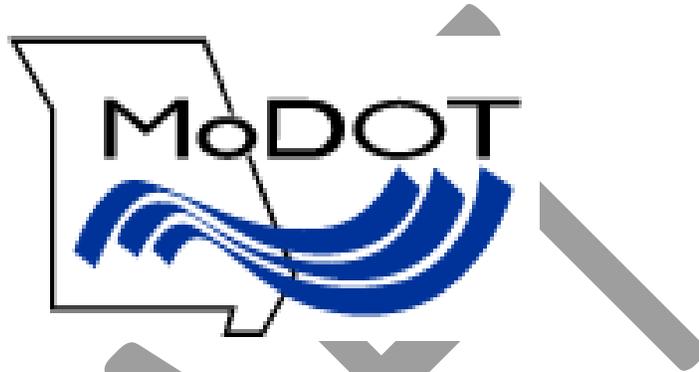


**Missouri Department of Transportation  
State Management Plan  
for the  
Administration of Federal Transit Programs**



**Prepared by:  
Missouri Department of Transportation  
Multimodal Operations – Transit**

**[www.modot.org/Multimodal](http://www.modot.org/Multimodal)**

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**FTA Approved \_\_\_\_\_**

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## Introduction

The primary objective of the Missouri Department of Transportation (MoDOT) Transit Section is to coordinate public and private non-profit transportation activities across the State with Strategic Goals, State Statutes and Federal Regulations. The Transit Section also provides technical assistance to improve Missouri's transportation system. To facilitate these objectives, the Transit Section provides resources to both public and private non-profit transportation providers.

The Federal Transit Administration (FTA) requires each state to have an approved State Management Plan (SMP) on file with its regional office. The SMP is a document that describes the State's policies and procedures in administering the Section 5310, 5311, and 5339 programs. Additions or amendments to the SMP must be made and submitted to FTA whenever a state significantly changes its management of the program, or when new program management requirements are imposed by FTA. Changes may be required as the result of a state management review by FTA. Significant changes to the SMP will include a 30-day public comment period.

The intent of the MoDOT SMP is to document the State's goals, policies, procedures, and administrative guidelines for the FTA 49 U.S.C. Sections (§) 5303, 5304, 5307, 5309, 5310, 5311, 5311(f), 5316, 5317, and 5339 programs. The SMP is updated regularly, as federal information is received and/or changes to state processes in administering the federal grants takes place.

Information about the Transit Section may be found on the MoDOT website at <http://www.modot.org/Multimodal/index.htm>

## Overview of Programs

### *5303 and 5304 – MPO Consolidated and Statewide Planning*

FTA 5303 funds provided financial assistance to help urbanized areas (UZAs) plan for the development, improvement, and effective management of their transportation systems. FTA 5303 funds are available to carry out the metropolitan transportation planning process and meet the transportation planning requirements of the joint Federal Transit Administration (FTA)/Federal Highway Administration (FHWA) planning regulations. FTA 5303 funds are available to assist with: preparing transportation plans and programs; planning, engineering, designing, and evaluating a public transportation project; and conducting technical studies related to public transportation. In carrying out the metropolitan transportation planning process, the metropolitan planning organization (MPO), the State, and public transportation operator(s) within the respective planning area cooperatively determine their mutual responsibilities.

MoDOT completed a Long-Range Transportation Plan (LRTP), released February 2014, that included transit issues. The plan was developed from stakeholder input during the planning process. Transit issues discussed included the need for capital investment and continued operating support for the transit systems.

MoDOT works with local public officials through the regional planning commissions (RPCs) and MPOs whose board members are local officials. Members of the LRTP team attend both policy and technical committee meetings.

5310 – Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities

This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services. The Moving Ahead for Progress in the 21st Century Act (MAP-21) consolidated the former New Freedom Program and former Elderly and Disabled Program. In Missouri, public agencies have been given the responsibility for coordinating these types of services and Congress established that those public agencies are also eligible recipients. Eligible spending is to be at least 55 percent capital projects which meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. The remaining 45 percent may be spent on public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA), public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit, and/or alternatives to public transportation that assist seniors and individuals with disabilities. Funding is available in the fiscal year it is appropriated plus two years for a total of three years.

5311 – Formula Grants for Rural Areas

The 5311 program provides capital, planning, job access/reverse commute, operating, and acquisition of public transportation services funding to states to support public transportation in rural areas with populations less than 50,000. State-level costs for program administration are also an eligible expense. The program is intended to provide financial assistance for the support of passenger transportation services which are open to all members of the general public. Federal law requires that specified percentage of these funds are reserved for support of an Intercity Bus Assistance Program, the 5311(f) program, unless the Governor of a state certifies that all intercity bus needs in the state are being met. This program is to develop and or maintain basic levels of general public transportation in all rural parts of the state and to promote where economical, coordination of specialized transportation programs and funds by providing opportunities and technical assistance for social service agencies wishing to purchase service on general public systems. A part of this goal is to create the opportunity to experiment with new and innovative organizational structures and funding packages. Funding is available in the fiscal year it is appropriated plus two years for a total of three years.

5311 (b)(3) Rural Transit Assistance Program (RTAP)

The RTAP is intended to provide training and technical assistance support to the transit providers in rural and small urban areas. Funds can be used to provide training and/or technical assistance with state staff and or 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.

5316 – Job Access and Reverse Commute and 5317 – New Freedom (SAFETEA-LU, FFY 2012 & earlier funded grants)

The Job Access and Reverse Commute Program, now known as JARC, was created to provide transportation for low-income individuals to work and work-related activities and to develop options for addressing those needs. The New Freedom Program was created to support new public transportation services and public transportation alternatives beyond those required by the ADA of 1990. These programs are authorized through Chapter 53, Sections 5316 and 5317, of Title 49, United State Code.

JARC funds could be used for either operating or capital support. Under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) each state received one allocation of JARC funding to be spent in rural areas and a second separate allocation for use in the state’s smaller urbanized areas (with populations of less than 200,000), and to conduct a competitive application process for each allocation. Urbanized areas over 200,000 populations received individual allocations and conducted their own competitive application processes for these funds. With specific funding no longer designated to this program under MAP-21, this description remains in the SMP as MoDOT spends down leftover JARC funding as projects are completed.

The New Freedom program was intended to provide financial assistance for the support of new transportation services designed to benefit persons with disabilities that went beyond the minimum requirements of the Americans with Disabilities Act. New Freedom funds could be used for either operating or capital support. As in the JARC program, each state received one allocation of New Freedom funding to be spent in rural areas and a second separate allocation for use in the state’s smaller urbanized areas (with populations of less than 200,000), and was required to conduct a competitive application process for each allocation. Urbanized areas over 200,000 populations received individual allocations and conducted their own competitive application processes for these funds.

5339 – Formula Grants for Bus and Bus Facilities

The purpose of Section 5339 is to assist in financing capital bus and bus-related projects that will support the continuation and expansion of public transportation services in the United States. This program provides federal financial assistance for new and replacement buses and related equipment and facilities. Projects are funded at 80 percent federal / 20 percent local ratio. Funding is available in the fiscal year it is appropriated plus three years for a total of four years.

## **Goals and Objectives**

MoDOT advocates and delivers services that support and promote a safe and comprehensive transit system to enhance Missouri’s access to opportunities and quality of life. It is the goal to maximize the benefits the people of Missouri receive through these federal transit assistance programs. MoDOT has integrated the administration of these programs as much as possible, while still remaining true to the separate goals established for each by Congress. While these federal funding programs each have specific purposes, Missouri has added the requirement to all federal and state public transit funds disbursed that all services must be open to the general public.

Planning Partner Relationships

MoDOT works with local public officials through the regional planning processes including the creation of the Coordinated Public Transit – Human Services Transportation Plan (the Local Plan). MoDOT works with the RPCs in updating the required Local Plans.

MoDOT completed a long-range plan “On the Move” (released February 2014) that included transit issues. The plan was developed from stakeholder participation that met numerous times during the planning process. Transit issues discussed were the need for capital investment and continued operating support for the transit systems.

Missouri Elderly Handicapped and Transportation Assistance Program

The department also manages the state Missouri Elderly Handicapped and Transportation Assistance Program (MEHTAP) that can fund up to 50 percent of the operating costs for those transportation providers that serve the handicapped and aging populations throughout the state of Missouri.

Compliance with FTA Requirements

MoDOT complies with all federal requirements as contained in the FTA Master Agreement.

TrAMS Grant Management

The Program Manager will apply for federal funds through FTA’s on-line Transit Award Management System (TrAMS).

SAM II Accounting System

MoDOT tracks grant payments using the Statewide Advantage for Missouri (SAMII) accounting system offered by the Missouri Office of Administration.

**Roles and Responsibilities**

Federal Transit Administration

The FTA headquarters office is responsible for providing 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 review and evaluation.

The FTA regional offices have the day-to-day responsibility for administration of the program. Regional office activities include: reviewing and approving state 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 SMPs; providing technical assistance and advice to the states as needed; and performing state management reviews every three years, or as circumstances warrant.

FTA headquarters contact address and phone number:

Federal Transit Administration  
Office of Communications and Congressional Affairs  
1200 New Jersey Avenue SE  
East Building  
Washington, DC 20590  
Phone: 202-366-4043  
Fax: 202-366-3472

Missouri Department of Transportation Transit

To the extent permitted by law, FTA gives the states maximum discretion in designing and managing the Section 5311 program to meet its rural public transportation needs. Where possible, FTA defers to a state’s development of program standards, criteria, procedures, and policies to provide the state with the flexibility it needs to standardize its management of FTA assistance and related state programs.

In addition, 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” permits a state to rely on its own laws and procedures instead of federal procedures in the areas of financial management systems, equipment, and procurement. A state may pass its procedures down to its subrecipients that are public authorities. Similarly, when a private provider of public transportation services enters into a third party contract with a state or public subrecipient of a state, as opposed to a subagreement, the state’s procedures will apply to the third party contract. However, nonprofit subrecipients must comply with the “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” at 49 CFR Part 19. FTA delegates authority to the state whenever allowed, including but not limited to the following:

1. Document the state’s procedures in an SMP;
2. Notify eligible local entities of the availability of the program;
3. Plan for future transportation needs, and ensure integration and coordination among diverse transportation modes and providers;
4. Solicit applications;
5. Develop project selection criteria;
6. Review and select projects for approval;
7. Forward an annual program of projects and grant application to FTA;
8. Certify eligibility of applicants and project activities;
9. Ensure compliance with federal requirements by all subrecipients;
10. Monitor local project activity;
11. Oversee project audit and closeout; and
12. File a National Transit Database report each year for itself and each subrecipient.

## **State Designated Recipient Program Management**

MoDOT is designated by the Governor to administer Sections 5310, 5311, 5316, 5317, and 5339 in the rural and small urbanized portions of Missouri as well as a co-recipient in the St. Louis

and Springfield urbanized areas. Grant administration rests with the Transit Section in the Multimodal Operations Division. Extensive support is provided by MoDOT's Chief Counsel, General Services (Procurement), Financial Services, Auditing, Equal Employment Opportunity, and External Civil Rights staff. MoDOT is permitted to reserve up to 10 percent from designated programs for costs incurred administering the grant. These funds will be used to pay for the administrator's salaries, training and technical assistance to the recipients of the grant.

Where projects involve a local share provided by a city/municipality, county, firm, partnership, corporation, association or other organization, a description of the anticipated source(s) of local funding must be provided.

MoDOT must exercise adequate oversight to ensure that only eligible activities receive federal assistance and that subrecipients meet federal requirements. In administering the project, the Transit Section has the primary responsibility for the following:

- Provide for appropriate technical assistance for rural areas;
- Ensure that there is a fair and equitable distribution of program funds within the state;
- Ensure a process whereby private transit operators are provided an opportunity to participate, including private providers of public transportation services, through service agreements with operators of public transportation services or as subrecipients;
- Expend funds for the support of intercity bus transportation to the extent required by law; and
- Provide for maximum feasible coordination of public transportation services assisted by FTA with transportation services assisted by other federal programs.

### **Coordination (all programs except 5311 and 5339)**

All projects funded from Section 5310, 5316, and 5317 grant must be identified in the Local Plan. MoDOT will assist local agencies in developing the plan. This scope of the plan must address the needs of seniors, individuals with disabilities, and those with low incomes.

The lead agency in the planning process (MPOs and RPCs) must develop a process for adoption of the plan. All plans must be submitted to and approved by MoDOT before any funding will be allocated.

Development of the Local Plan must include an opportunity for all interested parties to participate. The planning process should include human service agencies, local governments, private and public transit providers, and potential riders as well as members of the general public. There should be specific methods for outreach to low-income individuals who are not part of the human services delivery system. The Local Plan should document how public participation was solicited, i.e. newspaper ads, public service announcements, direct mail, etc. A lack of public interest in the project will not count against the project if adequate outreach was conducted.

All projects in small urbanized areas or nonurban areas that lie within the planning area of an adjacent MPO must be included in the Transportation Improvement Program (TIP). All non-

urban projects will be described at the program level in the Statewide Transportation Improvement Program (STIP).

**Eligible Subrecipients**

Transportation service shall be for the general public. The geographical boundaries defined in the approved provider application will be the service area. This may include regular or periodic trips into a regional center or urbanized area. Trips into urbanized areas shall not be for the purpose of providing transportation services to persons within the urbanized area.

In order to be reimbursable, service must be open to the public. Service must be advertised as open to the public in all advertising, brochures, websites and posters.

