California Department of Transportation

FTA Section 5316 and Section 5317

State Management Plan

APRIL 2008

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Section 5316:
http://www.dot.ca.gov/hq/MassTrans/5316.html

Section 5317:
http://www.dot.ca.gov/hq/MassTrans/5317.html

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Introduction

On August 10, 2005, the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU continues a strong fundamental core formula program emphasis coupled with targeted investment, featuring Safety, Equity, Innovative Finance, Congestion Relief, Mobility and Productivity, Efficiency, Environmental Stewardship, and Environmental Streamlining.

The Job Access & Reverse Commute (JARC) and New Freedom (NF) Programs are authorized under the provisions set forth in SAFETEA-LU. These provisions authorize the U.S. Secretary of Transportation to apportion funds to each state for grants to these programs. SAFETEA-LU also includes new planning requirements for the JARC and NF Programs, requiring that projects funded through these programs "must be derived from a locally developed, coordinated public transit-human services transportation plan."

The Governor of California has designated the California Department of Transportation (Caltrans) Division of Mass Transportation (DMT) as the recipient of all Federal Transit Administration (FTA) Section 5316 JARC and 5317 NF grants for the purpose of administering those funds in accordance to state and federal laws, statutes, and regulations. Caltrans DMT only administers Section 5316 JARC and Section 5317 NF funds allocated to small urbanized areas (50,000 – 200,000 population) and non-urbanized areas (<50,000 population). Large urban area (> 200,000 population) JARC/NF funds are administered by other agencies. DMT, through a working relationship with the Federal Transit Administration (FTA), as well as Councils of Government (COGs), Metropolitan Planning Organizations (MPOs), local governments, and transit providers develops and maintains an effective and efficient network of transportation services available to the public.

Information regarding the California Department of Transportation, Division of Mass Transportation is available at: www.dot.ca.gov/hq/MassTrans or through contact at the following:

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Chapter 1: General Transit Program Information

Roles and Responsibilities

Federal Transit Administration (FTA)

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.

Federal Transit Administration Regional Office

The regional office is tasked with assisting agencies with grant administration through the planning, finance, execution and delivery of transit projects.

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 State Management Plans; providing technical assistance and advice to the states as needed; and performing state management reviews every three years, or as circumstances warrant.

Caltrans works with the FTA Region 9 Office. The Region serves 141 grantees in the States of Arizona, California, Hawaii and Nevada, as well as the territories of Guam, American Samoa, and the Northern Mariana Islands. The Regional Office is located in San Francisco, California, and includes a Los Angeles Metropolitan office.

California Department of Transportation (Caltrans)

Caltrans is designated the recipient of all Federal Transit Administration (FTA) Section 5316 JARC and 5317 NF grants for the purpose of administering those funds in accordance with state and federal laws, statutes, and regulations. The Division of Mass Transportation (DMT) is responsible for administering those funds in accordance with state federal laws, statutes and regulations. Caltrans DMT administers Section 5316 JARC and Section 5317 NF funds allocated to small urbanized areas (50,000 – 200,000 population) and non-urbanized areas (<50,000 population). Large urban area (> 200,000

population) JARC/NF funds are administered by other agencies. The authority to administer program execution is shown in *appendix A* of this document.

Council of Governments (COGs)

In cooperation with the Governor, 26 State statutorily created Regional Transportation Planning Agencies (RTPAs) were formed. To execute various planning functions, all 26 RTPAs receive annual State planning funds called rural planning assistance (RPA) to carry out their respective planning requirements.

RTPAs must adhere to Federal and State planning regulations during the preparation of their Regional Transportation Plan (RTP).
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The plans consist of three elements: Policy, Action and Financial. The plans are reviewed by Caltrans DMT periodically to ensure that both Section 5316 and Section 5317 rural and nonurbanized planning needs are met.

Metropolitan Planning Organizations (MPOs)

In cooperation with the Governor, 18 federally designated Metropolitan Planning Organizations (MPOs) were created. Federal legislation passed in the early 1970's required the formation of a Metropolitan Planning Organization for any urbanized area with a population greater than 50,000. To execute various transportation planning functions, all 18 MPOs receive annual Federal metropolitan planning funds from the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) to carry out their respective planning requirements.

MPOs are Federally designated and were created in order to ensure that existing and future expenditures for transportation projects and programs were based on a continuing, cooperative and comprehensive (3-C) planning process. One of the core functions of an MPO is to develop a Regional Transportation Plan (RTP).

MPOs must adhere to Federal and State planning regulations during the preparation of their RTP.

The plans consist of three elements: Policy, Action and Financial. The plans are reviewed by Caltrans DMT periodically to ensure that both Section 5316 and Section 5317 planning needs are met.

Chapter 2: Overview of Transit Programs

Section 5310 – Elderly and Disabled Specialized Transit Program

Section 5310 is a capital grants funding program. The program was established by the Federal Transit Administration (FTA Section 5310) for meeting the transportation needs of elderly persons and persons with disabilities in areas where public mass transportation services are otherwise unavailable, insufficient, or inappropriate. It allows for the procurement of accessible vans and busses; communication equipment; mobility management activities; and computer hardware and software for eligible applicants.

Section 5317 funds can be used in conjunction with Section 5310 projects to provide the resources to subrecipients that enhances and improves mobility options for individuals with disabilities.

Section 5311 – Rural Transit and Procurement

Section 5311 is a non-urbanized area formula funding program authorized by 49 United States Code (U.S.C) Section 5311. This federal grant program provides funding for public transit in non-urbanized areas with a population under 50,000 as designated by the Bureau of the Census. FTA apportions funds to governors of each State annually. Caltrans DMT is the delegated grantee.

Guidance regarding the Section 5311 program is provided in the Section 5311 Handbook and Guide. DMT Headquarter staff administers and manage the two federal grant programs: FTA Section 5311, which promotes public transit in the non-urbanized areas of the state; and FTA Section 5311(f) which promotes intercity transit in the non-urbanized areas of the state. In addition, DMT has personnel in eleven local District offices who are responsible for overseeing the Section 5311 programs at the local level by providing planning and technical assistance to transportation planning agencies (TPA) and transit operators.

Section 5316 funds can be used in conjunction with Section 5311 projects to provide the resources to subrecipients that enhances and improves mobility options for low-income individuals and welfare recipients.

Section 5316 – Job Access and Reverse Commute Program

The Job Access and Reverse Commute (JARC) program has had a dramatic impact on the lives of thousands of welfare recipients and low-income families, helping individuals successfully transition from welfare to work and reach needed employment support

services such as childcare and job training activities. JARC was established as part of the Transportation Equity Act for the 21st Century (TEA–21) to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to acquire and keep jobs. With many new entry-level jobs located in suburban areas, low-income and/or welfare recipients have found it difficult to access these jobs from their inner city, urban and rural neighborhoods on a daily basis. Further, many entry-level jobs require working late at night or on weekends when conventional transit services in many communities are either reduced or non-existent. Finally, many employment-related trips are complex for low-income persons, often involving multiple destinations, including reaching childcare facilities and other services as part of the work trip.

With the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), (49 U.S.C. 5316) JARC funding is allocated by formula to States for areas with populations below 200,000 persons, and to designated recipients for areas with populations of 200,000 persons and above. The formula is based on the number of eligible low-income and welfare recipients in urbanized and rural areas.

The formula-based program is intended to provide an equitable funding distribution to States and communities as well as stable and reliable funding in order to implement locally developed, coordinated public transit-human services transportation plans. FTA continues to provide maximum flexibility to communities in designing plans and projects to meet the transportation needs of low-income people and welfare recipients.

All projects funded with Section 5316 must be derived from a locally developed coordinated public transit-human service transportation plan.

Section 5317 – New Freedom Program

The New Freedom Program is a new program authorized in SAFETEA–LU to support new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et. seq.). This program is codified at 49 U.S.C. 5317.

The New Freedom Program grew out of the New Freedom Initiative introduced by the Administration under Executive Order 13217**,** "Community-Based Alternatives for Individuals with Disabilities," on June 18, 2001. The Order states: "The United States is committed to community-based alternatives for individuals with disabilities and recognizes that such services advance the best interests of the United States," and calls upon the Federal government to assist States and localities to swiftly implement the decision of the United States Supreme Court in *Olmstead v. L.C.*

The New Freedom Program is intended to fill the gaps between human service and public transportation services previously available, and to facilitate the integration of individuals with disabilities into the workforce and full participation in the community.

All projects funded with Section 5317 must be derived from a locally developed coordinated public transit-human service transportation plan.

Coordinated Planning

SAFETEA-LU requires that all projects receiving FTA Section 5316, JARC and Section 5317 New Freedom funds be derived from a locally developed, coordinated public transit-human services transportation plan ("coordinated plan") before funding can be approved.

Caltrans DMT, as designated recipient of Federal assistance, in both the small urbanized and rural areas of the state, for JARC and New Freedom programs is responsible for competitive selecting of projects and certifying that they are derived from a coordinated plan.

SAFETEA-LU also requires designated recipients to certify that the coordinated plan was developed through a process that includes representatives of public, private, and non-profit transportation, human services providers, and participation by members of the public including individuals with disabilities, older adults, and people with lower incomes.

The coordinated plan must be developed through an inclusive process with participation from public, private, and non-profit transportation and human services providers as well as members of the public (e.g., individuals with disabilities, older adults, and people with lower incomes).

The lead agency responsible for developing the coordinated plan should document the strategies and process used to ensure stakeholders and the public are actively involved in the development of the coordinated plan document. Also, the lead agency will identify the process used for adoption of the coordinated plan.

