



# State Management Plan

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## Federal Transit Programs

July 2011

**California Department of Transportation  
Division of Mass Transportation**

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# 1. Introduction

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This State Management Plan (SMP) provides essential information for the understanding and implementation of four Federal Transit Administration (FTA) transit grant programs managed and administered by the California Department of Transportation (Caltrans). This document is organized into the following key sections:

- Introduction – Caltrans’ Mission/Goals/Values, as well as SMP Requirements
- Program Overview, Goals, and Objectives – description of each FTA program, the FTA program goals, and Caltrans’ program objectives
- Selection and Eligibility – selection and eligibility criteria for each of the FTA programs
- Program Management – program organization, staffing, administration, and other related issues for the management of the four FTA programs
- Grant Administration – monitoring and reporting project progress, grant expenditures, and project completion and close out
- Planning and Coordination – statewide and coordinated planning, program application, and project selection processes
- Financial Management – managing and processing federal transactions consistent with state and federal requirements
- Maintenance, Procurement, Satisfactory Continuing Control, etc. – additional program management information

The document will provide the reader with an understanding of the FTA’s requirements for the administration and implementation of these four programs and Caltrans’ policies and procedures for the management of the programs in California.

## 1.1 Purpose of this Document

The Governor of the State of California has designated the California Department of Transportation (Caltrans), Division of Mass Transportation (DMT), Office of Federal Transit Programs as the recipient of four (4) FTA grant programs. These programs are (click on each link for the FTA Circular):

- Program 5310 – Elderly & Disabled Specialized Transit ([C 9070.1F, FTA Section 5310](#))
- Program 5311 – Rural Area Formula ([C 9040.1F, FTA Section 5311](#))
- Program 5316 – Job Access and Reverse Commute ([C 9050.1, FTA Section 5316](#))
- Program 5317 – New Freedom ([C 9045.1, FTA Section 5317](#))

DMT is responsible for administering these funds in accordance with state and federal laws, statutes, and regulations. DMT, through a working relationship with the Federal Transit Administration (FTA), Councils of Government (COGs), Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), local governments, tribal organizations, and transit providers, develops and maintains an effective and efficient network of transportation services available to the public. This SMP outlines Caltrans’ objectives, policies, procedures, and administrative requirements, in a form accessible to existing and potential subrecipients, state staff, the FTA, local agencies, and the public. This SMP’s primary purpose is to serve as the basis for state level management of the FTA programs and to provide public information on Caltrans’ administration of these programs. Caltrans DMT also uses this SMP

internally as a Program Guide and Handbook for the implementation of the FTA programs. To this end, the SMP is more detailed and comprehensive than may be found from other states. This SMP is administered through additional documents, such as Grant Applications and Standard Agreements (referenced in the Appendix).

## 1.2 Caltrans Mission, Goals, and Values

Caltrans' mission, goals, and values guide the department's actions and how it serves the public, including the administration of federal programs presented in this State Management Plan.

Caltrans Mission Statement is:

***Caltrans Improves Mobility across California***

Caltrans Strategic Goals are:

***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 are:

***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.

## 1.3 State Management Plan Requirements

The SMP describes Caltrans' policies and procedures for administering the state-managed portions of the four FTA programs. Caltrans DMT is required to have an approved SMP on file with the FTA Region IX Office in San Francisco and to update it regularly to incorporate any significant changes in program management or the addition of substantially new requirements. Whenever significant changes occur in program requirements or management, Caltrans DMT will gather input from stakeholders and the public, and submit a revised SMP to FTA for approval. Caltrans DMT also makes the SMP readily available to the public by posting it to the Caltrans Division of Mass Transportation's [SMP website](#).

### 1.3.1 State Management Review

As the result of a State Management Review (SMR) by the FTA in April 2010, Caltrans DMT has made significant changes in the management of its programs. This SMP meets the

requirements outlined in the April 2010 State Management Review Final Report and is in compliance with the FTA Circulars. Previously, Caltrans DMT developed three separate SMPs:

- Program 5310 SMP submitted to FTA in February 2010;
- Program 5311 SMP submitted to FTA in 2007; and
- Combined Programs 5316 and 5317 SMP submitted to FTA in April 2008.

This document is a consolidated and updated SMP that reflects the most recent program changes for the 5310, 5311, 5316, and 5317 programs. This SMP will be submitted to the FTA in response to the FTA's findings in the 2010 SMR and will comply with each of the FTA program circulars.

### **1.3.2 Public Outreach**

Caltrans DMT will conduct public outreach activities that provide several opportunities for stakeholder review and input prior to finalizing this SMP. The Caltrans DMT public outreach approach is comprised of the following:

- Obtaining and evaluating other State Management Plans (Nevada, Pennsylvania, and Washington) and using these as a reference regarding how other states met the FTA's current circular requirements.
- Conducting Advisory Committee Meetings comprised of rural public transit operators, non-profit transportation providers, and others to gather input from across California for the draft SMP.
- Conducting public outreach hearings for Northern, Central and Southern California through teleconferences from the Caltrans Headquarters.
- Posting the draft SMP on the SMP website for up to 30 days (before the hearings and after the hearings) allowing the public adequate time to comment on the SMP.

## **2. Caltrans Program Management**

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The Governor of California has designated the California Department of Transportation (Caltrans) Division of Mass Transportation (DMT), Office of Federal Transit Programs as the recipient of four (4) Federal Transit Administration (FTA) programs: Section 5310 (Elderly and Disabled Specialized Transit); Section 5311 (Rural Area Formula); Section 5316 (Job Access and Reverse Commute); and Section 5317 (New Freedom). As designated recipient of these four programs, Caltrans DMT is responsible for administering these program funds in accordance to state and federal laws, statutes, and regulations. It is the overall goal of the state to ensure "fair and equitable distribution of program funds, including funds to Indian tribes." All subrecipients, including federally-recognized tribal governments, must comply with all terms and conditions of FTA's standard grant agreements and all management, statutory, procedural, and contractual requirements. Failure to adhere to all federal requirements will render any existing or potential subrecipient ineligible for federal financial assistance. Caltrans DMT will also not take action that prejudices the legal and administrative findings that the FTA must make in order to approve a project.

This section describes Caltrans DMT's Program Management structure and processes related to the four FTA grant programs which are the subject of this SMP. Included here are

organizational roles and responsibilities for Caltrans DMT and other stakeholders, technical assistance provisions, and state management and oversight.

## 2.1 Organization and Staffing

### 2.1.1 Internal (Caltrans) Roles and Responsibilities

The organizational structure and staffing within Caltrans DMT includes the: Division Chief, Office Chiefs, Branch Chiefs, and staff. See the Appendix for the Caltrans DMT Organizational Chart reflecting roles and responsibilities within the Division. The following is an overview of the functions and responsibilities of Caltrans DMT Headquarters and Caltrans District Transit Representatives (DTR) as it applies to managing the 5310, 5311, 5316, and 5317 grant programs:

**Table 6: Internal Roles and Responsibilities**

Task	Headquarters				Districts
	5310 Staff	5311/5311(f) Staff	5316/5317 Staff	Procurement Staff	DTR
Establish Program Policies	X	X	X	X	
Interpret Federal and State regulations and guidelines	X	X	X	X	
Develop and update program documents, including grant applications, evaluation criteria and the State Management Plan	X	X	X		
Provide technical assistance to applicants, subrecipients, and regional agencies	X	X	X	X	X
Develop annual program timelines	X	X	X		
Solicit grant applications	X	X	X		X
Conduct statewide application workshops	X	X	X		
Verify eligibility of applicants and proposed projects	X		X		X
Verify scoring of applications and resolve discrepancies	X	X	X		
Coordinate and participate on the State Review Committee	X				
Develop funding list and Program of Projects	X	X	X		
Analyze results of funding cycle	X		X		
Prepare and submit annual Federal Grant Applications	X	X	X		
Prepare and submit amendments to Federal Grant Application for grants in which funds are reprogrammed and expended	X	X	X		

Task	Headquarters				Districts
	5310 Staff	5311/5311(f) Staff	5316/5317 Staff	Procurement Staff	DTR
Process Federal Highway Administration flexible funding requests		X			X
Title VI compliance	X	X	X		X
Disadvantaged Business Enterprise (DBE) reporting	X	X	X		X
Prepare and Execute Standard Agreements with Subrecipients	X	X	X		
Project management and oversight	X		X		X
Process subrecipient invoices	X		X		X
Oversee project audit and close-out	X	X	X		X
Develop and maintain equipment inventory				X	
Verify and maintain record of subrecipient compliance with insurance and reporting requirements	X	X	X		X
Provide technical assistance and follow-up on program issues	X	X	X	X	X
Equipment disposition	X	X	X	X	X
Vehicles/equipment Transfers	X	X	X	X	X
Maintain subrecipient and program files	X	X	X	X	X
Liaison with internal and external partners, including CTC, MPOs and RTPAs	X		X		X
Monitor vehicle and equipment usage	X	X	X		X
Update program database on quarterly Milestone Progress reports	X	X	X		
Triennial on-site monitoring and vehicle/equipment inspections	X		X		X
Analysis of Regional Coordinated Plans and updates	X	X	X		X
Interpret Federal and State regulations and guidelines pertaining to procurement		X		X	
Review and approve third-party solicitations, bid/price summary and awards		X		X	

Task	Headquarters				Districts
	5310 Staff	5311/5311(f) Staff	5316/5317 Staff	Procurement Staff	DTR
Vehicle inspections	X			X	
Prepare vehicle specifications and vehicle estimates				X	
Review and analyze State vehicle bids and coordinate award with the Department of General Services				X	
Issue vehicle purchase orders				X	
Inspect manufactures' facility (in-plant inspection) to ensure federal compliance, contract specification and safety compliance				X	
Conduct successful applicant and vehicle delivery workshops	X		X	X	
Develop and update subrecipient procurement guidelines	X	X	X	X	
Ensure compliance of all Federal and State procurement regulations	X	X	X	X	
Prepare and submit Milestone and Federal Financial Reports for each grant via Transportation Electronic Award and Management System (TEAM) for the period ended September 30	X	X	X		
Process Reimbursement Requests and payments to Subrecipients	X	X	X		X

### 2.1.2 External Roles and Responsibilities

#### Federal Transit Administration (FTA)

The FTA Headquarters Office is responsible for the following: 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

For Sections 5310, 5311, 5316 and 5317, the FTA 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 subrecipients 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.

#### Social Service Transportation Advisory Council (SSTAC)

California law 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.

#### Metropolitan Planning Organizations (MPOs)

In California, 18 federally designated Metropolitan Planning Organizations (MPOs) have been 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 were created in order to ensure that existing and future expenditures for transportation projects and programs were based on a continuing, cooperative and comprehensive 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 periodically to ensure that the grants planning needs are met.

#### Regional Transportation Planning Agencies (RTPAs), Council of Governments (COGs)

In cooperation with the Governor, 26 State statutorily created Regional Transportation Planning Agency (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). The RTPs consist of three elements: Policy, Action and Financial. The RTPs are reviewed by Caltrans periodically to ensure that rural planning needs are met.

#### 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. The role of the CTSA is recognized in the determination of applicant eligibility. Any CTSA organized as a public agency, is eligible for funding by virtue of their designation as a CTSA. This designation is certified by the RTPA.

#### State Review Committee (SRC)

The SRC is comprised of representatives from various agencies, including staff from non-applicant agencies, such as RTPAs and/or MPOs, Consolidated Transportation Services Agencies (CTSAs) Transit Agencies, Health and Human Service Agencies and Social Services Agencies. The SRC compiles a draft statewide-prioritized list based on the project scores calculated by the regions and determines a “cut-off point” at 120% of the estimated available program funding. Projects above this cut-off point will be reviewed/verified based on the CTC’s adopted scoring criteria and create a statewide-prioritized list of projects. During this process the committee will contact the RTPAs to discuss any discrepancies in scores. The SRC determines the final score and notifies the regions of changes. The CTC distributes to all interested parties the draft statewide-prioritized list of projects. After distribution, the SRC holds a staff level conference to hear any appeals on technical issues. Following the resolution of appeals, the SRC submits a final statewide-prioritized list to the CTC for adoption.

#### California Transportation Commission (CTC)

Applicable to the section 5310 program, the CTC under state law has responsibility for projects with a competitive process, under State law, the CTC has responsibility for: 1) directing Caltrans on how to allocate funds for the program; 2) establishing an appeals process; and 3) holding a public hearing. In response to these legislative mandates and working with an advisory committee, the CTC has developed a statewide project evaluation criterion, which includes procedures for an appeals process. The CTC was created by statute to advise and assist the Secretary of the Business, Transportation and Housing Agency and the State Legislature in formulating and evaluating State policies and plans for transportation programs. The CTC is independent of the Legislature and works very closely with Caltrans, as well as transportation planning agencies, legislators, and legislative staff. The CTC annually approves the list of Section 5310 projects to be funded before compilation into the Program of Projects for submittal to FTA. The CTC will hold a public hearing during which the annual Program of Projects is adopted and the list of projects selected for funding is forwarded to the RTPAs and applicants. The final list is submitted to FTA for approval as part of the California annual funding application.

## 2.2 State Administration and Oversight

Caltrans is authorized to charge program related expenses including administration, planning, research, program and project oversight, and technical assistance. The administration cost is charged against California’s annual apportionment. Although the Section 5310 program is authorized to use up to 10% for administration costs, state law (AB 772) limits Caltrans to 5%. The Section 5311 program is authorized to use up to 15% for administration costs. The Section 5316 and 5317 programs may use up to 10% of California’s total fiscal year apportionment to administer both programs. Caltrans does not allocate those funds to subrecipients for the purpose of administration of the Section 5310, 5311, 5316 and 5317 programs.

Caltrans DMT maintains a checklist of federal requirements to ensure that subrecipients, third party contractors, and lessees adhere to the laws. Caltrans DMT develops and implements effective systems for monitoring and ensuring compliance with statutory and program requirements. Caltrans' subrecipients monitoring includes:

- Project monitoring and site visits;
- Triennial Agency Program Compliance Visits;
- Agency, Vehicle, Equipment, Facility Monitoring (attach forms);
- Training/Workshop for Subrecipients; and
- Reporting Requirements (Quarterly Report, DBE Reports, NTD Report (5311 only), Drug and Alcohol MIS Report (5311 only), Performance Measure Report (5310, 5316, and 5317 only).

Reports are used to evaluate the performance of individual agencies deliverables are compared with original service projections. 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 subrecipient is used as a last resort, and only after coordination efforts or remedial actions are unsuccessful.

### **2.2.1 Milestone Progress Reports**

Each subrecipient must submit a Milestone Progress reports to Caltrans DMT documenting the use of all operating assistance, vehicles, and other equipment acquired under each grant program, which is then consolidated and sent to the FTA. Milestone Progress report requirements are discussed with applicants at grant application workshops. Applicants and subrecipients can find the latest downloadable version of the report form on Caltrans DMT's website along with detailed instructions for completing the form.

Milestone Progress reports are to be submitted to Caltrans DMT within 30 days after the close of the calendar-year quarter (e.g., January – March report due no later than April 30). Agencies are contacted if the report is not received or information is incomplete or insufficient for program requirements. Each quarterly report form may include:

- Completed activities during the quarter;
- Identification of each active vehicle, including service miles and hours which reflect average use per day;
- One way passenger trips for the quarter;
- Identification of ancillary equipment, (i.e. radios, base stations, computers, etc.);
- Description of loss, damage, or major repair to any equipment during the quarter;
- Description of changes in operation during the quarter;
- Copy of current California Highway Patrol's Safety Compliance Report;
- Copy of current Certificate of Insurance to ensure vehicles are covered by the appropriate insurance policy;
- Certification that equipment is being used for the service for which it was approved, and in accordance with the Standard Agreement;
- Description of any incidental service being provided; and
- Annual Program Measures (see below).

An authorized representative of the agency is required to sign the quarterly report. This information is recorded and tracked, and allows for verification that service projections described in the original application are being met. Problems or concerns noted in the review of quarterly reports are addressed by Caltrans DMT for follow-up with the agency. An additional onsite inspection may be scheduled to address or resolve service or vehicle usage issues. Failure to submit quarterly reports violates the terms and conditions of the subrecipient's Standard Agreement contract and can lead to termination of the project. Non-compliant agencies are not eligible to apply for projects in the next funding cycle. According to the FTA, "The State must track, manage, and report on each program's funds separately within the consolidated grant."

### 3. Program Overview, Goals & Objectives

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This section provides an overview description of each program, the FTA's program goals, and Caltrans' program objectives. Legal authority for these programs comes from Title 49 of the United States Code (U.S.C) which states the Department of Transportation's role for each state within the United States. In California, Caltrans DMT is responsible for creating policies and procedures for Sections 5310, 5311, 5316, and 5317.

The federal government has established the goal of improving and revitalizing public transportation in the United States, including improvements in "mobility for elderly individuals, individuals with disabilities and economically disadvantaged individuals in urban and rural areas of the United States" ([49 U.S.C. 5301\(b\)\(7\)](#)).

The four FTA programs in this SMP have been specifically developed to address the needs of the elderly and disabled (Program 5310 and 5317), rural areas (Program 5311), and economically disadvantaged citizens (Program 5316). Each of these programs is described below.

#### 3.1 Section 5310 – Elderly and Disabled Specialized Transit Program

The 5310 Program was established by the FTA ([49 U.S.C. 5310](#)) for meeting the transportation needs of elderly persons and persons with disabilities. The purpose of the 5310 Program is to provide Federal grant assistance to private non-profit corporations and under certain conditions public agencies to provide safe, efficient and coordinated transportation services for elderly individuals and individuals with disabilities for whom public transportation is otherwise unavailable, insufficient, or inappropriate. It allows for the procurement of accessible vans and busses, communication equipment, computer hardware and software, and Intelligent Transportation System (ITS) equipment for eligible applicants. For more information, please see the 5310 Grant Process in the Appendix.

##### 3.1.1 Program Goals

The FTA 5310 Program circular identifies the following program goal:

- Improve access to mobility for elderly individuals and individuals with disabilities throughout the country. Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals and individuals with disabilities in all areas —

urbanized, small urban, and rural. The program requires coordination with other Federally-assisted programs and services in order to make the most efficient use of Federal resources.

### 3.1.2 Program Objectives

Caltrans DMT's specific objective established to meet the 5310 program goal is to:

- Ensure that Federal resources provided through the 5310 Program are used to fund the most effective projects throughout the state to increase the transportation options for the elderly and individuals with disabilities.

## 3.2 Section 5311 – Non-urbanized Area Formula Program

The 5311 Program is a rural area formula funding program established by the FTA ([49 U.S.C 5311](#)) to provide funding for public transit in rural areas with a population of less than 50,000, as designated by the Bureau of the Census. The 5311 Program also includes the Section 5311(f) Program, which promotes intercity bus services in rural areas of the state, and the Section 5311(b)(2) Program, which promotes the Rural Transportation Assistance (RTAP) Program (see below for a description of the 5311(f) Intercity Bus Program and the 5311(b)(2) RTAP Program). The 5311 Program also includes funding for the Tribal Transit Program to provide rural transit assistance for tribal governments. For more information, please see the 5311 Grant Process in the Appendix.

### 3.2.1 Program Goals

The FTA 5311 Program circular lists the following program goals:

- Enhance the access of people in rural areas to health care, shopping, education, employment, public services, and recreation;
- Assist in the maintenance, development, improvement, and use of public transportation systems in rural areas;
- Encourage and facilitate the most efficient use of all transportation funds used to provide passenger transportation in rural areas through the coordination of programs and services;
- Assist in the development and support of intercity bus transportation; and
- Provide for the participation of private transportation providers in rural areas.

### 3.2.2 Program Objectives

Caltrans DMT's specific objectives established to meet 5311 program goals are to:

- Facilitate cooperative working relationships among local, regional and private sector agencies and promote adequate cost effective rural public transportation services;
- Meet the needs of rural public transportation by providing resources to increase capacity and frequency of rural transit services where appropriate;
- Coordinate rural transit services and ensure that all program recipients comply with all federal program guidelines and regulations;
- Improve service quality and encourage promotion of rural transit services through public information programs designed to improve ridership and revenue; and
- Ensure a fair and equitable distribution of program funds to eligible recipients.

### 3.3 Section 5311(f) – Intercity Bus Program

In 2008, Caltrans conducted the *California Statewide Rural Intercity Bus Study* which reviewed California’s 5311(f) program of rural intercity bus assistance to determine if the program is meeting federal and state goals, to what degree available services meet the needs, and to make recommendations on needed program changes, service needs, and potential funding sources. The *California Statewide Rural Intercity Bus Study* resulted in findings and recommendations that were used to develop the above program objectives listed below.

The 5311(f) Intercity Bus Program in California ([49 U.S.C. 5311\(f\)](#)) provides funding to improve intercity bus connectivity between rural areas and urban areas to end the isolation of rural areas that are increasingly underserved by bus and transit services and also to “expend funds for the support of intercity bus transportation to the extent required by law.” The Intercity Bus Program is designed to address the “intercity bus transportation needs of the entire State” by developing projects that support one or more of the national objectives and state goals. The 5311 (f) funds are distributed through a competitive process.

Caltrans currently spends 15 percent of its 5311 annual program apportionment on intercity bus transportation. If the state fails to meet the 15 percent set aside requirement, the state must certify to the Governor that the intercity bus needs of the state are being adequately met. The state must assess statewide intercity mobility needs no more than four years before the date of the certification. “In the absence of a certification from the Governor that intercity needs are adequately met, 15 percent of the State’s annual apportionment must be obligated for intercity bus transportation within the period of availability (three years).”

SAFETEA-LU legislation requires states to have a consultation process that includes the affected carriers when making decisions on certifications. The consultation process identifies bus providers and activities in the state that providers will perform. As part of the consultation process, Caltrans gives the providers an opportunity to submit proposals for funding from part of the distribution of the apportionment.

#### 3.3.1 Program Goals

The FTA 5311(f) Program circular lists the following program goals:

- Support the connection between rural and the larger regional or national system of intercity bus service;
- Support services to meet the intercity travel needs of residents in rural areas; and
- Support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities.

#### 3.3.2 Program Objectives

Caltrans DMT’s specific objectives established to meet 5311(f) program goals are to:

- Support and promote rural transit connection with larger regional and national system of intercity bus service;
- Support the intercity travel needs of residents in rural areas;
- Meet the broader transportation needs of rural residents by providing meaningful connection to other modes of transportation;

- Facilitate coordination of rural/regional and private transit operations and intercity bus carriers; and
- Support intercity bus planning and marketing infrastructure.

### 3.4 Section 5311 (b)(2) – Rural Transit Assistance Program (RTAP)

The Rural Transit Assistance Program (RTAP) ([49 U.S.C. 5311\(b\)\(2\)](#)) provides grants to states for transportation research, technical assistance, training, and related support services in rural areas. The California RTAP provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet specific needs of transit operators in rural areas of California. RTAP is authorized to receive no more than 2 percent of the amount authorized for Section 5311 through SAFETEA-LU.

Caltrans DMT currently provides policy guidance and program direction for the RTAP Program. The technical assistance, communications, and scholarship components of the RTAP program are currently administered and managed on a contractual basis. Going forward, the focus of the California RTAP will be on more technical assistance, based on recent survey responses from rural transit operators which demonstrate that they would benefit from additional technical assistance training.

#### 3.4.1 Program Goals

The FTA 5311(b)(2) Program circular lists the following program goals:

- Promote the safe and effective delivery of public transportation in rural areas and more efficient use of public and private resources;
- Foster the development of State and local capacity for addressing the training and technical assistance needs of the rural transportation community;
- Improve the quality of information and technical assistance available through the development of training and technical assistance resource materials;
- Facilitate peer-to-peer self help through the development of local networks of transit professionals;
- Support the coordination of public, private, specialized, and human service transportation services; and
- Build a national database on the rural segment of the public transportation industry.

#### 3.4.2 Program Objectives

Caltrans DMT's specific objective established to meet 5311(b)(2) program goals is to:

- Provide training, technical assistance, and technology exchange, tailored to meet the specific needs of the transit operators in rural areas of California. Specifically, this training will concentrate on Federal program compliance requirements, and technical assistance training areas that are identified directly by the rural transit operators and through the annual program surveys.

The RTAP activities below are designed to meet the state and federal program objectives:

- Scholarship or tuition and expenses, including travel, for qualified individuals to attend workshops, training courses, conferences, and bus safety roadeos that support transit;

- Compliance Trainings on Drug & Alcohol, DBE, and Civil Rights/Title VI for operators;
- Vehicle Maintenance workshops;
- Technical Assistance Curriculum Development and Coordination of training workshops, modules, webinars;
- Maintain website and on-line library clearinghouse and database of resources, training materials, webinars, and videotapes;
- Maintain training calendar for rural operators;
- Peer to Peer Mentoring Program;
- Technical Assistance for Annual Program Compliance Reporting Data (Drug & Alcohol, NTD, Title VI, DBE) for rural operators;
- Substance Abuse Compliance Program Assistance for rural operators;
- Quarterly Electronic RTAP Program Newsletter;
- Annual RTAP Meeting in Sacramento;
- Coordination of Statewide Annual Bus Safety Roadeo; and
- California RTAP Advisory Committee.

### 3.4.3 Program Management

The DMT's RTAP Manager, as the authorized State representative, is responsible for the administration of the contract and for monitoring the Contractor's performance. The DMT's Project Manager is the Transit Safety/Security and RTAP Manager. The DMT Project Manager is responsible for making high-level project decisions and approvals.