<b>FTA Funding Section Number</b>	<b>5310</b>	<b>5311</b>	<b>5339</b>
<b>FTA Circular Number</b>	<b>FTA C9070.1G</b>	<b>FTA C9040.1F</b>	<b>FTA C9300.1B</b>
<b>Eligible Subrecipients</b>			
State and local governments	X	X	X
Public agencies			X
Private companies engaged in public transportation under governmental organization	X	X	X
Non-profit organizations	X	X	X
Governmental authorities in areas with no non-profit organizations	X	X	X
Native American tribe	X	X	X
Intercity bus service		X	

Sections 5316 and 5317 – Eligible Subrecipients (applicable to FFY 2012 & earlier funded grants)

With specific funding no longer designated to this program under MAP-21, this description remains in the State Management Plan as MoDOT spends down leftover SAFETEA-LU JARC and New Freedoms funding as projects are completed.

**Eligible Services and Service Areas (5311 program)**

The Section 5311 program was established to provide financial support for general public transit services in rural areas. General public services are those that are open to the public at large. These direct transportation activities and associated administrative (limited to 15 percent of the 5311 Annual Apportionment) and capital costs are eligible for Section 5311 assistance. The maximum federal matching funds ratio for operating assistance is 50 percent federal and 50 percent local, state, or non-DOT federal funds. In State Fiscal Year 2008, selected administrative funds became eligible for 80 percent reimbursement. For most capital purchases, the ratio is 80 percent federal / 20 percent local, state, or non-federal.

The department will make an annual reservation of 15 percent apportioned funds for intercity bus service in rural areas. The set aside for intercity bus service will be committed to other uses if no eligible applicants come forward within 30 days of the date organizations are notified.

Services will be accessed by residents of rural areas and may include transportation into urbanized areas. Services that begin and end in an urbanized area are not eligible. Services for residents of urbanized areas traveling to rural areas may be provided if coordinated with rural-to-urban service. Intercity bus service may originate and end in urban areas but it must serve rural areas in between. Joint projects may be developed with Section 5311 operating participation based on the portion of vehicle net operating costs attributable to the rural service. Capital costs of joint projects will be divided according to capital consumed in urbanized and rural service.

### **Eligible Assistance Categories (5311 program)**

*Capital Expenses* – Eligible expenses include the acquisition, construction and improvement of public transportation facilities and equipment. The federal share of eligible facilities and equipment shall not exceed 80 percent of the net capital cost. The federal share may be less than 80 percent depending on available funds, demand and the share of a capital project that is general public in nature.

Funding for Americans with Disabilities Act (ADA) related improvements or bicycle access improvements are available on a 90 percent / 10 percent basis. See FTA Circular 9040.1F, Chapter III, Section 2.

The local match for capital items must be local cash from sources other than transportation fares and Department of Transportation (DOT) federal funds, Eligibility of an item does not imply approval. The need for all capital equipment must be documented specifically in the application process.

Public entities and not-for-profits are allowed to apply for Section 5311 grant funds for fixed facilities such as buildings. Generally, only grantees that receive congressional earmarks will receive funds to acquire facilities as vehicles and equipment are given priority and funds are usually not sufficient to meet those needs.

MoDOT will procure all rolling stock on behalf of Section 5311 grantees on a competitive bid basis in compliance with FTA Circular 4220.1, as amended. Other capital purchases will be made by the department or by the local recipient depending on particular circumstances. Local procurements must have prior department authorization for solicitation and for award and be must carried out in accordance with FTA grant requirements, FTA Circular 4220.1, as amended, and state procurement laws.

MoDOT conducts all FTA funded rolling stock audits as required by 49 CFR Part 663.37. Whenever twenty or more modified vehicles are purchased from a single vendor for one subrecipient, MoDOT will send its vehicle inspector to the point of assembly. A written report of the inspection will be kept on file for verification purposes.

Before vehicles are delivered to subrecipients, MoDOT inspects each vehicle to ensure specification compliance. If a vehicle is determined non-compliant, the vendor is required to make necessary adjustments to ensure compliance with specifications.

Section 5311 assisted vehicles cannot be used for non-incident client specific, exclusive services. Vehicles approved under Section 5311 must be used for general public services only.

Any equipment costing over \$5,000 must be capitalized, not expensed. Items costing under \$5,000 may be capitalized according to the recipient's own requirements. Records must be maintained for capital equipment as specified in Section III – Equipment Procurement, Management, and Disposition. Items costing less than \$500 are not eligible for capital funding at an 80 percent federal / 20 percent local ratio but may be expensed as operating expenses.

Operating Expenses Eligible expenses include general administration (expenses that are necessary for the operation of the service but cannot be directly tied to a particular vehicle or route) and overhead, insurance, professional services, vehicle maintenance, facility maintenance, and direct transportation expenses.

Section 5311 funds may be used to support up to 50 percent of a project's net operating loss. Net operating loss is the total expense incurred minus any fares collected. Refer to the sections on local matching funds and use of project revenues for further information. MoDOT funds some administrative expenses at 80 percent federal / 20 percent local. Those expenses include all insurance premiums except for health insurance, background checks, physical exams for Commercial Driver License (CDL) holders, and substance abuse testing. These expenses as well as other administrative expenses cannot exceed 30 percent of the total operating cost.

Funds Reserved for State Administration (except 5339) MoDOT may reserve up to 10 percent of the funds available for state administrative purposes. State administrative funds are used for:

- Program manager salary and expenses
- Other transit staff salaries and expenses (as appropriate)
- Planning studies (Intercity bus, transit needs assessments, etc.)
- Feasibility studies for rural facilities
- Marketing for rural providers
- Other expenses as may be allowable as technical, planning, or administrative costs

## **Local Share and Local Funding Requirements**

The local applicant will provide the required local matching share for capital and operating assistance projects. The local matching share shall be cash from sources other than the DOT funds. All transit providers must provide proof that local match funds are from an allowable source to match federal funds and are not being obligated in another way.

The matching share for project administration and capital and operating costs may be from a source that includes state, local government, unrestricted federal or private funds. Applicants

eligible for public transportation assistance may receive state funds to match their federal funds up to 50 percent of the deficit (after the allotted federal funds). Applicants not eligible to receive state funds may provide the local match with a combination of unrestricted federal funds and local cash funds. Examples of local match that may be used for the local share include local appropriations, other non-federal DOT funds, dedicated tax revenues, private donations, revenue from human service contracts and the net income generated from advertising and donations. The following sources may not be included in local match funds:

- Federal funding;
- Farebox revenue;
- Other Federal Funds

## **Project Selection Criteria and Methods of Distribution of Funds**

All agencies requesting information through the year are encouraged to receive an application guideline booklet. Every effort is made to ensure that all eligible organizations are notified individually. Eligibility is based only on federal guidelines for specified programs and compliance without regard to race, color, or national origin.

Applications will be reviewed to determine applicant eligibility to access program funds. This state management plan section on Eligible Recipients describes eligible organizations. Non-profit agencies will need to provide in the application their Non-Profit Corporation Number as issued by the Missouri Secretary of State. For-profit agencies will need to provide information on their corporate registration. Applications that do not substantiate the applicant’s eligibility will not be considered for funding. Applicants that are federally debarred or suspended will not be considered program eligible. The check for federally debarred or suspended organizations is conducted online at the following link: <http://www.sam.gov/>

### *Alternatives to Transit That Enhance Mobility for Seniors & Individuals with Disabilities*

As there is no fixed route transit service currently operated in rural Missouri, this is the only other category of projects after the “traditional” projects that is eligible for Section 5310 funding in rural areas.

Proposed projects in this category of enhanced mobility for seniors and individuals with disabilities will be prioritized based upon the following factors in descending order:

1. Service offered on day(s) of the week when public transit is not available.
2. Service offered during times of the day when public transit is not available.
3. Provides same-day service when same-day scheduled transit service is not available.

In selecting projects that enhance mobility for seniors and individuals with disabilities for funding, consideration will be given to a geographic distribution to deter concentrations of projects and funds in a few areas of the state. Also, based on applicant responses to Title VI Civil Rights questions about clients served as well as a governing board composition, consideration will be given to assure that low-income individuals and minorities are not excluded from accessing funds for eligible Section 5310 activities.

*Selection Role of Metropolitan Planning Organizations in Urbanized Areas*

For projects in small urbanized areas, some metropolitan planning organizations (MPOs) through their local planning processes prioritize the program projects for their area. When more than one project application is received from an urbanized area and that MPO has prioritized those projects, MoDOT will use that MPO prioritization as long as those projects represent Section 5310 eligible activities proposed by Section 5310 eligible applicant agencies. In cases where MPOs incorporate the Section 5310 projects in their TIP document, but do not prioritize them, MoDOT will use the earlier described factors to prioritize those projects from small urbanized areas.

In selecting the small urbanized projects for Section 5310 funding, consideration will be given to a geographic distribution to deter concentrations of projects and funds in a few areas of Missouri. Based on applicant responses to Title VI Civil Rights questions about clients served as well as a governing board composition, consideration will be given to assure that low-income individuals and minorities are not excluded from accessing funds for eligible Section 5310 activities.

*“Traditional” Section 5310 Projects and the 55 percent of Apportionment Funding “Floor”*

Section 5310(b) provides that of the amounts apportioned to states (MoDOT) and designated recipients, not less than 55 percent shall be available for traditional Section 5310 projects. The 55 percent is a floor and MoDOT may use more than 55 percent of their apportionment for these types of projects. This means that at least 55 percent of any rural, small urbanized area, or large urbanized area’s annual apportionment must be utilized for public transportation capital projects that are planned, designed, and carried out to meet the specific needs of seniors and individuals with disabilities. It is not sufficient that seniors and individuals with disabilities are merely (or assumed to be) included among the people who will benefit from the project.

Based on the initial review for the rural prioritization of Section 5310 proposed “traditional” projects, MoDOT will develop (in descending order) cumulative totals of federal share budgets for the projects. When the prioritized cumulative total reaches 55 percent of the available apportionment of rural funds and / or reaches 55 percent of the available apportionment of small urbanized funds, MoDOT temporarily halts with the selection of “traditional” projects and will set aside 10 percent from the apportionment or obligated amount for state program administration.

If the cumulative budgeted total of all eligible “traditional” projects is less than 55 percent of the apportionment, this will necessitate lowering the initial obligation of grant funds so that the budgeted total of “traditional” Section 5310 projects does not fall below 55 percent of the initial obligation of funds (which will be lower than the available apportionment).

*Prioritization of Projects Other Than “Traditional” Section 5310 Projects*

With the “traditional” projects floor achieved and 10 percent set aside for state program administration, 35 percent of the total apportionment remains ( $100 - 55 - 10 = 35$ ), prioritized proposed projects in categories other than “traditional” will be reviewed for funding. If the budgets for those “untraditional” projects (in a descending order and cumulative total) meet or exceed the remaining 35 percent of apportioned funds, then the projects selection for the entire apportionment is complete. If after selecting all the eligible “untraditional” projects, funds

remain, then the process returns to the “traditional” projects until the balance of apportioned funds are fully programmed.

Should the full programming of “traditional” Section 5310 projects fall below 55 percent of the apportionment, then that amount of total federal “traditional” project funds becomes the 55 percent for the initial obligation of Section 5310 grant funds.

#### 5311 - Project Selection Criteria and Methods of Distribution of Funds

The state may use up to ten percent of its Section 5311 apportionment for program administration, planning and technical assistance with no local match required. The Rural Technical Assistance Program (RTAP) funds are a separate allocation used exclusively by the state for training and technical assistance. Normally, Missouri does not use the full allocation of administrative funding.

To accomplish MoDOT's goals for the Section 5311 program, the following distribution of funds has been settled on as a method for allocating federal funds (minus any reserved for administration) beginning with the 1994 federal apportionment.

- Fifteen percent of the Section 5311 funds will be reserved to support intercity bus service. In the event that eligible applicants do not express an interest in supporting intercity bus service or, if the requests received are less than the reserved amount, after the completion of the State consultation process, within 30 days of notification of availability, the Governor will be requested to execute a certification that all intercity bus needs are being met. Funding reserved for intercity bus service will then be transferred to the discretionary set aside.
- Ten percent will be held in reserve to be allocated at the discretion of the department. Rural transportation is still an emerging service and flexibility to recognize different approaches and the availability of complementary programs and funds is necessary.

Forty percent of the remaining funds will be allocated to nonurban city systems, with 60 percent going to county and regional operations. Increases in federal funds will be allocated proportionately to the 60 percent / 40 percent categories, then by population base served by applicant organizations within each category. As a general rule, MoDOT's discretionary funds will be divided according to the 40 percent city / 60 percent county ratio and divided within each group on the population basis. The department reserves the right to vary the distribution of discretionary funding by 10 percent. If the federal government formally recognizes a Native American tribe within the state, that tribe will be considered an eligible applicant and its service area will determine whether it is considered a municipal, county, or regional recipient.

Increased funds will be divided within each of the first two groups on the basis of population. The funds are not, however, entitlements and must be fully justified in terms of all program requirements. If a grantee in a group does not require or want all available funds they will be redistributed within the primary group. If all funds cannot be used within the group they will be allocated to the other group and divided according to population.

State transit funding will be allocated to each awarded rural transit agency based on the formula in Missouri’s Code of State Regulations, 7 CSR 10-7.030.

MoDOT makes every effort to ensure the evaluation and prioritization process used in the Section 5311 allocation process is non-discriminatory. Should any applicant question the fairness of the selection process they are encouraged to contact the Section 5311 Program Manager. If the program manager is unable to resolve the organization's concerns the organization is encouraged to contact MoDOT's Administrator of Transit.

