



INDOT Compliance Review Program Field Guide

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INDOT Compliance Review Field Guide

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Introduction

INDOT Compliance Review Program

Goal

The goal of the Indiana Department of Transportation Compliance Review Program (CRP) is to provide a consistent and thorough review of the compliance practices of INDOT subrecipients that receive Federal funding under 49 U.S.C. § 5311, 5316, and 5317.

General Approach

INDOT conducts periodic compliance reviews of its Federally funded subrecipients. In this approach, INDOT uses the services of a technical assistance consultant to conduct compliance reviews of **all** subrecipients in the Section 5311, Section 5316, and Section 5317 programs, undertaking approximately 10 reviews per year.

The review process will emulate FTA's Triennial Review and State Review Process. The process will consist of both a desk review and an on-site visit by the review team and INDOT. Following each site visit, the consultant review team will issue a report outlining the areas reviewed, compliance deficiencies, actions necessary by the subrecipient to remedy the deficiency, and the timeframe for corrective action.

A principle tenant of the INDOT approach to the Compliance Review Program is the provision of technical assistance. The consultant team will be required to assist each subrecipient under review to understand the requirements of any particular circular, rule, regulation or law, to provide copies of relevant regulatory citations and technical assistance materials, and to render additional assistance in subrecipient remedy of findings, as necessary.

Division of Work in Desk/Site Reviews

For the desk review, all materials in the checklist found at the end of this section will be reviewed prior to the reviewer's conduct of the site visit.

Subrecipients and/or INDOT will be provided 30 days to compile and upload desk review items. The review consultants will have a minimum of 14 days desk review time prior to conducting the site visit.

Technical Assistance

The focus of the Compliance Review Program will be both compliance *and* technical assistance. Technical assistance will be provided:

- ◆ As necessary during the data compilation period (assistance with data uploads);
- ◆ On-site while explaining preliminary compliance findings during an exit conference;
- ◆ After release of the draft report, assisting the subrecipient understand the nature of the deficiency;
- ◆ In the development of subrecipient remedial action to the deficiency; and
- ◆ To INDOT as systemic compliance problems arise in the course of the reviews.

Review Structure/Protocol

The review process will consist of nine structured steps, from formal communication by INDOT announcing a scheduled Compliance Review to the issuance of the final report and action plan by the review consultant. Steps in the process will include:

1. Initial communication from INDOT announcing the review, requesting materials, site visit schedule, etc.
2. Response period for system under review and IDOT to provide desk review materials to the review consultant.
3. Consultant desk review.
4. Site visit for on-site data collection, files inspection, etc.
5. Preparation of the draft compliance report.
6. INDOT review of the draft report.
7. Issuance of draft report to subrecipient.
8. Subrecipient review and response.
9. Preparation of the final report and subrecipient action plan.

A list of documents to be collected for the desk review is found on the following page.

Compliance Review Certification Checklist

Yes No Document/Reference in Indiana Program Manual

Program Management

- Public Agencies: Authorizing Resolution for Submitting Grant and Executed Contract with INDOT (Eligible Applicants, p. II-1)
- Copies of Any Subcontracts with Local Operators (Eligible Applicants, p. II-1)
- Annual Public Transportation Reports, Last Two Years (Project Invoicing and Reporting, p. IV-5)
- Last Four (4) Quarterly Operating and Capital Reports (Project Invoicing and Reporting, p. IV-5)
- Last Four (4) Quarterly Financial Status Reports (Project Invoicing and Reporting, p. IV-5 & IV-6)

Selection and Eligibility/Eligible Services

- Copy of last year's grant application to INDOT (Grant Application Development, p. III-1)
- Copy of regional or locally adopted Coordinated Public Transit-Human Services Transportation Plan for SAFETEA-LU (SAFETEA-LU Impacts on Section 5311 Program, p. I-4)
- Copy of TIP (if subrecipient is within planning jurisdiction of an MPO)(Grant Application Development, p. III-2)
- Copy of subrecipient's Standard Assurances certification (Required Contract Clauses, p. VI-8)

Financial Management

- Subrecipient's chart of accounts (*Eligible Funding Categories, p. II-4 and Financial Management Systems, p. IV-1*)
- Indirect cost plans (if indirect costs are charged to the Section. 5311 grant (Indirect Costs, p. IV-3)
- Copies of independent audits conducted pursuant to OMB Circular A-133 (Audit, Resolution, and Project Close-Out, p. IV-9)
- Documentation of actions to resolve audit findings (Audit, Resolution, and Project Close-Out, p. IV-9 & IV-10)
- Budget Revisions, Last Year (Budget Revision Procedures, p. IV-7 & IV-8)