The DMT's RTAP Manager will:

- Manage the annual RTAP budget;
- Provide program direction;
- Actively participate in the California RTAP Advisory Committee;
- Coordinate all activities closely with the Contractor;
- Facilitate and assist with overall communications with rural transit providers; and
- Oversee the Annual California RTAP meeting in Sacramento assist the Contractor with technical course development.

## 3.5 Section 5316 – Job Access and Reverse Commute (JARC)

The 5316 Job Access and Reverse Commute (JARC) Program ([49 U.S.C 5316](#)) was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking transit services 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.

JARC funding is allocated by formula to States for small urban areas with populations between 50,000 and 199,999 and rural areas with populations below 50,000. 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 stable and reliable funding in order to implement locally

developed, coordinated public transit-human services transportation plans. For more information, please see the 5316/5317 Grant Process in the Appendix.

### 3.5.1 Program Goals

The FTA 5316 Program circular identifies the following program goal:

- Improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and rural areas to suburban employment opportunities, regardless of income. 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, and of reverse commuters regardless of income. The program requires coordination of Federally-assisted programs and services in order to make the most efficient use of Federal resources.

### 3.5.2 Program Objectives

Caltrans DMT's specific objectives established to meet 5316 program goal are to:

- Provide funding through the FTA Section 5316 JARC program that supports the most effective mobility options for the targeted groups;
- Provide resources to subrecipients that enhance and improve mobility options for low-income individuals and welfare recipients;
- Provide coordination with federally assisted programs and services; and
- Provide more stable and reliable funding to implement transportation plans.

## 3.6 Section 5317 – New Freedom (NF) Program

The 5317 New Freedom Program ([49 U.S.C 5317](#)) supports new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA). 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. For more information, please see the 5316/5317 Grant Process in the Appendix.

### 3.6.1 Program Goals

The FTA 5317 Program circular identifies the following program goal:

- Provide new<sup>1</sup> 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. The New Freedom formula grant program seeks to reduce barriers to transportation services and to expand the transportation mobility options available to persons with disabilities beyond requirements of the Americans with Disabilities Act of 1990.

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<sup>1</sup> The definition of “new service” is any service or activity that was not implemented or operational before August 10, 2005.

### 3.6.2 Program Objectives

Caltrans DMT's specific objectives established to meet 5317 program goal are to:

- Provide funding through the FTA Section 5317 New Freedom program that supports the most effective mobility options for the targeted groups;
- Provide the resources to subrecipients that enhance and improve mobility options for individuals with disabilities; and
- Reduce barriers to transportation services and expand transportation mobility options for the targeted groups.

## 4. Planning and Coordination

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FTA grants program application and project selection processes are deeply involved with various local, state, and federal planning processes. In particular, the requirement to develop a local, coordinated public transit-human services transportation plan is an integral aspect of FTA grant program project development. It is Caltrans DMT's responsibility to provide for maximum feasible coordination of public transportation services assisted by FTA, with transportation services assisted by other Federal programs. Caltrans DMT must certify (1) the projects selected were derived from a locally developed, coordinated public transit-human services transportation plan; (2) the plan was developed through a process that included representatives of public, private, and non-profit transportation and human service providers, and participation by the public, and (3) that allocations to subrecipients, if any, are distributed on a fair and equitable basis. This section describes the statewide and coordinated planning processes and the involvement of local agencies in these processes.

### 4.1 Planning and Coordination for 5310/5316/5317

#### 4.1.1 Statewide Planning Process

The Statewide Planning Process is specified in [49 CFR Part 613](#) and [23 CFR Part 450](#), and includes the [Statewide Transportation Improvement Program \(STIP\)](#) which is consistent with California's long-term plan. The [California Transportation Plan \(CTP\)](#), also known as the Statewide Long-Range Transportation Plan, represents the long-range and short-range program strategies that lead to the development of an integrated intermodal transportation system.

The Caltrans long range vision is to support the [California Transportation Plan \(CTP\)](#). On a collaborative effort through Caltrans goals and objectives, Caltrans 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 21<sup>st</sup> 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.

Relevant projects or strategies serving human service transportation needs over the 20-year planning horizon should be referenced in the Regional Transportation Plan and the Statewide

Long-Range Transportation Plan or these plans should include explicit reference to the Coordinated Plan (from a locally developed, coordinated public transit human services transportation plan). Caltrans has the opportunity to facilitate coordination through participation in statewide interagency coordinating councils and statewide coordinated planning activities even though the coordination of services takes place at the local level.

Caltrans certifies that the transportation planning process is being carried out in accordance with all federal requirements. Federal law requires the TIP to be incorporated into the STIP consistent with [23 U.S.C. 135](#) and [49 U.S.C. 5304](#). The STIP is similar to TIP, and also includes four (4) federal years of projects, programs and strategies from non-metropolitan areas and requires joint approval by FTA and FHWA. Apportionment, along with all other Federal highway and transit funds, must also be included in the STIP. Once the TIP and STIP are incorporated, the plan is incorporated into the [Federal Statewide Transportation Improvement Program \(FSTIP\)](#).

#### **4.1.2 California Transportation Plan (CTP)**

The [California Transportation Plan \(CTP\)](#) is a statewide, long-range transportation plan for meeting our future mobility needs. The CTP defines goals, policies, and strategies to achieve a collective vision for California's future transportation system. This plan, with a minimum 20-year planning horizon, is prepared in response to federal and State requirements and is updated every five years.

The current California Transportation Plan, the CTP 2025, was approved in 2006 and updated by an Addendum in October of 2007 to comply with new federal planning requirements governing development of the plan.

In 2009, Caltrans expanded the state's transportation planning process with an initiative to include the development of a state-level transportation blueprint focused on interregional travel needs while addressing the specific requirements of Senate Bill 391 (Liu). The [California Interregional Blueprint \(CIB\)](#) will articulate the vision for a statewide, integrated, multimodal transportation system that complements regional transportation plans and land use visions. The CIB, when fully developed, will also become the foundation for the development of the next update, the CTP 2040, that will be delivered by December 2015 to address a specific requirement of SB 391. The [CIB Web Portal](#) also contains information on the development of these latest planning efforts associated with the CIB or the CTP.

#### **4.1.3 Coordinated Plan**

SAFETEA-LU requires that all projects receiving 5310, 5316 and 5317 funds be derived from a locally developed, coordinated public transit human services transportation plan ([Coordinated Plan](#)) before funding can be approved. Caltrans, as designated recipient of federal assistance in both the small urbanized and rural areas of the state, is responsible for the competitive selection of projects and certifying that they are derived from a Coordinated Plan. Although a Coordinated Plan is not a requirement for the 5311 Program, to ensure a coordinated service, 5311 providers are required to coordinate their plans with Social Services providers within their communities.

MPOs and states must engage the public and stakeholder groups in the development of the Coordinated Plan through an inclusive process with participation from public, private, and non-profit transportation and human services providers as well as individuals with disabilities, older adults, and people with lower incomes.

Agencies responsible for developing a Coordinated Plan should document the strategies and processes used to ensure stakeholders and the public are actively involved in the development of the plan and document the process used in adopting the plan.

Prior to approving funding for competitively selected projects in the Section 5310, 5316 and 5317 programs, Caltrans DMT 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. The grant application requires subrecipients to indicate the section and page number in the Coordinated Plan which ensures that they are in compliance with the Coordinated Planning Process. The subrecipient must attach a letter confirming coordination as described in the application. This ensures subrecipients are contacting transportation providers within their communities.
- Incorporated into both the Transportation Improvement Program (TIP) and [State 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 a Coordinated Plan based on perceived needs through collaboration with planning partners. The Coordinated Plan is required in those areas seeking funding and, at a minimum, includes 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. The Section 5310/5316/5317 grant application requires subrecipients to describe the transportation needs of individuals with disabilities or elderly individuals to be served by the proposed project. The Section 5316 and 5317 grant application asks the performance measures of JARC and New Freedom funded services.
  - Strategies to address the identified gap between current services to needed services, and maximize efficiencies by reducing duplication of services. The Section 5310/5316/5317 grant application asks subrecipients to specify how their project addresses the gap(s) and/or barrier(s) identified through their locally developed human services transportation planning process.
  - Priorities for implementation based on transportation resources and funding availability. The Section 5310/5316/5317 grant application requires subrecipients to address how the proposed project addresses one or more of the coordination strategies, activities, and project efficiencies identified in the coordinated plan.
  - Section 5310, 5316 and 5317 subrecipients, as an eligibility requirement, must complete the Coordinated Plan Certification, which is contained in the grant application.

#### **4.1.4 Coordinated Plan Application and Review Process**

In the grant application, the lead agency and the applicant are required to certify their Coordinated Plan process meets federal requirements and include the date the Plan was adopted. The Coordinated Plan can be consistent with the transportation planning process and/or developed annually to be consistent with grant cycles. Specific Coordinated Plan cycles and durations can be found in the FTA circular for each of the Section 5310, 5316, and 5317 Programs. For the cycle and duration of the Coordinated Plan, Section 5310 program follows [FTA Circular 9070.1F Chapter, page V-9 \(4c\)](#) ; Section 5316 follows [FTA Circular 9050.1 Chapter V, Page V-9](#); and Section 5317 follows [FTA Circular 9045.1, Chapter, page V-9](#). However, communities may update the Coordinated Plan to align with the Competitive Selection Process.

Section 5310/5316/5317 applications contain questions that require the applicant to reference their Coordinated Plan. Questions within the application were designed to identify how the proposed project addresses service gaps and/or barriers and promote vehicle coordination, both existing, as well as planned. Vehicle coordination documentation includes providing the name of the participating agency(s), agency description, and usage of vehicle(s), including days and hours of use and number of passengers. The applicant must attach a letter from the Consolidated Transportation Services Agency (CTSA) confirming coordination (or if there is no CTSA, a letter from the RTPA) as described in the application. This requirement ensures that applicants are contacting providers of transportation services within their community.

Applicants in the Section 5310 program are required to document their coordination of transportation related services by describing the service that will be shared, such as dispatching or driver training, and providing the name and description of the agency(ies) participating. The applicant must attach a letter from the CTSA confirming coordination (or if there is no CTSA, a letter from the RTPA) as described in the application. If a Section 5310 applicant determines that service coordination is not possible, the applicant must adequately address why coordination opportunities do not exist or are not feasible. Additionally, the applicant must discuss attempts that were made to establish coordination and indicate what steps the agency will take to continue in this effort once the grant equipment is received. A letter from the CTSA, or from the RTPA where none exist from the CTSA, must be attached confirming that coordination is not possible at this time.

#### **4.1.5 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.

#### 4.2 Planning, Programming, and Coordination for 5311 Projects

It is the goal of Caltrans DMT to ensure that all transit projects must be developed through coordinated or regional planning process. All projects, no matter their purpose or funding source, require early, coordinated and comprehensive planning and they should involve participation by a variety of stakeholders. Projects receiving FTA grant funds are no different. This comprehensive approach is strongly encouraged at the federal, state, and local levels so that transportation investments are maximized to provide the most efficient and efficient use of resources. Caltrans coordinates with regional agencies to ensure that selected projects address human services and regional transportation plans. ([23 CFR Part 450](#) and [49 CFR Part 613](#)). Caltrans has updated its grant application for applicants to show how projects address gaps or barriers identified in the regional or coordinated plans.

Caltrans encourages stakeholders to participate actively and regularly in the regional transportation planning process, including development of the Regional Transportation (RTP), so that desired transit projects are considered in a regional planning context.

An additional opportunity for stakeholders to become involved in the planning process is through the Technical Advisory Committee (TAC) and Social Services Advisory Committee (SSTAC) processes. The Caltrans District Transit Representative (DTR) can provide information regarding meeting dates and times. DTRs can also facilitate discussions between stakeholders and planning agency staff if called upon to do so.

Coordination should be an ongoing and continuous activity of providers using FTA funds. Strong, coordinated, and comprehensive planning is encouraged at the local, state, and federal levels. Coordination is a key to providing strong and effective transportation networks in communities. Caltrans encourages coordinated efforts, as well the FTA, requires that all public agencies awarded FTA grant funds allow private mass transportation providers to participate in the project planning and development to the maximum extent feasible.

Each MPO and or RTPA should start a process for selection of transit projects in conjunction with the STIP process. Potential transit projects should be identified in the Regional Transportation Plan through conducting meetings and hearings involving the public. Projects selected should be based on need and financial constraint. Projects selected should be included in the Regional Transportation Improvement Plan (RTIP) which also has its own series of review and approval processes. Projects selected should be identified in the State Transportation Improvement Plane (STIP). For non MPO agencies, Caltrans programs the transit projects in STIP once the projects have been identified by the regional agencies.

Each year, Caltrans invites subrecipients to submit applications for projects. Caltrans HQ staff holds application workshops for DTR s and subrecipients. Application are received by the DTRs, reviewed for completeness, and sent to Caltrans' Headquarters. Projects requested in the application must meet the project planning criteria described above. Upon review of the

applications, Caltrans DMT distributes Section 5311 operating funds using an established formula and distributes capital funds based on the need for the project equipment. This includes the service improvements that would be addressed by acquiring the project equipment and how the surrounding community will benefit.

Subrecipient applications which are based on projects selected at the local level must include a complete project description that states that the services being provided are open and available to the general public with sufficient detail to understand the nature and purposes of the planned activities. The description must also state what type of service is being provided (i.e. a fixed route or paratransit services) and the geographic areas that benefit from the service.

Applications that are complete and meet all program requirements are then selected, prepared, and submitted to the FTA for application and grant approval.

#### 4.3 Private Sector Participation

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers and transit operators be given 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. All subrecipients are required to certify that transit providers in the area, including private-for-profit operators, are provided fair and timely opportunity to participate to the maximum extent feasible in the planning and provision of proposed transit services.

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 subrecipient “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

The subrecipient must issue a public notice describing its proposed 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 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.

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## 5. Selection and Eligibility

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This section provides the subrecipient and project eligibility criteria and project selection criteria for each of the four FTA grant programs that are the subject of this SMP. Each program also has a method of fund distribution, either through a competitive evaluation method or a formula-based method. Together, these selection and eligibility criteria and funding distribution methodologies

provide the mechanism for Caltrans DMT to distribute FTA grants to subrecipients in each of the four grant programs.

## 5.1 Section 5310 – Elderly and Disabled Specialized Transit Program

### 5.1.1 Eligible Subrecipients

Eligible subrecipients under Section 5310 may be either Private Non-Profit Organizations or Government Authorities. These two types of subrecipients are outlined below.

#### Private Non-Profit Organization

This includes a corporation or association determined by the United States Secretary of the Treasury to be an organization described by [26 U.S.C 501\(c\)](#), or one which has been determined under state law to be non-profit and for which the designated state agency has received documentation certifying the status of the non-profit organization.

Applicants qualifying as private non-profit organizations must provide current verification of the applicant's incorporation number and current legal standing as a private non-profit from the California Secretary of State or show proof that they are a corporation or association determined by the U.S. Treasury to be tax exempt under [26 U.S.C. 501\(c\)](#).

#### Governmental Authority

A Government Authority subrecipient may be of two types:

- a. Certifies to the chief executive officer of a state that no non-profit corporations or associations are readily available in an area to provide the services for elderly persons and persons with disabilities. Readily available is defined as willing, interested and capable of providing the proposed service at a comparable cost to the identified clientele:
  - In the same service area;
  - With the same hours and frequency, and
  - At the same level of service.

Readily Available: In order to demonstrate that no non-profit agencies are readily available to provide the proposed service, the public agency must hold a public hearing and provide substantial written proof, as described below:

- Documentation of the public hearing, including a copy of hearing notice and a formally adopted resolution stating that no private non-profit agencies exist that are readily available to provide the service.
- A return receipt requested letter to all non-profit transportation providers, as may be identified by the RTPA, notifying the non-profit agencies of the proposed project.
- Proof of publication of the Notice of Public hearing from a newspaper of general circulation.

**OR**

- b. Is approved by the state to coordinate services for elderly individuals and individuals with disabilities (i.e. Consolidated Transportation Services Agencies-CTSA). Public Agencies must receive approval by the state to coordinate services for elderly individuals and/or individuals with disabilities. When applying as a coordinator of services, a public agency

must be designated by the state to coordinate human service activities in a local area. An example is a county area agency on aging or an agency that has been identified as the lead agency (CTSA), or by the RTPA to coordinate transportation services. After the closing of the application period, Caltrans DMT staff verifies the application was received by the due date, is complete, and confirms the eligibility of the applicant and the proposed project.

### **5.1.2 Disputing Eligibility of a Public Agency**

If a private non-profit agency disputes the determination by a public agency that there are no non-profits readily available in the area to provide the service, the non-profit agency can appeal the decision to the Caltrans. A State level review will be conducted and, if needed, the State Review Committee (SRC) will assist in the resolution of the dispute. Following the state level review, one of the following determinations will be made:

- The non-profit agency is readily available to provide the service proposed in the public agency application. The public agency is not eligible for Section 5310 program funds; OR
- No non-profit agencies are readily available to provide the proposed service. The public agency application continues through the application review and ranking process.

### **5.1.3 Eligible Projects**

Only requests for capital equipment are eligible for grant funding. The federal grant cannot be more than 88.53% of total project cost. Successful applicants are required to fund the remaining 11.47% through local match contributions. All supplemental costs (i.e. non-eligible agency requested optional equipment) above the federal funding limit of 88.53% would be funded by the applicant. Eligible projects are listed in the [Grant Application Instructions](#).

Only wheelchair accessible vehicles that meet the American with Disabilities Act (ADA) requirements are eligible for funding. In addition, any vehicle proposed for replacement must be for “like-kind” and be an accessible vehicle and meet the state established useful life criteria at the time the application is submitted. On an exceptional basis, vehicles will be considered for replacement prior to meeting useful life standards if the applicant can demonstrate that the vehicle has had a history of excessive maintenance and warrants early replacement. Caltrans DMT Section 5310 staff will rely on the expertise of Caltrans DMT Procurement and Grants Management Branch when determining the eligibility of these requests. Sedans and Sport Utility Vehicles are not eligible for procurement or replacement under this program.

Other equipment eligible for funding includes communication equipment (mobile radios and base stations), computer hardware and software, and other capital equipment that directly supports the transportation program and whose cost exceeds \$1,000. Additionally, the maximum project cost for other equipments is currently set at \$40,000 (11.47% of which must be the local match contribution provided by the requesting agency).

### **5.1.4 Project Selection Criteria and Method of Distributing Funds**

#### Project Selection Criteria

In accordance with [State law, AB 772](#), the California Transportation Commission (CTC) is to direct Caltrans DMT on how to allocate Section 5310 funds. The CTC has adopted a process for

project selection that utilizes objective scoring criteria developed by a State Review Committee (SRC) representing the following: RTPAs, Regional Evaluation Committee (REC), State and local social service agencies, the California Association for Coordinated Transportation, Caltrans DMT staff, and CTC staff.

The RTPAs (or MPOs) have the responsibility of objectively reviewing and evaluating local project applications utilizing the adopted Quantitative Scoring and Project Rating Worksheets to ensure that the limited resources are used to fund only the most effective and needed programs within their jurisdiction. RTPAs or MPOs have the discretion to score applications in house or use a Regional Evaluation Committee (REC). Should they choose to convene a REC, they have sole responsibility for the selection of its members. It is suggested that the REC be comprised of members from the Social Service Transportation Advisory Council or similar group or appoint members that represent the elderly, developmentally disabled, physically disabled and/or local government and transit agencies if appropriate. This representation is designed to combine the expertise of those involved with the clientele service and the existing local transportation services and needs. The meetings of the REC should be open to the public, including applicants. An RTPA or REC member who is an applicant in the current cycle is prohibited from participating in or influencing other RTPA or REC members in the scoring of their own project(s). RTPAs are instructed to review the eligibility of the applicants.

If determined ineligible, the applicant must be notified in writing and the application is not scored. The notification letter and application are to be forwarded to Caltrans for review. Once projects have been scored, RTPAs notify applicants of their scores and provide information about their local appeal process. The application instructions and the RTPA Scoring Reference Document provide information on what is required to be submitted to the state. 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 years.

RTPA's select projects through the competitive grant application process which certifies that projects are derived from a locally developed Coordinated Public Transit-Human Services Transportation Plan. Using the CTC adopted project scoring criteria, RTPA's score the competitive applications and submit the applications and the regional project priority lists to Caltrans. The State Review Committee (SRC) verifies the scores and creates the final statewide project list. Projects totaling 120% of the anticipated federal funding are reviewed by the SRC. The CTC then holds a public hearing and adopts the final project funding list.

The scoring criteria are organized into the review form, entitled the "[Quantitative Scoring and Project Rating Worksheet](#)," that is used statewide by each of the RECs, as well as the SRC, in evaluating applications. The scoring criteria are designed to limit subjectivity and quantify the evaluation process, thereby providing consistency and an even distribution in the scoring of applications. Applicants receive points based on the data contained within their application and an evaluation of their narrative responses. Applicants must document efforts to coordinate

services in order to achieve the most efficient use of federal, state and local resources and to improve mobility of elderly individuals and individuals with disabilities. Applicants receive points based on their discussion of current or planned coordination activities and the verification of these activities by the local agency responsible for the coordination of local human services transportation. Coordination would include shared use of vehicles, as well as the coordination of transportation related services, such as dispatching, maintenance and training.

Applications are reviewed to verify that the proposed services will be primarily provided to elderly individuals and individuals with disabilities. In order to maximize equipment usage, service to the general public is allowed on an incidental basis as long as service does not interfere with Section 5310's targeted clientele. Additionally, federal guidelines allow Section 5310 subrecipients to coordinate and assist in providing meal delivery services if these do not conflict with the provision of transit services or result in a reduction of service to transit passengers. Vehicles must provide a minimum of twenty (20) hours of service (excluding idle time) per week in order to be eligible for funding. Compliance with the twenty (20) hour minimum service level is determined based on an average of four quarters. The applicant can meet the twenty-hour minimum alone or through coordination efforts with other agencies.

#### Method of Distributing Funds

Funds are awarded on a discretionary and competitive basis to eligible private non-profit agencies and, under certain circumstances, to public agencies for the purchase of capital equipment. Caltrans DMT has elected to limit grants to capital purchases only. This policy was adopted based on historical demand for funding of capital items, which has consistently been two to three times greater than the annual available funds.

#### Limitations on Funding

The total funds requested by an applicant for vehicles and other equipment cannot exceed the amount set by the advisory committee based on available grant funding. Requests for other equipment (e.g., computer systems, dispatching and vehicle tracking software, and telecommunications systems) are limited to \$40,000. The intent of these limitations is to distribute the available funds as widely as possible given the high demand for funding. Additionally, the limitation on vehicle costs continues a previously instituted policy of funding smaller paratransit type vehicles, which are usually better suited to the specialized transportation needs of elderly individuals and individuals with disabilities, rather than larger transit buses. The cost of other equipment is limited to ensure that funds are primarily used to purchase vehicles, and directly related supportive equipment, as vehicles directly provide transportation to the intended clientele. Expenses such as indirect costs or payments to a self-insurance fund must be documented appropriately. The lists below provide an overview of eligible and non-eligible capital expenses per existing state rules.

#### Eligible Capital Expenses

- ADA-accessible buses and vans (including baseline vehicle equipment). Excludes sedans or SUV's.
- Vehicle procurement testing, inspection, and acceptance costs.
- Wheelchair restraints and securement devices.
- Radios and communication equipment.

- Initial component installation costs.
- Computer hardware and software (scheduling and dispatch software) in support of 5310 program purposes only.
- Extended warranties which do not exceed the industry standard (at the time of purchase only).
- Transit-related intelligent transportation systems (ITS); and the introduction of new technology, through innovative and improved products, into public transportation.

#### Non-Eligible Capital Expenses

- Fixed route equipment such as, but not limited to: fareboxes, destination signs, stop request system (yellow pull cords), transfer cutters.
- Preventative maintenance, as defined in the National Transit Database (NTD).
- Vehicle rehabilitation, manufacture, or overhaul.
- Transit Shelters or other facility improvements.
- Computer hardware and software equipment used for support of public transit services.
- Operating Assistance: Acquisition of transportation services under a contract, lease, or other arrangement.
- Cell phones and service agreements.

The following table lists the vehicles indicated in the current application that are eligible for replacement, service expansion, or new service grant funding. Grant awards for vehicles will be based upon state-approved pricing as determined by FTA's Cost or Price Analysis requirements. See the Appendix for a list of the ALI Codes.

*Table 1: Vehicles Eligible for Grant Funding*

<b>Vehicle Type</b>	<b>Fuel</b>	<b>Size (FT)</b>
Modified Minivan	Gas	17
Small Bus	Gas	<22
Small Bus	Diesel	<22
Medium Bus	Gas	>23
Medium Bus	Diesel	>23
Medium Bus	CNG	>23
Medium Bus	Gas Hybrid	>23
Large Bus	Gas	25'
Large Bus	Diesel	25'
Large Bus	CNG	25'
Larger Bus	Gas	>27', 30', 32', 35'
Larger Bus	Diesel	>27', 30', 32', 35'
Larger Bus	CNG	>27', 30', 32', 35'
Larger Bus	Hybrid	Varies
Largest Bus	Gas	29', 30', 32', 35', 40'
Largest Bus	Diesel	29', 30', 32', 35', 40'
Largest Bus	CNG	29', 30', 32', 35', 40'
Largest Bus	Hybrid	Varies

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

Program grants can fund up to 88.53% of the total project cost. The remaining 11.47% must be provided from local sources. Other non-DOT federal funding is acceptable for use as a local match. The grant application requires the applicant to identify the source of the local match in sufficient detail to ensure that funds are available from eligible sources, and to provide an indication about the certainty and availability of these funds. Additionally, the subrecipient's Standard Agreement with Caltrans DMT requires that the agency certify that the local match funds are available.