DMT, before funding competitively selected projects, must certify that projects are:

- Derived from a fully adopted coordinated plan, and that the coordinated plan was developed through an inclusive process with stakeholders and public involvement.

- Incorporated into both the Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP).

Coordinated plans will vary based on availability of resources and the population in the region served by the programs. A rural area may develop its plan based on perceived needs through collaboration of planning partners. The coordinated plan is required in those areas seeking funding under FTA Sections 5316 or 5317 grant programs and, at a minimum, shall include the following:

- An identification and assessment of available transit services providers (public, private, and non-profit).
- An assessment of transportation needs for individuals with disabilities, older adults, and people with low incomes.
- Strategies to address the identified gap between current services to needed services, and maximize efficiencies by reducing duplication of services.
- Priorities for implementation based on transportation resources and funding availability.

The coordinated plan can be consistent with the transportation planning process and/or developed annually to be consistent with JARC – New Freedom Grant Cycle.

State Level

JARC/New Freedom Review Committee

At the State level, DMT will assemble a JARC/New Freedom review committee, which may be comprised of staff from non-applicant agencies, such as RTPAs and/or MPOs, Consolidated Transportation Services Agencies (CTSAs) transit agencies and social services agencies, to review, score and rank the project applications.

Local Level

Consolidated Transportation Services Agencies (CTSA)

At the local level, State law created the CTSA as a provider of consolidated transportation services within a specified geographical area. This agency designation is made by the RTPA or its equivalent. These agencies are eligible for local transportation funds generated from sales tax revenue under Article 4.5 of the Transportation Development Act.

Social Service Transportation Advisory Council (SSTAC)

State law further requires transportation planning agencies to establish a social services transportation advisory council for each county or counties operating under a joint powers agreement. Membership on this committee includes representatives of potential transit users, including the elderly and disabled, representatives of social services agencies serving the elderly, the disabled or low-income individuals, and representatives from the local CTSA. The purpose of this group is to identify transit needs in the jurisdiction that may be reasonable to meet and to serve as advisors to the transportation

planning agency on transit issues, including the coordination and consolidation of specialized transportation services.

Social Service Transportation Improvement Act

State law implementing the Social Service Transportation Improvement Act promotes maximum feasible transportation coordination among social service agencies. RTPAs are required to prepare and submit to the Department social services transportation inventories of all existing public and private social service transportation services in their respective geographical areas, and an action plan describing the steps needed to accomplish the consolidation of these services. RTPAs are required to update the inventories every four years and action plans every two tears.

State Role In Programs Administration

DMT is authorized through FTA to use up to 10 percent of the State's total fiscal year apportionment of both JARC and New Freedom Programs to administer both grant programs. Funds are used to cover program related expenses including administration, planning, and technical assistance. The state does not allocate those funds to subrecipients for the purposes of administration of the JARC/New Freedom grant programs.

Local Role In Programs Administration and Operations

It is the goal of DMT to provide formula based grant funds that are awarded on a like competitive basis.

A Local Agency (LA) with a Federally recognized small-urban area might choose to enter into agreement with DMT to conduct its own regional competitive selection process for those small-urban JARC and New Freedom applications. The LA would enter into a Memorandum of Understanding (MOU) with DMT before the solicitation of project applications, a "Call for Projects" is made by DMT. JARC and New Freedom program applicants in small-urban areas will be notified by DMT of who will be performing the project competitive selection process and detail where to submit their project applications.

After the LA reviews and scores the applications, the LA will forward the scored applications to DMT for eligibility and scoring verification. DMT will develop a statewide competitive review ranking and the final list of selected projects will be published and submitted to the FTA for funding.

JARC and New Freedom program applicants for the rural areas and small-urban areas, where the LA does not want to conduct its own regional competitive selection process,

are required to submit the project application directly to DMT for review, scoring and selection. DMT will assemble a JARC/New Freedom review committee, which may be comprised of staff from non-applicant agencies, such as RTPAs and/or MPOs, Consolidated Transportation Services Agencies (CTSAs) transit agencies and social services agencies, to review, score and rank the project applications. DMT will utilize standard evaluation criteria to ensure consistency in the evaluation process and will verify/certify all Federal requirements are met.

Goals and Objectives

We at Caltrans, have developed four core values for our department. These values reflect what is truly important to us as an organization. We are committed to cultivating an environment that upholds these values and creates a positive and energizing atmosphere where motivated team members can flourish and succeed to their highest potential.

We will strive to have these values guide our actions, shape who we are as an organization, and positively impact our relationships with colleagues, partners and the public.

Caltrans Mission Statement

Caltrans Improves Mobility Across California

Caltrans Goals

SAFETY

- Provide the safest transportation system in the nation for users and workers.

MOBILITY

- Maximize transportation system performance and accessibility.

DELIVERY

- Efficiently deliver quality transportation projects and services.

STEWARDSHIP

- Preserve and enhance California's resources and assets.

SERVICE

- Promote quality service through an excellent workforce.

Caltrans Values

INTEGRITY

- We promote trust and accountability through our consistent and honest actions.

COMMITMENT

- We are dedicated to public service and strive for excellence and customer satisfaction.

TEAMWORK

- We inspire and motivate one another through effective communication, collaboration, and partnership.

INNOVATION

- We are empowered to seek creative solutions and take intelligent risks.

Section 5316 Program Goals

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

Job Access:

- Access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals.

Reverse Commute:

- Transport residents of urbanized areas to suburban employment opportunities, regardless of income.

Section 5316 Program Objectives

- To provide funding through the FTA Section 5316 JARC program that fund the most effective mobility options for the targeted groups.

- To provide the resources to subrecipients that enhances and improves mobility options for low-income individuals and welfare recipients.

Section 5317 Program Goals

The New Freedom program goals are to provide new public transportation services to overcome existing barriers facing Americans with disabilities seeking integration into the workforce and full participation into society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. New Freedom also seeks to expand the transportation mobility options available to persons with disabilities beyond requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101, et seq.). The definition of "new service" is any service or activity that was not implemented or operational before August 10, 2005.

Section 5317 Program Objectives

- To provide funding through the FTA Section 5317 New Freedom program that fund the most effective mobility options for the targeted groups.

- To provide the resources to subrecipients that enhances and improves mobility options for individuals with disabilities.

Long Range Planning

Caltrans DMT long range vision is to support the California Transportation Plan (CTP). In a collaborative effort, through our goals and objectives DMT will meet the mobility needs of all Californians.

The CTP is a statewide, long-range transportation plan that will guide transportation decisions and investments in the 21st Century. It proposes a vision for transportation in year 2025, and sets goals, policies, and strategies to achieve the vision. The CTP considers the mobility of people, goods, services and information via all modes of transportation - biking, walking, driving, transit, railway, ferries, ships, aviation, and electronic communications.

Consultation and Cooperation with Local Officials

The current rural planning process in California allows for direct participation and involvement of non-metropolitan local officials through the RTPAs in development of transportation plans and priorities for their respective region. This consultation process applies to the Statewide Multi-modal Transportation Plan by including the RTPAs and other transportation providers as partners in the planning process. This process is separate and discrete from the public involvement process.

Each RTPA is charged with maintaining a regional transportation advisory committee with representatives from local government, elected officials, transportation providers,

and special interest groups. The transportation advisory committee plays an important role in identifying, analyzing and prioritizing transportation needs and goals for their respective regions. As a result of the transportation advisory committee and RTPA Boards, local governments/elected officials are directly consulted and given an opportunity to identify transportation needs. The committees are encouraged to meet at least bi-annually or as needed to review project status, evaluate proposed modifications to the TIP/STIP, update long-range plan and funding priorities, comment on rural functional classification changes, receive input on the rural work programs, and coordinate special studies.

Eligibility

SAFETEA-LU requires that all JARC and New Freedom projects selected for funding must be derived from a locally developed Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan). The Coordinated Plan identifies existing services, needs, strategies and priorities for low-income individuals, individuals with disabilities and older adults.

Section 5316 – Job Access and Reverse Commute and Section 5317 – New Freedom Program applicants may include state or local governmental bodies, Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), social services agencies, tribal governments, private and public transportation operators, and non-profit organizations.

Eligible Activities -Section 5316

The JARC program supports activities that enhance access to employment and employment related activities for people with lower incomes. The program also supports activities promoting reverse commute from the city out to the suburbs or from outlying areas in to the city or suburbs regardless of income level.

Eligible Activities -Section 5317

New Freedom funds are available for capital and operating expenses that support new public transportation services beyond those required by the ADA of 1990 and new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services, including transportation to and from jobs and employment support services. The definition of “new service” is any service or activity that was not implemented or operational before August 10, 2005.

Eligible Assistance Categories

JARC Operating Activities

- Late night and weekend service
- Guaranteed ride home service
- Shuttle service
- Expanded fixed-route public transit routes
- Demand-responsive service
- Ridesharing and carpooling activities
- Voucher programs

JARC Capital Activities

- Intelligent Transportation Systems (ITS)
- Promotion of operating activities
- Vehicles
- Mobility management activities

Federal/State/Local Participation Ratio

Capital
Funds can be used to support up to 80 percent (80/20 match) capital projects. The U.S. Department of Transportation (USDOT) program funds cannot be used as a source of local match for other FTA programs, even when used to contract for service.

Operating
Funds can be used to support not more than 50 percent (50/50 match) of projects for operating assistance. The U.S. Department of Transportation (USDOT) program funds cannot be used as a source of local match for other FTA programs, even when used to contract for service.