5316 - Project Selection Criteria and Methods of Distribution of Funds (applicable to FFY 2012 & earlier funded grants)

If funding requests exceed the amount of funding available, the application will be evaluated based on the following criteria:

1. Is the project a continuation of an existing project already funded through the JARC Program? - 25 points
2. What is the percentage of low-income persons in the service area as compared to the State of Missouri as a whole? - 15 points
3. Has local funding for the project been secured? - 10 points
4. Will the local funding provide more than 50 percent of the net eligible cost? - 10 points
5. Will the project be integrated with existing transportation? - 10 points
6. What percentage of the funding request will be used for administrative costs? - 10 points
7. Is the strategy for the project listed as a high priority in the Local Plan? - 5 points
8. Are local employers involved in the project and providing local match? - 5 points
9. Will the transportation provided take employees to full-time, year-round employment? - 5 points
10. Estimated number of persons to be served (methodology must be submitted with application and should address the estimated number of jobs that can be accessed)? - 5 points

The number of jobs that can be accessed is a performance measure that MoDOT will be required to report to FTA. Care should be taken to make the estimate as accurate as possible.

Supporting documentation

Documentation must be submitted to address, at a minimum, the following information:

1. The start date of the project if funding is being requested for an existing project or the proposed starting date of the project if it is a new project.
2. Demographic information on the unemployment rate and percentage of low-income persons in the service area as compared to statewide data.
3. A description of the source and amount of local funding available. If cash is not in hand, submit written letter of commitment from the funding sources.
4. A list of all transportation providers participating in the project.
5. A list of all potential employment sites and the degree of participation that is anticipated by each employer (whether cash or some other type of support).
6. A description of the jobs to be accessed, i.e. full-time/part-time, year-round/seasonal, entry level, etc.
7. Either a copy of the Local Plan or reference to the section and page of the Local Plan strategy from where the project was derived.

Fair and Equitable Distribution

Before grant awards are made based on the above criteria, MoDOT will review the geographic and demographic distribution of the grants. While some areas may not receive funding in any one grant cycle, MoDOT will distribute the grants as evenly as possible. As historical data is made available, the selection criteria may be revised to address this issue.

5317 - Project Selection Criteria and Methods of Distribution of Funds (applicable to FFY 2012 & earlier funded grants)

If funding requests exceed the amount of funding available, the application will be evaluated based on the following criteria:

1. Is the project a capital project? - 50 points
2. What is the percentage of individuals with disabilities in the service area as compared to the State of Missouri as a whole? - 15 points
3. Has local funding for the project been secured at the time of application? - 10 points
4. Will the project be integrated with existing transportation? - 10 points
5. Is the strategy for the project listed as a high priority in the Local Plan? - 10 points
6. Estimated number of persons to be served (methodology must be submitted with the application)? - 5 points

Supporting documentation

Documentation must be submitted to address, at a minimum, the following information:

1. The start date of the project or the proposed starting date of the project if it is a new project.
2. Demographic information on the percentage of individuals with disabilities in the service area
3. A project budget, including a description of the source and amount of local funding available. If cash is not in hand, submit written letter of commitment from the funding sources.
4. A list of all transportation providers participating in the project.
5. Either a copy of the Local Plan or reference to the section and page of the Local Plan strategy from which the project was derived.

5339 - Project Selection Criteria and Methods of Distribution of Funds

The Section 5339 funding to Missouri is broken out into five separate apportionments with funding directed to each of Missouri's three transportation management areas (TMAs) of

1. St. Louis MO/IL;
2. Kansas City, MO/KS;
3. Springfield, MO;
4. Small Urbanized apportionment (for Cape Girardeau, Columbia, Jefferson City, Lee's Summit, Joplin and Jefferson City as a group); and
5. Statewide Apportionment – This apportionment is split among the large urban, small urban, and rural transit providers.

MoDOT will only be administering the Section 5339 Rural apportionment for rural transportation providers. The Small Urbanized apportionment and the Statewide apportionment

will be transferred to the Small Urban 5307 program. The Statewide apportionment for the large TMAs will be transferred as the TMAs receive their funds directly from FTA.

Funding distribution to the small urban subrecipients in the Section 5339 program will receive an annual distribution of funds by formula. Each small urban subrecipient receives \$50,000 each. The remaining funding for small urban is distributed to each based on population per the 2010 census.

#### Fair and Equitable Distribution

Before grant awards are made based on the above criteria, MoDOT will review the geographic and demographic distribution of the grants. While some may not receive funding in any one grant cycle, MoDOT will distribute the grants as evenly as possible. As historical data is made available, the selection criteria may be revised to address this issue.

### **Intercity Bus Transportation (5311 only)**

Private for-profit companies, not-for-profits, and public entities providing intercity bus service are eligible to apply for Section 5311(f) funding.

Each spring, MoDOT will consult with intercity bus companies through the following process:

1. MoDOT will develop a list of intercity bus providers operating within Missouri.
2. All identified intercity bus providers will be contacted in writing to establish their need for subsidy on existing routes and any plans for expansion.
3. MoDOT will allocate up to 15 percent of the annual Section 5311 apportionment to providers, who apply for funding.
4. MoDOT will notify all providers in writing of the funding allocations.
5. MoDOT will assess whether the State's intercity services needs are adequately met, recognizing that the main roadblock to providing service is the lack of local match. MoDOT will fund providers who are willing to either provide the local match or have other resources. Development of new routes and/or services will be explored on an annual basis in consultation with the existing providers.

If applications are received for more than the funds available, operating grants will be awarded on a competitive basis using the following criteria:

- Percentage of fare recovery
- Cost per revenue mile
- Ridership per revenue mile
- Ratio of rural bus stops to miles per route

The 15 percent allocation for intercity bus service will be subject to the 15 percent takedown for state administrative expenses. MoDOT will not allocate more than the 15 percent reserve to intercity bus service regardless of how many applications are received.

Capital grants will be funded only if requests for operating subsidies are less than the 15 percent allocation available and will be evaluated on a competitive basis using the criteria above for the route on which a vehicle would be used and prior capital funding for the intercity bus provider.

Intercity bus providers must abide by the same rules and regulations as other Section 5311 providers including procurement and auditing requirements.

To simplify the auditing process and to ensure that for-profit companies' proprietary information is not disclosed, eligible operating expenses are limited to the following:

- Marketing/advertising for new and/or expanded service
- Operating expenses including fuel, tires, supplies, and drivers' wages and benefits
- Licensing
- Insurance
- Repairs

No administrative expenses are allowable in order to protect proprietary information. Depreciation and maintenance/upkeep of offices and facilities are also unallowable expenses.

The amount of subsidy will be limited to no more than one half of the net operating expense (total eligible expense reduced by total fares). The intercity bus provider may provide the match through other company revenues or may solicit matching funds from cities and entities that may be interested in maintaining intercity bus service in their area.

The Section 5311 program manager, or a designated representative, will inventory all equipment purchased with federal funds biennially. Intercity bus operators must make the equipment readily available for inspection at MoDOT's request. In addition, the program manager will perform field audits to review maintenance records for federal funded vehicles, ensure compliance with ADA, and oversee drug and alcohol testing requirements. All intercity bus drivers must hold a CDL and comply with the Federal Motor Carrier Safety Administration (FMCSA) Drug & Alcohol Testing. When driving federal funded vehicles, however, the driver becomes subject to the FTA testing requirements which differ slightly from FMCSA.

## **Annual Program of Projects Development and Approval Process**

### *5310 - Annual Program of Projects (POP) Development and Approval Process*

Applications from rural and small urbanized areas of the state as well as a portion of the projects from St. Louis and Springfield that are being recommended for funding under Section 5310 will be incorporated into a Program of Projects and a Project Budget request to the FTA Regional Office for funding approval. Projects within the urbanized areas will be included in those regions' TIPs. Rural projects will be included in the Statewide Transportation Improvement Program (STIP) at the program level.

Each annual Section 5310 Capital Assistance Program grant process takes approximately 24 months to complete. It usually takes 11- to 18- months from the application deadline for an applicant organization to receive its vehicle.

Two grant award announcement processes occur. The projects selected for funding are consolidated into a Program of Projects (POP) and submitted by MoDOT in a grant application to FTA. The first award announcement is from FTA to MoDOT. The second award

announcement is from MoDOT to each of the applicants / projects sponsors which are the Section 5310 grant subrecipients. The time from submission of the POP to FTA to MoDOT's award notice with subrecipient contract for signature can take two to three months.

MoDOT commences issuance of subrecipient grant contract documents only upon grant award from FTA. The subrecipient grant contract is a legal agreement between the subrecipient / project sponsor and MoDOT. This contract spells out the amount of federal funding available to the sponsor, defines the project for which the grant money is eligible for reimbursement and obligates the subrecipient /project sponsor to applicable federal and state requirements.

#### 5311 - Annual Program of Projects (POP) Development and Approval Process

Applications and grants under Section 5311 are based on the fiscal year of the local recipient and grants are made for one year. This procedure of structuring around local fiscal periods minimizes problems in auditing for the recipient and MoDOT. Local applications are prepared in accordance with MoDOT's handbook on Section 5311 applications. The handbooks are distributed directly to existing recipients. Applications are available on MoDOT's website or potential applicants may request copies from the Section 5311 program manager. Potential applicants are urged to contact the program manager for technical assistance early in the planning process.

In March and April of each year, MoDOT will allocate funds for the next round of funding based on prior funding for current recipients. New applicants will receive funding based on the same funding level (cities generally receive 50 percent of their net expenses while regional and county systems currently receive funds that cover 30 – 45 percent of their total expenses.

Intercity bus providers are required to submit a preliminary application at this time as the funding for these recipients may vary widely dependent upon whether they are asking for capital funding. This requirement enables MoDOT to shift unused 5311(f) funds to the general public providers if it is available. Historically, MoDOT has not received 5311(f) funding requests that approach the 15 percent limitation on these funds.

After the allocations are determined, MoDOT will apply to FTA for the funds. This is generally completed by April 30.

As every county in the state has public transportation, however limited, the department does not solicit applications but does make every effort to make the public aware of the program and assist in assessing local needs for the program. The Section 5311 program manager makes presentations to community groups and works with transportation "task forces" that are working to improve transportation in their community.

#### 5316 and 5317 - Annual Program of Projects (POP) Development and Approval Process (applicable to FFY 2012 & earlier funded grants)

The funding cycle will be based on the State fiscal year, July 1 to June 30. Applications may be submitted for multiple years.

Biannually, MoDOT will notify current subrecipients, the RPCs, transit systems, MPOs in small urbanized areas, and boards and/or organizations formed to develop the Local Plan of the availability of funds.

The JARC application will be available on MoDOT's website or interested parties may contact MoDOT's Transit Section for applications. MoDOT plans to allocate funds in two or three year cycles. In a funding year, all applications will be due April 1 of that year for the fiscal year beginning July 1. Grants will be awarded on or before May 15.

The New Freedom application will be available on MoDOT's website or interested parties may contact MoDOT's Transit Section for applications. MoDOT plans to allocate funds in two-year cycles. In a funding year, all applications will be due February 15th of that year for the fiscal year beginning July 1. Grants will be awarded on or before December 31.

All awards are dependent on the funding being allocated by the FTA and published in the Federal Register and the Local Plan having been submitted to and approved by MoDOT.

#### 5339 - Annual Program of Projects (POP) Development and Approval Process

Applications from the small urbanized areas of the state that are being recommended for funding under section 5339 will be incorporated into a Program of Projects (POP) and a Project Budget request for submission to the Federal Transit Administration Regional Office for funding approval. Projects within the small urbanized areas will be included in those regions and TIPs.

The projects selected for funding are consolidated into a POP and submitted by MoDOT in a grant application to FTA. The first award announcement is from FTA to MoDOT. The second award announcement is from MoDOT to each of the applicants / projects sponsors which are the small urban Section 5339 grant subrecipients. The time from submission of the POP to FTA to MoDOT's award notice with subrecipient contract for signature can take two to three months.

MoDOT commences issuance of subrecipient grant contract documents only upon grant award from FTA. The subrecipient grant contract is a legal agreement between the subrecipient / project sponsor and MoDOT. This contract spells out the amount of federal funding available to the sponsor, defines the project for which the grant money is eligible for reimbursement and obligates the subrecipient /project sponsor to applicable federal and state requirements. The remaining national distribution has not been determined.

### **State Administration, Planning and Technical Assistance**

#### All Programs - Procedure for Submitting Milestone Progress Reports (MPR) to FTA

MPRs are submitted by MoDOT to FTA in TEAM under the circumstances of:

1. With each grant application establishing Activity Line Item (ALI) detail.
2. Annually (except 5309 – quarterly) by October 30 to report on prior federal fiscal year's activity for each grant open at the end of that federal fiscal year (in the case of Section 5309 grants, MPR submitted within 30 days of end of calendar quarter),
3. Grant close-out when reporting the concluding activity in a grant.

All Programs - Procedure for Submitting Federal Financial Report (FFR) to FTA

The FFR accompanies the Milestone Progress Report (MPR) and is used to monitor project funds. The purpose of the FFR is to provide a current, complete, and accurate financial picture of a grant. This report is submitted electronically in TrAMS and must be prepared on the accrual basis of accounting; that is, income is recorded when earned instead of when received, and expenses are recorded when incurred instead of when paid. FTA does not allow the FFR to be prepared using the cash method of accounting.

The RTAP program (Section 5311(b) has been incorporated into the department's technical assistance effort. The goal of this program is to provide instruction designed to fulfill the training needs of recipients of Section 5311 funded projects. The Directors of the Section 5311 funded systems act as an advisory committee for the RTAP program. RTAP activities are discussed annually at the Missouri Public Transit Association (MPTA) conference as well as at any administrative training held throughout the year.