### **5.1.6 Technical Capacity and Assistance**

Caltrans DMT ensures that Section 5310 subrecipients have the required technical capacity to meet federal requirements through offering workshops, training, grant application review and approval, monitoring, and program oversight. Assessment of an applicant's technical capacity is measured by the information provided in the application along with the supporting documentation. Demonstration of possessing continued technical capacity is measured in the quarterly reports and agency monitoring.

The Application and Procurement Workshops are held statewide to provide technical assistance to the applicants and the RTPAs. Locations of the workshops are alternated from year to year to expand coverage. In presenting the workshops, a set of scripted materials provides statewide consistency in the level of assistance and information provided. Each workshop covers the following areas: basic program information, application elements, application review process, purpose and use of application scoring criteria, an overview of procurement process, subrecipient obligations and responsibilities for program and contract compliance, vehicle selection, and option availability. Section 5310 has a toll free phone line in place for subrecipients to contact Caltrans DMT, if necessary.

## **5.2 Section 5311 – Non-urbanized Area Formula Program**

### **5.2.1 Eligible Subrecipients**

Eligible subrecipients include state agencies, local agencies, Indian Tribal Governments, private nonprofit organizations, and operators of public transportation services (or intercity bus service providers that receive FTA grant funds indirectly through a subrecipient). Taxicab companies may coordinate with TPAs to receive funds. For a list of eligible subrecipients, please see Caltrans DMT's website.

### **5.2.2 Eligible Services and Services Areas**

Eligible projects are mass transportation projects that must serve the general public in rural areas. Rural areas that may receive funding are identified by the United States Census. The federal government determines the eligible areas for 5311 Program funding. Caltrans DMT staff ensures that only projects in federally defined rural areas are included in the 5311 Program.

The population serviced must primarily reside in California's rural areas. The primary purpose of 5311 Program services may not be to serve transit travelers to locations outside of California.

### 5.2.3 Eligible Projects Categories

The 5311 Program eligible projects and the related percentage of the federal grant and local match are listed below:

*Table 2: Eligible Projects and Related Matching Fund Percentages (49 U.S.C. 5311)*

#	Eligible Projects	Minimum Local Match	Maximum Federal Grant
1	Operating Assistance	44.67%	55.33%
2	Vehicle Purchase <sup>2</sup>	11.47%	88.53%
3	Bus Related Equipment Purchase	11.47%	88.53%
4	Transit Infrastructure	11.47%	88.53%
5	Flex Funds Transfer	Varies	Varies
6	Preventive Maintenance	11.47%	88.53%
7	Planning and Technical assistance	11.47%	88.53%
8	Bicycle Facility	10%	90%

Please see below for a description of the eligible projects in the above table:

#### 1. Operating Assistance

Eligible operating assistance expenses include maintenance of existing service, introduction of new transit service, and expansion of existing service. The following are examples of eligible expenses for operating assistance:

- Personnel
  - Driver Salaries (including benefits).
  - Dispatcher Salaries (including benefits).
  - Maintenance Mechanic Salaries (including benefits).
- Other Direct Expenses
  - Fuel and Oil.
  - Tires, Parts, Maintenance.
  - Vehicle Licenses.
  - Vehicle Insurance.
  - Uniform/Purchase.

#### 2. Vehicle Purchase

The following are examples of eligible expenses for vehicle purchase/bus related equipment: vehicles for new service, existing, and/or expansion.

#### 3. Bus Related Equipment

The following are examples of eligible expenses for vehicle purchase/bus related equipment:

- Radios and communication equipment.
- Fare boxes.
- Wheelchair lifts and restraints.
- Computers; Hardware and Software (i.e. scheduling, routing).
- Intelligent Transportation System (ITS).

<sup>2</sup> Please see the 5310 Chart for more information.

#### 4. Transit Infrastructure

The following are examples of eligible expenses for Transit Infrastructure:

- Bus shelters/Benches/Signage.
- Safety and Security features (i.e. lighting, camera).
- Support items such as trash containers.
- ADA requirements and/or enhancements.
- Informational or scheduling structures.

#### 5. Flex Fund Transfer

According to the FTA, “The Surface Transportation Program (STP) fund, among others, are a source of flexible funding for both highway and transit projects. At the State’s discretion, funds allocated under the STP for highways and transit in rural areas may be used for any capital transit project eligible for assistance under 49 U.S.C. Chapter 53, and for vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus. Certain other program funds, for example, Congestion Mitigation and Air Quality (CMAQ) Improvement Program, may also be used for either highway or transit projects. These flexible funding sources may be used to supplement the nonurbanized formula program. When the State decides to use flexible funds for rural public transit, the funds are transferred and managed within the Section 5311 program.”

#### 6. Preventive Maintenance

Applications for Preventive Maintenance grants are certified by Caltrans DMT as having met all the statutory and administrative requirements for Project approval. Preventive Maintenance activities consist of routine revenue and non-revenue vehicle inspection and maintenance for bus operations. For the purpose of carrying out a preventive maintenance project, the labor (associated administrative and incidental costs) shall not exceed the estimated cost. The following are approved activities for the inspection and maintenance of revenue vehicles and service vehicles.

##### *Inspection and Maintenance of Revenue Vehicles’ Component Activities*

- Oil changes, engine repairs, etc. are considered preventive maintenance activities are maintenance expenses.
- Inspecting revenue vehicle components on a scheduled preventive maintenance basis (e.g., engine and transmission, fuel system, ignition system, chassis, exterior body and interior body, electrical system, lubrication system, trolleys, pantographs and third rail shoes, trucks, braking system, and air conditioning system).
- Changing lubrication fluids.
- Replacing minor repairable units of the above listed revenue vehicle components.
- Making road calls to service revenue vehicle breakdowns.
- Towing and shifting revenue vehicles to maintenance facilities.
- Rebuilding and overhauling repairable components.
- Performing major repairs on revenue vehicles on a scheduled or unscheduled basis (this work is generally done by the following facilities: machine shop, sheet metal shop, welding and blacksmith shop, woodworking shop).
- Replacing major repairable units of revenue vehicles (including engines, transmissions, traction motors and air conditioners).

##### *Inspection and Maintenance of Service Vehicles’ Component Activities*

- Inspecting service vehicle components on a scheduled preventive maintenance basis (e.g., engine and transmission, fuel system, ignition system, chassis, exterior body and interior body, electrical system, lubrication system, trolleys, pantographs and third rail shoes, trucks, braking system, and air conditioning system).
- Performing minor repairs to the above listed service vehicle components.
- Changing lubrication fluids.
- Replacing minor repairable units of the above listed service vehicle components.
- Making road calls for service vehicle breakdowns.
- Towing and shifting service vehicles to maintenance facilities.
- Rebuilding and overhauling repairable components.
- Performing major repairs on service vehicles on a scheduled or unscheduled basis (this work is generally done by the following facilities: machine shop, sheet metal shop, welding and blacksmith shop, woodworking shop).
- Replacing major repairable units of service vehicles (including engines, transmissions, traction motors and air conditioners).

#### 7. Planning and Technical Assistance

The following are examples of eligible expenses for planning and technical assistance activities:

- Planning Study (i.e. system-wide connectivity, improved service effectiveness, ridership forecast/survey, transit coordination).
- Marketing Research and Innovation.
- Development and implementation of strategic marketing.

#### 8. Bicycle Facility

The following are examples of eligible projects for bicycle facility:

- Constructing bicycle facilities (paths, bike racks, support facilities, etc.).
- Non-construction outreach related to safe bicycle use.
- Establishing and funding state bicycle coordinator positions for promoting and facilitating non-motorized transportation modes through public education, safety programs, etc. (limited to one full-time position per state).

### **5.2.4 Method of Distributing Funds**

California receives an annual apportionment from the federal government based on a formula consisting of factors that incorporate nonurban population and land area. This apportionment is divided as follows:

- 10% Administration;
- 15% Intercity Bus 5311(f) Program; and
- 75% Regional Apportionment.

Caltrans DMT allocates the apportioned 5311 Program funds to regional agencies (MPOs/RTPAs) using a standardized formula. Each regional agency (MPO/RTPA) then further distributes these funds to their individual subrecipients using a standardized formula. 5311 funds

have a period of availability of the fiscal year in which they are allocated plus two additional fiscal years. Each subrecipient is required to enter into a Standard Agreement that addresses federal requirements and outlines the terms and conditions of the 5311 grant program before the project may begin.

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

Special provisions apply for operating expense grants and limit the amount of Federal funds that can be sought to cover operational deficits. Federal shares shall not exceed 50 percent of the net operating deficit included in the project for operating expenses. Of the remainder of the deficit, 50 percent must be financed from sources other than Federal funds or system revenues (i.e. half of the local match must come from local funds) and 80 percent of the net cost for capital projects and project administration. The value of any in-kind contributions must be included in net project cost to the extent it is used as local match (See the Federal Administrative Rules for Grants and Cooperative Agreements, [49 CFR Parts 18](#) and [19](#) for more information).

Subrecipients that receive both 5311 and 5307 funds must have a cost allocation methodology to split their urban and rural service costs. Caltrans DMT verifies subrecipients' cost allocation methodology during the application review phase.

### **5.2.6 Construction/Real Estate Acquisition for Section 5311**

Caltrans DMT is responsible for monitoring all capital construction and acquisition projects ([49 CFR 18.40, 5010.1D](#)). All construction and real estate acquisition projects must have completed all environmental work prior to project application. Only projects that have met all FTA environmental requirements will be included in FTA "Category A" projects. Caltrans DMT will work with project applicants early enough in the project application process to ensure that projects are not delayed because of environmental issues. All construction projects must have a qualified construction Project Manager. Subrecipients must have completed all phases of the environmental process prior to submission of application. All construction projects must be "shovel ready (Category A)."

### **5.2.7 Encroachment Permit Process for Section 5311**

Caltrans is committed to the protection of the California State Highway System. Safety of the traveling public and those who perform work within the State's highway right-of-way (State of California Property) is Caltrans primary concern. Caltrans cooperates with all public agencies and private entities in promoting the safe use and operation of the State's highway system.

Any transit agency project that is planned on the state highway or impacts the state highway system will require an encroachment permit and a written authorization from Caltrans. An encroachment permit grants permission to the permittee or their agent to perform work within the State's right-of-way. A request for an encroachment permit will require the applicant to fill out the encroachment permit application. All Caltrans Districts have encroachment permit offices. Please contact your local Caltrans District Office for more information. An encroachment permit takes a significant amount of time to complete. Applicants should plan ahead so that projects are not delayed.

Encroachment permits are necessary for Caltrans to:

- Ensure that the proposed encroachment is compatible with primary uses of the State highway system;
- Ensure the safety of the traveling public and of the permittee; and
- Protect the State's investment.

Additional information regarding the encroachment permit process is available within Caltrans' Encroachment Permit Manual. This manual can be viewed at the following address: <http://www.dot.ca.gov/hq/traffops/developserv/permits/>. The California Streets and Highways Code, Section 660 to 734, grants authority to the Department to permit improvements and other activities on the State's highway system rights-of-way.

### **5.2.8 Technical Capacity and Assistance**

Caltrans DMT staff provides technical assistance to RTPAs and local transit operators. Technical assistance focuses on application development, procurement-related activities, project delivery, and inspections for vehicles, facilities, equipment and agencies. Workshops for the district staff, RTPAs and subrecipients are planned annually, as travel and funding are available. Appropriation of Section 5311 funds for Caltrans DMT program administration and technical assistance is made annually by the California Legislature through the California annual budget process. Section 5311 conducts quarterly conference calls with district staff and agencies, triennial onsite monitoring, and quarterly reports for capital projects.

### **5.2.9 Force Account Activities**

#### Policy

Consistent with [FTA Circular 5010.1D](#), Chapter IV, Section 4 a, it is Caltrans' policy that FTA grant program subrecipients, where applicable, comply with FTA's Force Account Program requirements. This policy requires that to be eligible for reimbursement for force account work, subrecipients must provide a force account plan and justification to the California Department of Transportation (Caltrans) for the review and approval before incurring costs. To assist subrecipients in developing force account plans, Caltrans has developed guidelines, policy, and procedures for subrecipients to ensure federal requirements compliance.

#### Definition

Work performed by the subrecipients' work force (in-house labor) that is included in an approved FTA Section 5311 grant is "force account" work. Reimbursement of force account work is subject to subrecipients providing a force account plan and justification. The force account plan and justification must include documentation equivalent to a sole source justification and state the basis for a determination that no private sector contractor has the expertise to perform the work. Reimbursement of such expenses are subject to Caltrans DMT prior review of the subrecipient's force account plan and justification when the total estimated cost of force account work under the grant equals \$100,000 or more. Justification may be on the basis of cost, exclusive expertise, safety and efficiency of operations, or union agreement. Force account reimbursement for projects above this threshold must be supported by a force account plan and justification which are to be retained in the subrecipient's files. No plan or justification

is required if the grant award amount is less than \$100,000 or the agency contracts with the third party for the preventive maintenance or construction work.

### Allowable Types of Work

Force account work does not include project administration activities which are otherwise direct project costs. Force account work can include major capital project work on rolling stock, construction, and preventive maintenance activities.

### Requirements

Force account requirements include the following:

- If the grant award equals \$100,000 or more, and the work is done in-house, a force account plan, justification and Caltrans approval are required;
- No plan or justification is required if the force account work is less than \$100,000; and
- One of four (4) conditions may warrant the use of a subrecipients' own "in house" labor:
  - Cost savings,
  - Executive expertise,
  - Safety and efficiency of operations, and
  - Union agreement.

### Record Keeping

Force account record keeping requirements include the following:

- All costs charged to the project must apply to a particular line item in the project budget;
- The subrecipient must maintain thorough documentation of all costs; and
- The documentation must include the following:
  - A spreadsheet documenting the hourly rate and labor hours worked for each employee;
  - A spreadsheet documenting the workers, work performed, machinery used, and materials supplied;
  - Employee personnel policies that delineate paid leave, equal employment, travel, and terms of employment policies, compliant with the Fair Labor Standards Act, and Section 504; and
  - Purchase vouchers, invoices, lease agreements, and canceled checks for all materials, equipment, or miscellaneous expenses purchased. Invoices for purchases must document the use of purchased items. A copy of the lease agreement must support the use of leased equipment.

### Basis of Reimbursement

To be eligible for reimbursement for force account work, subrecipients must provide the force account plan and justification including the following before incurring costs:

- A justification for using subrecipient work forces;
- Scope of Work describing force account labor activities;
- A copy of the construction plans/preventive maintenance plan and specifications which include:
  - A detailed estimate of costs;
  - A detailed schedule and budget; and
  - A copy of the proposed Cooperative Agreement when another public agency is involved.

- Submit documentation equivalent to a sole source justification stating the basis for determining that no private sector contractor has the expertise to perform the work. In addition, the required documentation must provide the basis for the subrecipients' decision to use force account labor;
- Provide certification that costs presented are fair and reasonable;
- Provide an analysis of force account labor availability, considering normal operations and maintenance activities as well as other programmed and existing capital projects. This must be consistent with costs of labor, material, and specialized equipment; and
- Provide relevant citations from labor union agreements and an analysis of how it pertains to the work in question.

### Roles and Responsibilities

Subrecipient responsibilities are as follows:

- Develop a force account plan and submit to Caltrans headquarters during the grant application process;
- Keep accurate, detailed records of all labor hours, equipment hours and materials used for the force account;
- Daily Force Account Work and Preliminary field documentation of employee names, employee hours, equipment used, equipment hours and any material incorporated in the work; and
- Maintain and have on file a maintenance program plan. The plan should outline the all work that will be performed, organized in a format such as by category, or by type, including scheduling. The scheduling component should include a designated inspection system. This plan is required to be on file with Caltrans/DMT. The applicant is responsible for submitting new or revised versions of their plan.

Caltrans (Headquarters) responsibilities are as follows:

- Establish and administer program procedures for projects using force account;
- Approve force account requests;
- Assess project proposals based on program definition, goals and objectives;
- Prepare and execute Standard Agreement(s) with the successful applicant;
- Report to FTA for program compliance;
- Provide guidance and technical support to Caltrans District Transit Representatives (DTR) and subrecipients;
- Review requests for reimbursement to ensure accuracy;
- Monitor and oversight project; and
- Conduct on-site review to ensure compliance.

## 5.3 Section 5311(f) – Intercity Bus Program

### **5.3.1 Eligible Subrecipients**

Eligible subrecipients include:

- Public governmental authorities and transit providers;
- Private for profit organizations;
- Private non-profit organizations; and
- Tribal Governments.

### 5.3.2 Eligible Projects

Each applicant will be required to complete one main application for all project types. Each project is supported by a sub-application organized by category. The 5311(f) Program eligible assistance categories and the related percentage of the federal grant are listed below:

*Table 3: Intercity Bus Program 5311(f) Project Categories*

Category	Application Title	Project Type	Federal Share (%)	Project Period (months)	Maximum Award Limit
1	Operating Assistance	<i>Operating Assistance</i>	55.33%	12	\$300,000
2	Bus Purchase/Bus Related Equipment	<i>Capital Assistance</i>	88.53%	24/12	\$300,000/\$100,000
3	Transit Infrastructure		88.53%	15	\$200,000
4	Planning & Marketing Studies		88.53%	15	\$100,000

The 5311(f) project categories in the above table are described in greater detail below:

#### 1. Operating Assistance

Operating assistance may be provided for new, expansion, or continuation of service. The applicant should describe their route and its functional relationship to the California intercity bus network and the National Intercity Bus Service. Each proposal shall describe how the subrecipient's system connects directly/indirectly with other transit service providers and/or modes of transportation to support meaningful connections and connectivity including lay over time(s). Each proposal should include activities such as marketing, production of route maps and/or schedules, information delivery, website development, and advertising.

#### 2. Bus Purchase/Bus Related Equipment

Application pertaining to vehicle purchases should demonstrate that the vehicle will address a designated route in the Intercity Bus Network. The vehicles purchased must have the capacity to carry luggage. The application may include, but is not limited to:

- Vehicles for new service, existing, and/or expansion.
- Radios and communication equipment.
- Fare boxes.
- Wheelchair lifts and restraints.
- Computers; Hardware and Software (i.e. scheduling, routing).
- Intelligent Transportation System (ITS).

#### 3. Transit Infrastructure

The application request for transit infrastructure must be part of the Intercity Bus Program route. The project may include, but is not limited to:

- Bus shelters/Benches/Signage.
- Safety and Security features (i.e. lighting, camera).

- Support items such as trash containers.
- ADA requirements and/or enhancements.
- Informational or scheduling structures.

#### 4. Planning and Marketing Studies

Application for projects under this category must demonstrate the functional relationship to the California intercity bus network. Proposals may include, but are not limited to:

- Planning Study (i.e. system-wide connectivity, improved service effectiveness, ridership forecast/survey, transit coordination).
- Marketing Research and Innovation.
- Development and implementation of strategic marketing.

### **5.3.3 Project Selection Process**

5311(f) funds are distributed through a competitive process. Annually Caltrans announces call for projects on its website. Applications are received by the HQ staff, reviewed for completeness, and sent to a selection committee, comprised of Caltrans ' staff, and external participants that include transportation agencies, transit providers, and/or community based organizations. The selection committee review and evaluate the applications based on the scoring sheet. Final project selection is based on the resulting application score and a consensus by the selection committee.

### **5.3.4 Construction/Real Estate Acquisition for Section 5311(f)**

Caltrans DMT is responsible for monitoring all capital construction and acquisition projects ([49 CFR 18.40, 5010.1D](#)). All construction and real estate acquisition projects must have completed all environmental work prior to project application. Only projects that have met all FTA environmental requirements will be included in FTA "Category A" projects. Caltrans DMT will work with project applicants early enough in the project application process to ensure that projects are not delayed because of environmental issues. All construction projects must have a qualified construction Project Manager. Subrecipients must have completed all phases of the environmental process prior to submission of application. All construction projects must be "shovel ready (Category A)."

### **5.3.5 Continued Funding Process for Section 5311 (f)**

Following the recommendation of the California Rural Intercity Bus Study (March 2008), Caltrans DMT has introduced a multi-year funding which will allow continued funding for operating projects that were funded in Fiscal Year (FY) 2008. The objective of multi-year funding is to ensure funding predictability and enable agencies to plan ahead, prioritize and execute projects in a timely manner. Projects that receive continued funding are required to meet both the program requirements and the definition of California the Intercity Network Route as defined in the application guidelines. As funded currently, operating projects receive up to 55.33% in federal funding and a local match of 44.67%. The *first cycle* of the Continued Funding included the initial year FY 2008 and was continued for a maximum of two years up to and including FY 2010 referred as Year 2 and Year 3. Funding increases above the FY 2010 or

Year 3 base level is allowed but must be based on prior year actual 5311 (f) expenditures but not above the 5311(f) program cap for the project. Continued funding participants must also provide two years of funding budget which also must be based on prior year expenditures for the project. To be eligible for continued funding project applicants must certify that the requested project is the same as was funded in previous year and there are no changes to the project.

Caltrans DMT is continuing the multi-year funding beyond FY 2011. To continue to receive funding beyond the initial year, an applicant must provide specific, measurable objectives as part of their proposal including submission of the required quarterly reports. These objectives should demonstrate the capacity to plan at least one to three years ahead.

Also an applicant must provide evidence that the subrecipient is still engaged in activities as was described in the original application

Multi-year funding awards will be based on the contents, merit, and scope of work of the originally submitted application. Multi-year funding will not include new services, or expansion of service. Continued funding may be canceled at the discretion of Caltrans. Additionally, availability of funds beyond the initial one-year is subject to the annual Congressional appropriation process.

#### 5.4 Section 5316/5317 – JARC and NF Programs

##### **5.4.1 Eligible Subrecipients**

Projects funded through the JARC and New Freedom programs “must be derived from a locally developed, coordinated public transit-human services transportation plan”. The Coordinated Plan identifies existing services, needs, strategies and priorities for low-income individuals, individuals with disabilities, and older adults. 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.

##### **5.4.2 Eligible Projects**

Eligible JARC and New Freedom applicants may request up to two (2) years of funding per project. Projects approved for multi-year funding will not require a subsequent application for the second year once the original request for multi-year funding is approved. However, Caltrans will evaluate the progress of the project during its first year before allowing the project to proceed into the second year. Quarterly reports and requested information will be utilized to ensure compliance with the original approved project scope. Funding commitments for the second year are not guaranteed but may be granted pending the level of federal appropriations to Caltrans.

Federal regulations allow projects considered as “mobility management” to be eligible as a capital expense under the JARC and New Freedom Programs. The purpose of mobility management is to integrate and coordinate existing public transportation services with other transportation providers in order to increase the availability of transportation services. Eligible projects include:

*Table 4: Eligible JARC Activities*

<b>JARC Operating Activities</b>	<b>JARC Capital Activities</b>
Late night and weekend service	Intelligent Transportation Systems (ITS) Scheduling and Dispatching Software
Reverse commute transportation service	
Shuttle service	Vehicles
Guaranteed ride home service	Mobility management activities: <ul style="list-style-type: none"> <li>• Planning, development, implementation of coordinated transportation services</li> <li>• Integration, coordination and promotion of access to transportation services</li> <li>• Development and operation of one-stop transportation call-center</li> <li>• Transportation brokerages</li> <li>• Travel training/trip planning</li> <li>• Operational planning to acquire IT technologies for coordinated systems</li> </ul>
Expanded fixed-route public transit routes	
Demand-responsive service	
Ridesharing and carpooling activities	
Voucher programs	

*Table 5: Eligible New Freedom Activities*

<b>New Freedom Operating Activities</b>	<b>New Freedom Capital Activities</b>
New expansion of paratransit service beyond the minimum requirements of ADA	Acquisition of accessibility equipment beyond ADA requirements
New expansion of hours for paratransit service	Purchasing accessible vehicles to support taxi, vanpooling, and/or ridesharing programs
Feeder service for intercity travel for which paratransit service is not required	Accessibility Improvement to non-key stations (Project engineers and/or sponsorship by a Governmental Lead Agency is required)
Enhancement of services (same day; door-to-door; escorts)	Mobility management activities: <ul style="list-style-type: none"> <li>• Planning, development, implementation of coordinated transportation services</li> <li>• Integration, coordination and promotion of access to transportation services</li> <li>• Development and operation of mobility management call-center</li> <li>• Transportation brokerages</li> <li>• Travel training/trip planning</li> <li>• Operational planning to acquire IT technologies for coordinated systems</li> </ul>
Voucher programs	
New or expansion of Volunteer driver programs.	

Project Description

The Project Description serves as the basis for the application as well as the annual program operations report. The 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 should clearly state what type of service is being provided (i.e. fixed route or paratransit) and the geographic areas that benefit from the service. New applicants must include a completed feasibility study in addition to completing a formal application. Eligible applicants must provide the following:

- Well-defined operations plan with identified routes, schedules, current/projected ridership, key personnel, and marketing strategies with supporting documentation to accomplish the project.
- Implementation plan that describes project tasks, timeframes, benchmarks, critical milestones, key personnel, deliverables, and estimated completion dates with supporting documentation.