Administration
Funds can be used to support not more than 10 percent (10/90 match) of projects for administrative non-operating assistance expenses.

Mobility Management/Coordinated Planning
Funds can be used to support not more than 80 percent (80/20 match) of projects for Mobility Management/Coordinated Planning. Beginning in FY 2007, all selected projects must be derived from a locally developed, coordinated human-services transportation plan.

Local Funding Requirement

Eligible Local Match
Local match includes local appropriations, service contracts, Non-DOT funds through a service agreement, dedicated tax revenues, private donations, and net income generated from advertising, concessions, and incidental charter services.

In-kind contributions (donations of equipment, supplies, property, and/or services that are beneficial, and used by the applicant) must have a documented cash value. DMT reserves the right to reject or disallow in-kind contributions as local share if the estimated cash value cannot be determined independently.

The following definitions apply in determining sources of local match:

- "Cash" - may include local appropriations, dedicated tax revenues, or profit generated from eligible charter services.

- "Cash Equivalent" - means a contribution/donation of some portion of the acquisition, construction, or improvement of public transportation facilities or equipment. Examples of such contributions would include the donation of land on which a public transportation facility was to be constructed. Such non-cash sources of local match are eligible only when the value is formally documented in accordance with 49 CFR Part 18.

- "Unrestricted Federal Funds" (including Title XIX) - those funds authorized by a federal agency (e.g. Health and Human Services) can be used as local match for Section 5316 or Section 5317. The project applicants are responsible for identifying unrestricted funds because of their accountability by the other federal agencies involved. Subrecipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the subrecipient for the purposes of the project. Subrecipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the subrecipient for the purposes of the project.

- "Donations, Volunteers, In-Kind" - all are eligible as part of the "cash" share of the local match. Such non-cash sources of local match are eligible only if the value of each is formally documented and supported in accordance with 49 CFR Part 18.

- "Purchase of Service Agreement" - considered any agreement or contract between a Section 5311 service provider and a social service agency or organization (state, local, or private), whereby the social service organization purchases service for its clients at a price and according to terms specified in the agreement. Income from service contracts utilizing non-DOT funds to provide human service transportation may be used as fare box revenue.

Subrecipients may count non-cash shares such as donations, volunteered services, or in-kind contributions toward the local match only if the subrecipient formally documents the value of each non-cash share, and if this value represents a cost that would otherwise be eligible under the project. The net project cost must include the value of any in-kind contributions included in net project cost to the extent it is used as local match.

Use of Other Federal Funds
The local share may be derived from other Federal programs that are eligible to be expended for transportation, other than Department of Transportation (DOT) programs, or from DOT's Federal Lands Highway Program. Examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services.

Project Duration

Eligible JARC/NF projects may request up to three years of funding per project. Projects approved for multi-year funding will require yearly application updates to ensure compliance with the original approved project scope. Funding commitments in the second and third year are not guaranteed, but will be granted pending the level of federal appropriations to Caltrans DMT.

Chapter 3: Project Selection Criteria and Methodology of Funding Distribution

Background

DMT will evaluate all JARC and New Freedom project applications to determine the extent to which the proposed project meets overall program goals and rate project applications for JARC and New Freedom funding.

DMT, in conjunction with local agencies, developed a standard application and competitive selection process for the fair and equitable distribution of JARC and New Freedom program funding. As Designated Recipient, DMT formed an Advisory Committee to assist in the development of establishing selection criteria, program evaluation and project selection.

The Advisory Committee members include representatives from Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), Transit Agencies, State/local social service agencies, non-profit advocacy groups and Department staff.

Funding Criteria for Sections 5316 and 5317

Issues and concerns to consider when reviewing applications for funding include:

Degree of Project Contention
Is the project one that is potentially divisive, could be both time consuming, and complicated to pursue?

Core versus Peripheral Issue
Is the project addressing a keystone issue or one that is relatively minor and has limited overall value? Depending on the range of impact of the project could dictate whether it is an action worth taking sooner rather than later.

Time
Is the project addressing an immediate and pressing issue or one that is more long term? Issues with immediate and significant impact may be more desirable than those that are long term in nature.

Scope of Impact
Does the project affect a small, inconsequential aspect of human service transportation or is the impact more significant? The more significant the issue, the more challenging and greater the potential rewards.

Scope of Effort
Does the project tax the technical and time resources of the agencies and individuals involved? Would it require outside help in the form of a consultant or other outside expert? Far-reaching projects requiring significant effort may be challenging to implement, but a successful outcome could be enormously useful.

Specific criteria are published in the annual application for funding.

Project Description

The Project Description should outline the public transportation program operations and finances clearly and its relationship to the local and state public transportation goals. The Project Description serves as the basis for the application as well as an annual program operations report. New applicants shall submit a completed feasibility study in addition to completing a formal application. A project description shall include the following:

Certification Requirements

All applicants must include the following certifications and assurances in order to receive federal funds for the purpose of providing rural public transportation:

- Resolution of applicant's Board of Directors.
- Resolution of a local government.
- Roster of applicant's Board of Directors.

- A description of the extent of private sector participation in the application development and in the proposed transportation services.
- Evidence of the proposed project inclusion in the local Transportation Improvement Plan (TIP).
- A description of efforts to coordinate with human or social service agencies in the service area.
- An attorney affirmation.

Required signed certification and assurances can include:

- Affirmation of Applicant: Acceptance of FFY Certifications and Assurances.
- Affirmation of Applicant's Attorney in Acceptance of Certifications and Assurances.
- Resolution by Board of Directors to Apply for Funding.
- Affirmation of Applicant's Attorney to Apply for Funding.
- Local Share Identification Sheet.
- Certification for Civil Rights Complaint Status.
- Title VI Program Report (July 1 – June 30).
- DBE Good Faith Efforts Certification.
- Certification on Restrictions on Lobbying.
- Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions.
- Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions.
- Listing of Surface Public Transportation Providers and Labor Representation for 5333(b).
- Special Section 5333(b) Warranty.
- Public Hearing Notification Sample.

- Public Hearing Minutes.

- The disposition of all requirements relative to school bus and charter provisions, including assurance that the applicant will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators and will not provide charter without undergoing the appropriate procedures in accordance with FTA regulations.

- A description of public involvement in preparing the local application, including a copy of the announcement for a public hearing notice, affidavit of publication, hearing minutes (if a public hearing is requested), and comments received.

- Certification of Available Local Matching Funds.

- An updated vehicle/equipment inventory printout or listing of vehicles and other equipment purchased with federal and/or state funds costing $5,000 or more.

Project Selection and Evaluation Criteria

Upon request, DMT will delegate the competitive project selection process to local agencies with small-urbanized areas for the JARC/NF grant programs. A small-urbanized area's population size is between 50,000 and 200,000. A non-urbanized (rural) area is 50,000 population or less.

Local agencies that have entered into a Memorandum of Understanding (MOU) with DMT will conduct the competitive selection process for the small-urbanized area(s) within their jurisdiction. This MOU selection process will be a "first-level" review and scoring of the JARC/New Freedom grant applications before they are forwarded to DMT for final review. Selected projects must be derived from the locally developed coordinated plan and meet the intent of the JARC and New Freedom grant programs. The local agency will verify that each applicant meets all the federal requirements of each grant program. The local agency is the primary contact for the first level review prior to submission to DMT.

If the local agency for that area is conducting the regional first-level review, the application will be mailed directly to that local agency. After the local agency conducts the first level review and scoring of the project application, they will forward them to DMT for final review and scoring verification for the statewide competitive ranking. If a non-MOU local agency for an area is not conducting the first-level review, the application will be mailed directly to DMT.

For non-urban (rural) areas and small-urban areas not participating with MOU local agencies, projects will be awarded through a statewide competitive selection process conducted by DMT. Project applications will be evaluated for all JARC and New Freedom project applications in accordance with the scoring criteria to determine the

extent to which the proposed project meets the overall program goals and objectives of the programs. DMT will establish an application review committee, which will be comprised of staff from non-applicant agencies, such as health and human services agencies, RTPAs and/or MPOs, consolidated transportation services agencies (CTSAs), transit agencies and social services agencies, to review, score and rank the project applications. DMT will conduct the entire JARC/New Freedom competitive selection process for non-MOU small-urbanized areas and all rural (non-urban) areas.

Applications must meet the following minimum set of selection criteria:

- Address gaps in current service for targeted communities.
- Utilization of available resource and leverage resources to the extent possible.
- Cooperation and coordination with other Federal and/or state programs.
- Correlate with regional coordination plan and implementation strategies.
- Facilitate coordination across public-private sector, local inter-agency cooperation and geographic boundaries.
- Ability to replicate the selection process.

Method of Distributing Funds

JARC and New Freedom program funds are distributed on a formula based on current census data. DMT, using a competitive selection process funds capital, operating, and mobility management projects in the small-urban and rural areas of California.

The budget submitted by the subrecipient through the application process defines the category and amount of funds the subrecipient requests to receive. Any variation or changes require prior approval from DMT. Approved subrecipients have funds disbursed on a reimbursement basis. All invoices must be submitted to DMT prior to contract expiration as stated on the executed contract for JARC and New Freedom approved expenses. Capital expenses are reimbursed to the subrecipient at approved federal and/or state share once the capital has been received and is verified as operational by the subrecipient and/or the DMT as appropriate. Project expenditures shall be categorized as capital, operating, or mobility management expenses.

State Administration and Technical Assistance

The JARC and New Freedom programs allow ten percent of the annual apportioned funds to be used by Caltrans for administration, planning and technical assistance. FTA allows all or a portion of the administrative funds for JARC and New Freedom to be combined to support activities that are common to both programs such as coordinated planning. The DMT may combine program administration funds into one administrative account, so long as use is associated with administering the JARC and New Freedom programs.