**Rural Transit Assistance Program (RTAP) (5311(b))**

MoDOT contracts with the Missouri University of Science and Technology to deliver RTAP. Specialized assistance in accounting, auditing, appraising, vehicle procurement and maintenance, and legal matters may also be provided, either by the Section 5311 Program Manager, other MoDOT staff, or attendance at classes and/or conferences.

Funding is provided for off-site training in CPR, First-Aid and computer courses at no cost to Section 5311 projects. Funding is available for the costs of in-state training sessions (such as the MPTA annual meeting). If sufficient RTAP funds are available, out-of-state travel and training may be approved on a case-by-case basis upon submission of an application to the Section 5311 Program Manager.

Funds for continuing education, such as attendance at a four-year college to obtain a degree, are eligible. The following criteria must be met:

1. Prior approval must be received from the Section 5311 program manager before enrollment.
2. The student must be a full-time employee of a Section 5311 program recipient.
3. Expenses are reimbursable only after the student has completed the course and received at least a “C” grade or above.
4. Tuition only is reimbursable for up to and including 20 hours per calendar year. Expenses such as student activity fees, textbook costs, lab fees, etc. are not eligible.

**Transfer of Funds**

Although it is the intent that all funds remain in their original grants, MoDOT may transfer Section 5310, 5311, 5339, and FHWA flexible funds to other programs as specified in the respective FTA circulars of these programs. Notice of the transfers is forwarded to FTA.

## **Private Sector Participation**

### 5310 - Private Sector Participation

The Section 5310 program is to assist in areas where public transportation for the seniors and/or individuals with disabilities is unavailable, insufficient or inappropriate. Therefore, each applicant organization is required to write all other transportation providers (especially private for-profit operators) within its service area to insure the service proposed cannot be provided with equipment already in service. Copies of the letters to these providers and their response must be included in each application.

A public notice allowing 30 days for response must be printed in local newspapers of the proposed service area and Publisher's Affidavit submitted to MoDOT with the application.

### 5311 - Private Sector Participation

#### Private Operators

A public entity or not-for-profit recipient may use a for-profit company as their provider if they do not wish to operate their own transit system. The recipient must adhere to a bidding process that includes:

1. Public notification of the bid solicitation,
2. Bid packets being made available to all potential bidders, and
3. The bid packets including all FTA assurances and certifications required of the recipient.

MoDOT will review the bid packet prior to solicitation of bids or proposals and concur in the award of bid as well as reviewing the third party contract before execution. All contracting parties must sign a written contract that includes relevant FTA assurances and certifications, and any additional requirements contained in the agreement between MoDOT and the grantee. A copy of the executed contract must be submitted to MoDOT.

#### Participation by Private Providers

Private providers are made aware of proposed projects through the required notices of public hearings. The charter bus and school bus provisions of local project agreements protect charter bus and school bus operators.

Local organizations are encouraged to use private providers in their Section 5311 project to the greatest extent possible. The department has developed standard procedures for soliciting private bids and executing subcontracts. Local projects that make use of taxi services are also encouraged.

### 5316 - Private Sector Participation (applicable to FFY 2012 & earlier funded grants)

Private for-profit entities are not eligible to apply for JARC funding. However, MoDOT encourages subrecipients to contract whenever feasible with the private sector for service. Local organizations are encouraged to use private providers in their Section 5316 projects to the greatest extent possible. The department has developed standard procedures for soliciting private bids and executing subcontracts. Projects that make use of taxi services are encouraged.

5317 - Private Sector Participation (applicable to FFY 2012 & earlier funded grants)

Private for-profit entities are not eligible to apply for New Freedom funding unless they are operators of public transportation services. However, subrecipients (mostly non-profit entities) may contract with the private-for-profit operators for service. All applicants should have procedures for providing for the maximum feasible participation by private-for-profit providers.

5339 - Private Sector Participation

Federal law requires the public to be involved in the transportation planning process, and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urbanized and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

## **Civil Rights**

Title VI of the Civil Rights Act of 1964

All applicants are required to adopt an agency Title VI Civil Rights Non-discrimination Plan as well as execute the standard Civil Rights Assurances that is provided in the Application Guideline Booklet. The required Local Civil Rights Assurance is submitted to the department in the application and kept on file in the recipient's folder. Recipients of FTA assistance are monitored for civil rights compliance with annual reporting and during onsite reviews. Civil rights complaints must be submitted in writing, with copies sent to the MoDOT program manager. Complaints must be signed by the complainant and shall state the facts and circumstances surrounding the alleged discrimination. Complaints that are either resolved or not resolved at the local level will be reported to MoDOT within 30 days. MoDOT may investigate unresolved complaints and, with FTA's concurrence, may deny funding or repossess equipment from any grantee whose policies and actions are deemed to be in non-compliance. Any legal action filed against a subrecipient must be reported to MoDOT within 30 days.

Incorporated in each subrecipient's Title VI plan is the responsibility for monitoring the existence of populations within their service area who may have limited English proficiency (LEP). Each agency completes a four-factor assessment that includes:

1. The number and/or proportion of LEP populations within the service population,
2. Frequency that these populations need service,
3. Service(s) provided by the department, and
4. Resource(s) available to the agency to meet their needs.

MoDOT's Commitment to Civil Rights

Title VI of the Civil Rights Act of 1964 is a Federal law that protects individuals and groups from discrimination on the basis of their race, color, and national origin in programs and activities that receive Federal financial assistance. Reference to Title VI includes other civil right provisions of Federal statutes and related authorities to the extent they prohibit discrimination in programs and activities receiving Federal financial assistance.

Title VI compliance is defined as when the recipient has effectively implemented all of the Title VI requirements or can demonstrate that every good faith effort has been made toward achieving this end. MoDOT and all program recipients must meet these requirements.

All programs conducted by MoDOT and all program recipients must meet the requirements. Education, training, work opportunities, benefits, and provision of services are examples of programs that must meet the Title VI requirements, whether provided directly by the recipient or its agents, contractors, or other vendors.

A complaint may be filed by any individual or group that believes they have been subjected to discrimination or retaliation based on their race, color, national origin, sex, age, disability or income status. The complaint may be filed by the affected party or a representative and must be in writing.

All program recipients who feel they have been discriminated against by any MoDOT employee or its agent/contractor may contact MoDOT's External Civil Rights Office. A review will be made to determine if MoDOT has jurisdiction to investigate the issues raised. If MoDOT does not have jurisdiction, the complaint will be forwarded to the appropriate agency. If MoDOT does have jurisdiction, the allegations will be investigated and an attempt will be made to resolve the matter. If violations are found and negotiations to correct the violation are unsuccessful, enforcement proceedings may be initiated to attain compliance.

MoDOT and program recipients are prohibited from retaliating against any person because they reported an unlawful policy or practice, or made charges, testified, or participated in any complaint action under Title VI. If an individual or group believes they have been retaliated against, they should immediately contact MoDOT's External Civil Rights Office to report their allegation. Filing a complaint with MoDOT does not prevent an individual or group from seeking remedy through other resources.

#### Equal Employment Opportunity

All applicants must agree to Federal Transit Administration equal employment requirements that are made a part of the Subrecipient Agreement. MoDOT requires an Equal Employment Opportunity program plan prepared in accordance with FTA Circular 4704.1 to be submitted by Section 5311 subrecipients with 50 or more employees and who have received capital or operating assistance grants, or a combination thereof, in excess of \$1,000,000 in annual FTA funding, or in excess of \$250,000 of FTA planning funds, in the previous federal fiscal year. Program updates are due every three years. The Transit Section will utilize the MoDOT Equal Employment Division to review and approve EEO plans submitted by 5311 subrecipients. Subrecipients are also monitored for compliance during field inspections.

#### Disadvantaged Business Enterprise Program

The Disadvantaged Business Enterprise (DBE) Program is designed to provide a level playing field for minority, low income and women-owned companies to compete and perform on USDOT funded contracts. Subrecipients report semi-annually on their federally funded procurement activity and the participation by certified DBE firms in those procurements.

Transit construction projects that require DBE participation for engineering services and construction will follow the guidelines of the MoDOT Local Public Agency program to ensure full DBE compliance. DBE compliance consists of ensuring that the prime contractor(s) utilize DBEs as indicated in their good faith effort. Additional information regarding the MoDOT Local Public Agency program can be accessed at <http://contribute.modot.mo.gov/business/lpa/lpamannual.htm>.

#### Environmental Justice (EJ)

All new construction as well as rehabilitation of an existing structure that changes the footprint of the building will take into consideration the impacts to the community's minorities and low-income populations. While facility projects will generally not have a significant impact on a community, adverse effects must be considered with regards to community cohesiveness, destruction or disruption of public or private service, change in employment opportunities, traffic and parking issues, environmental quality, and historic structures. Before undertaking a facility project, sponsors must conduct both a Title VI analysis and an EJ analysis of the project. FTA has separate guidance circulars that address each analysis process.

### **Maintenance**

#### Vehicle/Equipment Preventative Maintenance Requirements

Recipients must keep federally funded vehicles and equipment in good operating order. As a minimum, vehicles will be maintained in accordance with manufacturers suggested preventative maintenance schedule.

A maintenance program is required for all vehicles, facilities, and/or equipment purchased using federal funds. Maintenance records must be kept for individual items and/or major components (such for each vehicle or the heating/air conditioning system in a building). The records should include both routine (preventive) and demand maintenance.

All accessible vehicles covered by ADA requirements must be maintained in such a manner that ensures all lifts, securement devices, ramps, signage and systems that allow communications with hearing and vision impaired individuals is readily accessible to and usable by these individuals. Out of order equipment must be repaired promptly. When an accessibility feature is out of order, the recipient shall take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature. Onsite reviews will ensure these requirements are being met.

All grantees must maintain the ADA accessibility of all vehicles and facilities. If accessible vehicles are not available (due to breakdown or accident), the grantee must either acquire accessible vehicles from other grantees or the service must be shutdown. While grantees are allowed to have a mix of vehicle types in their fleets, the number of accessible vehicles available for service during any time period must be adequate to meet demand.

#### Rolling Stock – Audit and Inspection (All Programs)

MoDOT staff will conduct all rolling stock audits required by FTA. Recipients are required to maintain a log on each vehicle detailing repairs and preventive maintenance. Department staff will inspect vehicles for condition, cleanliness, presence of safety equipment including, but not limited to, first aid kits, blood borne pathogens kits, seat belt cutters, and fire extinguishers. Lift equipment and wheelchair restraints will also be inspected. . At a minimum, vehicles must be maintained according to the manufacturer’s recommendations and warranty requirements

Facilities

The basis for new maintenance and administrative facilities or major expansions or renovations of existing facilities should be documented in a feasibility study. Activities would include an evaluation of the condition and adequacy of the existing facility, development of site evaluation criteria, identification and evaluation of alternative sites based upon site evaluation and design requirements, final site selection and preliminary concept building design, environmental documentation, and the development of a staging and financing plan. All subrecipients of federally funded facilities must submit a facility maintenance plan to MoDOT.

**Vehicle Use and Disposition**

Restrictions on Vehicle Use Vehicles must be used for the designed program.

Equipment Disposition Procedures

Vehicles will be eligible to be considered for replacement when the following minimum mileage standards and time frames (whichever occurs last) are met:

<b>Vehicle Use and Disposition (all programs)</b>	
Vans - straight, modified, sedans, lowered floor and other vehicles	4 years and 100,000 miles
25' - 35' Light duty transit bus, mini bus, cutaways - body on van chassis	5 years and 150,000 miles
30' Medium duty transit bus	7 years and 200,000 miles
30' Heavy duty transit bus	10 years and 350,000 miles
35' - 40' Heavy duty bus / transit buses	12 years and 500,000 miles
Transit buses	7 to 12 years, as determined by Altoona testing report

Service Life Policy Useful service life for non-vehicle equipment (radios and computers) is five years on radios and three years on computer equipment. Service life for non-vehicle equipment begins when equipment is received. Service life of rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service. Minimum normal service lives for buses and vans are:

<b>Vehicle Service Life</b>	
Large, heavy-duty transit buses (approximately 35'-40', and articulated buses)	At least 12 years of service or an accumulation of at least 500,000 miles.
Medium-size, heavy-duty transit buses (approximately 30')	10 years or 350,000 miles

Medium-size, medium duty transit buses (approximately 30')	7 years or 200,000 miles
Medium-size, light-duty transit buses (approximately 25-35')	5 years or 150,000 miles
Other light-duty vehicles such as small buses and regular and specialized vans	4 years or 100,000 miles

These minimum standards must be met at the time of request for disposal. On a case by case basis MoDOT staff will permit a vehicle to be replaced or disposed of that has a history of excessive repair costs (not caused from neglect or lack of scheduled services).

Non-vehicle equipment disposition (radios and computers) require written authorization for disposal prior to end of equipment’s useful service life. Disposal authorization is not required after the piece of equipment has reached its useful service life.

Grantees are required to submit a written request for disposal of a vehicle(s) or equipment they wish to dispose. The recipient must receive written authorization before disposing of the vehicle.

If a recipient wishes to dispose of a vehicle before the end of its useful life, then MoDOT must determine if the useful life of the vehicle(s) or equipment has been reached prematurely, and seek concurrence from the FTA for the disposal. MoDOT’s review and approval is required for a Request of Disposition of a vehicle(s) prior to meeting the useful life as identified in the State management Plan.

A recipient may dispose of a vehicle in either of two ways:

1. A vehicle may be sold outright to a third party through a variety of approved process, including sealed bids, auto auction or the average of three competent appraisals.
2. A vehicle may be sold by the recipient to itself. In this case the implicit price to be paid by the recipient will be the average wholesale value of the vehicle as specified in the most recent National Automobile Dealers Association (NADA) Official Used Car Guide.