### **5.4.3 Project Selection Criteria and Method of Distributing Funds**

#### Project Selection Criteria

All JARC and New Freedom project applications will be evaluated in accordance with established scoring criteria to determine the extent to which the proposed project meets the overall program goals and objectives. Caltrans formed an Advisory Committee to assist in the development of establishing project selection and program evaluation criteria. 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 Caltrans DMT staff.

Upon request, Caltrans DMT will delegate the competitive project selection process to local agencies with small-urbanized areas for the JARC and New Freedom grant programs. A small-urbanized area's population is between 50,000 and 200,000.

Local agencies that have entered into a Memorandum of Understanding (MOU) with Caltrans 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 and New Freedom grant applications before they are forwarded to Caltrans 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 Caltrans.

If the local agency for an area is conducting the regional first-level review, applications 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 Caltrans 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 Caltrans.

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 Caltrans 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. Caltrans 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. Caltrans DMT will conduct the entire JARC and 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; and
- Facilitate coordination across public-private sector, local inter-agency cooperation and geographic boundaries.

#### Method of Distributing Funds

JARC and New Freedom Program funds are distributed to California on a formula based on current census data. Caltrans DMT uses a competitive selection process to fund 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 Caltrans DMT.

All projects considered for funding shall be included in the Caltrans DMT's program of projects, and submitted to the 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 evaluation process.

#### **5.4.4 Construction/Real Estate Acquisition for Section 5316/5317**

Caltrans DMT is responsible for monitoring all capital construction and acquisition projects ([49 CFR 18.40, 5010.1D](#)). All construction and real estate acquisition projects must have completed all environmental work prior to project application. Only projects that have met all FTA environmental requirements will be included in FTA "Category A" projects. Caltrans DMT will work with project applicants early enough in the project application process to ensure that projects are not delayed because of environmental issues. All construction projects must have a qualified construction Project Manager. Subrecipients must have completed all phases of the environmental process prior to submission of application. All construction projects must be "shovel ready (Category A)."

#### **5.4.5 Encroachment Permit Process for Section 5311**

Caltrans is committed to the protection of the California State Highway System. Safety of the traveling public and those who perform work within the State's highway right-of-way (State of California Property) is Caltrans primary concern. Caltrans cooperates with all public agencies and private entities in promoting the safe use and operation of the State's highway system.

Any transit agency project that is planned on the state highway or impacts the state highway system will require an encroachment permit and a written authorization from Caltrans. An encroachment permit grants permission to the permittee or their agent to perform work within the State's right-of-way. A request for an encroachment permit will require the applicant to fill out the encroachment permit application. All Caltrans Districts have encroachment permit offices. Please contact your local Caltrans District Office for more information. An encroachment permit takes a significant amount of time to complete. Applicants should plan ahead so that projects are not delayed.

Encroachment permits are necessary for Caltrans to:

- Ensure that the proposed encroachment is compatible with primary uses of the State highway system;
- Ensure the safety of the traveling public and of the permittee; and
- Protect the State's investment.

Additional information regarding the encroachment permit process is available within Caltrans' Encroachment Permit Manual. This manual can be viewed at the following address: <http://www.dot.ca.gov/hq/traffops/developserv/permits/>. The California Streets and Highways Code, Section 660 to 734, grants authority to the Department to permit improvements and other activities on the State's highway system rights-of-way.

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

##### Local Share Requirements

JARC and New Freedom Program federal funds can be used to support up to 80 percent of capital projects (80% federal/20% local match), and up to 50 percent of projects for operating assistance (50% federal/50% local match). Ten (10) percent of Caltrans' apportionment may be used to administer the program, plan, and provide technical 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. However, some examples of allowable sources for local match monies for JARC and/or New Freedom Programs operating assistance may include: local appropriations, dedicated tax revenues, private donations, revenue from service contracts, Non-DOT funds through a service agreement, private donations, and net income generated from advertising and concessions. Matching share requirements are flexible to encourage coordination with other federal programs that may provide transportation, such as Health and Human Services or Agriculture. Volunteer services or other in-kind contributions are examples of non-cash share.

In-kind contributions that have a cash value (donations of equipment, supplies, property, and/or services that are beneficial, and used by the applicant) are eligible to be counted toward the local match as long as the value of each is documented and supported, represents a cost that would otherwise be eligible under the program, and is included in the net project cost in the project budget. Caltrans 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 to 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 farebox revenue, which is part of operating revenues.

#### 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.

#### **5.4.7 Technical Capacity and Assistance**

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

Caltrans DMT is responsible for monitoring all capital construction and acquisition projects ([49 CFR Part 18.40, 5010.1D](#)). All construction and real estate acquisition projects must have completed all environmental work prior to project application. Only projects that have met all FTA environmental requirements will be included in FTA "Category A" projects. Caltrans DMT will work with project applicants early enough in the project application process to ensure that

projects are not delayed because of environmental issues. All construction projects must have a qualified construction Project Manager. Subrecipients must have completed all phases of the environmental process prior to submission of application.

Caltrans DMT ensures that Section 5316/5317 subrecipients have the required technical capacity to meet federal requirements through offering workshops, training, grant application review and approval, monitoring, and program oversight. Assessment of an applicant's technical capacity is measured by the information provided in the application along with the supporting documentation. Demonstration of possessing continued technical capacity is measured in the quarterly reports and agency monitoring.

The Application and Procurement Workshops are held statewide to provide technical assistance to the applicants and the RTPAs. Locations of some of the workshops are alternated from year to year to expand coverage. In presenting the workshops, a set of scripted materials provides statewide consistency in the level of assistance and information provided. Each workshop covers the following areas: basic program information, application elements, application review process, purpose and use of application scoring criteria, an overview of procurement process, subrecipient obligations and responsibilities for program and contract compliance, vehicle selection, and option availability.

#### **5.4.8 Force Account Activities**

##### Policy

Consistent with [FTA Circular 5010.1D](#), Chapter IV, Section 4 a, it is Caltrans' policy that FTA grant program subrecipients must comply with FTA's Force Account Program requirements. This policy requires that to be eligible for reimbursement for force account work, subrecipients must provide a force account plan and justification to the California DMT for the review/approval before incurring costs. To assist subrecipients in developing force account plans, Caltrans DMT has developed guidelines, policy, and procedures for subrecipients to ensure federal requirements compliance.

##### Definition

Work performed by the subrecipients' work force (in-house labor), that is included in an approved FTA grant is "force account" work. Reimbursement of force account work is subject to subrecipients providing a force account plan and justification, including documentation equivalent to a sole source justification, stating the basis for a determination that no private sector contractor has the expertise to perform the work. Reimbursement of such expenses are subject to Caltrans DMT prior review of the subrecipient's force account plan and justification when the total estimated cost of force account work under the grant equals \$100,000 or more. Justification may be on the basis of cost, exclusive expertise, safety and efficiency of operations, or union agreement. Force account reimbursement for projects above this threshold must be supported by a force account plan and justification, which are to be retained in the subrecipient's files. No plan or justification is required if the grant award amount is less than \$100,000 or your agency contracts with the third party for the preventive maintenance or construction work.

##### Allowable Types of Work

Force account work does not include project administration activities which are otherwise direct

project costs. Force account work can include major capital project work on rolling stock, construction and preventive maintenance activities.

### Requirements

Force account requirements include the following:

- If the grant award equals \$100,000 or more, and the work is done in-house, a force account plan, justification and Caltrans approval are required;
- No plan or justification is required if the force account work is less than \$100,000; and
- One of four (4) conditions may warrant the use of a subrecipients' own "in house" labor:
  - Cost savings,
  - Executive expertise,
  - Safety and efficiency of operations; or
  - Union agreement.

### Record Keeping

Force account record keeping requirements include the following:

- All costs charged to the project must apply to a particular line item in the project budget;
- The subrecipient must maintain thorough documentation of all costs; and
- The documentation must include the following:
  - A spreadsheet documenting the hourly rate and labor hours worked for each employee;
  - A spreadsheet documenting the workers, work performed, machinery used, and materials supplied;
  - Employee personnel policies that delineate paid leave, equal employment, travel, and terms of employment policies, compliant with the Fair Labor Standards Act, and Section 504; and
  - Purchase vouchers, invoices, lease agreements, and canceled checks for all materials, equipment, or miscellaneous expenses purchased. Invoices for purchases must document the use of purchased items. A copy of the lease agreement must support the use of leased equipment.

### Basis of Reimbursement

To be eligible for reimbursement for force account work, subrecipients must provide the force account plan and justification including the following before incurring costs:

- A justification for using subrecipient work forces;
- Scope of Work describing force account labor activities;
- A copy of the construction plans/preventive maintenance plan and specifications which include:
  - A detailed estimate of costs;
  - A detailed schedule and budget; and
  - A copy of the proposed Cooperative Agreement when another public agency is involved.
- Submit documentation equivalent to a sole source justification stating the basis for determining that no private sector contractor has the expertise to perform the work. In addition, the required documentation must provide the basis for the subrecipients' decision to use force account labor;
- Provide certification that costs presented are fair and reasonable;

- Provide an analysis of force account labor availability, considering normal operations and maintenance activities as well as other programmed and existing capital projects. This must be consistent with costs of labor, material, and specialized equipment; and
- Provide relevant citations from labor union agreements and an analysis of how it pertains to the work in question.

### Roles and Responsibilities

Subrecipient responsibilities are as follows:

- Develop a force account plan and submit to Caltrans headquarters during the grant application process;
- Keep accurate, detailed records of all labor hours, equipment hours and materials used for the force account;
- Daily Force Account Work and Preliminary field documentation of employee names, employee hours, equipment used, equipment hours and any material incorporated in the work; and
- Maintain and have on file a maintenance program plan. The plan should outline the all work that will be performed, organized in a format such as by category, or by type, including scheduling. The scheduling component should include a designated inspection system. This plan is required to be on file with Caltrans/DMT. The applicant is responsible for submitting new or revised versions of their plan.

Caltrans (Headquarters) responsibilities are as follows:

- Establish and administer program procedures for projects using force account;
- Approve force account requests;
- Assess project proposals based on program definition, goals and objectives;
- Prepare and execute Standard Agreement(s) with the successful applicant;
- Report to FTA for program compliance; and
- Provide guidance and technical support to Caltrans District Transit Representatives (DTR) and subrecipients.

## 6. Grant Administration

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This section describes the requirements and state plan for Grant Administration. This section describes how the state will comply and certify that it has met FTA requirements and how it will ensure that all subrecipients are also satisfying all relevant grant program requirements. Private, non-profit subrecipients must comply with [49 CFR Part 18](#), which is the “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.” This section includes monitoring and reporting project progress, grant expenditures, and project completion and close out.

The following subjects are addressed in this section: Certifications and Assurances, Reporting Requirements, Program Measures, and Project Close out Procedures.

## 6.1 Certifications and Assurances

Each fiscal year, FTA publishes [Certifications and Assurances](#) in the Federal Register and updates the certifications and assurances in the Transportation Electronic Award Management System (TEAM). In using this document, it is assured to the FTA that all the projects in the application are CEs under [23 CFR 771.117\(c\)](#), unless otherwise noted. 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 program application process. This notice indicates which certifications and assurances apply to all subrecipients. Subrecipients should use the most recent version of certifications and assurances during the annual application process. Current [Certifications and Assurances](#) from the Federal Transit Administration are located on the FTA website. Caltrans will review the updated federal certifications and assurances and post the latest version on the DMT website as modified for use under the guidance of Caltrans. Each applicant will be required to review and submit to Caltrans a signed copy of the certifications and assurances each fiscal year for all programs for which they will be funded. These certifications and assurance must be complete before the Standard Agreement will be executed. The certifications and assurances apply to all FTA programs, including Tribal Transit and Over the Road grants. No contracts will be authorized until required signed certifications and assurances have been submitted and reviewed by Caltrans.

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; and
- An attorney affirmation.

Required signed certification and assurances may 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).
- 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 49 U.S.C. 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.

## 6.2 Reporting Requirements

Caltrans and subrecipients are required to report information to the FTA in a variety of formats: annual and quarterly reports, financial reports, milestone progress reports, Title VI civil rights reports, and Disabled Business Enterprise (DBE) reports. These reports and reporting requirements are described below.

### 6.2.1 Annual Program Status Report

Caltrans submits Annual Program Status Reports that include open grants for each of the four grant programs (i.e. 5310, 5311, 5316 & 5317). The reports include active projects, completed projects, revised project descriptions, change in project category, and adjustments within budget categories. Budget revisions are submitted by program as needed to align project costs and changes. The Grant Administrator for each program submits milestone changes on a quarterly basis, or more frequently if needed. All changes in category of performance (scope) for a grant are reported in TEAM.

### 6.2.2 Federal Financial Reports (FFRs)

Federal Financial Reports (FFR) are completed quarterly by the Caltrans Division of Accounting for each active grant and submitted in TEAM using the standard format.

### 6.2.3 Milestone Progress Report (MPR)

Caltrans is required to submit an annual Milestone Progress Report (MPR) to the FTA no later than October 31<sup>st</sup> through TEAM. The TEAM User Guide can be found at FTA's website in the "Grants and Financing" section under "Apply for and Manage Grants" located at: [TEAM-Web User Guide Compilation](#). Caltrans understands that "FTA uses the MPRs to evaluate several elements of the grant status, such as: (1) The purposes of the grant are being achieved; (2) The project is progressing on time and within budget; (3) The subrecipient is demonstrating competence and control in executing the project; (4) The project meets all program requirements; (5) There is a problem developing which may require FTA resources to resolve."

### **6.2.4 Title VI Report**

Annually, Caltrans provides the FTA with a Title VI Report, which includes 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 subrecipient. For those applicants not approved, a breakdown is provided by percent of the racial and national origin of those persons that would have been likely to receive transportation services from the applicant.

### **6.2.5 Triennial Compliance Report**

On a Triennial basis, Caltrans is required to have each eligible subrecipient submit a Title VI Compliance Report. This Title VI Assurance is required as a condition to receiving any Federal financial assistance from the Department of Transportation and must comply with the following: [Title VI of the Civil Rights Act of 1964](#), 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4, and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964. This assurance is required by [49 CFR Part 21.7\(a\)](#).

### **6.2.6 Disadvantaged Business Enterprise (DBE) Reports**

The Office of Office of Federal Transit Programs provides annual DBE reports for the four FTA grant programs to the Caltrans Office of Business and Economic Opportunity, which is responsible for collecting information for Caltrans DMT regarding projects funded by FTA. The Office of Business and Economic Opportunity submits one report to the FTA covering all FTA funds received by Caltrans DMT.

## **6.3 Program Measures**

Caltrans DMT collects information related to FTA Program Measures for the 5310, 5316 and 5317 Programs (there are no FTA Program Measures for the 5311 Program). Program Measures are used by FTA to determine the effectiveness of state implementation of these FTA programs and provide a basis on which to analyze performance and recommend changes and improvements. The FTA Program Measures for the 5310, 5316, and 5317 Programs are described below.

### **6.3.1 Program Measures for Section 5310**

5310 Program recipients are required to report FTA Program Measures for projects throughout the useful life of vehicles and equipment funded by FTA grants. These are necessary to measure relevant output, service levels, and outcomes for the program. The two measures outlined in the FTA 5310 Program Circular are:

- Gaps in Service Filled: Number of individuals who are eligible to receive service that is offered; and
- Ridership: actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities and older adults on Section 5310 supported vehicles and services.

Program Measure information is entered into TEAM as part of the annual program of projects status report of an open grant. The report is due on October 31 of each year and covers the twelve month period ending September 30.

### **6.3.2 Program Measures for Section 5316**

Program Measures for JARC reflect the goal of the 5316 Program to supply transportation services to low income individuals that must commute from urban or rural areas to suburban areas to attend or seek employment. The JARC Program Measures are:

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

Program measure information is reported to FTA annually by May 15<sup>th</sup> for JARC services and activities accomplished during the prior federal fiscal year from October 1<sup>st</sup> through September 30<sup>th</sup>.

### **6.3.3 Program Measures for Section 5317**

Program Measures for New Freedom reflect the goal of the 5317 Program to supply enhanced transportation services to individuals with disabilities that are beyond the transportation services required by ADA. The New Freedom Program Measures are:

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

Program measure information is reported to FTA annually by May 15<sup>th</sup> for New Freedom services and activities accomplished during the prior federal fiscal year from October 1<sup>st</sup> through September 30<sup>th</sup>.

## **6.4 Project Closeout Procedures**

Funds awarded from the 5310, 5311, 5316, and 5317 programs will be used as requested and approved and awarded projects funded from FTA grants will be completed timely as specified by the subrecipient. Caltrans may terminate the Standard Agreement upon finding that the subrecipient has not made satisfactory progress toward procuring the project equipment, services, salary and wages, as appropriate, within twelve (12) months of execution of the Agreement, has not billed for operating assistance funds within twelve (12) months of execution of the Agreement, or that the subrecipient is otherwise not complying with the terms of the Agreement.

#### **6.4.1 Closeout Procedures between the State and the Subrecipient**

Upon final payment of grant funds associated with a subrecipient's project, Caltrans DMT immediately disencumbers remaining unused funds. The available fund balance is used to fund additional ready to list projects. Caltrans DMT notifies FTA by preparing and submitting grant revisions for FTA review and approval.

Caltrans DMT completes periodic grant reconciliation to ensure all project costs are paid accurately. For grants which are ready to close, if necessary, a final budget revision is completed and submitted in TEAM to adjust final project costs or to "deobligate unused fund balance. The final Milestone Status Report and a final Financial Status Report are completed and submitted in TEAM Electronic Clearing House Operation System (ECHO). Upon completing the close out procedure, the Caltrans DMT Grant Manager notifies FTA by email. FTA may notify Caltrans DMT when the grant has been closed and TEAM automatically removes the closed grant from the active grant listing.

#### **6.4.2 Closeout Procedures between the State and FTA**

Caltrans DMT initiates closeout of the Program of Projects immediately after all work activities contained in the grant are complete. If a small amount of funding remains in the Program of Projects, Caltrans DMT requests that the funds be de-obligated by FTA and the grant closed out.

The final Financial Status Report is prepared and sent to FTA with a request that the grant be closed. Caltrans DMT performs annual audits of closed projects conducted in accordance with the audit requirements [OMB Circular A-133](#). Projects are closed when funds are fully expended upon receiving the Federal Financial Report (FFR).

Caltrans received a waiver from FTA on September 15, 1993 which states that Section 5310 subrecipients that obtain their vehicles from the state contract are exempt from the requirement to have an annual audit as required by [OMB Circular A-133](#). As Caltrans DMT handles all financial transactions related to the purchase of Section 5310 vehicles from the state contract, the state's annual audit has been determined to be sufficient. This waiver was granted under the condition that Caltrans DMT continue its monitoring of vehicles to ensure that the needs of elderly individuals and individuals with disabilities are met, the vehicles are used for approved grant purposes, and the vehicles are maintained in good operating condition. Each applicant is required to submit, at the time of application, audited financial statements and accompanying notes. These financial statements are reviewed to evaluate the fiscal capability of the applicant to implement and operate its proposed project. As stated in the application glossary, an acceptable audit is one with an "unqualified audit opinion," indicating that the agency is in compliance with generally accepted accounting principles. Any other type of opinion, such as "qualified with exceptions," "reportable conditions," "material weaknesses," "noncompliance with grant requirements," will be evaluated on a case-by-case basis and may necessitate review by Caltrans auditors before approval. A single audit complying with [OMB Circular A-133](#) must be submitted by any public agency receiving more than \$500,000 in Federal assistance. These audits are submitted to the State Controller for review. Once reviewed, these audits and any results are forwarded to Caltrans' Division of Audits and Investigations for additional review and follow-up on any findings.

## 6.5 Standard Agreement

Upon Caltrans receiving approval of the statewide grant from FTA, a Standard Agreement is developed for each approved applicant. Each subrecipient is required to enter into a Standard Agreement (contract) that addresses federal requirements and outlines the terms and conditions of the grant program before Caltrans can expend federal funds and the project may begin. Caltrans must also certify to FTA that it and the subrecipient have met all statutory and program requirements. The Standard Agreement describes the equipment, the project scope, conditions and requirements for operation of the equipment, and general terms and conditions. The purchase of equipment may only take place after the contract between Caltrans and the local agency has been executed. The Standard Agreement remains in effect until the project is terminated and formal disposition of the equipment has been made with the approval of Caltrans in accordance with federal grant standards. A project must be carried out under the control of the applicant, which is generally defined as direct operating control. A subrecipient may opt to contract with a third party for vehicle operation or maintenance. However, direct control remains the sole responsibility of the subrecipient. Caltrans must approve all contracts between the subrecipient and third party contractors prior to execution.

No amendments can be made to the agreement unless executed in writing by Caltrans and signed by both parties. To the extent applicable, federal requirements extend to third party contractors and their contracts at every tier and subrecipients and their sub-agreements at every tier. Accordingly, a contractor agrees to include, and to require its third party contractors and subrecipients to include appropriate clauses in each third party contract and each sub-agreement financed in whole or in part with financial assistance provided by FTA.

### 6.5.1 New Agency Pre-Agreement Review

Transit agencies must contact Caltrans prior to a reorganization that will result in the formation of a new transit agency. New transit agencies must be eligible to receive TDA funds to be eligible to receive federal transit funds. Also to be eligible to receive FTA funds, new agencies must have the technical capacity to implement and operate projects. For those agencies who are new to the programs, or who have not received a grant through recent grant cycles, Caltrans will conduct a pre-agreement review with the agency, as necessary. During this review, Caltrans will review the successful grant application with the agency to ensure the described service area and equipment requests are still valid, and that reporting and relinquishment procedures are understood. Any deviations from the awarded application are subject to modification at Caltrans' discretion and minor administrative modifications can be authorized by Caltrans. However, substantive deviations from the approved application, or the applicant's inability to meet the required reporting conditions, are subject to cancellation upon written notification from Caltrans.

### 6.5.2 Processing Standard Agreements

Standard Agreements are forwarded to the agency for signature by an authorized person and then returned to Caltrans for execution and final distribution. If the project scope changes, agencies are required to submit a written description of the changes for approval. If approved, an amendment to the Standard Agreement is prepared.

### 6.5.3 Resolution of Authority

The Resolution of Authority is a document that identifies the person(s) authorized to sign legally binding documents on behalf of the agency. A Resolution of Authority or other similar instrument must be submitted not later than the Standard Agreement execution period. The Resolution of Authority (or similar instrument) should be resubmitted to Caltrans as often as necessary as to maintain current signatory authority. Caltrans can provide a sample if requested.

#### **6.5.4 Non-Compliance with Standard Agreement**

The Governor designated the Caltrans DMT with the principle authority and responsibility for administering FTA programs. ([FTA C5010.1D, Ch. II, Section 3](#)). To this extent, Caltrans DMT requires that subrecipients must comply with Standard Agreement terms and conditions. Sample terms and conditions include National Transit Database reports, quarterly reports, Drug and Alcohol (MIS) reports, and Federal/State laws and regulations. If a subrecipient fails to comply with any term of Standard Agreement or Federal/State laws and regulations, Caltrans DMT may take one or more actions for enforcement. Caltrans DMT shall take remedies pending correction of the deficiency by withholding the subrecipient's grants or invoice payments.

### **6.6 Amendment**

#### **6.6.1 Policy**

The FTA expects projects to be completed within a reasonable, specified time ([49 CFR 18.50](#) and [FTA C5010.1D](#)). It is Caltrans' policy that projects for operating and capital assistance (except construction/real estate acquisition) must be completed within three years from grant award. Caltrans expects subrecipients to utilize effective project planning to develop accurate project scope, budget, cost estimates and schedules and to employ professional management principles to efficiently and effectively complete the project within the project schedule established in the subrecipient's Standard Agreement.

During the course of the contract, it may become necessary to make modifications to the project in the form of administrative changes or time extension, etc. Caltrans will consider contract amendments on a case-by-case basis. The subrecipients MUST submit the amendment request in writing using the FTA Amendment Request Form. Any amendment MUST be requested (at a minimum of 60 days) prior to the contract expiration date.

#### **6.6.2 Purpose**

An amendment may be requested to change the cost, project completion date, contract expiration date, procurement schedule, or final invoice due date of a project. Caltrans is to review/approve amendment requests, prepare and process Standard Agreement amendments. As a minimum, it is expected that all amendment requests shall:

- Be complete;
- Discuss proposed change in relation to current approved project status;
- Discuss why this course of action is necessary now; and
- Discuss the consequences of not taking this action.

#### **6.6.3 Materials**

Amendment materials include the following:

- Amendment request form; and

- \*Concurrence letters from the appropriate Regional Transportation Planning Agency (RTPA) or Metropolitan Planning Organization (MPO), if applicable.

#### 6.6.4 Process

The amendment process includes the following steps:

- The subrecipient identifies need for change and completes paperwork noted above.
- The subrecipient shall work with their appropriate Caltrans HQ liaison and Regional Agency (if applicable) to prepare and process amendment paperwork.
- Caltrans DMT's Branch chief reviews and approves the amendment paperwork.
- \*For non-MPO/RTPA rural projects, Caltrans HQ liaison submits the completed amendment request to Caltrans Division of Programming for project programming into the FSTIP (if applicable).
- Caltrans HQ liaison will prepare and process the Standard Agreement amendment

\*RTPA/MPO and Caltrans' Division of Programming will be involved in the amendment process only when the amendment request includes scope change and cost change for the project.