Project Funds

All projects considered for funding shall be included in DMT's program of projects, and submitted annually to FTA unless otherwise specified, to ensure a "fair and equitable" distribution of funds. Maximum feasible coordination with transportation services assisted by other federal sources must be evidenced through the annual evaluation process.

Funding Guidelines

Funding guidelines for each program are based on regional demographics, and developed based on a formula that mirrors FTA's allocation formula to states. The demographics are based on Census 2000 data, and guidelines will be used on an annual basis as federal apportionments are published.

Section 5316
JARC funding guidelines are based on the low-income population within a region as a percentage of the state's overall low-income population. Percentages apply only for small-urbanized and rural area funding. Large urbanized areas receive their funding directly from FTA. Funding provided for small-urbanized areas must be expended within small-urban areas, and funding provided for rural areas must be expended within rural areas. Such projects will have gone through the application and competitive selection process as all funded projects.

Section 5317
New Freedom funding guidelines are based on the disabled population within a region as a percentage of the state's overall disabled population. Percentages apply only for small-urbanized and rural area funding. Large urbanized areas receive their funding directly from FTA. Funding provided for small-urbanized areas must be expended within small-urbanized areas, and funding provided for rural areas must be expended within rural areas. Such projects will have gone through the application and competitive selection process as all funded projects.

Deobligated Funds

DMT initiates closeout of the program of projects immediately after all work activities contained in the grant are complete. If a small amount of funds remains in the program of projects, DMT requests that FTA deobligate the funds and the project be closed out. The final Financial Status Report is prepared and sent to FTA with a request that the grant be closed.

Transfer of Funds

DMT may transfer funds apportioned to it under Sections 5316 or 5317 for rural or small urbanized areas to apportionments under Sections 5311(c) or 5307, or both as a "consolidated grant" with FTA.

The purpose of the transfer provision is not to supplement the resources available under the Section 5311 or Section 5307 apportionments. Transfer to Section 5311 or Section 5307 is not required. Transferred funds must be used for JARC and New Freedom activities. A State may make the transfer only after consulting with local officials and publicly owned operators of public transportation. The period of availability for the transferred funds is not changed by the transfer.

Tribal governments are encouraged to participate in the application process for JARC and New Freedom funds. However, DMT recognizes that tribal governments may choose to receive funds directly from the FTA and shall transfer funds to Section 5311 upon request from a tribal government's designated representative. The tribal government shall assume all responsibility for federally required reporting and monitoring.

Notification of Transfers

DMT must notify the FTA regional administrator of its intent to have funds transferred so that FTA can initiate the transfer. For transfers of JARC or New Freedom funds into the Section 5307 program for small urbanized areas under 200,000 in population or Section 5311(c) program, the notification must include:

- A statement by DMT that responsible local officials and operators have been consulted prior to the transfer.
- The program, project description, and amount of funds to be transferred.
- Fiscal year in which they were apportioned.

- Program section(s) transferring to which the funds are being transferred.
- DMT contact information.

Chapter 4: Annual Program Development and Project Approval

Background

DMT makes an annual program announcement for all programs in the month of November. The program period of performance is based on the State Fiscal Year (July 1 – June 30). The announcements provide information on available funds and solicit applications from eligible subrecipients. The review of all applications will begin after receipt, usually in early January after the application closing date.

The annual program of projects recommended by DMT would serve as the basis for the State's annual application for funds to the FTA. The program of projects shall identify each local subrecipient approved to receive funds for that year, inclusive of a brief description, funding level (federal and non-federal), and the amount of funds identified for state administrative expenses and intercity bus program as applicable.

The annual program of projects recommended by DMT and approved by the California Transportation Commission shall serve as the basis for the State Transportation Improvement Plan (STIP) update as well as the State's annual application for funds to the FTA (upon STIP approval).

DMT application to FTA can include three (3) categories in the program of projects:

- Category A will include those applicants certified as having met all the statutory and administrative requirements necessary for project approval.
- Subrecipients in Category B will include those projects, which Caltrans DMT intends to fund during that fiscal year, but have not yet met all the statutory and administrative requirements of the respective Programs.
- Category C will represent the State's program reserve with an amount, not to exceed ten (10%) percent of the total amount of the state's annual apportionment, to be used for unanticipated project and program needs, approved new projects or budget adjustments.

Caltrans DMT routinely strives to allocate all available funds under Category A and to avoid using Category C.

Notice of the Availability of Funds

The statewide announcements for Sections 5316 and 5317 are widely disseminated through various methods, to include but not limited to:

- Existing public transportation providers.
- County government administrators.
- Councils Of Governments for region-wide distribution to interested agencies including private sector transportation providers and Native American Tribes.
- Metropolitan Planning Organizations (MPOs).
- Other local planning agencies.
- Members of the California Transportation Commission.
- Other interested agencies and operators of public transportation services
- The Caltrans DMT website.

Public Hearing Requirements

The public hearing requirement in 49 U.S.C. 5323(b) for capital projects was amended by SAFETEA–LU. The law now associates more clearly the public involvement and hearing requirements for capital projects with the environmental review required by the National Environmental Policy Act (NEPA) and its implementing regulations. It also broadens the requirement to apply to all capital projects (as defined in 49 U.S.C. 5302).

Now, the applicant must provide an adequate opportunity for public review and comment on a capital project, and, after providing notice, must hold a public hearing on the project if the project affects significant economic, social, or environmental interests. These requirements will be satisfied through compliance with the NEPA requirements for a public scoping process, public review and comment on NEPA documents, and a public hearing on every draft environmental impact statement (EIS).

A public hearing on environmental assessments (EAs) that have a high probability of being elevated to EISs is also required, ensuring that the applicant has complied with the public hearing requirement to include in the environmental record for the project.

Under 49 U.S.C. Section 5323(b), any application for a project that will "substantially affect a community or the public transportation service of a community" shall include a certification to the effect that the applicant has:

- Provided an adequate opportunity for public review and comment on the project.
- After providing notice, held a public hearing on the project if the project affects significant economic, social or environmental interests.
- Considered the economic, social, and environmental effects of the project.
- Found that the project is consistent with official plans for developing the community.

Title 49 U.S.C. 5323(b)(2) further states, "Notice of hearings under this subsection shall include a concise description of the proposed project; and shall be published in a newspaper of general circulation in the geographic area the project will serve."

Section 5323(b) must be read in concert with Section 5324(b) which states that FTA must review the public comments and hearing transcript to ascertain that an adequate opportunity to present views was given to all parties having a significant economic, social, or environmental interest in the project, and that FTA must make a written finding to this effect.

Public Notification

DMT and the regional COGs publicly advertise availability of funds to potential applicants by notifying potential applicants by letter, through the DMT web site and through a publication having general circulation across the state.

At the conclusion of the application cycle/competitive selection process, The Division of Mass Transportation publishes a list of selected projects on the Division of Mass Transit web site located at:
http://www.dot.ca.gov/hq/MassTrans

Application Review and Approval Schedule

The State's annual announcements shall provide a schedule of dates for application submittals and review by DMT staff. Recording of the approval along with the State's submission of the respective program of projects is presented to FTA for review and approval.

FTA Approval

Upon approval by FTA of the State's program of projects, and after FTA and Caltrans DMT have entered into an agreement, the DMT staff will transmit, under the cover letter of project authorization, four (4) copies of approved grant agreement(s) for execution by the subrecipient. Each agreement shall contain:

- The approved project budget.
- The detailed scope of services to be performed in accordance with the budget.
- Required federal and state contract provisions and regulations (Terms and Conditions).
- The subrecipient should review and execute the agreements, returning all three copies to DMT within 30 days. DMT will then sign all copies of the contract and forward an executed contract to the subrecipient.

Certifications and Assurances

Subrecipients must annually assure FTA that the State and subrecipients meet certain requirements.

Each fiscal year, FTA publishes the required certifications and assurances in the Federal Register and updates the certifications and assurances in the Transportation Electronic Award Management System (TEAM). This notice indicates which certifications and assurances apply to all grantees and subrecipients.

Subrecipients submit the appropriate original signature certifications and assurances each fiscal year for all programs for which they will be funded. Subrecipients should use the most recent version of certifications provided by DMT during the annual application process. No contracts will be authorized until required signed certifications and assurances have been submitted and reviewed by DMT.

Period of Performance

The period of performance for contracts will be based on the State's Fiscal Year of July 1 – June 30. Contract extension requests must be submitted to DMT for consideration and will be considered on a case-by-case basis.

DMT may establish different periods of performance for projects that are programmed for funding but have not yet met all the statutory or administrative requirements of the programs (Category B) pursuant to applicable FTA Circulars.

Capital Projects

The performance period for all capital projects shall commence July 1 of the award year (based on the state fiscal year). The period of performance is generally for a period of 12 months for completion of the respective capital project(s). Extension of capital project performance periods will be considered on a case-by-case basis. Subrecipients must submit a request for extension to DMT. The request must indicate the project contract number; capital project description; justification for request for extension of performance period; and anticipated date of completion.

Chapter 5: LOCALLY DEVELOPED, COORDINATIED PUBLIC TRANSIT and HUMAN SERVICES TRANSPORTATION PLAN

Background

In accordance with the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), recipients under the Federal Transit Administration (FTA) Sections 5316, and 5317 programs must comply with all federal coordinated planning requirements to be eligible for funds. The reauthorization stipulates that projects selected for funding under these specified programs must be derived from a locally coordinated, public transit-human services transportation plan (Coordinated Plan).