Divisions of any proceeds are as follows:

1. If a vehicle is sold outright to a third party, the recipient may retain 20 percent of the proceeds (sale price) plus \$225.00. The balance must be paid to MoDOT within 10 working days.
2. If a recipient buys out the federal interest the recipient must pay 80 percent of the NADA wholesale value to the department within 10 working days.

A copy of the final bill-of-sale must accompany the check sent to MoDOT. The check(s) is processed through MoDOT’s Multimodal operations grant management accountant into the vehicle disposition fund.

MoDOT has determined these funds will be used to assist recipients with the costs associated with major component repair.

## Charter Rule

Charter regulations apply to recipients and subrecipients and third party operators who utilize FTA funded equipment in the delivery of service. In general, MoDOT discourages subrecipients from performing charter service due to the complexity of the regulation and the inherent risk for potential non-compliance.

The Charter Rule describes the state’s procedures for complying with the charter regulation, including the process used to ensure subrecipients are in compliance with the charter regulation and any agreements the state has with registered charter providers. Charter and tour services are not eligible for FTA assistance. (See 49 CFR Part 604, “Charter Service Final Rule”)

Section 5310 and 5311 subrecipients are exempt from the FTA charter rule provided the service is for program purposes only. “Program purposes” is defined as transportation that serves the needs of either human service agencies or targeted populations, such as seniors, individuals with disabilities, low income, etc.

“Program purposes” do not include exclusive service for other groups formed for purposes unrelated to the special needs of these targeted populations. Thus, Section 5310 and 5311 subrecipients who intend to provide charter service that is outside their program purposes must follow the guidelines outlined below.

All FTA subrecipients are prohibited from providing charter service using FTA-funded equipment and facilities unless allowed under an exception. MoDOT requires any subrecipients wishing to provide charter service to comply with the procedures in the Final Rule on Charter Service.

MoDOT must be notified via email or postal service that a request for charter service exception is being submitted to FTA – including all supporting documentation. The Division follows up on program compliance during site visits.

A summary of the Charter Service Final Rule follows and is provided for summary purposes only. Please consult regulatory text for exact requirements.

### Exemptions for:

- Transit systems transporting transit employees
- Program purposes for transit agencies receiving funds under Sections 5310 and 5311
- Emergency response and preparedness
- Recipients in non-urbanized areas transporting employees for training

### Exceptions:

- Government Officials on official government business (80 hours annually)
- Qualified Human Service Organizations (QHSO) (qualified groups serving seniors who are disabled and low income)
- Leasing
- Agreement with other private operators

- No response by registered charter provider
- Petitions to the Administrator for events of regional or national significance, time-sensitive events or hardship

Reporting:

- Done on a quarterly basis
- Submitted through FTA's electronic grant system
- Required for all charter service performed under the government officials, qualified human service agency, leasing and no response exceptions
- Dockets established for Government Officials, Petitions to the Administrator, Advisory Opinions/Cease and Desist Orders, Complaints for Removal, Complaints and Hearings. Check [www.regulations.gov](http://www.regulations.gov).

FTA created a position to assist with new rule requirements. The Ombudsman for Charter Service can be contacted at: [ombudsman.charterservice@dot.gov](mailto:ombudsman.charterservice@dot.gov)

## **Section 504 and ADA (all programs)**

### Section 504 and the Americans with Disabilities Act (ADA)

Section 504 of the Rehabilitation Act of 1973 (see also 29 USC 794) preceded the Americans with Disabilities Act (ADA). Section 504 prohibits discrimination on the basis of disability by recipients of federal financial assistance. USDOT's Section 504 regulations (49 CFR Part 27) remain in effect. The USDOT initially issued regulations to implement the ADA, effective January 26, 1992.

The Americans with Disability Act (ADA) is a civil rights law enacted by the US Congress in 1990. The FTA enacted regulations in support of the ADA that define the delivery of transportation services. The regulations require specific actions on the part of transit providers. The FTA's ADA regulations are found in the USDOT 49 CFR Parts 37 and 38: *Transportation for Individuals with Disabilities*; Final Rule, Friday September 8, 1991. Subsequent regulatory revisions and updates have been issued by FTA. These regulations apply to all providers of public or private transportation services whether or not they receive state or federal funding assistance. These rules are available on the Federal Transit Administration's web site at the following link: [http://www.fta.dot.gov/civilrights/civil\\_rights\\_2360.html](http://www.fta.dot.gov/civilrights/civil_rights_2360.html)

As a condition of grant funding, subrecipients must demonstrate compliance to the ADA and the FTA's implementing regulations. Agencies will demonstrate compliance through their day-to-day operating procedures, their planning and management of transit services, public involvement and information, vehicle procurement and other activities.

Each transit agency will have written policies and procedures designed to meet the requirements. For example, the vehicle maintenance policy will include maintenance of the ADA accessible features (the lift, securement system, etc); the employee-training plan will include ADA topics. If the agency contracts out any or all of the service, the agency must be knowledgeable about how the contractor maintains ADA compliance. ADA compliance is not a one-time effort and

compliance must be consistently maintained by the agency over time. New employees or changing services are not an excuse for lack of compliance.

MoDOT will routinely evaluate each subrecipient program for compliance to the ADA. Oversight will include site reviews, desk audits, review of policies and procedures, information from substantive complaints, and other means. MoDOT's Transit Section staff will also provide technical assistance, upon request.

## **Suspension/Debarment**

To prevent fraud, waste and abuse in federal transactions, persons or entities, which by defined events or behavior potentially threaten the integrity of federally-administered non-procurement programs, are excluded from participation in FTA-assisted programs. MoDOT certifies that it is not excluded from federally-assisted transactions and ensures that none of their principals (as defined in the governing regulation, 49 CFR Part 29, and FTA Circular 2015.1), subrecipients, or third-party contractors or subcontractors are debarred, suspended, ineligible or voluntarily excluded from participation in Federally-assisted transactions. Before entering into a contract supported with FTA funds that exceeds \$25,000, MoDOT and subrecipients must search the Excluded Parties Listing System at SAM.gov to ensure that contractors are not debarred or suspended and document the results for the search.

## **National Transit Database (NTD) (5311/5339)**

The National Transit Database (NTD) (formerly the Section 15 Report) is the FTA's primary national database for statistics on the transit industry. Recipients of FTA's Urbanized Area Formula Transit Program (Section 5307) and Rural Formula Transit Program (Section 5311/5339) are required by 49 U.S.C. 5335 (a) and (b) to submit data to the NTD as a condition of grant award.

Subrecipients are required to provide annual reporting of rural transit data. MoDOT is responsible for the reporting of rural transit data for all Section 5311/5339 subrecipients through the existing NTD Rural Data Reporting Module. Data that will be reported includes annual revenue, total annual operating costs, total annual capital costs, fleet size and type, and related facilities, revenue vehicle miles and ridership information.

Usually in September, every 5311 subrecipient is provided the Rural General Public Transit Service Form (RU-20) along with the instruction manual. Intercity bus providers under grant with MoDOT prepare the Intercity Bus Reporting Form (RU-21). With the exception of subrecipients that also receive 5307 funding (5307 recipients already report to the Urban NTD), all 5311 subrecipients are required to submit the report to MoDOT by the end of October of that year, unless a submission extension request has been approved by FTA.

## **Program Measures**

### 5310 - Program Measures

The program measures for the 5310 program for the “traditional” projects have been established by the Federal Transit Administration, and will be evaluated on two pieces of criteria:

1. Gaps in service that are filled by utilizing 5310 services; and
2. The number of one-way trips provided on an annual basis by 5310 providers.

For other than traditional projects, the following program measures for projects apply:

1. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.
2. Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.
3. Actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

### 5311 - Program Measures (not applicable)

### 5316 - Program Measures (applicable to FFY 2012 & earlier funded grants)

MoDOT is required to collect data on two annual performance measures for the JARC program. Those measures are: 1) actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC, and 2) actual or estimated number of one-way rides provided as a result of JARC projects.

### 5317- Program Measures (applicable to FFY 2012 & earlier funded grants)

Under the New Freedom program, Congress has established three measures that MoDOT will track. These measures are:

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

### 5339 - Program Measures (not applicable)

## **Procurement (All Programs)**

All recipients must develop a written procurement policy that is in compliance with FTA Circular 4220.1, as amended.

At a minimum, each policy must contain the following requirements of Circular 4220.1, as amended:

1. Five year limitations on rolling stock contract periods;
2. Full and open competition;
3. Prohibition against geographic preferences;
4. Use of the Brooks Act for procurement of architectural and engineering services; and
5. Inclusion in all contracts of all required federal clauses.

In addition, the requirements of the “Common Grant Rules” should be addressed in the policy. A copy of the Procurement Policy Template can be found at the end of this document.

### Procurement – Vehicle and Equipment

MoDOT purchases vehicles according to written procurement procedures and standards that comply with FTA Circular 4220.1, as amended. When other equipment is purchased locally, recipients are required to follow OMB Circular A-110 and FTA grant agreements, FTA Circular 4220.1, as amended and local law. Transit staff will review recipients’ procurement policies prior to any subrecipient purchase for compliance as well as during the field inspection. All recipients must obtain titles on vehicles even if exempted from that requirement under state law.

Vehicles are titled to the applicant organization, with MoDOT as first lien holder on each. All titles will be held, in a secured safe, at the MoDOT Transit Section office and be released only upon written request for disposal.

### Procurement – Facilities

All facilities purchased or constructed with federal assistance must follow the federal guidelines for procurement in Circular 4220.1 (as amended). A feasibility study must be completed for all facility projects, whether they are funded through the Section 5311 program or the Section 5339 Capital Program. (See “Environmental Protection”)

The feasibility study will evaluate the project’s cost effectiveness and its effect on the environment, including noise, water quality, and air quality, impacts on wetlands, flooding, navigable waters, endangered species, and ecologically sensitive areas. Feasibility studies may be funded from the Section 5311 state administration allocation, generally on an 80 percent federal / 20 percent local basis.

All new construction or rehabilitation of an existing structure will meet requirements for local land use planning and zoning, relocation, traffic and parking, energy conservation, consideration of historic properties, and will place an emphasis on safety and security. A portion of Missouri lies in the New Madrid fault zone and all facilities must be constructed and/or rehabilitated to meet current seismic and ADA accessibility requirements.

Procurement Policy Template

(Your Organization / Agency name)

**Procurement Policy**

As a recipient of Federal Transit Administration (FTA) funds, **organization name** (**abbreviation**) when using FTA funds, will procure facilities, equipment, materials and services conforming to the guidance in FTA Circular 4220.1, as amended. This policy sets forth how **abbreviation** will comply with those requirements. FTA Circular 4220.1, as amended, is attached as Appendix A of this policy.

Procurement activities will be reviewed by the Executive Director and the Board of Directors to ensure compliance with this policy.

**1. Conduct of Directors, Employees and/or their Vendor/Agents (hereinafter Purchase Agent)**

**Conflict of Interest:** All Purchase Agents who participate in the selection or acceptance of contracts for materials, services, equipment, etc. must not participate in any transaction in which they have a financial interest. Any Purchase Agent whose immediate family member, partner, or employer would have a financial gain from a transaction will not participate in that transaction.

**Competition:** All transactions will be conducted in a manner providing for full and open competition.

**Purchase of Item(s) for Personal Use:** No Purchase Agent may purchase any items for personal use by any employee or director even if the transit system will be reimbursed at a later time.

**Gratuities:** No Purchase Agent shall solicit or accept gratuities or favors from potential or current vendors. Unsolicited nominal gifts (value of less than \$25.00) may be accepted.

**Violations:** Any Purchase Agent who violates this policy is subject to:

- If a Director, removal from the Board of Directors,
- If an employee, probation or termination,
- If an outside vendor/agent, **abbreviation** will not conduct business with the agent in the future.

**2. Purchasing Authority**

The Executive Director has the authority to approve all procurements less than \$3,000. The Office Manager has the authority to approve procurements up to \$500. Drivers have the authority to purchase fuel and other items that are immediately necessary to the operation of his/her assigned vehicle.

### 3. Procurement Procedures

Procurements are divided into three categories based on cost: less than \$3,000, equal to or greater than \$3,000 but less than \$25,000, and \$25,000 or more. Purchases of large lots will not be broken down into smaller purchases to avoid more stringent requirements. For a complete discussion of procurement requirements, see FTA Circular 4220.1, as amended.

**Procurements costing less than \$3,000** may be made without soliciting competitive quotes. The lowest price will still be sought through the use of catalogs, online shopping, or price comparisons at stores who stock the item(s). Architectural and Engineering services exceeding \$2,000 will be procured with selection based on professional qualifications as required by the Brooks Act.

**Procurements costing \$3,000 but less than \$25,000** will be secured by soliciting competitive quotes. Telephone quotes may be used for items that do not require detailed description. (Example: 4 sets of new tires for 4 minibuses would cost more than \$3,000 but would be very simple to describe: size, warranty, etc.) Written requests for written quotes will be used for purchases requiring a detailed description (such as purchase of a copier/printer/fax).

If three quotes cannot be obtained, **abbreviation** will review the specifications for limiting factors that may have prevented vendors from offering pricing. If no error is found or the specifications cannot be revised to broaden competition, **abbreviation** will proceed with the procurement, documenting the reason(s) for the lack of competition (unavailability, need for a particular brand to match an already existing system, etc.).

If quotes are received by telephone, **abbreviation** will issue the chosen vendor a purchase order that has attached the applicable FTA Terms and Conditions. If the order is placed verbally, **abbreviation** will issue a copy of the Terms and Conditions to the vendor, ask them to sign, and return.