## 7. Financial Management

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Sound financial management by the state is essential to ensure that federal grant funds are used effectively and in accordance with federal regulations. Caltrans must sign FTA's "[Master Agreement](#)" and "[Certifications and Assurances](#)" to renew their funding with FTA every year. The FTA requires that Caltrans has the financial capacity to manage the four FTA grant programs, both in terms of financial resources, and in terms of financial infrastructure (i.e. systems and organization capable of managing and processing the federal transactions consistent with state and federal requirements).

The FTA requires that states possess audit capabilities compliant with the federal single audit requirements. Subrecipients must have established and adequate accounting controls. Financial management responsibilities are set forth in the Standard Agreement.

This section discusses the financial management and audit requirements related to the four FTA grant programs.

### 7.1 Funds Management

All projects considered for funding must be included in Caltrans' 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, including assistance provided by other federal sources, must be evidenced through the annual evaluation process.

### 7.2 State Financial Management Systems

Caltrans expends and accounts for grant funds in accordance with California laws and procedures for expending and accounting for its own funds. The Caltrans financial management systems enable it to track and reconcile grant balances accurately and timely with the following systems: Enterprise Resource Planning Financial InfraStructure (E-FIS), Transportation Electronic Award Management System (TEAM), and Electronic Clearing House Operation System (ECHO).

The Standard Agreement requires each subrecipient to have adequate financial management capabilities to manage FTA program funds throughout the course of a project.

### 7.3 FTA Payment Procedure

Upon reimbursement to subrecipients for authorized grant expenditures, Caltrans DMT reconciles payments and coordinates with Caltrans Accounting to submit electronic reimbursement requests to FTA via ECHO. FTA reviews the request and upon concurrence, executes the reimbursement. Subsequently, FTA posts disbursements in TEAM.

### 7.4 State Financial Records

Caltrans and subrecipients are required to maintain detailed financial reports, supporting documentation, and all records pertinent to each grant. These records are maintained and available for review for a period of three years and must be made readily available to authorized representatives of the U.S. DOT and the Controller General of the United States. Records are retained beyond the required three-year period to address if there are unresolved audit findings, litigation, or claims. General FTA budget details for the applicant are found in Exhibit B of the Standard Agreement. Additional budget and contract provisions for the programs are found in Exhibit D of the Standard Agreement.

### 7.5 Request for Reimbursement

All grant awards made under Section 5310, 5311, 5316 and 5317 are to be paid on a reimbursement basis only. Expenditures against a grant award for a specific project are payable only after execution of the Standard Agreement and completion of purchase and/service or full delivery of all equipment and consumption of materials as specified in the project. Expenditures prior to contract execution are prohibited unless pre-award authority is granted. Reimbursement for allowable expenses in accordance with [2 CFR Part 225](#) (previously Office of Management and Budgets [OMB] Circular A-87) is submitted by the subrecipient and reviewed by Caltrans DMT to ensure compliance with project scope and the terms and conditions of the Standard Agreement. Caltrans DMT reimburses expenditures directly to subrecipients per contract agreement.

A Request for Reimbursement (RFR) should include original signed invoices, purchase order, proof of payment for materials, supplies, and equipment. Travel reimbursements must describe the purpose of travel as it directly pertains to the project, personnel classifications, hourly rates, and identification of work to be reimbursed for the payment period, indirect costs, and itemized subcontractor costs. RFR and invoices shall be submitted in triplicate not more frequently than monthly in arrears. No advance payment will be made.

\* For Section 5310, special provisions apply to payment of vehicle purchases.

## 7.6 Cost Allocation Plan

Subrecipients that receive 5311, 5316, 5317 funds and operate in 5307 geographical areas must have a cost allocation methodology to split their urban and rural service costs. All subrecipients that operate in 5310, 5311, 5316, 5317 and 5307 agencies are required to establish and maintain an accounting system which all transportation related costs, revenues, and operating costs are recorded so that they may be clearly identified, easily traced, and substantially documented. The fully allocated cost of public transit program must be clearly identified regardless of the operational nature of the agency serving as the designated transit system. Caltrans DMT has revised its grant application to include a requirement that subrecipients that operate in rural and urban areas attach their cost allocation plan to the application. Caltrans DMT will verify the subrecipients' cost allocation plan methodology at the application review phase. During invoice reviews, Caltrans DMT will also verify that cost shown on invoice requests are allocated properly and that the methodology used in the cost allocation is reasonable.

To ensure that subrecipients allocate costs properly, Caltrans DMT has developed steps to guide subrecipients in developing their cost allocation plan. Four basic steps in preparing a cost allocation plan are as follows:

- Identify costs of each type of service to be claimed;
- Determine the users of the service;
- Determine the method for allocating each type of service cost to user; and
- Mathematically allocate these costs to users.

Caltrans DMT staff will specifically verify the following in the cost allocation plan:

- Cost allocation methodology (narrative) to split cost between FTA Sections 5307 and 5311, 5316 and/or 5317 is clearly stated and documented.
- Effective period is annualized.
- The plan is certified by authorized personnel.
- The methodology used is reasonable. The cost allocation methodology may include, but is not limited to:
  - Fixed cost factors
  - Unit costs
  - How costs are allocated to the various fund sources (Federal/State/Local)
  - Price per trip
  - Price per mile
  - Price per hour
  - Price per zone
  - Price per passenger.

For transit agencies that receive FTA 5311, 5311(f), 5316 and 5317 funds and operate in 5307 areas, Caltrans DMT will verify that costs are allocated properly and that the methodology used in the cost allocation is reasonable.

## 7.7 Indirect Cost Allocation Plan

All FTA grant subrecipients who receive FTA reimbursement for indirect costs must prepare an indirect cost allocation plan. Subrecipients must submit an indirect cost allocation plan (ICAP) documenting the distribution of indirect costs related to the project. ICAP must be approved by Caltrans DMT and Audits and Investigations ([49 CFR 18.3](#), [OMB A-87](#), [FTA C 5010.1D](#), Ch. VI, Section 6 and Appendix E). An approved ICAP will be required for the application phase.

The purpose of the plan is to guide the subrecipient's allocation of costs as follows:

- All activities of the local government departments have been considered.
- Distribution of indirect costs is based on a method(s) reasonably indicative of the amount of services provided.
- Services provided are necessary for successful conduct of Federal programs.
- Level of costs incurred is reasonable.
- Costs of State or Local centralized government services may be charged in conformance with government-wide cost allocations plans.
- Costs claimed are allowable in accordance with [OMB A-87](#), as applicable.

Caltrans DMT, Caltrans Audits & Investigation, and FTA will verify the following in the ICAP:

- Indirect rate and rate type are clearly documented;
- Effective period is annualized;
- Applicable programs are clearly indicated; and
- The plan is certified by the authorized personnel.

Once Caltrans DMT and Caltrans Audits & Investigations have approved a subrecipient's cost allocation plan and indirect cost allocation plan, the subrecipient must update it annually. The update should be retained and made available for Caltrans DMT review at the time of project application.

Direct costs are those that can be identified specifically with a particular project. These costs may be charged directly to the grant project.

Indirect costs are those that are:

- Incurred for a common or joint purpose benefiting more than one cost objective;
- Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved; and
- Originating in each of the subrecipient's operating or organizational units (as well as those incurred by others in supplying goods, services, and facilities to each unit).

Examples of indirect costs are operation and maintenance of buildings and expenses of unit heads and their immediate staff. Principles and standards for determining costs applicable to grants and contracts with subrecipients or other local agencies are presented in [OMB A-87](#).

### 7.7.1 Roles and Responsibilities

Subrecipient responsibilities are as follows:

- Develop a cost allocation methodology to separate costs between FTA Section 5307 and 5311, 5316 and/or 5317 funding;

- Develop a cost allocation plan and indirect cost allocation plan;
- Keep accurate, detailed records of all costs directly and indirectly related to the proposed project; and
- Maintain and have on file a cost allocation plan and indirect cost allocation plan.

Caltrans (Headquarters) responsibilities are as follows:

- Establish and administer program procedures for cost allocation plan/indirect cost allocation plan;
- Review/Approve the plans;
- Prepare and execute Standard Agreement(s) with the successful applicant;
- Report to FTA for program compliance; and
- Provide guidance and technical support to Caltrans District Transit Representatives (DTR) and subrecipients.

**Caltrans DTR** responsibilities are as follows (for 5311 and 5311(f) only):

- Review requests for reimbursement to ensure accuracy;
- Monitor and provide project oversight; and
- Conduct on-site review to ensure program compliance.

Further guidance for cost allocation may be found in [OMB A-87](#), [OMB A-122](#), and [FTA C 5010.1D, Ch. III, Financial Management](#).

## 7.8 Deobligated Funds

Caltrans DMT initiates grant closeout of the project after all work activities contained in the grant are complete and expenditures are reimbursed and posted in TEAM. If necessary, Caltrans DMT will prepare and submit the final budget to request “deobligation” of the unspent awarded amount. Final MPR and final FFR are prepared and submitted to FTA. Caltrans DMT staff proceeds with closing the grant and notifies FTA that the grant closeout process has been performed in TEAM. FTA confirms the grant is closed by removing the grant from the active grant listing.

## 7.9 Transfer of Funds from Annual Apportionments

SAFETEA-LU transfer provisions allow for Section 5310, 5316 and 5317 Program funds to be transferred and administered by recipients under Section 5311 guidelines. Section 5311 funds can be transferred to the Section 5307 program for small urbanized areas. Caltrans DMT may transfer funds 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, special grant coding must be used to reflect the transfer of funds. Notice of fund transfers must include a listing of competitively selected projects which the Caltrans DMT will apply the transferred funds and to affirm that funds are available to be transferred.

Transfer of flexible funds is permitted upon Caltrans DMT and FHWA approval and must be project specific. 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 transit

program funds apportion to California and may submit the grant directly to FTA for the approved projects. Upon request from a tribal government's designated representative, Caltrans will transfer funds and the tribal government shall assume all responsibility for federally required reporting and monitoring of transferred grant funds.

### **7.9.1 Flex Funds (CMAQ and STP) Transfer Project Eligibility**

To be eligible for CMAQ funds, a project must be included in the MPO's current transportation plan and TIP (or the current STIP in areas without an MPO). In nonattainment and maintenance areas, the project also must meet the conformity provisions contained in Section 176(c) of the Clean Air Act and the transportation conformity rule. In addition, all CMAQ-funded projects need to complete National Environmental Policy Act (NEPA) requirements and meet basic eligibility requirements for funding under titles 23 and 49 of the United States Code.

### **7.9.2 Flex Funds (CMAQ and STP) Transfer Process**

1. Planning Agency(ies) work with subrecipient to determine CMAQ Project(s).
2. Planning Agency(ies) prepare POP (Program of Projects).
3. Subrecipient prepares FTA Section 5311 application and submits to Planning Agency(ies) for review and signature.
4. POP and Application(s) are sent to the respective District Transit Representatives (DTR). After review, DTR will forward to HQ/DMT/Rural Transit and Intercity Bus Branch.
5. After review, DMT HQ Rural Transit and Intercity Bus Branch staff sends the Notification Letter to Subrecipient.
6. Upon receipt of the Notification Letter, Subrecipient works with Planning Agency(ies) (MPO/COG) to prepare required forms for transfer request.
7. Subrecipient submits the request for transfer to District Local Assistance Engineer (DLAE).
8. After review, DLAE forwards the request for transfer to HQ Local Assistance Engineer.
9. After review, HQ Local Assistance Engineer sends the request for transfer to FHWA.
10. Once the Transfer between FHWA and FTA has been completed, HQ Local Assistance Engineer notifies the District Engineer and HQ/DMT/Rural Transit Branch.
11. HQ/DMT/Rural Transit Branch proceeds with FTA Section 5311 Grant – requesting input into FTA TEAM for Grant Submittal and Review
12. Upon Grant approval by FTA, HQ/DMT/Rural Transit Branch will prepare and execute a standard agreement for the project.

## **7.10 Notification of Transfers**

Caltrans must notify the FTA regional administrator of its intent to have funds transferred so that the FTA can initiate the transfer. For transfers of 5316 or 5317 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 Caltrans indicating that 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) to which the funds are being transferred; and

- Caltrans DMT contact information.

### 7.11 Audits/Review

Caltrans Division of Audits and Investigations performs an annual audit of the Office of Accounts Receivable to ensure all FTA program requirements are being met.

To ensure that Single Audits (SA) of subrecipients is being conducted and the audit findings are resolved, Caltrans provides a list of agencies receiving federal funds and the amounts to State Controller's Office (SCO). The SCO notifies the agencies of SA reports that were deficient or not received. Caltrans follows up with these agencies to ensure adequate SA reports are submitted to SCO. Reports of the resolution of audit findings are later provided to SCO.

## 8. Maintenance

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Caltrans DMT performs site visits and inspections to monitor assets, audit maintenance records and insurance coverage to protect the Federal interest for the asset's useful life. Owners of capital assets funded by the FTA grant programs are required to maintain the vehicles, equipment, and property in good operating order.

### 8.1 Requirements

Subrecipients describe their maintenance plan for the capital assets within their original program application requirements that are outlined in the Standard Agreement in Exhibit C. (Refer to Review Area/Documentation 1.b. for sample subrecipient agreement.) Caltrans DMT conducts vehicle and equipment monitoring through the agency visits and inspections. Caltrans DMT staff performs a physical inspection of the vehicle and/or equipment and complete the Vehicle Inspection and/or Other Equipment Inspection Report. Caltrans DMT staff also conducts a review of the agency's records including the most recent CHP inspections, maintenance, insurance, and drivers' records. (Refer to Review Area/Documentation 8.a for inspection forms.)

For Sections 5310, 5311, 5316 and 5317, the Standard Agreement (contract) language between Caltrans DMT and the subrecipient regarding property maintenance and inspection states:

“While the PROJECT is in the possession or control of the CONTRACTOR, the CONTRACTOR shall operate or maintain the PROJECT in accordance with detailed maintenance and inspection schedules provided by the manufacturer, keeping a written log or record of all repairs and maintenance. STATE and the FTA shall have the right to conduct periodic inspections for the purpose of confirming the existence, condition, and proper maintenance of the PROJECT. No alterations may be made to the PROJECT in its as-received condition without first receiving written approval from the STATE.”

Subrecipients are also required to notify Caltrans DMT within ten (10) working days of any loss or damage, including accident, fire, vandalism, and theft to any vehicle or equipment. All subrecipients are required to keep ADA accessible features in working order.

### 8.1.2 Requirements Specific to 5310

The maintenance of vehicles and equipment procured with Section 5310 funds is communicated through workshops and validated by contract with all grant subrecipients. Applicants are required to describe their preventive and routine vehicle maintenance program and provide maintenance forms with their application. Applicants are scored based on the adequacy of this submittal. Caltrans DMT requires subrecipients to maintain Section 5310 funded vehicles and equipment based on the maintenance schedule recommended by the original and final stage manufacturers. (Refer to Review Area/Documentation 3.a. for application and 8.a. for workshop presentation slides and Maintenance Schedule)

For Section 5310, the Vehicle Inspection Report includes checking the operation of lifts, interlock system, and adequate wheelchair restraints. The form also includes a list of questions used to query the agency on ADA requirements.

## 8.2 Maintenance Plan

Per [49 CFR 18.37](#), [49 CFR 37.161-163](#) and [FTA Master Agreement](#), Section 2.e, each Section 5310, 5311, 5316 and 5317 subrecipient agency is required to have a maintenance plan. Agencies describe their maintenance plan for the granted vehicles, facilities, and facility related equipment within their original program application. These items need to be included in the vehicle maintenance plan and facility maintenance plan:

- Goals and objectives;
- Preventive maintenance checklist;
- Schedule for preventive maintenance; and
- Maintenance procedures for wheelchair lifts and other accessibility features.

The plan should clearly identify the goals and objectives of a maintenance program and establish the means by which such goals and objective will be attained. In the maintenance plans, periodic reporting, maintenance record review, visual inspections, and maintenance audits should also be addressed.

Language within the Standard Agreement specifically requires subrecipients to maintain equipment while it is in their possession. In addition, each subrecipient must have a maintenance plan to maintain ADA accessible features of equipment and facilities. Subrecipients must demonstrate compliance with this policy during the annual on-site monitoring.

During the application workshops, applicants are informed that if successful as a subrecipient 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 subrecipients with proper maintenance schedules and guidelines for the vehicle chassis and equipment on the vehicle.

## 8.3 Vehicle and Equipment Monitoring

The following sub-sections describe the inspection, monitoring, and record keeping requirements related to the maintenance of equipment purchased with FTA grant funds.

### 8.3.1 Triennial Onsite Inspections

Vehicles and equipment are monitored through analysis of the quarterly vehicle usage reports and triennial on-site inspections. At least once every three years, staff conducts an on-site inspection of all equipment purchased with FTA funds still under contract. Advanced arrangements are made with the agency to assure that equipment is available for inspection. Computers, mobile radios, base stations, and all other items purchased with FTA funds are also inspected to ensure equipment is being used for its 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 [Americans with Disabilities Act \(ADA\)](#) Service Provisions and any issues that may pertain to the agency's operation of equipment are discussed.

After the inspection, timely updates will provide a valuable resource to identify equipment, safety issues, potential misuse of equipment, and other areas of concern. Any concerns resulting from the inspection or analysis of data (such as underutilized equipment, safety issues, or potential misuse of equipment) are analyzed for appropriate follow-up action and resolutions to ensure program compliance. Removing equipment from a subrecipient is used as a last resort, after coordination efforts or remedial action are unsuccessful.

### 8.3.2 Record Keeping

The applicant is responsible for maintaining industry standard record keeping and accounting throughout the federal useful life of the vehicle and equipment. These records are subject to audit, according to the provisions of the grant programs and appropriate others if deemed necessary by Caltrans. These provisions are found in Exhibit C of the Standard Agreement.

"The contractor and all subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Standard Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the performance period and for three (3) years from the date of final payment under the standard agreement and all subrecipient contracts."

Records for all FTA funded capital assets (facilities, vehicle and equipment) shall include, at a minimum, the following:

- Property description;
- Identification number (VIN, make, model, serial);
- Procurement/Acquisition related documents;
- Acquisition date;
- Cost;
- Percentage of Federal participation in the cost;
- Standard agreement;
- Location, use and condition of property;
- Useful life Disposition data, including the date of disposal;
- Sale price, or where applicable, the method used to determine its fair market value; and
- Statement of who holds title to the equipment.

Caltrans DMT staff will inspect these records as part of the triennial on-site inspection. Information obtained during the physical inventory is collected and reports are generated 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 (e.g., underutilized equipment, safety issues, and potential misuse of equipment) are analyzed for follow-up and appropriate action and resolution to ensure program compliance. In addition to verifying that equipment is being used in compliance with program requirements, the on-site inspection provides Caltrans DMT staff with an opportunity to assist the agency in addressing any program concerns and/or to provide technical assistance. For example, staff can suggest or assist in identifying potential coordination opportunities to increase vehicle usage. Additionally, Caltrans DMT staff can address ongoing problems, such as timely submittal of quarterly reports.

## 9. Procurement

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All procurements, including local procurement of supplies, equipment, construction, and services shall be conducted in accordance with the Procurement Standards set forth in FTA's implementing regulations of [49 CFR Part 18](#), "Uniform Administrative Requirements for Grants and Cooperative Contracts to State and Local Governments" and the Federal Office of Management and Budget (OMB) [Circular A-87](#) or [49 CFR Part 19](#), "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations" and [OMB Circular A-122](#) and [FTA Circular 4220.1F](#), "Third-Party Contracting Guidance." Caltrans DMT follows the same procurement policies and procedures for these federal funds, as it does for non-federal funds.

At a minimum, subrecipient must comply with the procurement requirements below:

- Written Record of Procurement History – Subrecipients are required to maintain and make available records detailing the history of each procurement, which includes, the rationale for the method of procurement; the reason for the selection of the contract type; the reason for contractor selection or rejection and the basis for the contract price;
- Cost or Price Analysis – Subrecipients must perform a cost or price analysis in connection with every procurement action, including contract modifications such as exercising the option years and changing scope; and
- Written Protest Procedures – Subrecipients must have written protest procedures and the Caltrans DMT appeal process as part of their requirement to maintain or acquire adequate technical capacity. Subrecipients must notify Caltrans DMT when they receive a protest and provide consistent status updates.

### 9.1 Procurement Guidelines

Caltrans DMT provides technical support and oversight to ensure that all federal and state rules and regulations are unambiguously understood and followed by subrecipients. Subrecipients sign

the Standard Agreement with Caltrans DMT which identifies the FTA requirements and certify their compliance. Subrecipients are required to submit various procurement related documents to Caltrans DMT for review and approval, including bid solicitation, bid evaluation and analysis, proposed contract award, contract amendments, and change orders (construction projects only). The DMT Procurement and Grants Management Branch review all subrecipient procurements to ensure compliance to FTA guidelines.

Caltrans DMT complies with five specific Federal requirements contained in the most current [FTA Circular 4220.1F](#) and as stated by the FTA. “These include the following: (1) for rolling stock, a five year limitation on contract period of performance; (2) a requirement for full and open competition; (3) a prohibition against geographic preferences; (4) the use of [Brooks Act](#) procedures for procurement of architectural and engineering services if the State has not adopted a statute governing procurement of such services; and (5) inclusion in contracts of all Federal clauses required by Federal statutes and Executive Orders and their implementing regulations. These clauses are identified in specific Federal regulations cited in [FTA’s Master Agreement](#) incorporated by reference into the grant agreement. Additional technical assistance for third party contracting is available in FTA’s “[Best Practices Procurement Manual](#).” The following subrecipients must also follow [FTA Circular 4220.1F](#):

- Governmental Authorities;
- Private, Non-Profit Organizations; and
- Private, For-Profit Organizations.

### **9.1.1 Pre-award and Post-delivery Audits**

The process to be followed by each subrecipient conducting a local procurement is outlined in the Procurement Guidelines for Local Purchase of Equipment (see the following sections: “IV. Bid Results,” “V. Pre-Award Audit” and “VI. Post Delivery Audit”). Included in these sections are copies of all forms needed to complete this process. All subrecipients certify by signing the Standard Agreement that they will comply with Buy America requirements and will conduct pre-award and post-delivery audits of rolling stock purchases. Procurements for vehicles, other than sedans or unmodified vans, must be audited in accordance with [49 CFR Part 663](#), “Pre-Award and Post-Delivery Audits of Rolling Stock Purchases.” Compliance must be certified on the Annual List of Certifications and Assurances. “Pre-award authority is not a legal or implied commitment that the project(s) will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore, it is not a legal or implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project(s).”

### **9.1.2 State Approval of All Sub-Contracts**

Caltrans DMT shall approve in writing all sub-contracts relating to the performance of the contract. The subrecipient agrees that it will not enter into any sub-contracts unless the same are approved in writing by Caltrans DMT. Caltrans DMT will not submit a final purchase order for vehicles or equipment until the FTA has notified Caltrans DMT that the Program of Projects has been fully funded and is available for disbursement.

## **9.2 Procurement Process**

All purchases reimbursed with Federal funds must be conducted in accordance with Federal procurement requirements. The contracting requirements for grant subrecipients are defined in 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. 49 CFR 18.36 requires grantees to use their own procurement procedures that should reflect applicable State and local laws provided the procedures conform to applicable Federal law. The requirements for procurement, award and contract administration of third party contracts are contained in the FTA Circular 4220.1F. An electronic copy of the Circular can be found at [http://www.fta.dot.gov/laws/circulars/leg\\_reg\\_8641.html](http://www.fta.dot.gov/laws/circulars/leg_reg_8641.html).

The FTA Best Practices Procurement Manual is an excellent tool and provides suggestions on conducting third party procurement that meets the standards of FTA Circular 4220.1F. The manual includes suggested procedures, methods, and examples as well as the Federal contract requirements. An electronic copy can be found at [http://www.fta.dot.gov/funding/thirdpartyprocurement/grants\\_financing\\_6037.html](http://www.fta.dot.gov/funding/thirdpartyprocurement/grants_financing_6037.html).

## 9.3 Third Party Contracting

### 9.3.1 Third Party Contracting Provision

Caltrans strongly recommends contractors use the “Third Party Contract Review” document, which outlines all the required federal requirements and will expedite Caltrans DMT approval. [FTA Circular 4220.1F](#) sets forth the requirements for the solicitation, award and administration of its third party contracts. Compliance requires the inclusion of applicable Federal clauses in all contracts between the subrecipient and their contractors. It will be the responsibility of the subrecipient to monitor their contractors’ activities and to ensure compliance with third party contracting requirements. Caltrans DMT certifies through [49 CFR 18.36](#) that it follows all applicable third-party procurement provisions of Federal laws, regulations, and directives, unless FTA states anything different in writing.

### 9.3.2 No State Obligations to Third Parties

Caltrans DMT is not subject to any obligations or liabilities by sub-contractors of the subrecipient or any other persons not a party to Caltrans-Subrecipient contract. However, specific consent may be sought in connection with the performance of the project pursuant. Third Party Contracting requirements are outlined in [FTA Circular 4220.1F](#), Third party Contracting Guidance.