Coordinated Plan Content

Coordinated plans will vary based on availability of resources and the population in the region served by the programs. A rural area may develop its plan based on perceived needs through collaboration of planning partners. The coordinated plan is required in those areas seeking funding under FTA Sections 5316 or 5317 grant programs and, at a minimum, shall include the following:

- An identification and assessment of available transit services providers (public, private, and non-profit).

- An assessment of transportation needs for individuals with disabilities, older adults, and people with low incomes.

- Strategies to address the identified gap between current services to needed services, and maximize efficiencies by reducing duplication of services.

- Priorities for implementation based on transportation resources and funding availability.

The coordinated plan can be consistent with the transportation planning process and/or annually to be consistent with JARC – New Freedom Grant Cycle.

Coordinated Plan Development

Caltrans DMT in cooperation with MPOs and COGs review coordinated plans to ensure that they are in compliance with FTA requirements. Caltrans DMT functions as a commenting agency making recommendations to address JARC and New Freedom requirements.

Chapter 6: Program Management

Background

Upon FTA's approval of the statewide grant, DMT drafts a standard agreement for each approved applicant. All projects shall be assigned a project number for each contract for identification purposes. The standard agreement describes the project type, scope, existing conditions, and needs and purpose.

Agreements are forwarded to the agency for signature by an authorized person and then returned to DMT for execution and final distribution.

If the project scope changes, agencies are required to submit a written description of the service and changes needed for approval. If needed, an amendment to the standard agreement is prepared.

Procurement of Equipment

The JARC and New Freedom Branch works in partnership with the California DGS Procurement Division to provide a state contract for the purchase of paratransit buses and vans that meet the transportation needs for successful grantees under the FTA Sections

5316, JARC and Section 5317, New Freedom Programs. A statewide-consolidated procurement of accessible vehicles, including five-passenger minivans, eight-passenger raised top vans, and seven to thirty-passenger cutaway buses are offered to successful applicants. Recipients are encouraged to participate in the State procurement process.

Among the benefits of State procurement is assurance that all Federal and State safety requirements, regulations, and guidelines are met and the procurement process affords a full and open competition. All federally-required clauses as outlined in Part 36 of the FTA Master Agreement and Best Practices Procurement Manual are included in the procurement documents.

Additional benefits include inspection of equipment by at the factory by DMT, as the vehicles are built, a final inspection before delivery, assistance with warranty issues, delivery instructions, economies of scale resulting in a reduced unit cost, and overall ease for the grant recipient.

Upon DMT's receiving grant approval from FTA, agencies participating in the statewide procurement are instructed to deposit their local match in a specific interest bearing account at the Bank of America in Sacramento. Agencies are notified that once their deposit is made, only DMT is able to authorize deductions from the account. The account remains open until all project invoices are paid, including procurement and inspection fees. The account remains open for the next fiscal years approved project. The agency can request to withdraw extra funds or closure of the account once all pending projects are delivered and invoices paid.

Upon delivery of equipment, the vendor bills DMT, who pays the bill with State funds and submits to the Department's Division of Accounting and requests for reimbursement from FTA on a quarterly basis.

Local agencies can also purchase vehicles, communication equipment, and other types of equipment through a local procurement, either conducting the purchase themselves or having another entity procure on their behalf. DMT's procurement staff is available to assist agencies in the development of a bid package and all necessary certifications for compliance with FTA Circular 4220.1E, Third Party Contracting.

Grantees procuring equipment locally must have their bid specifications and procurement packages reviewed and approved by DMT procurement staff prior to the purchase to ensure:

- Compliance with all federal and State safety requirements, regulations and guidelines.
- Inclusion of all federally-required clauses and attachments.
- A full and open competition.

Before the bid award, all proposed procurement contracts, along with the bid analysis and recommendation for bid award must be reviewed and given prior written approval by DMT. DMT procurement staff will review the bids submitted to ensure compliance with all FTA Third Party Contracting requirements. Under the agency's JARC or New Freedom contract, awards made without prior written approval of DMT may be ineligible for reimbursement.

Agencies, which elect to conduct a local procurement, pay the vendor directly and invoice DMT for the federal share. State law requires that non-profit organizations be paid within thirty days. Subrecipients are promptly reimbursed with state funds.

Use of Project Equipment and Management

Equipment purchased with JARC or New Freedom funds must be used for the granted purpose, which is the use described in the original application, except as it may be modified by the agency's contract or JARC or New Freedom program requirements.

In order to be eligible for JARC or New Freedom program funding, agencies must provide a minimum of 20 hours of service per week, which may be met by the applicant alone or in coordination with another agency (ies).

As long as grant related purposes are being met, JARC and New Freedom grantees are encouraged to make equipment available to provide transportation service to other low-income individuals and individuals with disabilities in order to maximize use. Equipment may also serve the transportation needs of the general public on an incidental basis if such service does not interfere with transportation service designed to meet the special needs of low-income individuals and individuals with disabilities. Additionally, federal guidelines allow agencies to coordinate and assist in providing meal delivery services if these services do not conflict with the provision of transit services or result in a reduction of service to transit passengers.

In those cases where an agency enters into an agreement with another agency (ies) for use of the JARC or New Freedom funded equipment, that agreement or lease must have prior written approval by DMT. Under such an agreement or lease, the contractor operates the vehicle(s) on behalf of the JARC and/or New Freedom fund recipients and provides transportation to the recipient's clientele as described in the program application. Other uses of the vehicle(s) or equipment are permitted only as long as such uses do not interfere with service to low-income individuals and individuals with disabilities. Control and responsibility for the operation of the vehicle(s) or other equipment must remain with the agency to which the equipment was originally granted.

Certificate of Title

Grantees are the registered owner of vehicles purchased with JARC and New Freedom funds. Caltrans is the lien holder and holds the Certification of Title. In order to protect the interest of the State and the federal government, the following language is included in each grantee's standard agreement:

> "At all times, while the PROJECT equipment is in the possession of the Contractor (grantee), the Contractor shall be the registered owner. The Contractor shall not transfer ownership of the PROJECT equipment at any time while this contract is in effect. If the State must take possession of the equipment, as a result of non-compliance with contract terms or by mutual agreement between the State and the agency, the agency shall sign-off as registered owner upon the State taking possession of the equipment."

Insurance Requirement Compliance

The standard agreement requires that each grantee maintain insurance in an amount not less than $1,000,000 per occurrence for bodily injury and property damage for vehicles seating 20 passengers or less. For vehicles seating more than 20 passengers, the agreement requires $2,000,000 per occurrence for bodily injury and property damage. Collision and comprehensive coverage must be equal to the cash value of each vehicle and piece of equipment.

Agencies are required to submit a proof of insurance certificate on an annual basis. These are reviewed be DMT to verify that coverage meets the minimum requirements, vehicles are properly identified, and appropriate clauses have been included. Insurance certificates are maintained in the agency files.

Maintenance

Agencies describe their maintenance plan for the granted equipment within their original program application, which is part of each agency's standard agreement. Language within the standard agreement specifically requires that grantees maintain equipment while it is in their possession. Article 19 of each grantee's standard agreement states that:

"While the project equipment is in the possession or control of the Contractor, the Contractor shall operate and maintain the equipment in accordance with detailed warranty, maintenance and inspection schedules provided by the original and final stage manufacturers. The State and FTA shall have the right to conduct periodic inspections for the purpose of confirming the existence, condition, and proper maintenance of the project equipment. No alterations (e.g., mechanical changes, painting) may be made to the project equipment in its as-received condition without first receiving written approval from the State."

During the application workshops, applicants are informed that if successful as a grantee they will be required to maintain equipment as recommended by the original and final stage manufacturers. When the vehicle(s) is delivered information is provided from the manufacturer to assist grantees with proper maintenance schedules and guidelines for the vehicle chassis and equipment on the vehicle.

The 5311 program Handbook, part of the standard agreement between the grantee and the Department, describes the records that must be maintained by all Sections 5316 and 5317 grantees as "motor carriers" under State law. During the on-site inspection, DMT staff verifies the agencies are maintaining these records.

Quarterly Reports

Each agency must submit a quarterly report documenting the use of all equipment acquired and operating assistance project status under the JARC and New Freedom programs. This is discussed with the applicants at the application workshops and specifically outlined in the standard agreement. Quarterly reports are submitted to DMT, JARC and New Freedom Program Branch Chief within 30 days after the close of the calendar quarter (e.g., January to March report due by May 1). Agencies are contacted if the report is not received. Each quarterly report form includes:

- Identification of each active vehicle purchased with JARC and/or New Freedom funds, including service miles, hours and one-way passenger trips.
- Identification of ancillary equipment, (i.e. radios, base stations, cellular phones, computers, etc.).
- Breakdown of passenger trips per week, by type of client served.
- Description of loss, damage, or major repair to any equipment during the quarter,
- Description of changes in operation during the quarter.
- Dates and results of California Highway Patrol's yearly inspection of facility or vehicles.
- Certification that vehicles are covered by the appropriate insurance.
- Certification that equipment is being used for the service for which it was approved, and in accordance with the standard agreement.

An authorized representative of the agency is required to sign the quarterly report. DMT will follow-up with the agency upon concerns noted in the review of quarterly reports.

Where determined necessary, an additional on-site inspection may be scheduled to address or resolve service or equipment issues.

Program Measures

Quarterly reports also capture the required program measures as required by law through FTA. These are necessary to measure relevant output, service levels and outcomes for the JARC and New Freedom programs. Program measures are part of the annual report, due each year by October 31.