Written requests for written quotes will have the applicable FTA Terms & Conditions attached and the vendor must submit the quote with the following statement: “By submitting a quote, the vendor agrees to comply with the attached FTA Terms and Conditions”.

Procurements costing less than \$\_\_,000 may be approved by the Executive Director. Procurements costing \$\_\_,000 or more must be approved by the Board of Directors prior to purchase.

**Procurements costing \$25,000** or more will be completed either through an Invitation for Bid (IFB) or a Request for Proposal (RFP) dependent upon which method is most suitable for the item/service being procured. (The \$25,000 threshold is a Missouri state requirement; the FTA threshold is \$100,000.)

**abbreviation** will conduct a preliminary cost analysis/estimate for comparison to bids received. Justification for the bid to exceed the cost estimate by 10 percent will be documented.

#### **4. Procurement Standards**

This written procurement policy will take precedence over any verbal and/or written policies. Only those items/services clearly necessary to the operation of the transit system will be purchased

Potential sources for procurement beyond this agency’s solicitation will be reviewed for applicability, such as shared use, joint agency procurement, state purchasing schedules, federal excess property or federal surplus property.

All procurements will include:

1. Clear descriptions of the item(s)/services to be purchased;
2. Nonrestrictive specifications that do not eliminate competition;
3. Standards for quality/performance;
4. Performance specifications in the description rather than product specifications;
5. When impractical to provide a very detailed description, the use of “brand name or equal” along with a narrative of salient features when describing a highly technical item that potential vendors will recognize.

The potential savings of leasing rather than purchasing a product will be evaluated when leasing is an option.

Plans/products/services using metric measurements will be acceptable if practicable and economically feasible.

The transit system will evaluate procurements for possible energy savings and environmental impacts. Energy savings and environmental protection may be dependent upon the funds available at the time of procurement.

All contracts executed with third-party contractors will comply with the federal requirements contained in Circular 4220.1, as amended, or the requirements of the grant program from which federal funds will be used. Language in the executed contract will address any applicable local and/or state restrictions and resolve such conflicts with federal provisions taking precedence in cases of federally funded procurements.

#### **5. Contract Disputes**

The transit system will endeavor to resolve any disputes at the local level, using the court system if necessary. MoDOT will be notified of any disputes of significant financial impact (over \$25,000) or any highly controversial issue. Any disputes with a monetary value of more than \$100,000 or highly controversial will also be reported to the Federal Transit Administration.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20XX

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title (Mayor/City Manager/President)

### **Indirect Costs and Cost Allocation Plans (All Programs)**

Some public transit systems – such as units of local government or multipurpose nonprofit corporations – perform many departmental or program functions and would likely incur indirect expenses. In these cases, the expenditures benefit not only transit, but also other programs or departments. Examples of varied functions include, but not limited to:

- Contracted workshop transportation for agencies serving the developmentally disabled;
- Contracted senior citizen transportation for agencies serving nutritional & social needs;
- Non-Emergency Medical Transportation (NEMT) for Medicaid / MoHeathNet;
- Municipalities that provide public transit as one among many other city services,
- Transit authorities that provide both urbanized (5307) and rural (5311) transit service,
- Subrecipients providing services in multiple programs such as 5311, 5316 and/or 5317.

Direct costs are those expenses that **can** be associated on a one-to-one basis with a particular project. These costs, when otherwise eligible, may be charged directly to the grant project.

Indirect costs are expenses for goods and/or services that **cannot** be associated on a one-to-one basis with a specific program or function.

Indirect costs are normally charged to federal grants by the use of an indirect cost rate and a cost allocation plan. A separate rate is usually necessary for each subrecipient claiming indirect costs. In any of the above, or similar, circumstances, transit grant subrecipients are dividing or allocating indirect costs to seek grant reimbursement. Such indirect cost may include:

- Office rental or lease costs,
- Operation and maintenance of facility (janitorial, utilities, repairs, related insurance, etc.),
- General administration (compensation, fringe benefits, supplies, value of donated labor)

It should be noted that some items that contain an indirect cost component are often from expenses that contain both a direct and an indirect cost component. An agency is required, within reason, to break out any direct expenses from shared cost before allocating indirect cost using an overhead rate. An example of this would be rented office space where a portion of the space is dedicated to public transportation, a portion of the space is devoted to NEMT and another portion of the space is dedicated to general agency administration. The indirect costs would apply to that portion of the space used for general agency administration.

Not all subrecipients will incur indirect costs. Those agencies with the sole purpose to provide public transit and funded out of one grant program will not likely incur indirect costs.

These cost allocation plans develop an indirect cost rate as a percentage of documented direct costs. Since each subrecipient's mix of activities and costs will differ, the calculated indirect cost rates will most likely differ from one subrecipient agency to the next.

In order to claim indirect costs for grant reimbursement purposes, each such subrecipient is required by federal regulation to submit annually to MoDOT a cost allocation plan for review and acceptance by the lead cognizant federal agency.

The cognizant Federal agency is determined by calculating which Federal agency provides the most grant funding. When determined that the USDOT is a MoDOT subrecipient's cognizant agency, then the submitted cost allocation plan is directed to MoDOT that, in turn, works with USDOT on the acceptance. When an agency other than USDOT is determined to be the subrecipient's cognizant agency, then the subrecipient forwards to MoDOT the approval letter for the cost allocation plan issued by that cognizant federal agency.

Subrecipient needs to coordinate early with MoDOT's Transit Section in the development of their cost allocation plan. Subrecipients will also provide a written request to MoDOT to initiate review and approval of their annual cost allocation plan, when the USDOT is the cognizant agency. Subrecipients will likely need the assistance of a certified public accounting (CPA) firm with experience in preparing cost allocation plans, including an audited overhead rate, for nonprofit or governmental organizations.

Below are links to relevant Office of Management and Budget (OMB) guidance depending on whether the subrecipient agency is a non-profit organization, or a local government or an educational institution:

2 CFR 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards  
<http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

[http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=695e09f4d8105105f07e877e87328023&ty=HTML&h=L&n=pt2.1.200&r=PART#sg2.1.200\\_1411.sg13](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=695e09f4d8105105f07e877e87328023&ty=HTML&h=L&n=pt2.1.200&r=PART#sg2.1.200_1411.sg13)

This indirect cost issue requires immediate attention as MoDOT is precluded from considering subrecipient indirect costs for grant reimbursement until such time as a cost allocation plan for the subrecipient agency is approved annually and provided to MoDOT.

## **Financial Management (All programs)**

MoDOT utilizes the SAMII electronic financial management system to maintain records of funds and funding. *Advantage* incorporates such functions as budgeting, general ledger, purchasing, accounts payable/receivable, inventory control, cost allocation and job costing. MoDOT's

primary grants management system is through TrAMS, which allows complete data on individual grants, grantees and conditions of awards. Utilizing TrAMS, MoDOT is able to accurately monitor funds in current and past grants, administration monies and also allows a reasonable estimate for future funding. MoDOT is able to keep in direct contact with the FTA through the use of this system and account for budget revisions of grants administered

## **Property Management (All Programs)**

*Property Management* - Vehicles and equipment purchased with Federal Funds are subject to the following requirements:

1. Annual Inventory - All subrecipients must submit an annual inventory listing of all vehicles and equipment purchased. A current odometer reading for vehicles is required. Subrecipients will also be required to submit a signed certification stating the vehicle and/or equipment is being used for the purpose intended. The Annual Inventory and Certification Report must be submitted for the Fiscal Calendar Year are due October 10 with mileage as of June 30.
2. Insurance - Subrecipients must insure the vehicle(s) for accident liability and general collision. Replacement insurance must be carried on all equipment. All subrecipients of federally funded vehicles are required to submit a Certification of Insurance annually.
3. Transfer of Equipment - Capital equipment may be transferred from one subrecipient to another recipient within the same program upon MoDOT's approval. Vehicles must meet a useful life requirement before they can be disposed.

A subrecipient, who owns equipment that, has not met its useful life, and who discontinues their project, will be required to either transfer the property to another recipient within the same program or reimburse MoDOT for 80 percent of the fair market value.

Minimum standards for vehicle useful life are:

- a. Vans, straight or modified - 100,000 miles
  - b. Minibuses (body on chassis) - 150,000 miles
  - c. Larger vehicles - as determined by Altoona test report
4. Records - Records must be maintained for all capital purchases. At a minimum, the following information must be included: maintenance records, agreements with MoDOT, documentation of lowest price, and invoices for equipment other than vehicles. Records must be kept for three years after the disposition of any capital equipment.
  5. Restrictions on Vehicle Use - Vehicles must be used for 5310 transportation only. Personal or administrative use of vehicles is not permitted.
  6. Compliance with Federal Motor Carrier Regulations – It is the subrecipients' responsibility to comply with all Federal Motor Carrier Regulations as they may apply to their operations. MoDOT's Division of Motor Carrier Services provides technical assistance through workshops and a help desk.

Computer systems have a useful life of three years. The useful life for other equipment will be determined at the time of purchase.

### 5311 - Property Management

All recipients are required to maintain an equipment file on all items whose original cost was \$1,000 or more. This file will contain inventory records that include, at a minimum, the following information:

- Description;
- Acquisition date;
- Federal participation percentage
- Condition
- Serial number
- Title
- Source of property
- Location;
- FTA grant number;
- Cost; and
- Disposition
  - Method
  - Selling price
  - Date of sale

The file should also include the Section 5311 Capital Agreement and a copy of the original purchase order. MoDOT will retain possession of all titles, with MoDOT listed as first lien holder. No second liens may be placed on any federally funded vehicle except for vehicles purchased for intercity bus operators. The annual inventory process also accounts for vehicles sold requiring the grantee to include all disposition data relative to vehicle disposal.

### **Accounting Systems (All Programs)**

MoDOT utilizes the SAMII electronic financial management system to maintain records of funds and funding. SAMII incorporates such functions as budgeting, general ledger, purchasing, accounts payable/receivable, inventory control, cost allocation and job costing. MoDOT's primary management system is through TrAMS, which allows complete databases on individual grants, grantees and conditions of awards. Utilizing TrAMS, MoDOT is able to accurately monitor funds in current and past grants, administration monies and also allows a reasonable estimate for future funding. MoDOT is able to keep in direct contact with the FTA through the use of this system and account for budget revisions, grants administered and inventory of rolling stock.

### 5310 - Accounting Systems

Each 5310 recipient designate an individual or position that serves as a basis of accountability on each vehicle and any monies that are involved with the vehicle(s) throughout its useful life. Original vehicle cost, federal and local share, repair costs, payroll, invoices, contracts and any other accounting documents are to be identified and accessible.

### 5311 & 5339 - Accounting Systems

All grantees will use the chart of accounts developed by the department for reporting project financial data to MoDOT. This will assist in making accurate comparisons by providing a uniform accounting structure. See the next page for the chart of accounts:

**Missouri Department of Transportation  
Transit Chart of Accounts**

<b>Account Number</b>	<b>Labor</b>
501	Salaries
502.01	Fringe Benefits - FICA/Railroad Retirement
502.02 - DBE	Fringe Benefits - Hospital, Medical & Surgical Plans
502.03	Fringe Benefits - Unemployment Insurance
502.04 - DBE	Worker's Compensation
502.05	Sick Leave
502.06	Holiday
502.07	Vacation
502.08 - DBE	Pension/Retirement (employees' contribution is not cont. opp.)
502.09 - DBE	Disability Insurance
502.10 - DBE	Life Insurance
	<b>Services</b>
503.01 - DBE	Legal Services
503.02 - DBE	Audit/Accounting Services
503.03 - DBE	Medical Services (including Drug/Alcohol Testing)
503.04 - DBE	Temporary Help Services
503.05 - DBE	Contract Maintenance (including Janitorial Services)
503.06	Municipal/University Overhead Fees
503.07 - DBE	Computer Services
503.08 - DBE	Professional, Scientific, & Technical Services
503.09 - DBE	Commissions Paid (Intercity Bus Only)
503.99	Volunteer Time
	<b>Vehicle Expense</b>
504.01 - DBE	Fuels & Lubricants
504.02 - DBE	Tires & Tubes
504.03 - DBE	Parts/Inventory Purchases
505.04 - DBE	Vehicle Repairs
505.99 - DBE	Other Materials & Supplies
	<b>Utilities</b>
505.01	Electricity/Natural Gas
504.011 - DBE	Propane Service
505.02 - DBE	Telephone - Land Line (cont opp if there is comp in service area)
502.021 - DBE	Telephone - Cell Phone
505.03	Water
505.04	Sewer
505.05 - DBE	Cable and/or Internet Service (cont opp if there is comp in service area)

505.06 - DBE Refuse Service (cont opp if there is comp in service area)

**Casualty & Liability Insurance**

506.01 - DBE Premiums - Vehicle (Collision & Liability)

506.02 - DBE Premiums - Directors' Liability

506.03 - DBE Premiums - Facilities (Replacement & Liability)

506.99 - DBE Other Insurance Premiums

**Vehicle Registration**

507.01 Vehicle Licensing & Registration Fees

**Purchased Vehicle Service**

508.00 - DBE Purchased Transportation Service

**Miscellaneous Expenses**

509.01 Dues & Subscriptions

509.02 - DBE Travel & Meetings (cont opp if travel services are used)

509.03 - DBE Office Supplies

509.04 Postage/Post Office Box Rental

509.041 - DBE Mailing Services

509.05 - DBE Small Equipment Purchases

509.06 -DBE Employees' Meals

509.07 - DBE Interest Paid

509.08 - DBE Background/Drivers' License Checks (cont opp if other than public agency)

**Repairs**

510.01 - DBE Maintenance performed by others

510.02 In House Maintenance

510.03 - DBE Building Repair

510.04 - DBE Office Equipment Repair

510.05 - DBE Shop Equipment Repair

510.06 - DBE Radio Repair

**Leases & Rentals**

512.01 - DBE Operating Facilities (Bus Barns)

512.02 - DBE General Administrative Facilities

512.03 - DBE Vehicle Lease

512.04 - DBE Equipment Lease

512.05 Rental provided by other as In-Kind Donation

**Advertising**

514.01 Public Hearing Notices (use newspaper with largest circulation)

514.02 - DBE Marketing/Advertising/Classified Ads

**Capital Procurements**

601.00 - DBE Commercial and Institutional Building Construction

602.00 - DBE Prefab Metal Building and Component Manufacture

603.00 - DBE Architect and Engineering Services

604.00 - DBE Electrical Contractors

605.00 - DBE	Plumbing and Heating Contractors
606.00 - DBE	Roofing
607.00 - DBE	Landscaping and Earthwork
608.00 - DBE	Office Furnishings and Equipment
609.00 - DBE	Computer Equipment
610.00 - DBE	Radio and Wireless Equipment
611.00 - DBE	Shop Equipment

## **Audit and Close-Out (All Programs)**

MoDOT receives an annual Single Audit as required by federal regulations. Grants closure is initiated as soon as all available funds have been drawn. Although grantees do not receive funds directly from MoDOT, the vehicles received are considered federal financial assistance according to OMB Circular A-133. Federal financial assistance is assistance received in the form of grants, loans, loan guarantees, property (including donated surplus property) cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Grantees that expend \$500,000 or more in a year in federal financial assistance are required to obtain a single audit in accordance with OMB Circular A-133. Such A-133 single audit reports must be received by MoDOT's Transit Section within nine months of the end of the grantee's fiscal year.