### 9.3.3 No Federal Government Obligations to Third Parties

In connection with the performance of the project, the contractor agrees that absent the Federal Government’s express written consent, the Federal Government shall not be subject to any obligations or liabilities to any subrecipient, any third party contractor, or any other person not a party to the Grant Agreement.

## 9.4 Piggybacking

Piggybacking is the post-award use of a contractual document or process that allows an entity who was not contemplated in the original procurement to purchase the same supplies or equipment through that original document or process. In order to assist in the performance of contractor review, to determine if a situation exists where the contractor may be able to participate in the Piggybacking (assignment) of an existing agreement, information is provided in the [Procurement Worksheet](#), Appendix B.16.

## 9.5 Bus Testing

Each subrecipient's Standard Agreement includes the required certification that all subrecipients will comply with the Federal Bus Testing Law ([49 CFR Part 665](#)) stating that "all new modified bus models must be tested at the FTA-sponsored test facility in Altoona, PA, before FTA funds can be expended for their purchase." For vehicles subject to bus testing, Caltrans DMT requires under state procurement law 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 subrecipients, Caltrans DMT requires that subrecipients certify that they will comply with bus testing regulations. Additionally, all bid specifications and contracts are reviewed by Caltrans DMT staff to ensure that bus testing requirements have been met and, specifically, that bus testing reports have been obtained.

Buses have been purchased with FTA funds; however, Caltrans DMT currently does not have any operators leasing vehicles. Caltrans DMT reviews all procurement documents to ensure the inclusion of the bus testing certification is submitted with each bid. The following links provide the most recent bus and van procurements via the Department of General Services (DGS) State vehicle contracts.

- [5311 Vehicle Specifications and Bid Requirements for Paratransit Buses](#)
- [5311 Vehicle Specifications and Bid Requirements for Modified Vans & Minivans](#)
- [5311 Vehicle Specifications and Bid Requirements for Medium Duty Transit Bus](#)

## 10. Satisfactory Continuing Control

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Equipment and real property acquired, built, or improved with the assistance of FTA grant funds must remain under the control of Caltrans DMT and/or the subrecipients who are responsible for ensuring that the equipment and real property continue for use by transit services. This section describes the satisfactory continuing control provisions for real property and equipment.

### 10.1 FTA Funded Assets Management (Caltrans as a Lien holder)

To ensure that Federal investment is protected, Caltrans shall be the lien holder to all FTA funded assets until the end of the useful life of the project. Caltrans must take control over FTA funded assets and ensure that they are used in transit service. ([FTA C 5010.1D, Ch. IV, Section 2.i](#)). At all times while the FTA funded asset is in the possession or control of the subrecipient, the subrecipient is the registered owner and Caltrans is the legal owner or lien holder.

## 10.2 Real Property

Subrecipients are responsible for the management and disposition of property acquired with Section 5311, 5316 and 5317 funds. Real property acquisition and relocation activity must be conducted in accordance with the requirements in Sections 305 and 210 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.

### 10.2.1 Roles and Responsibilities

Subrecipient responsibilities include:

- Obtain appraisals and prepare initial environmental and other required documents prior to application submission; and
- Prepare a physical inventory every two years.

Caltrans (Headquarters) responsibilities include:

- Reviews submittals for accuracy and conformance to policy;
- Monitor subrecipients’ management and disposition of property;
- Perform on-site inspection of property; and
- Provide policy guidance and direction.

### 10.2.2 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 subrecipient 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 are required when the estimated property value is \$250,000 or less. Two appraisals and a reviewer’s analysis are 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. FTA must review and concur in appraisals and review appraisals for acquisitions over \$500,000 or in-kind contributions of any value before Federal funds are expended, or the value is used as local match.

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. Caltrans DMT 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\(a\)](#); or
- 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. (Additional guidance can be found in [FTA Circular 5010.1D](#), Chapter IV.)

### **10.2.3 Assurances, Evaluation and Compliance**

Real property must be acquired, managed, and used in accordance with the [Uniform Relocation Assistance and Real Property Uniform Relocation Act of 1970](#) and [49 CFR Part 24](#), “Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs”. Applicants applying for funds for property acquisition must submit the assurance for Real Property Acquisition and Relocation with the Section 5311 application process in order for the application to be considered complete. Federal funds cannot be used to purchase any property proposed as local matching share.

### **10.2.4 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 sub-recipients to 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.

## **10.3 Equipment**

Caltrans DMT staff works in partnership with sub-recipients to procure vehicles using Caltrans DMT-approved vehicle procurement contracts that provide purchasing options for Paratransit buses and vans in compliance with the program requirements. Among the benefits of using state approved contracts is assurance that all federal and state safety requirements, regulations and guidelines are met and that the procurement process affords a full and open competition in accordance with FTA Master Agreement as well as inclusion of all applicable federally-required contract clauses as outlined in the [Best Practices Procurement Manual](#), Appendix A.1.

Additional benefits include inspection of equipment by Caltrans DMT at the factory as the vehicles are built and 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 receiving grant approval from the FTA, agencies pay their local match appropriately for the vehicle procurement contract used for purchase.

### 10.3.1 Useful Life

The useful life standard is specified in the Standard Agreement. Subrecipients are required to maintain all Section 5310, 5311, 5316 & 5317 funded vehicles, per manufacturers suggested requirements until the useful life standard has been met. Useful life for vehicles is defined in the scoring criteria as:

*Table 7: Useful Life*

<b>Vehicle or Equipment</b>	<b>Useful Life</b>
Modified Minivans	100,000 miles or 4 years
Small, Medium, Large Bus	150,000 miles or 5 years
Larger Bus	200,000 miles or 7 years
Largest Bus	350,000 miles or 10 years
Computer equipment	3 years
Asphalt paving, parking lot	10 years
Building Structures	40 years
Bus lift	15 years
Bus stop signs	5 years
Communications equipment	3 years
Communications equipment on vehicles	Equivalent to the useful life associated with the vehicle
Fareboxes/ticket machines	10 years
Surveillance equipment	3 years

These criteria are subject to review by Caltrans DMT and a determination is based on the date the property (facility, vehicle, equipment) was put into active service, not based on the delivery date or the model year of the item. The downtime period shall be deducted from the vehicle's age when a vehicle is not being used (i.e. parked for periods of time exceeding 30 days). The useful life of mobile radios and other communication equipment attached to the vehicle will be equivalent to the useful life of the vehicle. When the useful life of the vehicle has been met, the agency notifies Caltrans DMT in writing. After review and approval, Caltrans DMT notifies the agency by letter discontinuing quarterly reporting and monitoring.

### 10.3.2 Like-Kind Replacement and Exchange

The Section 5310 program limits vehicle replacements to those within the same useful life category as shown in the "Useful Life" Section above. Similarly, other equipment bids and replacements must follow the like-kind guidance. Specifically, when equipment bids are submitted to Caltrans DMT for consideration, they must use the same general specifications so that a fair and reasonable cost comparison can be made. Caltrans DMT cannot approve bids for

equipment where generally dissimilar parts or specifications exist. Where bidding is required, Caltrans DMT requires the subrecipient to find three competitive estimates, and is encouraged to solicit Caltrans DMT-certified DBE participants if available.

### 10.3.3 Asset Management Systems

Federally funded capital equipment or facilities must be used and maintained in accordance with the purpose and intent for which it was awarded under the FTA grant program whether or not the project or program continues to be supported by federal funds. The subrecipients must maintain control and accountability for all grant awards and property purchased with federal funds including procedures for asset management and adequate maintenance. Federally funded equipment shall be operated and maintained in accordance with maintenance and inspection schedules provided by the manufacturer. No alternations may be made in its as-received condition without first receiving written approval from Caltrans DMT. Subrecipients must ensure that resources are properly used and safeguarded, and used solely for authorized purposes specified under the grant. In accordance with [49 CFR Part 18.32\(a\)](#) and [FTA C 5010.1D](#), Caltrans DMT and subrecipients must maintain a Capital Asset Inventory Systems to track and monitor all federally funded assets including, but not limited, to the following:

- Description of the asset;
- Identification number (year, make, model, serial, license, VIN);
- Funding source of property (grant program and Standard Agreement);
- Acquisition date;
- Warranty dates;
- Cost;
- Percentage of federal participation in the cost;
- Location of property;
- Use and condition of property;
- Useful life standard;
- Ownership and title; and
- Disposition data, including the date of disposal and sale price, or, where applicable, method used to determine its fair market value.

### 10.3.4 Vehicle Certifications

The subrecipients are the registered owner of vehicles purchased with 5310, 5311, 5316 or 5317 funds. Caltrans is the lien holder and retains the Certificate of Title until the property meets the useful life standard and the federal interest requirement. In order to protect the interest of the state and the federal government, the following language is included in each subrecipient'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.”

Successful subrecipients enter into a Standard Agreement which describes the program terms and conditions, and other requirements and regulations to comply with Department of Motor Vehicles (DMV) and California Highway Patrol (CHP). If applicable, subrecipients are required to provide CHP safety and inspection certificates.

### **10.3.5 Insurance Requirements**

As described in the Standard Agreement, subrecipients are required to furnish to Caltrans DMT, before delivery of the project vehicle(s) to the subrecipient, a certificate of insurance issued by a company licensed to write insurance in California. Evidence of insurance must be provided with the Quarterly Report on at least an annual basis, but before the expiration date of the certificate. Insurance certificates are reviewed to verify that coverage meets the minimum requirements.

Detailed insurance requirements include:

- The minimum limits of liability may be increased by the State at any time upon thirty (30) days notice to the subrecipient.
- The subrecipient shall purchase collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment that is part of the project equipment, with deductibles acceptable to the State. This insurance shall include a provision designating Caltrans as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).
- The State, its officers, employees, and agents shall be named as additional insured.
- The State will not be responsible for any premiums or assessments on the policy.
- The subrecipient, and/or third-party subcontractor, shall furnish to the State, before delivery of the project vehicle(s) to the subrecipient, a certificate of insurance issued by a company licensed to write such insurance in California.
- Prior to the annual insurance policy expiration date, the subrecipient shall furnish to the State a new certificate of insurance or other written evidence of insurance satisfactory to the State. At any time that such evidence of insurance has not been provided, the State shall have the right immediately to take possession of the project equipment and to enter the property of the subrecipient for this purpose.
- The subrecipient shall provide the State at least thirty (30) days notice of cancellation or material change of the vehicle insurance policy.

While the subrecipient is in possession or control of vehicles or equipment purchased with Section 5310, 5311, 5316 or 5317 funds, the subrecipient must maintain adequate insurance protection against liability for damages for personal bodily injuries (including death), property damage, and vehicle damage. The following insurance requirements apply to all subrecipients that are defined as a Public Agency or Non-Profit entity:

#### Public Agency or For-Profit Entity

- **Property Damage:** The subrecipient shall place property damage, whether the property of one or more claimants, in an amount not less than one million five hundred thousand dollars (\$1,500,000) per occurrence (combined single limit) for property damage liability combined in respect to vehicles with seating capacity of fifteen (15) or less, or five million dollars (\$5,000,000) per occurrence for property damage liability combined in respect to vehicles with seating capacity of sixteen (16) or more.

- **Bodily Injury:** The subrecipient shall place bodily injury in an amount not less than one million five hundred thousand dollars (\$1,500,000) per occurrence (combined single limit) in respect to vehicles with seating capacity of fifteen (15) or less, or five million dollars (\$5,000,000) per occurrence for bodily injury in respect to vehicles with seating capacity of sixteen (16) or more.
- **Vehicle Physical Damage:** The subrecipient shall place Vehicle Physical Damage, including collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment with deductibles acceptable to the Caltrans DMT. This insurance shall include a provision designating the State of California, Department of Transportation as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).

#### Non-Profit Entity

- **Property Damage:** The subrecipient shall place property damage, whether the property of one or more claimants, in an amount not less than one million dollars (\$1,000,000) per occurrence (combined single limit) for property damage liability combined in respect to vehicles with seating capacity of fifteen (15) or less, or one million five hundred thousand dollars (\$1,500,000) per occurrence for property damage liability combined in respect to vehicles with seating capacity of sixteen (16) or more.
- **Bodily Injury:** The subrecipient shall place bodily injury in an amount not less than one million dollars (\$1,000,000) per occurrence (combined single limit) in respect to vehicles with seating capacity of fifteen (15) or less, or one million five hundred thousand dollars (\$1,500,000) per occurrence for bodily injury in respect to vehicles with seating capacity of sixteen (16) or more.
- **Vehicle Physical Damage:** The subrecipient shall place Vehicle Physical Damage, including collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment with deductibles acceptable to the Caltrans DMT. This insurance shall include a provision designating the State of California, Department of Transportation as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).

#### **10.3.6 Use of Project Equipment and Property Management**

Equipment purchased with Section 5310, 5311, 5316, or 5317 funds must be used for the granted purpose described in the application. In order to be eligible for Section 5310 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(s). Caltrans DMT monitors that these requirements are met through quarterly reports and inspections.

As long as grant related purposes are being met, subrecipients are encouraged to make equipment available to provide transportation service to other elderly 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 defined by the program.

Subrecipients must comply with the requirements of the [Motor Carrier Safety Regulations](#) enforced by the California Highway Patrol. Specific questions regarding these requirements should be referred to the California Highway Patrol Motor Carrier Safety Office. 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(s) for use of the equipment, that agreement or lease must have prior written approval by the state. Under such an agreement, the contractor operates the vehicle(s) on behalf of the recipient 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 elderly individuals and individuals with disabilities. Control and responsibility for the operation of the vehicle(s) or other equipment must remain with the agency originally granted the equipment.

### **10.3.7 Transfer of Vehicles/Equipment**

When vehicle/equipment purchased with FTA funds is no longer needed by a subrecipient, Caltrans will transfer the vehicle or equipment to another subrecipient. The subrecipient will relinquish ownership as determined by the Caltrans and will forfeit receiving any compensation from the local match given at the time of purchase. Control and responsibility for the operation of the vehicles or other equipment must remain with the subrecipient unless Caltrans DMT authorizes a transfer of control and responsibility to an approved subrecipient. Considerations making this transfer suitable will include the vehicle's age, condition, and mileage. Priority in placing the vehicle/equipment will be based on the following criteria:

- Currently active agency;
- Taking over the same service to the same clientele;
- Serving the same community;
- Within the same county or region;
- Within the same Caltrans District; and
- Elsewhere in the state.

In addition to using the above criteria, Caltrans will also evaluate potential transfer applicants' need for the vehicle/equipment. The transfer applicant will submit an abbreviated application or "mini-application" containing the following information:

- Project Description and Justification for Funding Request (Replacement or Expansion);
- Proposed Service and Operating Plan (including map of service area);
- Existing Transportation Services (current fleet);
- Proposed Transportation Services; and
- Signed Certifications and Assurances.

If the agency is a former recipient with no current contractual obligations with Caltrans, a full application must be submitted. Caltrans staff will review applications submitted and the agency demonstrating the greatest need will be awarded the vehicle/equipment. Once the selection is made, each agency must submit a board resolution identifying the reason for the transfer, vehicle identification (VIN), service impact or service need, and the remaining federal interest of each vehicle. The receiving agency is responsible for all body and mechanical repairs necessary to restore the vehicle/equipment to satisfactory operating condition. The receiving agency will enter

into a contract with Caltrans to deliver the appropriate service and maintain the vehicle/equipment for the remaining duration of the useful life in accordance with the contract terms and conditions.

Caltrans DMT must notify FTA of all vehicle transfers. Information reported to FTA include: transferor/transferee name, list of vehicles (year, make, model) date placed in service, date removed from service, grant number which originally funded the vehicle, mileage, remaining useful life, federal share of remaining useful life and the reason for transfer.

### **10.3.8 Disposition of Equipment**

In accordance with [49 CFR Part 19](#), [FTA Master Agreement](#) Section 19, and [FTA C 5010.1D](#), Caltrans DMT established standards for the disposition of federally funded assets (vehicles, facilities and equipment) when the asset has met its useful life and federal interest requirements are met. In some cases, however, equipment may be relinquished by an agency before it has met its useful life. Under the Standard Agreement, subrecipients are required to notify Caltrans whenever program equipment is no longer needed or used for grant purposes. Caltrans will transfer equipment to another recipient of the same FTA grant program if the age, condition, and mileage of the vehicle would make it suitable for transfer, or if Caltrans is aware of a demand for the equipment by other subrecipients.

Prior to the disposition of any FTA funded capital asset, the subrecipient must submit to Caltrans DMT a report that identifies the capital equipment to be retired or disposed of. The report will be used to verify that a vehicle has met the minimum useful life and that there is no remaining Federal interest. The report must include the following information:

- Equipment Serial Identification Number or Vehicle Identification Number;
- Make and Model of the equipment;
- Date when equipment was placed into service;
- Current age and mileage of rolling stock;
- Established minimum useful life period (include miles for rolling stock);
- Proposed date of removal from service;
- Disposition outcome (sale, transfer, use as backup);
- Current market value; and
- Proposed anticipated spare ratio.

Whenever any federally funded property is withdrawn from the service for any reason prior to meeting the useful life standard, and at the direction of Caltrans DMT the subrecipient shall be required do one of the following:

- Remit to the State, for repayment to the FTA, a proportional amount of the fair market value of the property, which shall be determined on the basis of the ratio of the Federal grant funds paid under this Agreement to the actual purchase cost of the property. Fair market value shall be deemed to be the unamortized value of the remaining service life per unit, based on a straight-line depreciation of the original purchase price, or the Federal share of the sales price.
- Relinquish the property to the State in the same condition as when received by the subrecipient except for reasonable wear and tear resulting from its use. The parties shall thereupon determine the amount of compensation, if any, to be paid by the subrecipient to

the State in order to avoid any State liability to FTA or to others. Upon subsequent disposal of the property, the State shall reimburse the subrecipient for its proportional amount of the property value received or identified by the State, if any.

- When federally funded property is lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of the property immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. Based on the calculation, the proceeds shall be applied to the cost of replacing the damaged or destroyed property taken out of service.
- If any damage to property results from abuse or misuse occurring with the subrecipient's knowledge and consent, the subrecipient agrees to restore the property to its original condition or refund the value of the Federal interest in that property to the State.

When any federally funded property is withdrawn from service after it has met its Useful Life Standard, and at the direction of Caltrans DMT, the subrecipient shall be required to do one of the following:

- For federally funded property with fair market value greater than or equal to \$5,000. The subrecipient will remain the registered owner and the State remains the lien holder. Should the subrecipient choose to sell the property, the State must be notified in advance of the pending sale and provide in writing the terms of the sale and the intended use of the sale revenue. All sale revenue must be retained in the subrecipient's transportation program. Supporting documentation on the use of sale revenue must be provided to the State upon request.
- For federally funded property with Fair Market Value Less Than \$5,000. The Certificate of Title will be released to the subrecipient. The subrecipient will remain the registered owner. The vehicle may be retained or sold. All proceeds from the sale of the property must be retained in the subrecipient's transportation program. Supporting documentation on the use of sale revenue must be provided to the State upon request.

Caltrans DMT will accept a current market appraisal or assessment from the dealer of purchase to determine the current market value.

### **10.3.9 Mobile Radio Narrowbanding Mandate**

By January 1, 2013, all subrecipients must comply with the Federal Communications Commission (FCC) requirement to operate on channels with a bandwidth of 12.5 kHz or less. The FCC created [A Public Safety Guide for Compliance](#) to provide guidance to state and local public safety entities on narrowbanding mandates. The narrowbanding is intended to ensure more efficient use of the spectrum and greater spectrum access for public safety and non-public safety users. Subrecipients should convert their existing wideband (25 KHz) systems to narrowband (12.5 kHz) operation and replace any equipment that is not capable of operating on channels of 12.5 kHz or less. Requests for mobile radio equipment that do not conform to the FCC requirement will not be eligible for FTA funding. Applicants must specify the type of mobile radio system equipment requested and subsequent invoices for reimbursement will be reviewed for compliance prior to approval.

### 10.3.10 Lease Restrictions

Leases are only applicable for Section 5311 (Sections 5310, 5316 and 5317 do not lease equipment). Subrecipients state in the application if they are planning on leasing the vehicles, facilities, and/or equipment. If a lease is planned, Caltrans DMT requires the subrecipient to provide Caltrans DMT the cost benefit analysis for the lease options. Caltrans DMT also monitors leases through annual site visits and quarterly reports. Lease restrictions are included in the certification per 5311 Subrecipient Application, Part X, Certification of Cost Comparison for Lease of Assets.

## 11. Program of Projects (POP) Development and Approval Process

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Caltrans makes an annual program announcement for all programs in November. The announcement provides information on available funds and solicits applications from eligible subrecipients. The program period of performance is based on the State Fiscal Year (July 1 – June 30). The review of all applications will begin in early January after the application closing date. The annual Program of Projects recommended by Caltrans serves as the basis for the Caltrans' annual application for funds to the FTA. The Program of Projects shall identify each local subrecipient approved to receive funds for that year, including a brief description of the projects, funding level (federal and non-federal), and the amount of funds identified for state administrative expenses and the Intercity Bus Program, as applicable. The addition of federal funds to the approved program of projects requires an amendment of the grant agreement. The annual Program of Projects recommended by Caltrans and approved by the California Transportation Commission serves 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).

Program of Projects are submitted by RTPAs by December 31st each year to Caltrans. The Program of Projects identifies the subrecipient, project and level of funding (federal and non-federal). Subrecipients submit completed applications for approved projects programmed on the Program of Projects to Caltrans. Caltrans district staff review and work with the subrecipient to ensure the application is complete.

Caltrans is also required to submit a Program of Projects to FTA that includes the total number of subrecipients, the name of each entity receiving the award, the amount of the award, and the location of the entity receiving the award and the primary location of performance under the award, including the city, State, and Congressional district, and if they are governmental authorities, private non-profit agencies, or private providers of transportation services. Caltrans must also identify Indian tribal governments or tribal transit agencies (including both Federally-recognized and other tribal governments).

Caltrans annual application to FTA can include three (3) categories in the Program of Projects:

- **Category A** includes those applicants certified as having met all the statutory and administrative requirements necessary for project approval. This is the only category

where pre-award costs are eligible for subsequent reimbursement. Caltrans DMT must have a letter on file from the FTA approving the CE to advance a project to Category A.

- **Category B** includes those projects which Caltrans intends to fund during that fiscal year, but have not yet met all the statutory and administrative requirements of the respective Programs. Caltrans DMT may draw down funds to support Category B projects only if the subrecipient meets all Federal requirements.
- **Category C** represents Caltrans DMT'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. If any new Category C project will advance out of its category and does not qualify as a CE under [23 CFR 771.117\(b\)](#), it requires environmental clearance from FTA before Caltrans DMT advances the project to Category A. See the Appendix for the Environmental Clearance form.

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

The statewide announcements are widely disseminated through various methods, including:

- Existing public transportation providers;
- County government administrators;
- Councils of Governments (COGs) 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; and
- Notice of the Availability of Funds.

### 11.1 Public Notification

Applications for Section 5310, 5316 and 5317 may be solicited once a year when the application cycle is announced. A letter announcing the cycle and the program fact sheet is sent directly to those agencies included in Caltrans comprehensive database of potential applicants and interested agencies. This letter is also sent directly to the RTPAs and the members of the SRC. At the same time, a press release is distributed with copies transmitted to all twelve Caltrans district public affairs offices. Interested entities are encouraged to attend the scheduled application workshops. Information on the annual cycle, the application, the instructions, and the evaluation criteria are also posted on [Caltrans DMT's website](#).

Caltrans maintains a comprehensive listing of agencies that currently totals over 3,000 and includes social service providers, transportation providers, local transportation planning agencies, CTsAs, local transportation committees (e.g., Paratransit Coordinating Councils and Social Service Transportation Advisory Councils) and those who have expressed an interest in the transit programs. Initial packages are mailed (or emailed) to these agencies and includes a letter announcing a Call for Projects and a Program Fact Sheet indicating pending workshops to assist in the application process.

## 11.2 Application Review and Approval Schedule

### 11.2.1 Application Review and Approval Schedule for 5310

Applications are submitted to and scored at the local level by the RTPAs using the [5310 Quantitative Scoring and Project Rating Worksheet](#) adopted by the CTC. A workshop is held with the RTPAs to ensure a fair and equitable grant application process, including Indian reservations, as well as maximum feasible coordination with other public transportation services assisted by other Federal sources.

The RTPAs are encouraged to establish a Regional Evaluation Committee (REC) to assist in application review. Membership on the review committee is determined by each RTPA, but it is recommended that the region utilize members of the existing Social Service Transportation Advisory Committee (SSTAC) or similar group. If no such group exists, it is suggested that a representative from each of the following groups be included: elderly, developmentally disabled, physically disabled, local government and local transit agency. An applicant applying for funds in the current cycle cannot participate in or influence a REC member in the scoring of its projects. RTPAs may elect to score applications “in-house” without using a committee. Items requested within the application are individually scored as separate projects. Each requested vehicle and its corresponding communication equipment are considered to be a single project. Communication systems, including a base station with a mobile radio and computer equipment comprised of various components, are scored as one project. Once all projects are scored and the local review is completed, the RTPA produces the regional priority list.