DMT staff reports on information for all grantees of JARC and New Freedom funding in projects funded through DMT, including those that were transferred to Section 5307 or 5311 for administration.

Failure to submit quarterly reports violates the terms and conditions of the agency's standard agreement and can lead to termination of the project. If non-compliant, agencies are not eligible to apply for any projects in the next funding cycle.

Section 5316
DMT staff will submit both quantitative and qualitative information as available on each of the following measures:

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

- Actual or estimated number of rides (as measured by one-way trips) provided as a result of the JARC projects implemented in the current reporting year.

Section 5317
DMT staff will submit both quantitative and qualitative information as available on each of the following measures:

- Services provided that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year. Examples include geographic coverage, service quality and/or service times.

- Additions or changes to environmental infrastructure (e.g., transportation facilities, side walks, etc), technology, vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.

- Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

Disposition

According to the standards set by the State, disposition of most equipment takes place when the equipment has met its useful life. In some cases, however, equipment may be relinquished by an agency before it has met its useful life. Under the terms of the standard agreement, agencies are required to notify DMT whenever program equipment is no longer needed or used for JARC and/or New Freedom grant program purposes. DMT staff will attempt to transfer equipment to another JARC and/or New Freedom recipient if the age, condition, and mileage of the vehicle would make it suitable for transfer, or if DMT is aware of a demand for the equipment by other grantees.

Useful Life

Useful life for vehicles is defined in the scoring criteria as:

Minivans, Modified Vans	100,000 miles or 4 years
Bus Type I, IA, IB, II, III	150,000 miles or 5 years
Bus Type VII	200,000 miles or 7 years
Bus Type VIII	350,000 miles or 10 years

When the useful life of the vehicle has been met, DMT notifies the agency by letter releasing Caltrans' interest in the equipment and discontinuing all project monitoring. Any associated communication equipment is released along with the vehicle(s). Other equipment, such as computer hardware or software, will be released when determined appropriate. Agencies are directed, at the time of release, to return the proceeds from the sale of equipment to their transportation program.

Transfer of Equipment

When equipment purchased with JARC or New Freedom funds is no longer needed by an agency, priority in placing the equipment will be given to:

- To an agency taking over the same service to the same clientele.
- A grant recipient serving the same community.

- A grant recipient in the same county or region.
- A grant recipient in the same Caltrans' District.
- A JARC or New Freedom grant recipient elsewhere in the State.

In the case of a transfer to a current JARC or New Freedom recipient, an abbreviated application or "mini-application" can be submitted. If the agency is a former JARC or New Freedom recipient with no standard agreements currently open, a full application must be submitted. DMT staff will review applications submitted and the agency demonstrating the greatest need will be awarded the equipment. Once the selection has been made, the necessary paperwork is processed in conjunction with the agency releasing the equipment.

Equipment Monitoring

A physical inventory of equipment must be taken and the results reconciled with equipment records at least once every two years. Differences shall be noted. The subrecipient shall verify the existence, current use and continued need for the equipment in writing by April 30 of each even numbered year. A copy of the physical inventory must be attached. In addition, the subrecipient shall verify that the equipment acquired under the grant will continue to be used for the purpose for which the grant was approved and that none of the equipment has been sold, damaged, lost or otherwise taken out of transit service. If the required inventory has not been conducted or if the assurances cannot be made, a statement should be submitted with the certification that details relevant information such as date, items involved, nature of the loss and the standard agreement number in which it was procured.

As previously stated, any loss, damage, or theft must be investigated and documented by the grantee. A letter must be sent to the District Transit Representative describing the loss. Other information that should be provided includes insurance claims, police report, etc.

Adequate maintenance procedures must be developed and implemented to keep the property in good working condition.

Annual On-site Inspections

At least annually, DMT staff conducts an on-site inspection of all equipment purchased with JARC and New Freedom funds that is currently under contract. Advanced arrangements with the agency will be made to assure that equipment is available for inspection. Computers, mobile radios, base stations, and all other items purchased with JARC and New Freedom funds are also inspected to assure equipment is being used for is intended purpose.

During the agency visit, a "Vehicle Inspection Report" form is completed for each vehicle. A visual examination of each vehicle is made and the vehicle odometer reading is recorded. Additionally, a review is made of the agency's vehicle reporting records, including the California Highway Patrol inspection reports and the ADA Service Provisions, and any issues that may pertain to the agency's operation of JARC and New Freedom equipment are discussed.

Information obtained during the physical inventory is entered into the JARC and New Freedom database. Reports generated from the database are used to evaluate the performance of individual agencies in comparison to their original service projections. This facilitates early identification and resolution of issues. For future planning purposes, information can also be generated on a statewide level, including equipment usage, types of trips, and clientele served.

Any concerns resulting from the inspection or analysis of data, such as underutilized equipment, safety issues or potential misuse of equipment, are analyzed for follow-up, appropriate action and resolution to ensure program compliance. Removing equipment from a grantee is used as a last resort, after coordination efforts or remedial action are unsuccessful.

In addition to verifying that JARC and New Freedom equipment is being used in compliance with program requirements, the on-site inspection provides DMT with an opportunity to discuss any issues and provide assistance. For example, staff can suggest or assist in identifying potential coordination opportunities to increase vehicle usage. Additionally DMT staff can address ongoing issues, such as timely submittal of quarterly reports.

Closeout Procedures

Project closeout is conducted according to the guidelines in FTA Circular 5010.1B, "Grant Management Guidelines."

Closeout Procedures between DMT and the Subrecipient

Upon final payment of grant funds associated with a grantee's project, the DMT immediately disencumbers remaining funds. A final accounting of expended funds is available to the grantee. Any remaining funds are reprogrammed into the next application cycle and allocated to a new project. The appropriate program of projects is then amended and forwarded to FTA.

Closeout Procedures between DMT and FTA

DMT initiates closeout of the program of projects immediately after all work activities contained in the grant are complete. If a small amount of funds remains in the program of projects, DMT requests that FTA deobligate the funds and the project closed out. The

final Financial Status Report is prepared and sent to FTA with a request that the grant be closed.

FTA Reporting Requirements

Annual Program Status Report

The DMT JARC and New Freedom Programs Branch will submit an annual program status to FTA for each active grant once the number of open grants is reduced. Currently, frequent Budget Revisions are submitted reporting changes in grant status. The program status includes updated program of projects, revised budget sheets and updated milestones. The annual program status also includes changes in projects from one category to another and adjustments within budget categories.

Financial Status Report

The Caltrans' Division of Accounting provides quarterly financial status reports to the JARC and New Freedom Branch for each active grant. These reports are verified for accuracy against expenditures recorded by the JARC and New Freedom Branch. Annual financial status reports are submitted to FTA electronically in TEAM and accounting provides copies to the JARC and New Freedom Branch Chief.

Title VI Report

Annually, a listing of all approved applicants for the current cycle, indicating the level of federal funding awarded and a breakdown by percent of the racial and national origin of the persons likely to receive transportation services from the grantee are reported to FTA. For those applicants not approved, a breakdown by percent of the racial and national origin of those persons that would have been likely to receive transportation services from the applicant is provided.

Certifications and Assurances

All grantees and subrecipients must annually fulfill annual Certifications and Assurances, assuring FTA that the State and its subrecipients meet certain requirements. Each fiscal year, FTA publishes the required certifications and assurances in the Federal Register and updates the certifications and assurances in the TEAM system.

Subrecipients must submit a current and appropriate Certifications and Assurances with original signature each fiscal year for all programs for which they will be funded. Subrecipients should use the most recent version of certifications provided by DMT

during the annual application process. No contracts will be authorized until the required certifications and assurances have been signed, submitted, and reviewed by DMT.

Fiscal Management

State Financial Management Systems

The Department expends and accounts for grant funds in accordance with State laws and procedures for expending and accounting for its own funds.

FTA Payment Procedure

The Division of Accounting utilizes the Electronic Clearing House Operation (ECHO) for payment. The Division of Accounting initiates cash draw downs when actually needed for immediate disbursement as a result of invoice payment. Cash disbursements and balances are reported quarterly to the JARC and New Freedom Programs Branch on Standard Form 269a. Funds for projects are only drawn down for the sum obligated by FTA and the current available balance for the specific project and are limited to only eligible project costs.

State Financial Records

The Department maintains detailed financial reports, supporting documentation, and all records pertinent to each grant. These records are available for review for a period of three years. Records are retained beyond the required three-year period if there are unresolved audit findings, litigation, or claims.

Chapter 7: Procurement and Third Party Contract Management

Background

The Department of General Services (DGS) serves as the business agent for California State Government. In this role, the DGS Procurement Division provides buying and technical support services to assist state and local agencies in purchasing goods, and services.

Procurement and third party contracting activities are primarily the responsibility of the local project. The procurement and contract standards set forth in this chapter shall apply to the procurement of capita1 equipment and professiona1 services, and should follow

established local procedures and applicable state or federal standards in accordance with the DGS Procurement Division and FTA Circular 4220.1E (as amended).

Caltrans DMT requires that all subrecipients follow the State Consolidated Procurement Procedures located at: http://www.pd.dgs.ca.gov/default.htm

Subrecipients shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Appendix F of this document provides certifications and assurances from FTA. These assurances should be reviewed and incorporated into subrecipient proposals and awards made for real property construction and/or renovation.

Lobbying

Grantees must certify compliance with the Federal Restrictions on Lobbying (P.L. 101-121, Section 319) when signing their standard agreement with DMT. The restrictions on lobbying clause are also specifically itemized in the standard agreement between the grantee and the Department.