Procurement

- For locally conducted procurements, copies of procurement documents, including IFB, RFP, or purchase orders and vendor lists, bid tabulations, etc. (Methods of Procurement, p. VI-4)
- For vehicle procurements of non-accessible vehicles (where accessible vehicles are required) documentation of "good faith" efforts (Acquisition of Accessible Vehicles, p. VIII-5)
- Agreements for any equipment used by the subrecipient obtained through a lease agreement (INDOT Review, p. VI-11)
- Copy of "debarment" certification (Debarment and Suspension, p. IX-5)
- Copies of lower tier contracts (Debarment and Suspension, p. IX-5)
- Copy of certification of Restrictions on Lobbying (if FTA funds exceed \$100,000) (Debarment and Suspension, p. IX-5)
- Copy of Standard Form LLL (if subrecipient uses non-Federal funds for lobbying activities) (Debarment and Suspension, p. IX-5)

Yes	No	Document/Reference in Indiana Program Manual
Civil Rights		
<input type="checkbox"/>	<input type="checkbox"/>	Copy of standard Title VI Assurance (Submission of Standard Assurance, p. VIII-1)
<input type="checkbox"/>	<input type="checkbox"/>	Description(s) of any lawsuits or complaints alleging discrimination in service delivery filed within last year along with statement of resolution/outcome (Nondiscrimination, p. VIII-1)
<input type="checkbox"/>	<input type="checkbox"/>	Summary of all civil rights compliance activities conducted in the last three years (Nondiscrimination, p. VIII-1)
<input type="checkbox"/>	<input type="checkbox"/>	Analyses of environmental or social impacts, including minority communities, arising from construction project (except those that qualify as categorical exclusion) (Nondiscrimination, p. VIII-1)
<input type="checkbox"/>	<input type="checkbox"/>	Copy of EEO program (If the subrecipient receive more than \$1,000,000 in Federal assistance or employ more than 50 employees) (Equal Employment Opportunity, p. VIII-2)
<input type="checkbox"/>	<input type="checkbox"/>	Copy of DBE Program and Goals (If the subrecipient receive more than \$250,000 (exclusive of vehicle purchases) in Section 5311 funds (and Section 5307 and Section 5310 funds, if applicable)) (Disadvantaged Business Enterprise, p. VIII-2)
<input type="checkbox"/>	<input type="checkbox"/>	Copies of most recently developed annual DBE goals (if applicable) (Disadvantaged Business Enterprise, p. VIII-2)
<input type="checkbox"/>	<input type="checkbox"/>	DBE reports to INDOT (if applicable) (Disadvantaged Business Enterprise, p. VIII-2)
Americans with Disabilities Act (ADA)		
<input type="checkbox"/>	<input type="checkbox"/>	Copies of any complaints filed against the subrecipient alleging discrimination on the basis of disability in service delivery (filed within last year) along with statement of resolution/outcome (Americans with Disabilities Act, p. VIII-3)
<input type="checkbox"/>	<input type="checkbox"/>	Written records of service denials and the basis for those denials (Americans with Disabilities Act, p. VIII-3)
<input type="checkbox"/>	<input type="checkbox"/>	Copy and description of fare structure employed by the subrecipient (Americans with Disabilities Act, p. VIII-3)
<input type="checkbox"/>	<input type="checkbox"/>	Copy of system information distributed or available to the public (Americans with Disabilities Act, p. VIII-3)
<input type="checkbox"/>	<input type="checkbox"/>	Copies of the complementary paratransit plan and annual updates (with INDOT/FTA approval letters), if applicable (Americans with Disabilities Act, p. VIII-3)
Use and Maintenance of Project Equipment		
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle fleet roster with funding source designation, date of acquisition, accessibility status, and “designed to transport” capacity (Grant Application Development, p. III-1)
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle utilization charts (if available) (Grant Application Development, p. III-1)
<input type="checkbox"/>	<input type="checkbox"/>	Copy of FMCSA Office of Motor Carriers registration form (if vehicles traverse state lines)(No Reference in Manual – See INDOT for special instructions)
<input type="checkbox"/>	<input type="checkbox"/>	Copy of cost allocation plan to split costs between funds (If recipient receives both Section 5311 and Section 5307 funds) (Eligible Funding Categories, p. II-5)
<input type="checkbox"/>	<input type="checkbox"/>	Documentation of insurance coverage (including collision) or other self-insurance coverage to protect Federal and State interests in the equipment (Satisfactory Continuing Control, p. V-1)
<input type="checkbox"/>	<input type="checkbox"/>	Lease agreements, if equipment is leased to a lower tier subcontractor (Satisfactory Continuing Control, p. V-2)
<input type="checkbox"/>	<input type="checkbox"/>	Subrecipient’s written disposition procedures for equipment that has surpassed its useful life (Disposition, p. V-2)