### 11.2.2 Application Review and Approval Schedule for 5311

Each year, Caltrans invites subrecipients to submit applications for projects. Caltrans HQ staff holds application workshops for DTRs and subrecipients. Applications are received by the DTRs, reviewed for completeness, and sent to Caltrans’ Headquarters. Projects requested in the application must meet the project planning criteria as previously described in section 4.2. Upon review of the applications, Caltrans DMT distributes Section 5311 operating funds using an established formula and distributes capital funds based on the need for the project equipment. This includes the service improvements that would be addressed by acquiring the project equipment and how the surrounding community will benefit.

Subrecipient applications which are based on projects selected at the local level must include a complete project description that states that the services being provided are open and available to the general public with sufficient detail to understand the nature and purposes of the planned activities. The description must also state what type of service is being provided (i.e. a fixed route or paratransit services) and the geographic areas that benefit from the service.

Applications that are complete and meet all program requirements are then selected, prepared, and submitted to the FTA for application and grant approval.

### 11.2.3 Application Review and Approval Schedule for 5316/5317

Local agencies that have entered into a Memorandum of Understanding (MOU) with Caltrans DMT will conduct the competitive selection process for the small-urbanized area(s) within their

jurisdiction. The MOU selection process will be a first-level review and scoring of the JARC and New Freedom grant applications before they are forwarded to Caltrans DMT for final review. 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 Caltrans DMT.

If the local agency for that area is conducting the regional first-level review, the application will be mailed directly to the local agency. After the local agency conducts the first level review and scores the project application, the local agency will forward the application to Caltrans DMT for final review and scoring verification for the statewide competitive ranking. If the non-MOU local agency for an area is not conducting the first-level review, the application will be mailed directly to Caltrans 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 Caltrans 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. The Caltrans DMT will establish an application review committee 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. Caltrans DMT will conduct the entire JARC and New Freedom competitive selection process for non-MOU small-urbanized areas and all rural areas.

### 11.3 State Review and Verification

#### 11.3.1 State Review and Verification for 5310

The RTPA is required to submit an adopted regional priority list to Caltrans. These priority lists are integrated and a statewide draft list is developed in order to determine what projects comprise 110 - 120% of the estimated available funding. Once these “top” projects are identified, the SRC is convened to begin verifying the scoring by the regional agencies. The SRC rescores any projects that are determined to have been incorrectly scored by the regions, and then compiles the statewide prioritized list of projects with a total cost equal to 110 - 120% of the estimated available funds (includes Federal and local share). RTPA staff is contacted regarding scoring discrepancies for discussion and resolution. Ties in scoring that occur at the funding cutoff, which would result in a project not being funded when another project with the same score would be funded, are broken as follows:

- First priority is given to vehicle replacement projects with the vehicle having the greatest mileage, in excess of the minimum requirement for program participation, being ranked higher.
- Second priority is given to service expansion projects with the project serving the most persons being ranked higher.
- Third priority is given to requests for other transportation equipment with the higher ranking being given to equipment that would coordinate the greatest number of vehicles.

Approved projects are ranked until all available funds are expended. This list becomes the annual statewide Program of Projects that is submitted as part of Caltrans' annual Section 5310 funding application to FTA.

### **11.3.2 State Review and Verification for 5316/5317**

Caltrans DMT will use the following funding considerations for project selection:

#### Degree of Project Contention

Is the project potentially divisive, could it 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? The impact of the project could dictate whether the project is an action worth taking sooner rather than later.

#### Time

Is the project addressing immediate and pressing issue or an issue that is 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.

## 11.4 Approval Process

### **11.4.1 Approval Process for 5310**

After the Staff Level Conference has been held, the SRC submits the final statewide-prioritized list to the CTC for adoption. The CTC schedules a public hearing to discuss the list and overall program policy, after which the CTC adopts the prioritized list as the annual elderly and disabled transit program. The final project listing is distributed to all applicants and RTPAs. When federal funds become available, projects are funded in priority order until all available funds have been awarded. Successful applicants are notified of their project approval and Standard Agreements between the agency and Caltrans are prepared.

### **11.4.2 Approval Process for 5311(f)**

5311(f) funds are distributed through a competitive process. Annually Caltrans announces a call for projects on its website. Applications are received by the Caltrans HQ staff, reviewed for

completeness, and sent to a selection committee comprised of Caltrans staff and external participants that include transportation agencies, transit providers, and community based organizations. The selection committee reviews and evaluates the applications based on the scoring sheet. Final project selection is based on the resulting application score and a consensus by the selection committee.

#### **11.4.3 Approval Process for 5316/5317**

After project applications are reviewed and scored, Caltrans DMT develops a statewide project listing identifying the projects in order of final scores. This list becomes the program of projects that is submitted as part of the FTA grant application. Successful applicants, MPOs, and RTPAs are notified of project award and the final project listing is posted on Caltrans DMT website.

### 11.5 Public Hearing Requirements

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. Federal public involvement and hearing requirements for capital projects are associated with the environmental review required by the [National Environmental Policy Act \(NEPA\)](#) and its implementing regulations. 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; and
- Found that the project is consistent with official plans for developing the community.

Title [49 U.S.C. Section 5323\(b\)](#) 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.

### 11.6 Appeals Process

Before submitting the adopted Section 5310 regional priority list to Caltrans, the RTPA is required to hold an open public hearing during which applicants and other interested parties will have the opportunity to address the project scores and resolve any appeals based on scoring at the local level. An appeal may be made regarding the scoring of a project to the governing board of the Regional Transportation Planning Agency.

After the SRC reviews the Section 5310 applications and verifies or rescores as appropriate, the CTC distributes a Statewide Prioritized Draft List to the RTPAs and applicants. The SRC then holds a staff level conference for all stakeholders to hear any appeals on technical issues. Only appeals based on actions that occurred at the state level are considered and the appealing agency has to demonstrate, using documentation from their original application, that the Statewide Review Committee incorrectly followed the adopted scoring criteria. Appeals will be heard and in most cases be resolved at the local level. Under specified circumstances an appeal made at the local level may be brought to the Staff level conference appeals panel for reconsideration. If not satisfactorily resolved at the local level, an appeal may be made to the Caltrans if the applicant eligibility, project eligibility, or the REC's failed to comply with the Quantitative Scoring and Project Rating Worksheets.

If an application is not funded in the Section 5316 or 5317 program, the applicant may appeal the outcome by submitting a written notice of appeal to Caltrans DMT within ten (10) business days of notification of a funding decision. The applicant must clearly state the organization name, contact person, address, phone number, project description and grounds for appeal. The JARC and New Freedom Branch Chief shall review the complaint and make a decision, in writing, within ten (10) business days of receipt of the appeal.

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## 12. National Transit Database (NTD) Reporting

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The [National Transit Database \(NTD\)](#) is the FTA's primary national database for statistics on the transit industry. Recipients of FTA's Urbanized Area Formula Program (5307) and Urbanized Area Formula Program (5311) are required by [49 U.S.C. 5335\(a\) and \(b\)](#) to submit data to the NTD as a condition of the award.

SAFETEA-LU requires subrecipients to provide annual reporting of rural transit data. Caltrans is responsible for the reporting of consolidated rural transit data for all Section 5311 subrecipients through the existing National Transit Data (NTD) Rural Data Reporting Module. Data that will be reported include annual revenue, total annual operating costs, total annual capital costs, fleet size and type, and related facilities, revenue vehicle miles, and ridership information.

Each July, every 5311 subrecipient is emailed the Rural General Public Transit Service Form (RU-20) along with the instruction manual. With the exception of subrecipients that also receive 5307 funding (5307 subrecipients already report to the Urban NTD report), all 5311 subrecipients are required to submit the report to Caltrans by the end of September of that year.

## 12.1 Safe, Accountable, Flexible, & Efficient Transportation Equity Act – Legacy for Users (SAFETEA-LU)

SAFETEA-LU amended the National Transit Database provisions to establish annual reporting requirements for recipients and beneficiaries of the 5311 Program formula grants while maintaining existing NTD annual reporting requirements for recipients and beneficiaries of Urbanized Area Formula funds. Each recipient submits an annual report containing information on capital investment, operations, and service provided with funds received under this section, including:

- Total annual revenue;
- Sources of revenue;
- Total annual operating costs;
- Total annual capital costs;
- Fleet size and type, and related facilities;
- Revenue vehicle miles; and
- Ridership.

## 13. ITS Architecture

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The Standard Agreement (contract) language between Caltrans and the subrecipient regarding ITS states: “To the extent applicable, agrees to conform to the National Intelligent Transportation System (ITS) Architecture and Standards as required by SAFETEA-LU and relevant FTA regulations.” Caltrans has an IT/ITS Procurement Plan form to collect information regarding IT/ITS equipment procurements from the subrecipients (See [ITS Procurement Plan](#) form).

### 13.1 Policy

In accordance with the Federal Transit Administration (FTA)’s annual “[Certifications and Assurances](#)” and the [National ITS Architecture](#), it is Caltrans’ policy that all requests for Intelligent Transportation System (ITS) projects by an awarding agency must have an ITS Plan. ITS is referenced in [SAFETEA-LU](#) Subtitle C, Section 5301, Paragraph 512. Per [49 CFR Part 613](#) and 621, ITS projects shall conform to the National ITS Architecture and standards in accordance with the requirements. Conformance with the National ITS Architecture means the use of the National ITS Architecture to develop a regional ITS architecture in support of integration and the subsequent adherence of all ITS projects to that regional ITS architecture. Development of the regional ITS architecture should be consistent with the transportation planning process for Statewide and Metropolitan Transportation Planning and Regional Transportation Planning Agency.

### 13.2 Definition

Intelligent Transportation Systems are techniques and methods for relieving congestion, improving road and transit safety, and increasing economic productivity. During the last few decades, there have been rapid advances in information and communications technology. Many transit agencies have employed a number of these different technologies in order to supplement

or enhance the transportation services they offer to the public. ITS encompass a variety of different technology based systems.

### 13.3 Requirements

Subrecipients who are applying for ITS projects must complete the ITS compliance plan in the application. In addition, the proposed project must be included in the regional ITS architecture. Prior to completion of the regional ITS architecture, an ITS project shall have a project level ITS plan that is coordinated with the development of the regional ITS architecture.

Caltrans DMT verifies the following for each agency project ITS plan:

- How the surrounding community benefits from the proposed ITS project.
- The project is consistent with the agency's local or regional ITS architecture plan.
- The project complies with the requirements of the National ITS Architecture.
- What system the project integrates with.
- What other entities will be a part of the systems integration.
- Each agency has an implementation plan to carry out the ITS project.

### 13.4 Subrecipient Roles and Responsibilities

Subrecipient roles and responsibilities include the following:

- Participate in regional ITS architecture development process;
- Complete the ITS compliance plan in the FTA section 5311 application and submit it to Caltrans headquarters during the FTA Section 5311 grant application process; and
- Maintain and have on file a regional ITS architecture plan. This plan is required to be on file with Caltrans' DMT Rural Transit and Intercity Bus Branch. The applicant is responsible for submitting new or revised versions of their plan.

## 14. Title VI Civil Rights

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“Title VI of the Civil Rights Act of 1964, as amended, [42 U.S.C. 2000d et seq.](#), provides that no person in the United States shall, on the ground of sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.” The Secretary of Transportation is required under [49 U.S.C. 5332\(c\)](#) to take affirmative action to ensure that no person on the basis of “race, color, creed, national origin, sex or age,” shall be excluded from participation in, be denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part by FTA.

The Caltrans DMT [Title VI Program](#) was developed in response to federal nondiscrimination regulations issued by the United States Department of Transportation (DOT). As described in [FTA Circular 4702.1A](#) and the Caltrans Title VI Program Plan, successful grant applicants are responsible for providing annual Title VI compliance reporting and to include subrecipients serving significant minority populations. Additional details are provided to each successful applicant in their Standard Agreement at Exhibit C.

Caltrans DMT annually certifies and assures in the grant application to FTA that the State and its local recipients are in compliance with all applicable civil rights requirements and have signed the [FTA Civil Rights Assurance](#) and the DOT Title VI Standard Assurance. In fulfillment of this assurance, the following is required of applicants/recipients:

- *General Certifications and Assurances:* All applicants are required to make a specific assurance with regards to Title VI at the time of application submittal.
- *Subrecipient Assurances:* Each subrecipient is required to have (on file) a signed “FTA Civil Rights Assurance” and a “DOT Title VI Assurance.” Copies of these assurances are forwarded to subrecipients, along with the Caltrans Standard Agreement, for completion and signature.
- *Subrecipient Standard Agreement:* The Standard Agreement requires compliance with Title VI by the subrecipient and any of its contractors or sub-contractors.
- *Subrecipient Monitoring:* Caltrans staff monitors each subrecipient, with an active contract, triennially. This monitoring visit provides an opportunity to discuss any complaints the subrecipient may have received and to resolve any potential discrimination issues.
- *Procurement:* Under the state contract, bidders are required to certify when responding
- The *Invitation for Bid* states subrecipients will comply with all applicable federal laws and regulations. Compliance with Title VI is formatted into a separate certification and must be signed by each vendor responding to the bid.
- A subrecipient conducting its own procurement is required to have each bidder certify that they will comply with all applicable federal laws and regulations when responding to an Invitation for Bid through the local procurement process.
- *Meaningful Access to Limited English Proficient Persons:* subrecipients are required to make reasonable provisions to persons with limited English skills when federal funds have been used to secure vehicles or equipment.
- *Non-Discrimination:* Subrecipients are prohibited from discriminating the use of vehicles or equipment where federal funds are involved on the basis of race, creed, national origin, sex, disability ([49 U.S.C. 5332](#)).

#### 14.1 Annual Title VI Certification and Assurance

Each subrecipient is required to have a signed “FTA Civil Rights Assurance” and a “DOT Title VI Assurance” on file. Copies of these assurances are forwarded to subrecipients, along with the Caltrans DMT Standard Agreement, for completion and signature.

#### 14.2 Complaint Procedures

In order to comply with 49 CFR Section 21.9(b), subrecipients shall develop procedures for investigating and tracking Title VI complaints filed against them and make their procedures for filing a complaint available to members of the public upon request. In order to reduce the administrative burden associated with this requirement, subrecipients may adopt the Title VI complaint investigation and tracking procedures developed by the recipient.

The state has not received any complaints regarding the distribution of FTA funds; however, if a discrimination complaint is received by the state, the complaint procedures described in [FTA Circular 4702.1A](#) will be used. Subrecipients are required to report complaints and lawsuits in

their application for funding. During the subrecipient monitoring process, complaints and lawsuits are again reviewed.

All references to FTA in this document were replaced with Caltrans DMT. In addition the following changes are made:

- *Submission of Complaints:* For a complaint regarding the provision of transportation services, the complaint should be initially filed at the lowest level possible for resolution. Complaints are forwarded to the Caltrans DMT, Office of Business & Economic Opportunity, Equal Employment Opportunity Program, Discrimination Complaint Investigation Unit (DCIU) for jurisdiction determination, issue clarification, and investigation. Complaints are logged into a database and tracked by the DCIU. Information is also shared with the Title VI Program. Complainants are notified by DCIU of their appeal process and other options for filing complaints directly with the federal funding agency. Any deficiencies are noted, with subrecipients having 90 days to resolve the deficiency. Annual follow-ups are conducted to verify compliance. If the complainant is not satisfied with the resolution, then the complaint should be forwarded to the FTA for investigation as described in FTA Circular 4702.1A. For a complaint regarding funding decisions, the complaint should be initially directed to the Subrecipient for resolution. If the complainant is not satisfied with the resolution, then the complaint should be forwarded to the state for investigation.
- *Filing Complaints of Discrimination:* At the state level, complaints should be submitted in writing to the Grant Program's Branch Chief, within Caltrans DMT. Complaints directed to the Federal level should be submitted as described in [FTA Circular 4702.1A](#).

### 14.3 Requirement to Record Title VI Investigations, Complaints, and Lawsuits

In order to comply with 49 CFR Section 21.9(b), subrecipients shall prepare and maintain a list of any active investigations conducted by entities other than FTA, lawsuits, or complaints naming the recipient and/or subrecipient that allege discrimination on the basis of race, color, or national origin. This list shall include the date of the investigation, lawsuit, or complaint was filed; a summary of the allegation(s); the status of the investigation, lawsuit, or complaint; and actions taken by the recipient or subrecipient in response to the investigation, lawsuit, or complaint.

### 14.4 Limited English Proficiency (LEP)

Title VI and its implementing regulations require that FTA recipients take responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of their programs and activities for individuals who are Limited English Proficient (LEP).

#### **14.4.1 Developing a Language Implementation Plan**

Subrecipients can ensure that LEP persons have meaningful access to their programs and activities by developing and carrying out a language implementation plan pursuant to the recommendations in Section VII of the DOT LEP Guidance. Certain FTA subrecipients, such as those serving very few LEP persons or those with very limited resources may choose not to

develop a written LEP plan. However, the absence of a written LEP plan does not eliminate the underlying obligation to ensure meaningful access by LEP persons to subrecipient programs or activities. Subrecipients electing not to prepare a written language implementation plan should consider other ways to reasonably provide meaningful access. The elements of an effective implementation plan on language assistance for LEP persons can be found at section VII of the Department's Policy Guidance, located at 70 FR 74087 (2005).

The Caltrans Title VI Program has developed a [LEP Plan](#); maintains the listing of Caltrans interpreters and statewide contract for telephone interpretation services; participates in triennial surveys conducted by the State Personnel Board; and provides the Title VI Liaisons with technical assistance and procedures for carrying out the LEP activities. The Caltrans DMT Title VI Program compliance reviews, mentioned above, are also an opportunity for ensuring meaningful access, and LEP activities.

Caltrans DMT emphasizes the fair treatment and meaningful involvement of people of all races, cultures, and income levels, including minority and low-income populations through its public involvement processes. Statistical data on race, color, national origin, sex, age, disability, income level, and LEP of participants in and beneficiaries of Caltrans DMT programs (e.g. affected populations and participants) is maintained by Caltrans DMT's districts and divisions and reported to the Title VI Program. The Title VI Program reviews the data to ensure Caltrans DMT is meeting the Title VI requirements. Procedures are reviewed, updated and distributed as needed. The annual report is published which includes outreach activities. The Title VI Program sends out guidelines on how to conduct the public participation surveys at public outreach meetings. Additional information can be found on the [Caltrans LEP website](#).

#### 14.5 Requirement to Notify Beneficiaries of Protection under Title VI

In order to comply with 49 CFR Section 21.9(d), subrecipients shall provide information to the public regarding their Title VI obligations and apprise members of the public of the protections against discrimination afforded to them by Title VI. Subrecipients that provide transit service shall disseminate this information to the public through measures that can include but shall not be limited to a posting on the agency's Web site.

##### 14.5.1 Contents

The notice shall include:

- A statement that the agency operates programs without regard to race, color, and national origin;
- A description of the procedures that members of the public should follow in order to request additional information on the subrecipient's nondiscrimination obligations; and
- A description of the procedures that members of the public should follow in order to file a discrimination complaint against the recipient or subrecipient.

##### 14.5.2 Effective Practices for Fulfilling the Notification Requirement

In complying with the above requirements, recipients and subrecipients should keep the following guidance in mind:

- Dissemination. Agencies may inform the public of their rights under Title VI through such measures as posters, comment cards, or flyers placed at stations and in transit vehicles. The type, timing, and frequency of these measures are at the recipient's or subrecipient's discretion.
- General notification. Agencies may include a statement of nondiscrimination on the basis of race, color, and national origin as part of a broader statement of its commitment to nondiscriminatory service. This broader statement can also include a commitment to nondiscrimination on the basis of characteristics not covered by Title VI, such as age, gender, and disability.
- Document translation. Notices detailing a recipient's or subrecipient's Title VI obligations and complaint procedures should be translated into languages other than English, as needed and consistent with the DOT LEP Guidance.
- Subrecipients. In order to reduce the administrative burden associated with this requirement, subrecipients may adopt the Title VI Notice developed by the recipient; however, subrecipients should notify their beneficiaries that they may file discrimination complaints directly with the subrecipient.

#### 14.6 Requirement to Provide Additional Information upon Request

At the discretion of FTA, information other than that required in [FTA Circular 4702.1A](#), may be requested, in writing, from a recipient or subrecipient to investigate complaints of discrimination or to resolve concerns about possible noncompliance with Title VI.

#### 14.7 Requirement to Prepare and Submit a Title VI Program

To ensure compliance with 49 CFR Section 21.9(b), FTA requires that Caltrans DMT document their compliance with the program-specific requirements in [FTA Circular 4702.1A](#) and submit to FTA a Title VI program that also includes documentation of compliance with the general reporting requirements in Chapter IV. This program shall be submitted once every three years on or prior to a date arranged by FTA.

##### 14.7.1 Contents

Recipients to which this chapter applies shall include the following information in their compliance report:

- A copy of the procedures used for certifying that the statewide planning process complies with Title VI;
- A description of the procedures the agency uses to pass-through FTA financial assistance in a non-discriminatory manner;
- A description of the procedures the agency uses to provide assistance to potential subrecipients applying for funding in a non-discriminatory manner; and
- A description of how the agency monitors its subrecipients for compliance with Title VI and a summary of the results of this monitoring.

##### 14.7.2 Eliminating Redundancy

If, prior to the deadline for subsequent reporting periods, the State DOT or administrating agency has not altered its procedures for certifying that the statewide planning process complies with Title VI, its description of the procedures the agency uses to pass-through FTA financial assistance in a non-discriminatory manner, its description of the procedures the agency uses to provide assistance to potential subrecipients applying for funding in a non-discriminatory manner, or its description of how the agency monitors its subrecipients for compliance, the agency should submit a statement to this effect in lieu of copies of the original documents.

#### 14.8 Guidance on Conducting an Analysis of Construction Projects

In order to integrate, into environmental analyses, considerations expressed in the DOT Order on Environmental Justice, subrecipients should integrate an environmental justice analysis into their National Environmental Policy Act (NEPA) documentation of construction projects. (Recipients are not required to conduct environmental justice analyses of projects where NEPA documentation is not required.). Recipients preparing documentation for a categorical exclusion (CE) can meet this requirement by completing and submitting FTA's standard CE checklist, which includes a section on community disruption and environmental justice. FTA recommends that recipients preparing an environmental assessment (EA) or environmental impact statement (EIS) integrate into their documents the following components:

- A description of the low-income and minority population within the study area affected by the project, and a discussion of the method used to identify this population (e.g., analysis of Census data, minority business directories, direct observation, or a public involvement process);
- A discussion of all adverse effects of the project both during and after construction that would affect the identified minority and low-income population;
- A discussion of all positive effects that would affect the identified minority and low-income population, such as an improvement in transit service, mobility, or accessibility;
- A description of all mitigation and environmental enhancement actions incorporated into the project to address the adverse effects, including, but not limited to, any special features of the relocation program that go beyond the requirements of the Uniform Relocation Act and address adverse community effects such as separation or cohesion issues; and the replacement of the community resources destroyed by the project;
- A discussion of the remaining effects, if any, and why further mitigation is not proposed; and
- For projects that traverse predominantly minority and low-income and predominantly non-minority and non-low-income areas, a comparison of mitigation and environmental enhancement actions that affect predominantly low-income and minority areas with mitigation implemented in predominantly non-minority or non-low-income areas. Recipients and subrecipients that determine there is no basis for such a comparison should describe why that is so.

#### 14.9 Guidance on Promoting Inclusive Public Participation

In order to integrate, into community outreach activities, considerations expressed in the DOT Order on Environmental Justice, and the DOT LEP Guidance, recipients and subrecipients should seek out and consider the viewpoints of minority, low-income, and LEP populations in the course of conducting public outreach and involvement activities. An agency's public

participation strategy shall offer early and continuous opportunities for the public to be involved in the identification of social, economic, and environmental impacts of proposed transportation decisions.

#### **14.9.1 Effective Practices for Fulfilling the Inclusive Public Participation Requirement**

Recipients and subrecipients have wide latitude to determine how, when, and how often specific public involvement measures should take place, and what specific measures are most appropriate. Recipients should make these determinations based on the composition of the population affected by the recipient's action, the type of public involvement process planned by the recipient, and the resources available to the agency. Efforts to involve minority and low-income people in public involvement activities can include both comprehensive measures, such as placing public notices at all stations and in all vehicles, and measures targeted to overcome linguistic, institutional, cultural, economic, historical, or other barriers that may prevent minority and low-income people and populations from effectively participating in a recipient's decision-making process. Effective practices include:

- Coordinating with individuals, institutions, or organizations and implementing community-based public involvement strategies to reach out to members in the affected minority and/or low-income communities;
- Providing opportunities for public participation through means other than written communication, such as personal interviews or use of audio or video recording devices to capture oral comments;
- Using locations, facilities, and meeting times that are convenient and accessible to low-income and minority communities;
- Using different meeting sizes or formats, or varying the type and number of news media used to announce public participation opportunities, so that communications are tailored to the particular community or population; and
- Implementing DOT's policy guidance concerning recipients' responsibilities to LEP persons to overcome barriers to public participation.

#### **14.9.2 Minority and Low-Income Assistance**

Caltrans DMT maintains a mailing list of all agencies which have shown an interest in their programs, including past and current recipients. Extensive outreach is conducted when a new application cycle is announced. MPOs and RTPA's provide further outreach and distribution in their areas. FTA provides a Training Overview for FTA Funding Recipients. For additional information, see the [FTA Introduction to Title VI Civil Rights Act PowerPoint](#) which discusses Title VI and LEP responsibilities.