Each vendor bidding on equipment being purchased locally by a grantee must sign and submit a "Certification of Restrictions on Lobbying." DMT verifies that this certification is included in all JARC and New Freedom local procurement bid packages prior to release of the bid by the grantee and confirms that it has been completed and submitted by each responding bidder when reviewing the results of the grantee's bid prior to approval of award. This same document is included in the State procurement documents and must be signed and submitted by each vendor bidding on any State procurement of JARC and New Freedom equipment.

Debarment and Suspension

Grantees must certify compliance with the federal debarment and suspension provisions by signing a separate certification when executing their standard agreement. In addition, language contained within the standard agreement requires compliance with the debarment and suspension provisions.

Buy America Provisions/Pre-Award and Post-Delivery Audits/ Bus Testing

Under JARC and New Freedom programs, most vehicles are procured by the State in a consolidated procurement. Buy America provisions are included in the Invitation for Bid and Buy America certifications are obtained from vendors.

DMT procurement staff complete the required certifications for pre-award and post-delivery reviews of vehicle specifications, Federal Motor Vehicle Safety Standards (FMVSS), and Buy America requirements. DMT obtains a component breakdown from vendors to ascertain the domestic content of product components and subcomponents as required. In addition, a resident inspector is used by DMT to verify compliance with Buy America at the vehicle manufacturer's facility.

In those cases where a grantee chooses to procure vehicles directly, DMT performs pre-award reviews of the subrecipient's vehicle contracts to ensure compliance with Buy America provisions and receipt of pre-award for Buy America.

The process to be followed by each grantee conducting Federal Motor Vehicle Safety Standards (FMVSS), and purchaser's requirements certifications, grantees must submit the post-delivery Buy America, FMVSS, and purchaser's requirements certifications to DMT to receive payment.

Pre-award and Post-delivery Audits

A local procurement is outlined in the Procurement Guidelines for Local Purchase of Equipment following sections: "IV. Bid Results," "V. Pre-Award Audit" and "VI. Post Delivery Audit." Included are copies of all forms needed to complete this process.

All grantees certify by signing the standard agreement that they will comply will Buy America requirements and will conduct pre-award and post-delivery audits of rolling stock purchases.

Bus Testing

Each agency's standard agreement includes the required certification that all sub-recipients will comply with the federal Bus Testing Law (49 CFR, Part 665).

For those vehicles subject to bus testing, DMT requires under State procurement that the vendor provide a copy of the Altoona test report before bid award. Bids are not accepted for vehicles that have not yet been tested.

When procurements are conducted by grantees, DMT requires that grantees certify that they will comply with bus testing regulations. Additionally, all bid specifications and contracts are reviewed by DMT procurement staff to ensure that bus testing requirements have been met and, specifically, that bus testing reports have been obtained.

Commercial Driver's License

Knowledge of and compliance with all applicable laws and regulations governing the transport of passengers is a critical part of an agency's ability to manage a transportation program. The management ability of an applicant is one of the four program evaluation criteria used in reviewing and scoring JARC and New Freedom applications. The application requires a description of how the agency's drivers will be utilized and a description of the applicant's driver training and sensitivity programs.

In California, driver licensing is the responsibility of the Department of Motor Vehicles (DMV). All grant recipients are instructed to contact their local DMV regarding licensing requirements. All questions regarding enforcement of licensing requirements or violations are referred to the California Highway Patrol. Additionally, DMT informs grantees of their responsibilities as motor carriers under the State Motor Carrier Regulations. During the on-site monitoring visit, DMT staff reviews the agency's records, including driver records.

To further assist agencies, a California Highway Patrol fact sheet on the regulations of small buses will be distributed to all those attending the application workshops. This helpful document, presented in a question and answer format, includes a discussion on licensing requirements.

Bid Protests/Appeals

It is the responsibility of the subrecipient to settle procurement disputes whenever initiated.

Under prohibited conditions, a bidder may protest to Caltrans DMT pursuant to a subrecipient's award of a contract.

Caltrans DMT's role in a bid protest is in compliance with FTA Circular 4220.1E (as amended).

Chapter 8: Land Acquisition and/or Construction of Real Property

Background

Real property acquisition and relocation activity must be conducted in accordance with the requirements in the Uniform Relocation Assistance and Real Property Uniform Relocation Act of 1970, as amended (Uniform Act), and codified in 49 CFR, Part 24. FTA guidance states, "The objective of the Uniform Act is that owners of real property to be acquired for Federal and Federally assisted projects be treated fairly and consistently;

that persons displaced be treated fairly, consistently and equitably; and that acquiring agencies implement the regulations in a manner that is efficient and cost effective."

Subrecipients may not incur costs prior to receiving approval from DMT.

Responsibilities

Subrecipient

- Obtains appraisals and prepares initial environmental and other required documents prior to application submission.

Department Transit Representative

- Reviews submittals for accuracy and conformance to policy.

Department of Mass Transportation

- Provides policy direction and guidance.

Appraisal

Real property must be acquired at its current fair market value. Fair market value will be established on the basis of a recent, independently prepared appraisal by a certified appraiser. An additional appraisal may be made if the grantee finds the valuation problem complex and deems a second appraisal to be appropriate. Subrecipients shall instruct appraisers to disregard any decrease or increase in the fair market value of the real property caused by the likelihood that the particular property is to be acquired for the project.

One appraisal and a reviewer's analysis will be required when the estimated property value is $250,000 or less. Two appraisals and a reviewer's analysis will be required when the estimated property value exceeds $250,000, or when an estimated property value in excess of $250,000 must be resolved through eminent domain proceedings or if a property is to be condemned.

Instead of using its power of eminent domain, when a property cannot be purchased at appraised value, a subrecipient may propose acquisition through negotiated settlement. The subrecipient must document that reasonable efforts to purchase it at the appraised amount have failed and prepare written justification supporting why the settlement is reasonably prudent and in the interest of the public. When the settlement exceeds the

offer by $10,000, a litigation attorney must provide a written assessment of proposed settlement risks over the risks of proceeding in court. Prior FTA concurrence is required when a settlement of $50,000 or more and must be further negotiated.

FTA has identified exceptions to obtaining a full appraisal. Full appraisal and/or negotiation procedures are not necessary in certain instances. The District Transit Representative should be contacted for further guidance when any of the following conditions apply:

- The owner is donating the property.
- The subrecipient does not have authority to acquire property by eminent domain.
- The property qualifies as a voluntary acquisition as defined in 49 CFR 24.101(a).
- The valuation problem is uncomplicated and the fair market value is estimated at $2,500 or less, based on available data.
- Unless one or more of the exceptions above applies, the project application that includes real property acquisition is considered incomplete without an appraisal.

Assurances, Evaluation and Compliance

The assurance for Real Property Acquisition and Relocation, must be submitted as part of the Section 5311 application process in order for the application to be considered complete.

Negotiation

Federal land acquisition regulations require that appraisals, including an “offer of just compensation” (with supporting documentation) be prepared before entering into negotiations or executing a purchase agreement for the land. A subrecipient may initiate the negotiation process prior to grant approval. However, no reimbursement will be made for costs incurred prior to execution of the standard agreement. It is therefore important for subrecipients await notification that the standard agreement is fully executed before entering into the purchase agreement. The purchase agreement is normally executed at or prior to the opening of escrow.

Payments are made on a reimbursement basis upon presentation of proper invoices and supporting documentation. Grant funds will not be available for deposit in escrow. Subrecipients should therefore be prepared to finance land acquisitions initially with local funds.

Chapter 9: Civil Rights

Background

The Caltrans Title VI Program Manual was developed in response to federal nondiscrimination regulations issued by the United States Department of Transportation (DOT). The Title VI Program Manual is included in Appendix D of this document.

Title VI

Applications for Section 5316 and 5317 contain a section titled Certifications and Assurances of the Subrecipient. Here the applicant self-certifies that they will comply with the provisions of Title VI. Should the application receive funding it becomes an express part of the contractual agreement (Standard Agreement) between the Department and the subrecipient. The Standard Agreement itself contains section titled Civil Rights Requirements that includes Title VI.

Applicants must disclose in the application any complaints or lawsuits that have been received or acted upon within one year of application submittal. Further more, subrecipients are required to have Title VI compliant procedures and maintain a record to Title VI investigations, complaints, and lawsuits. These documents will be reviewed during the annual monitoring visit.

All subrecipients must submit the signed current year's List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements with their signed Standard Agreement. Subrecipients must also inform the public of their Title VI obligations. DMT will ensure compliance during the annual monitoring visit. Finally, subrecipients must submit a compliance report.

Compliant Procedures

The department has an Equal Opportunity Program Manager responsible for preparing monitoring and implementing the Department Equal Opportunity Plan. The office of Audits and Investigations ensures that all discrimination complaints are thoroughly investigated in accordance with the Equal Opportunity Plan.

Each Section 5316 and 5317 grantee specifically certifies within the program application that it will not discriminate against any employee or applicant for employment. Additionally, by signing the standard agreement with Caltrans each grantee certifies that it will comply with all applicable federal equal employment opportunity requirements.

Equal Opportunity Compliance

The department has an Equal Opportunity Program Manager responsible for preparing monitoring and implementing the Department Equal Opportunity Plan. The office of Audits and Investigations ensures that all discrimination complaints are thoroughly investigated in accordance with the Equal Opportunity Plan.