At the end of the project period, recipients are required to submit a consolidated statement of revenues and expenses for the entire project period. The recipient must also submit a report prepared by an independent auditor in accordance with the department's audit guidelines. The Program Manager tracks receipt of all audits.

All recipients whose total transportation budget exceeds \$50,000 must have an independent audit annually. Not-for-profit recipients whose total expense for the year is less than \$50,000 may request a field audit by MoDOT personnel in lieu of an independent audit.

The department will review the recipient's statement of revenues and expenses and independent audit. The project is then closed upon final financial adjustments.

The department is required to submit annual updates to FTA through TrAMS. The following is Multimodal Operations Procedure for Reporting Unliquidated Obligations for Federal Financial Reports (FFR):

1. When a grant is awarded by FTA and executed by MoDOT's Multimodal Operations Director, a Program of Projects is given to the Financial Services Specialist by the Program Manager that provides scope-level detail of the budget for the grant.
2. With the grant's Program of Projects summary detail, the Financial Services Specialist will enter the total grant budget with scope detail into SAMII.
3. As agreements and contracts are commenced with subgrantees and vendors, the value of those agreements and contracts will be entered into SAMII as encumbered amounts which will be the amounts reported as the Federal or Recipient's Share of Unliquidated Obligations in the FFR.

4. As the agreements and contracts are disbursed, these amounts will be reported as expenditures and reported in the FFR category of Total Expenditures.
5. Taking the total amount of the grant, then deducting the expenditures and Unliquidated Obligations, will give the amount of the Unobligated Balance of Federal Funds, which will include the grant scope amount for State Administration.
6. When preparing the FFR's and before submitting them to FTA, the Financial Services Specialist will have the Program Managers review for accuracy the amounts that are reported in the FFR.

Within 90 days of final expenditure of all funds in a federal grant, MoDOT will submit a Federal Financial Report, final budget, and final program of projects through TrAMS to FTA.

All recipients whose total transportation budget exceeds \$50,000 must have an independent audit annually. Not-for-profit recipients whose total expense for the year is less than \$50,000 may request a field audit by MoDOT personnel in lieu of an independent audit.

The department will review the recipient's statement of revenues and expenses and independent audit and determine allowable Section 5316 funding. The project is then closed upon final financial adjustments.

### **Subrecipient Oversight and Reporting (All Programs)**

Many Federal requirements flow through MoDOT to the subrecipients, contractors and lessees. MoDOT is responsible for ensuring that these entities are aware and compliant with the requirements imposed on them by Federal statutes and regulations. Before expending any Federal funds on projects, MoDOT certifies to FTA that it and others operating through FTA funds granted by MoDOT (e.g., subrecipients, contractors and lessees) have met all statutory and FTA program requirements. MoDOT is expected to have sufficient documentation to support the annual certifications to FTA.

#### *Compliance Technical Assistance for Subrecipients*

Federal requirements are communicated to subrecipients in grant applications, grant contracts, this state management plan, as well as, training opportunities periodically sponsored by MoDOT, Missouri RTAP, National RTAP, the National Transit Institute, the Transportation Safety Institute and the Federal Transit Administration (FTA). Relevant compliance training is sponsored by associations such as the Missouri Public Transit Association (MPTA), the Community Transportation Association of America (CTAA) and the American Public Transportation Association (APTA). MoDOT Transit Section personnel are also available as a resource to assist in identifying compliance requirements.

Subrecipients are encouraged to make use of these technical assistance resources. Compliance is contractually expected, even if subrecipients fail to avail themselves of training and/or technical assistance opportunities.

Upon application and approval, Missouri RTAP has full cost reimbursement “scholarships” available that pay allowable costs (registration, travel, lodging and meals) for rural transit

managers and rural transit supervisors in order to significantly lower barriers for compliance training participation. Subrecipients who wish to request RTAP transit compliance training scholarships should contact the Missouri University of Science and Technology at (573) 341-7200 or by e-mail to [mortap@mst.edu](mailto:mortap@mst.edu)

*MoDOT's Procedures for Subrecipient Monitoring*

MoDOT monitors subrecipient compliance by analysis of subrecipient reporting, responses to compliance events and complaints as well as observations through phone conversations, e-mails, in-person meetings and on-site inspection visits. Required subrecipient reporting provides monitoring opportunities; examples of subrecipient related reporting include:

- Annual grant applications (most notably annual in the Section 5311 program),
- Annual grant funded vehicle mileage and condition reporting,
- Annual Rural National Transit Database reporting submissions (Section 5311),
- Annual Drug & Alcohol Program management information system (MIS) reports,
- Annual single audit reports, if agency meets reporting threshold,
- Semi-annual procurement reporting for the disadvantaged business enterprise report,
- Quarterly or monthly grant reimbursement requests and associated supporting material,
- Site visit audit reports from MoDOT's substance abuse program contractor,
- Every three year update of Equal Employment Opportunity plans, if required,
- Every three year update of Title VI Civil Rights / LEP Plans,
- Title VI and ADA compliant information received by MoDOT,
- Lawsuit information reported to MoDOT.

Each MoDOT transit operations specialist is responsible on an on-going basis for reviewing reports received for their respective transit programs and for reporting to the Administrator of Transit any non-compliance issues identified. Once non-compliance is confirmed, a MoDOT strategy will be developed on a case-by-case basis to bring identified issues into compliance, if at all possible. Responses to subrecipient non-compliance can range from informal warnings, repeating an action / activity so that issue becomes compliant, withholding funds until compliance is attained, or in very rare instances, recommending the matter to state or federal authorities for civil or criminal action.

To ensure the best value for every dollar spent, MoDOT will take a “risk based” approach for its performance of on-site grant compliance visits. In the spring of each year (March – June), MoDOT will score subrecipients for on-site visits during the following 12 month period based on the risk factors of:

1. Amount of FTA funds received in all transit programs;
2. Number of grant funded vehicles;
3. Recent replacement of key personnel;
4. New participation in programs or project types;
5. Known concerns.

The table, below, describes the parameters for this risk-based rating approach:

	<b>Risk Factor</b>	<b>Description</b>	<b>Weight</b>	<b>Definition of Scale</b>
A.	Grant Dollars Received	Total dollar amount of all “active” grant agreements	25%	1. 0-\$500,000 2. \$500,001 to \$1,000,000 3. \$1,000,001 to \$3,000,000 4. \$3,000,001 to \$7,000,000 5. \$7,000,001+
B.	Number of Vehicles	Grant funded vehicles in fleet	15%	1. 1 - 5 2. 6 - 10 3. 11 - 50 4. 51 - 100 5. 100+
C.	Key Personnel Replacement	Changes in personnel responsible for compliance matters	30%	0. No change in past 5 years, 1. Change 3 – 5 years ago 3. Change 2 – 3 years ago 5. Change within last 2 years,
D.	New to Program or Project Type	New to a grant program or new to a project such as construction, fixed-route bus service, etc.	15%	0. Not new to grants / projects 5. New to grant program or project in past 3 years,
E.	Known Concerns	Includes complaints, identified compliance issues from reports, single audit report findings, etc.	15%	0 No known concerns 3 Some problems noted 5 Material problems noted

Of the subrecipients selected annually for on-site reviews in the following 12 months, half will be chosen from the top of the rank ordered list developed by the risk-based approach, one-fourth will be selected from those agencies that have not had a site visit in the past four years and one-fourth will be selected from those agencies with known concerns (including prior year’s on-site review findings) or recently replaced key personnel that were not otherwise chosen in the earlier selections.

As on-site grant compliance visits are conducted, documented and those reports received by MoDOT, the Administrator of Transit will review those on-site review reports for the identification of findings and non-compliance issues. The Administrator of Transit will coordinate with representatives of the subrecipient as well as the MoDOT Multimodal Operations Specialist(s) responsible for managing the applicable grant programs involved to develop an action plan with timetable to resolve the identified findings and/or non-compliance issues. Failure of a subrecipient to complete the action plan within the stated amount of time can lead to delays in grant payments, repayment of grant funds or forfeiture of the grant(s).

## **Productivity / Cost Effectiveness / Service Standards**

The program measures for the 5310 program have been established by the Federal Transit Administration, and will be evaluated on two pieces of criteria:

1. Gaps in service areas that are filled by utilizing 5310 services; and
2. The number of one-way trips provided on an annual basis by 5310 providers.

The department does not set specific criteria in the areas of productivity, cost effectiveness or service standards. The number of trips, miles traveled, trips per vehicle and subsidy per trip, are used in evaluating new projects or renewing existing projects.

MoDOT is required to collect data on two annual performance measures for the JARC program. Those measures are: 1) actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC, and 2) actual or estimated number of one-way rides provide as a result of the JARC projects.

Under the New Freedom program, Congress has established three measures that MoDOT will track. These measures are:

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

## **Other Provisions - Section 5333(b) Labor Protection (Many Programs)**

Public Transportation Employee Protective Arrangements – MoDOT annually certifies to FTA that 49 U.S.C Section 5333(b) requires employee protective arrangements to be in place as a condition of award of FTA assistance made available or appropriated for FTA programs involving public transportation operations. The U.S. Department of Labor (U.S. DOL) recognizes the following categories of arrangements:

1. U.S. DOL Certification – When a project involves public transportation operations and is financed with funding made available or appropriated from Sections 5307, 5308, 5309, 5312, 5316, 5337, or 5339, or other provisions of law as required by the Federal Government, U.S. DOL must provide Certification of employee protective arrangements before FTA may award financial assistance to MoDOT to pass through to subrecipients. MoDOT certifies that in grants providing public transportation operations, that:
  - a. MoDOT and its subrecipients must carry out the project as provided in its U.S. DOL Certification, which contains the terms and conditions that U.S. DOL has determined to be fair and equitable to protect the interests of any employees affected by the project,

- b. MoDOT and its subrecipients must comply with 49 U.S.C. Section 5333(b) and any future amendments thereto,
  - c. MoDOT and its subrecipients will follow the U.S. DOL guidelines, “Guidelines, Section 5333(b), Federal Transit Law,” 29 C.F.R. Part 215, except as U.S. DOL determines otherwise in writing,
  - d. MoDOT and its subrecipients comply with the terms and conditions of the U.S. DOL Certification of public transportation employee protective arrangements for the project, which certification is dated as identified on the Underlying Agreement, including:
    - i. Any alternative comparable arrangements U.S. DOL has specified for the project,
    - ii. Any revision U.S. DOL has specified for the project, or
    - iii. Both and
  - e. MoDOT and its subrecipients must comply with the following documents and provisions incorporated by reference in and made a part of the Underlying Agreement for the project:
    - i. The U.S. DOL certification of public transportation employee protective arrangements for the project, which certification is dated as identified on the Underlying Agreement,
    - ii. The documents cited in that U.S. DOL certification for the project,
    - iii. Any alternative comparable arrangements that U.S. DOL has specified for the project and
    - iv. Any revision that U.S. DOL has specified for the project.
2. Special Warranty – When a project involves public transportation operations, and is financed with funding made available or appropriated for 49 U.S.C. Section 5311, which authorizes formula program for rural and nonurbanized areas, U.S. DOL will provide a Special Warranty for those projects. MoDOT in its certification understands and agrees and assures FTA that any Section 5311 subrecipient and subcontractors providing public transportation operations will agree, that:
- a. They will comply with Federal transit laws, specifically 49 U.S.C. Section 5333(b),
  - b. Follow the U.S. DOL guidelines, “Guidelines, Section 5333(b), Federal Transit Law,” 29 CFR part 215, except as U.S. DOL determines otherwise in writing,
  - c. Will comply with the U.S. DOL Special Warranty for the project that is most current on the date when it executed the Underlying Agreement, and documents cited therein, including:
    - i. Any alternative comparable arrangements U.S. DOL has specified for the project,
    - ii. Any revisions U.S. DOL has specified for the project, or
    - iii. Both, and
  - d. MoDOT and its Section 5311 subrecipients will comply with the following documents and provisions that are incorporated by reference in and made a part of the Underlying Agreement,
    - i. The U.S. DOL Special Warranty for the project,
    - ii. The documents cited in the Special Warranty,
    - iii. Any alternative comparable arrangements that U.S. DOL has specified for the project,

- iv. Any revisions that U.S. DOL has specified for the project.
- 3. Special Arrangements for 49 U.S.C. Section 5310 Projects – MoDOT understands that any subrecipient and sub-contractor providing public transportation operations agrees, that although pursuant to 49 U.S.C. Section 5310, FTA has determined that it was not “necessary or appropriate” to apply the conditions of 49 U.S.C. Section 5333(b) to subrecipients, FTA reserves the right to make the following exceptions:
  - a. FTA will make case-by-case determinations of the applicability of 49 U.S.C. 5333 (b) for all transfers of “flex funds”, and
  - b. FTA reserves the right to make other exceptions, as it deems appropriate.