### 14.10 Public Notification

Title VI [public notification](#) is provided in various ways. EEO posters are displayed statewide and are posted in public areas. The Title VI Program encourages Caltrans DMT Title VI Liaisons to distribute the [Title VI brochure](#) entitled, *Caltrans DMT and You, Your Rights Under Title VI and Related Statutes*, to its customers and at public meetings/events. The Standard Agreement Exhibit C, No. 28, requires compliance with all federal statutes and regulations, including Title VI. Title VI is discussed during workshops and is part of the application process and is in the Summary of General Certifications and Assurances. Subrecipients display Title VI

posters in their offices and on their buses and many also participate in Title VI training, which is recommended, but not mandated.

#### 14.11 Annual Reviews

Caltrans DMT Title VI Program conducts annual reviews of its divisions and program area activities, twelve district offices, and subrecipients. In addition, the Title VI Program participates in pre-grant approval reviews for compliance with Title VI compliance and provides FTA with an annual report of Title VI accomplishments and goals including an annual update to the Title VI Program Plan. The Title VI Program Plan focuses on functional areas with significant public contact responsibilities and provides policy direction necessary to ensure compliance with Title VI. The Title VI Program meets quarterly with the Title VI Liaisons to discuss Title VI issues and provide updates. Additional information can be obtained at [Caltrans DMT External Equal Opportunity web page](#).

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### 15. Disadvantaged Business Enterprise (DBE)

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Caltrans DMT and subrecipients receiving planning, capital, and/or operating assistance and awards prime contracts exceeding \$250,000 in FTA funds in a fiscal year are required to have a DBE program. According to FTA, “recipients that meet the above thresholds above must submit a DBE program goal to FTA for review by the first of August each year.” The State ensures through [SAFETEA-LU](#) Section 1101(b), 23 U.S.C. 101 that not less than 10 percent of funds are “authorized for highway and transit financial assistance programs be expended through small business concerns owned and controlled by socially and economically disadvantaged individuals.”

Subrecipients must adhere to the California State Disadvantaged Business Enterprise Program Plan ([49 CFR Part 26](#)) as it applies to local agencies. Failure to do so will be treated as a violation of the Grant Agreement or Cooperative Agreement. Subrecipients must determine if the project has subcontracting opportunities. Should the subrecipient determine that there are no subcontracting opportunities for the project, this should be stated in the “Disadvantaged Business Enterprise Participation” solicitation document. If it is determined that there are subcontracting opportunities for the project, this should be stated in the “Disadvantaged Business Enterprise Program Availability Advisory” solicitation document.

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. The grant application includes the following statement: “All successful applicants who are subrecipients of funds for Other Equipment (non-vehicle) projects must adhere to the [California State Disadvantaged Business Enterprise \(DBE\) Program Plan](#).” Further, all subrecipients must submit a completed *Disadvantaged Business Enterprise Race-Neutral Implementation Agreement for Federal Transit Administration Subrecipients* with their signed Standard Agreement before Caltrans will execute the agreement.

Subrecipients with contracting opportunities are required to submit bi-annual reporting of Awards and Commitments and Actual Payments and Reporting Form Instructions. Caltrans monitors these reports, and also reviews the final invoice payments. Onsite monitoring to ensure that DBEs are actually performing applicable work are not conducted. As a recipient of FTA funds, Caltrans is required to implement a program that provides the maximum opportunity of Disadvantaged Business Enterprises (DBE) to compete for contracts financed by federal funds. The Caltrans Office of Business and Economic Opportunity manages this requirement on behalf of Caltrans. The DBE program affects all federally funded projects. It is the policy and intent of Caltrans to practice nondiscrimination and fair competition for contracts.

Prior to advertisement, procurement documents are reviewed by the DMT Procurement and Grants Management Branch to ensure that appropriate DBE language is included. Additionally, when 'other equipment' is procured through the grant, the applicant is required to complete and submit a DBE Awards/Commitments Form to Caltrans along with three like-kind bids for Caltrans final purchase approval. Subrecipients are also required to submit the DBE Vehicle Certification Form to the DMT Procurement and Grants Management Branch, if applicable. More information regarding Transit Vehicle Manufacture requirements can be found at: [Transit Vehicle Manufacturers \(TVM's\)](#) website. Once a bid is approved, the applicant purchases the approved equipment from the approved vendor. Upon acceptable delivery, the applicant will submit an Actual Payments Form to Caltrans along with their request for reimbursement for the equipment. Caltrans will report the DBE participation, if applicable, to Caltrans' Office of Business and Economic Opportunity.

The Office of Business and Economic Opportunity also maintains a list of current Caltrans certified DBEs that applicants can query to determine if there is a DBE available for bidding purposes.

### 15.1 DBE Goal

For Federal Fiscal Years (FFY) 2011-2013, Caltrans Disadvantaged Business Enterprise (DBE) goal, for its Federal Transit Administration (FTA) projects, is 4 percent, without any Step Two adjustments. This overall goal is expected to be achieved through wholly race-neutral measures. Caltrans submits this goal and methodology to the FTA for review and approval pursuant to [49 CFR 26.45](#) for federally assisted transit contracts. Caltrans acknowledges the February 3, 2010, final rule change that will have the department submit the overall goal triennially rather than annually. For the most updated DBE Goal and Methodology, please see the Caltrans FTA DBE Goal and Methodology Federal Fiscal Years 2011 – 2013.

### 15.2 DBE Methodology

Caltrans' two-step process for setting its overall DBE goal includes the following:

- Step One describes the calculation of a base figure for the relative availability of DBEs.
- Step Two is the examination of all the evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

#### 1. Step One Base Figure – Section 26.45(c)

In order to establish the base figure, Caltrans commissioned an Availability and Disparity Study (Study) completed by BBC Research & Consulting (BBC) in July 2007. The Study:

- Analyzed use and availability of minority/women-owned firms in California transportation contracts;
- Examined other quantitative analysis of marketplace conditions;
- Reviewed anecdotal information from in-depth interviews with nearly 100 business owners and others across California; and
- Analyzed oral and written testimony from businesses, trade associations, and other organizations at the 14 public hearings held by Caltrans in March and April 2007; two hearings in Los Angeles; and one hearing each in Eureka, Stockton, Bishop, Fresno, San Luis Obispo, San Diego, Sacramento, San Jose, Redding, Irvine, San Bernardino, and Oakland.

## 2. Step Two Adjustments – Section 26.45(d)

Caltrans examined a broad range of evidence in the Study when considering possible Step Two adjustments to the base figure. The Study contained the types of information for a possible Step Two adjustment that are outlined in the DBE Program, including:

- Current capacity of DBEs to perform work on FHWA assisted contracts, as measured by the volume of work DBEs have performed in recent years;
- Data on employment, self-employment, education, training, and union apprenticeship programs; and
- Information on the ability of OBEs to obtain financing, bonding, and insurance.

## 16. Equal Employment Opportunity

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Caltrans has an Equal Employment Opportunity Program Manager responsible for preparing, monitoring and implementing the Caltrans Equal Employment Opportunity Plan. The Division of Audits and Investigations ensures that all discrimination complaints are thoroughly investigated in accordance with the Equal Employment Opportunity Plan. Caltrans ensures non-discrimination for ADA-eligible persons in terms of employment through the Directors Policy on Equal Employment Opportunity. In addition, Caltrans provides reasonable accommodations for persons with disabilities, per the Deputy Directors policy on Reasonable Accommodation. Also, Caltrans has the ability to provide staff that is visually impaired with the adequate computer equipment (including a Braille machine), sign language interpreters and workshops.

Each subrecipient 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 subrecipient certifies that it will comply with all applicable Federal equal employment opportunity requirements.

According to the [FTA Circular UMTA C 4704.1](#), Threshold Requirements state that any applicant, recipient, or subrecipient that employs 50 or more transit-related employees is required to comply with the above program requirements.

## 17. American with Disabilities Act (ADA)

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[Section 504 of the Rehabilitation Act of 1973](#), as amended by [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 by [42 U.S.C. 12101 et seq.](#), affords equal opportunity for employment, transportation, telecommunications, and places of public accommodation for people with disabilities (commuter bus services is exempt). Caltrans and subrecipients must also comply with [49 CFR Parts 27, 37](#), and [38](#) implementing the ADA and Section 504 in ensuring those requirements are met through 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; and
- 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. 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.

All vehicles purchased with FTA funds are wheelchair accessible. In addition to the federal accessibility requirements, California State law, [Government Code 4500](#), requires all new vehicles used for public fixed route bus service be accessible to persons with disabilities, including wheelchair users. All subrecipients certify when signing the Standard Agreement that they will comply with [49 CFR Part 27](#) implementing the Americans with Disabilities Act (ADA). For those agencies purchasing vehicles directly, Caltrans reviews all bid specifications and procurement contracts to ensure that subrecipients specifically comply with Parts [37](#) and [38](#) of the ADA, Accessibility Standards. As part of the triennial on-site monitoring visit, subrecipients are required to respond to a series of questions to monitor compliance with ADA-required service provisions including:

- Maintenance of accessible features;
- Procedures to ensure lift availability;
- Use of lifts and securement devices;
- Vehicle identification mechanisms if vehicles for more than one route serve the same stop;
- Use of service animals;
- Use of accessibility features;
- Accessible formats for public information and communications;
- Lift and/or ramp deployment;
- Service for persons using respirators or portable oxygen (per Title 13); and
- Adequate time for boarding and disembarking vehicles.

If a subrecipient is operating fixed route transit, the subrecipient must submit an annual Paratransit Plan to the Caltrans no later than January 26 of each year. Caltrans must comment on the Paratransit Plans submitted by subrecipients and transmit them to the FTA Regional Office by April 1 of each year. Caltrans must also ensure that all vehicles acquired with FTA 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. All federally funded vehicles and newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

California law requires that places of public accommodation and transit vehicle operators allow persons with disabilities to use certified service animals. Violations subject the violator to fines and damages. In addition, California law requires that public transit and paratransit drivers have minimum amount of training in the classroom and on the road for each type of transit vehicle operated. This training includes instruction on the use of accessibility equipment.

Prior to approval of bid documents, Caltrans forwards the Transit Facility PS&E Checklist, and Plans, Specifications and Estimate Certification forms to the subrecipient. These forms are completed by the resident engineer and returned to Caltrans certifying that the project meets federal and state requirements to include ADA standards.

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## 18. Buy America

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Under the FTA grant programs, most vehicles, steel, iron and manufactured products used in grant projects are procured by the state in a consolidated procurement. Buy America ([49 CFR Part 661](#)) provisions are included in the Invitation for Bid and Buy America certifications are obtained from vendors. Procurement staff completes the required certifications for pre-award and post-delivery reviews of vehicle specifications, [Federal Motor Vehicle Safety Standards](#) (FMVSS), and Buy America requirements. Caltrans reviews all procurement documents to ensure the inclusion of the [Buy America Certification](#) (Pages 3-14) in the bid solicitation package. The state maintains copies of the [Vehicle Certifications](#) and posts them to their website for transit agencies which purchase from state contracts.

Caltrans 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 Caltrans to verify compliance with Buy America at the vehicle manufacturer's facility. In those cases where a subrecipient chooses to procure vehicles directly, Caltrans performs pre-award reviews of the subrecipient's vehicle contracts to ensure compliance with Buy America provisions and receipt of pre-award certification for Buy America, FMVSS, and purchaser's requirements certifications. Subrecipients must submit the post-delivery Buy America, FMVSS, and purchaser's requirements certifications to Caltrans to receive payment.

Bidders are required to submit a Bidder's Certification of Buy America Compliance which includes a listing of the major bus components and subcomponents. Bidders must provide information on the manufacturer, country of origin, and percentage of vehicle cost for each item on the list. In addition, bidders must provide a description of the actual location and activities of

final assembly point and the cost of final assembly. To determine compliance, Caltrans calculates the percentage of domestic content from the information provided in the bid. For procurements over \$100,000, documents are reviewed for inclusion of Buy America requirement prior to award. Also, pre-award audit and bid analysis are submitted to Caltrans for approval prior to award. Subsequent to project delivery, subrecipients must complete a post delivery audit and final inspection and submit the post delivery forms. See Standard Agreement.

The process to be followed by each subrecipient conducting a local procurement is outlined in the Procurement Guidelines for Local Purchase of Equipment and is included in the 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 subrecipients 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. Caltrans DMT reviews all procurement documents to ensure the inclusion of all required certifications and documents.

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## 19. Debarment and Suspension

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Subrecipients 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. Prior to award, Caltrans verifies through the Excluded Parties List System (EPLS), located at <http://epls.gov>, that the selected contractor has not been suspended or debarred. Caltrans also reviews all procurement documents to ensure the inclusion of the debarment and suspension certification to be submitted with each bid. It is also the responsibility of the prospective subrecipient to notify Caltrans if it knows whether or not it or any of its principals are presently excluded or disqualified under these regulations.

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## 20. Lobbying

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Subrecipients must certify compliance with the Federal Restrictions on Lobbying when signing their Standard Agreement with Caltrans. The restrictions on the lobbying clause are also specifically itemized in the Standard Agreement between the subrecipient and Caltrans. Each vendor bidding on equipment being purchased locally by a subrecipient must sign and submit a “[Certification of Restrictions on Lobbying](#)”. Caltrans DMT verifies that this certification is included in all local procurement bid packages prior to release of the bid by the subrecipient and confirms that it has been completed and submitted by each responding bidder when reviewing the results of the subrecipient’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 equipment.

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## 21. Charter Bus

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Pursuant to [49 U.S.C. Section 5323\(d\)](#) and [49 CFR Part 604](#), program funds may not be used to provide charter service if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions listed at [49 CFR-Subpart B](#). Caltrans publishes a notice annually to determine whether there are any private charter operators willing and able to provide the service. Subrecipients certify by signing the Standard Agreement that they understand the requirements of [49 CFR Part 604](#) apply to any charter service involving these programs' equipment and that any violation of these requirements may require corrective measures and the imposition of penalties, including debarment from the receipt of further federal assistance for transportation.

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## 22. School Bus

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Program funds may not be expended for the purchase of equipment to be used exclusively for school bus service. In line with this federal requirement, subrecipients certify at the time of application submittal that they will comply with school bus requirements as stated in [49 CFR Part 605](#). Additionally, once approved each subrecipient is required to sign, along with the Standard Agreement, a separate certification regarding school bus requirements. According to State law, all school bus services must be provided in yellow school buses. Since Caltrans does not fund the purchase of yellow school buses, this additionally ensures that subrecipients are not providing school bus services with funded vehicles.

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## 23. Drug and Alcohol Program

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Subrecipients and subcontractors for the 5311 program must establish and implement an alcohol misuse and anti-drug program that complies with all applicable FTA requirements of [CFR 49 parts 655](#) and [40](#). According to the FTA, "Recipients or subrecipients that receive only Job Access and Reverse Commute (JARC), New Freedom, or Section 5310 assistance are not subject to [FTA's drug and alcohol rules](#), but must comply with the FMCSA drug and alcohol testing rule for employees who hold Commercial Driver's Licenses." Subrecipients assure compliance by signing the Certification and Assurances in the Application and the 5311 Standard Agreement certifying that they have met these requirements. Caltrans will take appropriate action within 30 days of receiving notification of a conviction.

Caltrans staff monitors the program at each subrecipient for compliance to applicable FTA rules and policies using a checklist within the Agency Monitor Form. Annually, Caltrans staff visits each subrecipient to perform an assessment of the drug and alcohol program to determine if changes have been made in the last year that could affect a previously approved program. The (Agency Monitoring Form) includes reference to the Drug and Alcohol policy, drug testing, and reporting. Subrecipients must certify annually that they are in compliance with the U.S. DOT and FTA regulations concerning drug and alcohol testing ([CFR 49 parts 655](#) and [40](#)).

The Rural Transit Assistance Program (RTAP) provides compliance training to subrecipients on FTA's Drug & Alcohol program reporting requirements, and also assists subrecipients in the

development of their Substance Abuse compliance programs, and collects their annual Drug and Alcohol Management Information System (DAMIS) data.

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## 24. Drug-Free Workplace

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Caltrans has a Drug-Free Workplace Policy that complies with all requirements of [49 CFR Part 32](#). The Standard Agreement requires that the subrecipient certify that it will provide a drug-free workplace and establish a policy prohibiting activities involving controlled substances in compliance with state law. This language must also be included in all bids and award documents that the subrecipient may enter into. Each vendor bidding on equipment being purchased locally by a subrecipient must submit a signed “Drug- Free Workplace Certification” that is distributed to all safety-sensitive employees and employee organizations. Each vendor bidding on any state procurement of equipment must also submit this certification.

Caltrans informs employees of the Department’s Drug-Free Awareness Program through departmental emails and signed [Deputy Directive DD-08-R2](#). The program and training informs employees about the dangers of drug abuse; available drug counseling, rehabilitation, and employee assistance programs; about penalties that may be imposed; and that employees are to be aware that the recipient operates a drug-free workplace. This program is part of the Caltrans Illness and Injury Preventive Program and Employee Assistance Program. The policy includes “if convicted of a drug statute violation that occurred in the workplace, all employees are to report it to the employer in writing no later than five calendar days after such a conviction.” Employees must sign a form indicating receipt of the policy and are required to attend mandatory training. Managers and supervisors offer assistance to employees when needed. Adverse action will be enforced and could lead to termination of employment with Caltrans.

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## 25. Safety and Security

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FTA’s authority in the area of transit safety is set forth in [49 U.S.C. Section 5329](#) of the Federal Transit Law. This law states FTA may withhold further financial assistance from any subrecipient 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 that present, or contribute to an unsafe environment for employees and transit customers.

DMT’s Safety and Security Program facilitates and coordinates with the Governor's Office of Emergency Services and the 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. The Safety and Security Branch developed and will periodically update the [Caltrans Transit Emergency Planning Guidelines](#) document.

For the FTA Section 5307 Urbanized Area (UZA) Formula Program, the Caltrans DMT role in transit security and emergency preparedness is limited to partnering with state and local agencies and facilitating and coordinating emergency preparedness training and security resources to local agencies, transit operators, and District staff. For the FTA Section 5310, 5311, 5316/17 Programs, transit safety activities are promoted and encouraged and are a consideration in the application scoring process. All resources are available on the [DMT Safety and Security Webpage](#) or see the [Safety, Security, and Emergency Preparedness \(SSEPP\)](#) guidance documents.

District emergency preparedness plans are based on Caltrans Headquarters' Emergency Operations Plan (EOP). The plan provides guidance relating to the roles and responsibilities of Caltrans Divisions and Caltrans 12 districts and specifies what protocols should be followed in the event of natural or man-made events, incidents on the state highway, technological incidents or nuclear disasters. The EOP does not address transit due to transit services being provided by local agencies. DMT's role in transit emergency preparedness is limited to partnering with state and local agencies and facilitating and coordinating emergency preparedness training and security resources to local agencies, transit operators, and Caltrans District staff.

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## 26. American Recovery & Reinvestment Act (ARRA)

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Each [ARRA](#) funded project has a fully executed standard agreement between Caltrans and the subrecipient. The Standard Agreement includes all necessary project related information and contractual terms that must be met in order to receive reimbursement through the federal grant program (e.g., Scope of Work, Schedule, Budget and Invoicing, and Monitoring and Reporting). Each project is managed internally within Caltrans.

Since ARRA was a funding extension to Caltrans annual FTA Section 5311 funding, technical capacity is maintained through a FileMaker Pro database, improved contractual processes, heightened District level participation, and additional training and time management. See these attachments for additional detail:

- 2007, 2008 & 2009 Program of Project;
- District Contact List; and
- MASTER-ARRA 5311 Standard Agreement-Exhibit A to E.

Caltrans has recognized that the additional ARRA funding and State imposed furlough program has put an increased strain on the necessary resources to maintain its current program and implement the additional ARRA projects.

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## 27. Other Provisions

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The following are additional provisions required by the FTA to be included in the SMP.

### 27.1 Commercial Driver's License

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. During the on-site monitoring visit, Caltrans staff reviews the agency's records, including driver records. To further assist grantees, 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.

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 rating grant applications. The grant 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.

## 27.2 Environmental Protection

Subrecipients are required to certify compliance with environmental protection in the grant application (Assurance 12). All construction projects are required to submit an environmental survey. Capital projects are provided to the Caltrans for review and preliminary environmental survey. This survey includes questions pertinent to determine if environmental requirements have been followed or if additional environmental effort is required. Based upon the survey, the subrecipient develops a project analysis, which is forwarded to Caltrans for review, and then to FTA for approval.

All 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 urbanized area. Bidders, responding to both state and local procurements, are required to sign a "Bidder's Certification of Energy Conservation, Air Quality and Clean Water Compliance". All vehicles procured under the program are required to meet [California emission standards](#). Subrecipients certify compliance on the grant application.

According to the FTA, environmental requirements which may come into play for projects in these grant programs include the following: [Clean Air Act \(CAA\)](#) conformity provisions; protection of public parkland, wetland and waterfowl refuges, and historic sites ([49 U.S.C. 303](#)); Section 106 of the [National Historic Preservation Act](#) (protection of historic and archaeological resources); and Section 404 of the [Clean Water Act \(33 U.S.C. 1251\)](#) (Corp of Engineers' permit requirements for dredge and fill activities in "waters of the United States"). FTA policy is to require compliance with these environmentally-related requirements within the overall environmental process. The EA or environmental documentation to support a CE must address these related requirements. Projects involving facilities to be built or rehabilitated must be discussed with FTA for additional environmental requirements and any other information to support the CE. Compliance with these requirements must be completed before a construction project is included in Category A.

### 27.3 Clean Air Act

The [Clean Air Act \(CAA\)](#) 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. In general, transportation plans, programs, and projects must "conform" to approved State (air quality) Implementation Plans before FHWA or FTA can fund them.

Most of the projects typically funded under these programs 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](#). Grant funded 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.

### 27.4 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 ([49 U.S.C. 5333\(b\)](#)). This protection requires fair and equitable arrangements to protect the interests of participants in the 5310, 5311, 5316 and 5317 grant programs under the Secretary of Labor.

Under the terms of the Special Section 13(c) Warranty for Application to the Small Urban and Rural program, the Caltrans "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."

## 28. Appendices

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*Note to reviewers: The Final State Management Plan will contain hyperlinks allowing the reader to navigate from the body of the SMP, to these Appendices, and to the full documents posted on the DMT website. During the Draft SMP review process, interested reviewers must manually open the documents listed below.*

1. Caltrans DMT Organizational Chart
2. 5310 Application Instructions
3. 5311 Application Instructions
4. 5316 Application Instructions
5. 5317 Application Instructions
6. 5310 Application
7. 5311 Application
8. 5316 Application
9. 5317 Application
10. 5310 Grant Process Flow Chart
11. 5311 Grant Process Flow Chart
12. 5316/5317 Grant Process Flow Chart
13. 5310 Quarterly Report
14. 5311 Quarterly Report
15. 5316/5317 Quarterly Report
16. 5310 Standard Agreement and Procurement Process Flow Chart
17. Standard Agreement
18. State Management Review Workshop PowerPoint
19. California Statewide Rural Intercity Bus Study
20. National Transit Database (NTD)
21. National Transit Database Rural Reporting Manual
22. Local Share Identification Sheet
23. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions
24. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions
25. Listing of Surface Public Transportation Providers and Labor Representation for 5333(b)
26. Special Section 5333(b) Warranty
27. Annual Program Status Report
28. Federal Financial Report
29. Milestone Status Report
30. Request for Reimbursement
31. Agency Reimbursement Tracking Worksheet Sample
32. Certification of Available Local Matching Funds
33. California Transportation Plan
34. Transportation Improvement Program (TIP)
35. Metropolitan Transportation Plan (MTP)
36. Statewide Transportation Improvement Program (STIP)
37. Federal Statewide Transportation Improvement Program (FSTIP)

38. California Transportation Plan (CTP)
39. Standard Agreement
40. Review Area/Documentation
41. Vehicle Inspection Report
42. Other Equipment Inspection Report
43. California Highway Patrol inspection reports
44. Americans with Disabilities Act (ADA)
45. Procurement Guidelines for Local Purchase of Equipment
46. Resolution of Authority
47. Procurement Worksheet
48. Third Party Contract Review
49. Preventative Maintenance
50. Title VI Program Plan Flyer
51. Title VI Program Report (Subrecipient 3 year Compliance Report)
52. Certification for Civil Rights Complaint Status
53. LEP Plan
54. DBE Certification
55. Maintenance Documents
56. Disadvantaged Business Enterprise Participation
57. Disadvantaged Business Enterprise Program Availability Advisory
58. Disadvantaged Business Enterprise Race-Neutral Implementation Agreement for Federal Transit Administration Subrecipients
59. DBE Awards and Commitments and Actual Payments Form
60. Reporting Form Instructions
61. Caltrans' FTA DBE 2011 – 2013 Goal and Methodology
62. Equal Employment Opportunity Plan
63. Certification of Restrictions on Lobbying
64. Commercial Driver's Licenses
65. Agency Monitoring Form
66. Drug- Free Workplace Certification
67. Environmental Categorical Exclusion Worksheet
68. Caltrans Transit Emergency Planning Guideline
69. Safety and Security and Emergency Preparedness guidance documents
70. Caltrans Headquarters' Emergency Operations Plan (EOP)
71. California Highway Patrol fact sheet
72. Assurance 12
73. Bidder's Certification of Energy Conservation, Air Quality and Clean Water Compliance