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Disadvantaged Business Enterprise Program

Policy Statement

Subrecipients adhere to the California State Disadvantaged Business Enterprise Program Plan, as it applies to local agencies. Additionally, subrecipients submit a completed "Disadvantaged Business Enterprise Race-Neutral Implementation Agreement For Federal Transit Administration Subrecipients" (Implementation Agreement). Subrecipients need only resubmit the Implementation Plan should the DBE Liaison Officer change or significant staff changes occur.

Subrecipients must determine if the project has subcontracting opportunities. Should the subrecipient determine that there are no subcontracting opportunities for the project include the language in Attachment A (titled "Disadvantaged Business Enterprise Participation") in the solicitation document. If it is determined that there are subcontracting opportunities for the project, include the language in Attachment B (titled "Disadvantaged Business Enterprise Program Availability Advisory") in the solicitation document.

Regarding reporting, subrecipients with contracting opportunities submit information regarding successful bidders and contract payments to DMT twice yearly.

Chapter 10: Other Applicable Provisions

Background

Several laws and administrative requirements apply in common to all federal grant programs. Compliance features for some of these requirements have been further defined

by the Federal Transit Administration; inclusive of several unique provisions applicable to all FTA grant assistance programs.

Safety

FTA's authority in the area of transit safety is set forth in Section 5329 of the Federal Transit Law. Under Section 5329, FTA may withhold further financial assistance from any grantee that fails to correct any condition that FTA believes "creates a serious hazard of death or injury."

As the designated recipient for federal funds in California, Caltrans is empowered to carry out the authority indicated above. Caltrans will also exercise authority to remove vehicles and facilities from service if it is deemed that identified vehicles or facilities present an unsafe environment for employees and transit customers.

In addition, DMT's Safety and Security branch facilitates and coordinates with the Governor's Office of Emergency Services, Governor's Office of Homeland Security to provide statewide workshops and training on transit security. This branch works with Caltrans HQ units, Caltrans districts and transit providers to establish an inventory of security and emergency resources around the state. It also develops and updates the Caltrans transit Emergency Planning Guideline.

Protection of the Environment/Environmental Justice

When planning projects, the transportation planning agency should integrate the principles of environmental justice into the decision making process. The transportation planning agency's project planning process should consider economic, social and environmental effects of the project and should ensure that the project is consistent with the official plans of the area.

Environmental Protection and Clean Air Act

Items routinely purchased under the JARC and New Freedom programs are considered categorical exclusions from FTA's requirements to prepare environmental documentation. If an unusual project were proposed for funding, DMT would contact FTA for guidance regarding any possible environmental impact.

All JARC and New Freedom projects approved for funding must be in conformance with the appropriate Regional Transportation Plan (RTP). These RTPs must demonstrate conformity at the regional level with the appropriate State Implementation Plan (SIP) for air quality. Where applicable, the project must also be included in the Federal Transportation Improvement Program (FTIP) adopted for the area.

Bidders, responding to both State and local procurements, are required to sign a "Bidder's Certification of Energy Conversation, Air Quality and Clean Water

Compliance." All vehicles procured under the programs are required to meet California emission standards.

Labor Protection

The application process provides Caltrans with written documentation that the subrecipient has agreed to accept the terms and conditions of the special warranty of employee protective arrangements. This protection requires fair and equitable arrangements to protect the interests of participants in the Sections 5316 and 5317 programs.

Under the terms of the Special Section 13(c) Warranty for Application to the Small Urban and Rural program, the Department "shall provide to the Department of Labor, and maintain at all times during the Project, an accurate up-to-date listing of all existing transportation providers which are eligible Recipients of transportation assistance funded by the Project, in the transportation service area of the Project, and any labor organization representing the employees of such providers."

Section 504 and ADA Program Requirements

Section 504 of the Rehabilitation Act of 1973, (Section 504), as amended (29 U.S.C. 794), prohibits discrimination on the basis of handicap by recipients of federal financial assistance. The Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 et seq.), affords equal opportunity for employment, transportation, telecommunications, and places of public accommodation for people with disabilities.
Both Sections 5310 and 5311 subrecipients must comply with 49 CFR Parts 27, 37, and 38 implementing the ADA and Section 504. These provisions:

- Prohibit discrimination against individuals with disabilities.
- Specify accessibility requirements for the design and construction of new transportation facilities.
- Require that vehicles acquired be accessible to and usable by individuals with disabilities, including individuals using wheelchairs (with limited exceptions for demand responsive systems providing equivalent service to individuals with disabilities) or a demonstration of inability to obtain an accessible vehicle despite good faith efforts to do so.

Require governmental authorities, including a private non-profit entity "standing in the shoes" of the State as subrecipient operating fixed route transit must have complementary paratransit plans on file (effective January 26, 1992)

Subrecipients of federal funds should ensure compliance in the areas of employment, public services, public accommodations, telecommunications, and other provisions. Certification is accomplished annually through the funding application packages containing appropriate assurances.

If a Section 5316 or 5317 subrecipient is operating fixed route transit, the subrecipient must submit an annual Paratransit Plan to the Division of Mass Transit no later than January 26. DMT must comment on the Paratransit Plan submitted transmit them to the FTA Regional Office by April 1 of each year in accordance.

Caltrans DMT must also ensure that all vehicles acquired with Sections 5316 and 5317 funds are equipped, maintained, and operated in accordance with 49 CFR Parts 27, 37 and 38 and that service provided does not discriminate against individuals with disabilities. Currently, all vehicles on state contract that are available for subrecipient purchase are ADA compliant.

Newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

Certifications and Assurances

The annual certifications and assurances are binding legal commitments for the subrecipient to comply with Federal law and regulations and are issued during the Caltrans programs application process. The certifications and assurances apply to all FTA programs, including Tribal Transit and Over the Road grants.

Current certifications and assurances from the Federal Transit Administration are located on the FTA website at: http://www.fta.dot.gov/funding/grants_financing_93.html. Each subrecipient must comply with the applicable certifications and assurances to the extent they may apply for federal funding. Updates are required on an as needed basis.

Buy America Provision/Pre-award and Post-delivery Reviews

Under Section 5316 and Section 5317 programs, most vehicles are procured by the State in a consolidated procurement. Buy America provisions are included in the Invitation for Bid and Buy America certifications are obtained from vendors.

DMT procurement staff complete the required certifications for pre-award and post-delivery reviews of vehicle specifications, Federal Motor Vehicle Safety Standards (FMVSS), and Buy America requirements. DMT obtains a component breakdown from vendors to ascertain the domestic content of product components and subcomponents as required. In addition, a resident inspector is used by DMT to verify compliance with Buy America at the vehicle manufacturer's facility.

In those cases where a grantee chooses to procure vehicles directly, DMT performs pre-award reviews of the sub recipient's vehicle contracts to ensure compliance with Buy America provisions and receipt of pre-award Buy America, FMVSS, and purchaser's requirements certifications. Grantees must submit the post-delivery Buy America, FMVSS, and purchaser's requirements certifications to DMT to receive payment.

The process to be followed by each grantee conducting a local procurement is outlined in the Procurement Guidelines for Local Purchase of Equipment following sections: "IV. Bid Results," "V. Pre-Award Audit" and "VI. Post Delivery Audit." Included are copies of all forms needed to complete this process.

All grantees certify by signing the standard agreement that they will comply will Buy America requirements and will conduct pre-award and post-delivery audits of rolling stock purchases.

Clean Air Act

The Clean Air Act Amendments of 1990 establish many new substantive requirements in order to bring air quality regions, which currently violate the National Ambient Air Quality Standards into attainment by prescribed dates.

The principal requirement for which both Section 5310 and Section 5311 subrecipients must be aware of the transportation/air quality conformity review process. In general, transportation plans, programs, and projects must "conform" with approved State (air quality) Implementation Plans before FHWA or FTA can fund them.

Most of the projects typically funded under Section 5311 have been exempted by regulation from the conformity review process, e.g., operating assistance, purchase, and rehabilitation of transit vehicles, operating equipment and construction of most storage and maintenance facilities. However, this could become an issue for certain large facilities, e.g. transit terminals and park-and-ride facilities. A complete list of exempted highway and transit projects is found in 40 CFR 93.126. Section 5311 projects should therefore consult with FTA when in question, as early as possible in the development of their programs to establish the need for further analysis to support FTA's conformity determination.

Drug and Alcohol Program

Subrecipients that receive only Section 5316 or 5317 funds are not subject to FTA's Drug and Alcohol testing rules, but must comply with the Federal Motor Carrier Safety Administration rule for employees who hold Commercial Driver's Licenses

Sections 5316 and 5317 subrecipients that also receive funding under one of the covered FTA programs should include any employee funded under Section 5316 and 5317 projects in their testing program.

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 urban 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.

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if" the grantee "provides for the participation of private companies engaged in public transportation to the maximum extent feasible."

The most comprehensive FTA document regarding private enterprise requirements is a report titled "Private Enterprise Participation in Transportation Planning and Service Delivery." The report is available on FTA's website at:
http://www.fta.dot.gov/documents/Private_Enterprise_Brochure.doc.

In view of the South Carolina Department of Transportation's continued commitment, to the maximum extent feasible, to the involvement of private enterprise in the provision of mass transit services, the following applies:

- Applicants must provide reasonable notice to transportation providers regarding proposed services and opportunities for their participation in such services.

To ensure that all interested persons, businesses, and agencies have been notified of a subrecipient's intention to provide transportation services and that they have adequate opportunity to comment, the subrecipient must issue a public notice describing its proposed services. The notice should invite any interested private operator within the service area to comment or request a public hearing on the proposed services by written notice to the subrecipient. A minimum of 15 days response time must be provided.