## **Environmental Protection (All Programs)**

Environmental and resource use laws can and do apply to transit projects. The following federal environmental and resource laws appear in the 2013 FTA Master Agreement. MoDOT’s Transit Section staff can assist project sponsors in identifying applicable environmental requirements, such as:

- 1. National Environmental Policy:
  - a. Federal transit laws, specifically 49 U.S.C. Section 5323 (c) (2), as amended,
  - b. The National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. Sections 4321 – 4335 (as limited by 42 U.S.C. Section 5159),
  - c. U.S. Council on Environmental Quality regulations pertaining to compliance with NEPA, 40 CFR Parts 1500 – 1508,
  - d. Joint FHWA and FTA regulations, “Environmental Impact and Related Procedures,” 23 CFR Part 771 and 49 CFR Part 622,
  - e. Executive Order No. 11514, as amended, “Protection and Enhancement of Environmental Quality,” 42 U.S.C. Section 4321 note, and
  - f. Joint FHWA and FTA final guidance, “SAFETEA-LU Environmental Review Process (Pub.L. 109-59) Fed. Reg. 66576, November 15, 2006, especially:
    - i. Guidance on implementing 23 U.S.C. Section 139 pertaining to environmental procedures, and
    - ii. Guidance on implementing 23 U.S.C. Section 326, pertaining to State responsibility for categorical exclusions.
- 2. Air Quality
  - a. Public transportation operators will comply with:
    - i. U.S. EPA regulations, “Control of Air Pollution from Mobile Sources,” 40 CFR Part 85,
    - ii. U.S. EPA regulations, “Control of Emissions from New and In-Use Highway Vehicles and Engines,” 40 CFR Part 86, and
    - iii. U.S. EPA regulations, “Fuel Economy and Greenhouse Gas Exhaust Emissions of Motor Vehicles,” 40 CFR Part 600, and any revisions to those regulations,
  - b. State Implementations Plans – grant funded projects will support State Implementation Plans by:
    - i. Implementing each air quality mitigation or control measure incorporated in the documents accompanying the approval of the Project,

- ii. Assuring that any Project identified as a Transportation Control Measure in the State Implementation Plan that applies to the Project will be wholly consistent with the design concept and scope of the Project described in the State Implementation Plan, and
- iii. Comply with:
  - 1. Section 176 (c) of the Clean Air Act, 42 U.S.C. Section 7506(c),
  - 2. U.S. EPA regulations, “Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved Under Title 23, U.S.C. or the Federal Transit Laws,” 40 CFR Part 93, subpart A, and
  - 3. Other applicable Federal conformity regulations that may be promulgated at a later date,
- c. Violating Facilities:
  - i. Comply with the notice of violating facility provisions of Section 306 in the Clean Air Act, as amended, 42 U.S.C. Section 7414, and
  - ii. Facilitate compliance with Executive Order 11738, “Providing for Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans,” 42 U.S.C. Section 7606 note,
- 3. Clean Water – comply with the Clean Water Act, as amended, 33 U.S.C. Section 1251 – 1377, an implementing Federal regulations, and follow Federal implementing guidance, except as the Federal Government determines otherwise in writing, Among the responsibilities:
  - a. Drinking Water – protect underground sources of drinking water in compliance with the Safe Drinking Water Act of 1974 as amended, 42 U.S.C. Sections 300f – 300j – 6,
  - b. Violating Facilities
    - i. Comply with the notice of violating facility provisions in Section 508 of the Clean Water Act, as amended, 33 U.S.C. Section 1368, and
    - ii. Facilitate compliance with Executive Order No. 11738, “Providing for Administration of the Clean Air Act and Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans,” 42 U.S.C. Section 7606 note.
- 4. Corridor Preservation – relating to right-of-way acquired under 49 U.S.C Section 5323(q), as amended by MAP-21, in anticipation of the Project,
- 5. Use of Certain Public Lands – Will comply with:
  - a. U.S. DOT laws, specifically 49 U.S.C. Section 303, which requires certain findings be made before a Project may be carried out that involves the use of any public owned land that Federal officials authorized under law have determined to be a:
    - i. Park of national, State or local significance,
    - ii. Recreation area of national, State or local significance,
    - iii. Wildlife refuge of national, State or local significance, or
    - iv. Waterfowl refuge of national, State or local significance, and
  - b. Joint FHWA and FTA regulations, “Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites,” 23 CFR Part 774, and referenced in 49 CFR Part 622,
- 6. Wild and Scenic Rivers – comply with Federal protections for the national wild and scenic rivers system, including:

- a. The Wild and Scenic Rivers Act of 1968, as amended, 16 U.S.C. Section 1271 – 1287, relating to protecting components of the national wild and scenic rivers system,
  - b. U.S. Forest Service regulations, “Wild and Scenic Rivers,” 36 CFR Part 297, and
  - c. U.S. Bureau of Land Management regulations, “Management Areas,” 43 CFR Part 8450,
7. Coastal Zone Management – projects consistent with the approved State management program developed under the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. Section 1451 – 1465,
  8. Wetlands – comply with the protections for wetlands provided in Executive Order No. 11990, as amended, “Protection of Wetlands,” 42 U.S. C. Section 4321note,
  9. Floodplains – comply with flood hazards protections in floodplains provided in Executive Order 11988, as amended, “Floodplain Management,” 42 USC Section 4321 note,
  10. Endangered Species and Fishery Conservation – comply with protections of endangered species:
    - a. The Endangered Species Act of 1973, as amended, 16 U.S.C. Sections 1531 – 1544, and
    - b. The Magnuson Stevens Fishery Conservation and Management Act, as amended, 16 U.S.C. Section 1801, et seq.,
  11. Waste Management – comply with the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 – 6992k,
  12. Hazardous Waste – comply with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. Section 9601 – 9675, which establishes requirements for the treatment of areas affected by hazardous waste,
  13. Historic Preservation:
    - a. Comply with U.S. DOT laws, including 49 U.S.C. Section 303 which requires certain findings be made before a Project involving the use of any land from a historic site that is on or eligible for inclusion on the National Register of Historic Places may be undertaken,
    - b. Encourage compliance with the Federal historic and archaeological preservation requirements of Section 106 of the National Historic Preservation Act, as amended, 16 U.S.C. Section 470f,
    - c. Compliance with Executive Order No. 11593, “Protection and Enhancement of the Cultural Environment,” 16 U.S.C. Section 470 note,
    - d. Comply with the Archaeological and Historic Preservation Act of 1974, as amended, 16 U.S.C. Sections 469a – 469c,
    - e. Comply with U.S. Advisory Council on Historic Preservation regulations, “Preservation of Historic Properties,” 36 CFR Part 800, which requires among other things, that:
      - i. Consult with the State Historic Preservation Officer concerning investigations to identify properties and resources included In or eligible for inclusion in the National Register of Historic Places that may be affected by the Project, and
      - ii. Notify FTA of affected properties, and
    - f. Comply with Federal requirements and follow Federal guidance to avoid or mitigate adverse effects on those historic properties, except as the Federal Government determines otherwise in writing,
  14. Native American Sacred Sites

- a. Facilitate compliance with Federal efforts to promote the preservation of places and objects of religious importance to:
    - i. American Indians,
    - ii. Eskimos,
    - iii. Aleuts, and
    - iv. Native Hawaiians, and
  - b. Facilitate compliance with:
    - i. The American Indian Religious Freedom Act, 42 U.S.C. Section 1996, and
    - ii. Executive Order No. 13007, “Indian Sacred Sites,” 42 U.S.C. Section 1996 note, except as the Federal Government determines otherwise in writing,
15. Mitigation of Adverse Environmental Effects – If the Project causes or results in any adverse environmental effect, make reasonable efforts to minimize the impact of every adverse effect by:
- a. Complying with:
    - i. All environmental mitigation measures that may be identified as commitments in the environmental documents that apply to the Project, such as:
      - 1. Environmental assessments,
      - 2. Environmental impact statements,
      - 3. Memoranda of agreement,
      - 4. Documents required by 49 U.S.C. Section 303, and
      - 5. Other environmental documents, and
    - ii. Any conditions the Federal Government might impose in a finding of no significant impact or record of decision, and
  - b. Assuring that:
    - i. Any mitigation measures agreed on will be incorporated by reference and made part of the Underlying Agreement,
    - ii. Any deferred mitigation measures will be incorporated by reference and made part of the Underlying Agreement as soon as agreement with the Federal Government is reached, and
    - iii. Any mitigation measures agreed on will not be modified or withdrawn without the written approval of the Federal Government.

### **Buy America (All Programs)**

The Buy America requirements apply to all FTA funded purchases of more than \$150,000, not just vehicles. Bidders are required to execute the Buy America certification at the time of bid submission. (For an RFP, the certification must be executed no later than the best and final offer submission.)

MoDOT conducts pre-award and post delivery vehicle audits as outlined in Conducting Pre-Award and Post-Delivery Audits for Bus Procurements. All bidders must submit a statement of domestic content with their bids. The statements are evaluated before bids are awarded. Domestic content is also reviewed when 1) more than 20 vehicles are purchased from one manufacturer, MoDOT conducts an inspection at the factory, and 2) every vehicle is inspected just prior to delivery. In addition, vendors must submit a post-delivery statement of domestic content for all vehicles. Steel, iron and manufactured products must be manufactured in the United States from domestic components. For rolling stock, final assembly must occur in the

United States and the cost of components made in the United States must be greater than 60 percent of the cost of all components.

## **Pre-Award and Post-Delivery Audits (All Programs)**

### *Rolling Stock - Audit and Inspection*

MoDOT staff or their contractors will conduct all rolling stock audits required by FTA.

MoDOT conducts pre-award and post delivery vehicle audits as outlined in Conducting Pre-Award and Post-Delivery Audits for Bus Procurements. All bidders must submit a statement of domestic content with their bids. The statements are evaluated before bids are awarded.

Domestic content is also reviewed when:

1. More than 20 vehicles are purchased from one manufacturer, MoDOT conducts an inspection at the factory, and
2. Every vehicle is inspected just prior to delivery.

In addition, vendors must submit a post-delivery statement of domestic content for all vehicles. Steel, iron and manufactured products must be manufactured in the United States from domestic components. For rolling stock, final assembly must occur in the United States and the cost of components made in the United States must be greater than 60 percent of the cost of all components.

## **Lobbying Restrictions (All Programs)**

MoDOT and all applicants will be required to abide by FTA's requirements regarding anti-lobbying restrictions. Recipients may not use federal funds for lobbying purposes. Grant recipients whose federal funds exceed \$100,000 in any one year are subject to reporting requirements if any non-federal funds are used for lobbying.

## **Prohibition of Exclusive School Transportation (All Programs)**

School bus recipients are prohibited from providing exclusive school bus service unless the service qualifies, and is approved by the FTA Administrator, under an allowable exception. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. Head Start transportation is considered a human service program and is not defined as school bus service.

Recipients may provide transit tripper service. Tripper service is regularly scheduled mass transportation service open to the general public, which is designed or modified to accommodate the needs of school students and personnel. Such service must be open to the public, must serve regular transit stops, and must be delineated on route maps and schedules, and does not display school bus signs.

## **Drug and Alcohol Testing (All Programs)**

### *Drug and Alcohol Testing*

All recipients are required to comply with FTA's requirements for drug and alcohol testing (49 CFR Parts 655 and Part 40). Recipients and their contractors who employ safety sensitive

personnel (excluding safety sensitive contract maintenance personnel) will have written drug and alcohol policies as required by FTA. Recipients and their contractors will allow MoDOT designated personnel review the drug and alcohol program records for compliance. Recipients are required to complete FTA's Management Information System (MIS) forms online annually. Reports are based on the calendar year.

Substance Abuse Testing

Subrecipients who receive funding only through the Section 5310, 5316, 5317 grant programs are not required a Substance Abuse testing program as required by CFR 49, Parts 40 and 655. However, if the subrecipient receives funding through the Section 5307, 5309, 5311 or 5339 programs, the Substance Abuse testing program requirement will apply to all-safety sensitive employees, including those whose employment is funded through the Section 5310, 5316, 5317 or 5339 programs.

Recipients and their contractors who employ safety sensitive personnel (excluding safety sensitive contract maintenance personnel for recipients of Section 5311/5339 funding) must have written drug and alcohol policies as required by FTA. Recipients and their contractors will allow MoDOT designated personnel review the drug and alcohol program records for compliance. Recipients are required to complete FTA's Management Information System (MIS) forms online annually. Reports are based on the calendar year.

All program subrecipients who are exempt from the FTA's testing requirements may still have to comply with the FMCSA regulations if they have drivers who hold a CDL and drive commercial motor vehicles.

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