	Excel/Subrecipient
4B	USOA Listing of eligible Expenses	Word/Subrecipient
5A	Internal Monthly Invoice Review Report Form	Word/GDOT
5B	Internal Monthly Invoice Discrepancy Report	Word/GDOT
5C	Request for Outstanding Invoice "Template" Letter	Word/GDOT
6	Subrecipient Small Capital Reimbursement Request (SRR)	Excel/Subrecipient
7A	Sample Time Sheet "Template" for Transit Staff in Multiple Programs	Excel/Subrecipient
8A	ICRP Certification – Government Entity	Word/Subrecipient
8B	ICRP Certification- Private Non-Profit	Word/Subrecipient
8C	ICRP Worksheet	Excel/Subrecipient
8D	10% De-minimis Certification -Government Entity	Word/Subrecipient
8E	ICRP - GDOT Approval Letter Template	Word/GDOT
9	Transit Operating Reserve Certification	Word/Subrecipient
10	FTA Incidental Use Request	Word/Subrecipient
7-1	NOIA Template 1	Word/GDOT
7-2	NOIA Template 2	Word/GDOT
7-3	Billing Request Form	Excel/GDOT
7-4	CAR	Word/GDOT
7-5	PBR	PDF/GDOT
7-6	NTP Template	Word/GDOT
8-1	Subrecipient Procurement Policy Template	Word/Subrecipient

8-2	FTA Clauses Matrix	Word/Subrecipient
8-3	Subrecipient ICE Template	Word/Subrecipient
8-4	Price Analysis Template	Word/Subrecipient
8-5	Cost Analysis Template	Excel/Subrecipient
8-6	Subrecipient Procurement Matrix	Excel/Subrecipient
8-7	Subrecipient Procurement Checklist	Word/Subrecipient
8-8	GDOT Non-Compliant Letter to Subrecipient	Word/GDOT
8-9	GDOT Procurement Review Checklist	Word/GDOT
8-10	GDOT Procurement Log	Excel/GDOT
9-1	Maintenance Plan Checklist	Word/Subrecipient
9-2	Maintenance Plan Template	Word/Subrecipient
9-3	Inventory FTA Assets	Excel/Subrecipient
9-4	Post Award Audit Checklist	Word/GDOT
9-5	Vehicle Inspection Acceptance	Word/Subrecipient
9-6	Buy America Certification Post Award	Word/GDOT
9-7	Purchasers Certification Post Award	Word/GDOT
9-8	In Plant Inspector Post Delivery	Word/GDOT
9-9	FMVSS Post Delivery	Word/GDOT
9-10	AIR - Accident Incident Report	Word/Subrecipient
9-11	PADAT - Post Accident D&A Testing	PDF/Subrecipient
9-12	Follow-up Report	Word/GDOT
9-13	VAL - Vehicle Accident Log	Excel/GDOT
9-14	Title to Subrecipient Insurance	Word/GDOT
9-15	Contract Transfer Vehicle to Subrecipient	Word/GDOT
9-16	Option to Retain Vehicle Letter	Word/GDOT
9-17	Subrecipient Response on Retaining Surplus Vehicle	Word/Subrecipient
9-18	Memo Vehicle Retained Title Lien Release	Word/GDOT
9-19	Title Transmittal Letter to Subrecipient	Word/GDOT
9-20	Memo to TPM Subrecipient Title Signature	Word/GDOT
9-21	Surplus Turn-in Form	Word/Subrecipient
9-22	Memo Vehicle Returned Lien Release	Word/GDOT
9-23	Contract Template Vehicle Transfer	Word/GDOT
9-24	TPM Site Visit Template	Word/GDOT
9-25	PM Interval Template	Excel/GDOT
10-1	Zero Tolerance Policy Template	Word/Subrecipient
10-2	Second Chance Policy Template	Word/Subrecipient
10-3	Initial D&A Desk Review	Word/GDOT
10-4	Noncompliance D&A Letter	Word/GDOT

10-5	Compliant D&A Letter	Word/GDOT
10-6	Initial D&A Desk Review	PDF/GDOT
10-7	Annual D&A Update Subrecipient	Word/Subrecipient
10-8	Annual D&A Site Visit GDOT	Word/GDOT
10-9	Collection Site Monitoring Checklist	PDF/Subrecipient
10-10	Corrective Actions D&A Letter	Word/GDOT
10-11	Closeout Letter D&A Corrective Actions	Word/GDOT
12-1	GDOT Risk Assessment Tool	Excel/GDOT
13-1	Funding Recommendation	Excel/GDOT
13-2	Master POP Template	Excel/GDOT
13-3	TrAMS Scope ALI Tree	PDF/Subrecipient

REFERENCES

- The Super Circular 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. <u>https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1part200</u>
- 5010.1E Grant Management Requirements
 <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/fta-circulars/58051/5010-1e-circular-award-management-requirements-7-16-18.pdf</u>
- FTA 5307 Program Circular 9030.1E
 <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FINAL_FTA_circular9030.1E.pdf</u>
- FTA 5311 Program Circular 9040.1G
 <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Circular_9040_1Gwith_ind</u>

 <u>ex Final_Revised vm 10-15-14%281%29.pdf</u>
- FTA Master Agreement 2020
 <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grantee-</u>

 <u>resources/sample-fta-agreements/146616/fta-master-agreement-fy-2020.pdf</u>
- 49 U.S.C. Chapter 53, Federal Transit Law <u>https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Chapter%2053%20as%20ame</u> <u>nded%20by%20the%20FAST%20Act_1.pdf</u>

https://www.law.cornell.edu/uscode/text/49/subtitle-III/chapter-53

Other Useful Web Links:

- Guidance for Transit Financial Plans
 <u>https://www.transit.dot.gov/funding/funding-finance-resources/guidance-transit-financial-plans</u>
- Flexible Funds: FHWA and FTA Programs Revenue Bonds
 https://www.transit.dot.gov/regulations-and-guidance/environmental-programs/livable-sustainable-communities/fhwa-flex-funding
- Debt Service Reserve Financing
 <u>https://www.transit.dot.gov/funding/funding-finance-resources/debt-service-reserve-financing/debt-service-reserve</u>
- ECHO Web User Manual for FTA and FAA Subrecipients
 <u>https://www.transit.dot.gov/funding/grantee-resources/echo/echo-web-user-manual</u>
- Federal Audit Clearinghouse
 <u>https://harvester.census.gov/facweb/default.aspx/</u>
- Emergency Relief Program Frequently Asked Questions (FAQs)
 <u>https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program/faq</u>
- CARES Act 2020
 <u>https://www.transit.dot.gov/coronavirus</u>

REVISION HISTORY

Revision	Date	Description of changes	Updated By:
1 st printing	10/1/2020	Initial Release	GDOT Transit Program