- | Yes | No | Document/Reference in Indiana Program Manual |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Preventive maintenance plans and schedules (Satisfactory Continuing Control, p. V-2) |
| <input type="checkbox"/> | <input type="checkbox"/> | Pre-trip inspection forms |
| <input type="checkbox"/> | <input type="checkbox"/> | Documentation of Buy America waivers (if applicable) (Buy America, p. IX-4) |
| <input type="checkbox"/> | <input type="checkbox"/> | Buy America certifications (Buy America, p. IX-4) |
| <input type="checkbox"/> | <input type="checkbox"/> | Pre-award and post delivery audits (if applicable) (Pre-Award and Post Delivery Review, p. IX-4) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of in-plant inspection (if more than 10 vehicles purchased) (Pre-Award and Post Delivery Review, p. IX-4) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copies of vendor provided Bus Testing certifications (New Model Bus Testing, p. IX-5) |

Charter and School Bus

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Copies of contracts with all entities that purchase contract service from the system (School Transportation, p. IXI-4) |
|--------------------------|--------------------------|--|

Miscellaneous Provisions

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Copies of public notice and hearing record (If subrecipient is receiving capital assistance) (Grant Application Development, p. III-1) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of the most recently executed Section 5333(b) warranty (Grant Application Development, p. III-2 and Labor, p. IX-11) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of the list of other eligible recipients, and labor unions in the service (included with the grant application) (Labor, p. IX-1) |
| <input type="checkbox"/> | <input type="checkbox"/> | Notice of public hearing and hearing record (capital grants only) (Grant Application Development, p. III-2 and Private Sector Participation, IX-2) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of Drug Free Workplace policy (Drug and Alcohol Policy, p. IX-5) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of MQ and Rx/OTC Medication Policies (as mandated in 2011 by INDOT) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of policy conveyance to employees (e.g., pamphlet, memoranda, employee acknowledgements, etc.) (Drug and Alcohol Policy, p. IX-5) (MQ Program has mandated in 2011 by INDOT) |
| <input type="checkbox"/> | <input type="checkbox"/> | Documentation of submittal (dates) of MIS reports to INDOT (Drug and Alcohol Policy, p. IX-5) |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of subrecipient's assurance that project is "categorically excluded" (Protection of the Environment, p. IX-7) |
| <input type="checkbox"/> | <input type="checkbox"/> | Documentation of INDOT or FTA of other projects that required further environmental study or determination (e.g., environmental assessments, FONSI, or EIS) (Protection of the Environment, p. IX-7) |
| <input type="checkbox"/> | <input type="checkbox"/> | Exposure Control Plan (Bloodborne Pathogens Policy, p. IX-8) |

Section 1. Program Management

In this section, a subrecipient’s eligibility and authority to receive FTA funds is established.

General Eligibility

Eligible recipients of FTA funds from INDOT include units of government authorized under state law to provide and carry out a local public transportation project. Eligible applicants include the State of Indiana, counties, cities, or towns. INDOT requires all projects to be sponsored by a unit of local government. Additionally, Public Transportation Corporations (PTC) as established under Indiana Code 36-9-4-12 or Regional Transportation Authorities (RTAs) established under I.C. 36-9-3-2 to provide public transportation service and facilities may also be subrecipients. Private nonprofit and private for-profit operators of transit services may participate in the program as third party (lower tier) contractors for grantees or eligible recipients.

In some cases, FTA permits the states to use an eligible subrecipient as a pass-through in order to funnel money to another eligible applicant. When the lower tier recipient would also be an eligible recipient, the arrangement is not a third party contract (*e.g.*, state awards funds to a public agency that in turns gives the funds to an otherwise eligible recipient). It is important for the reviewer to ascertain the relationship between the grantee and lower tier contractors and establish whether the arrangement is a legitimate “pass-through” or a third party contract. Beginning in 2000, INDOT expressly permits nonprofit organizations to serve as a lower tier subrecipient provided that the nonprofit is specifically designated in the grant application and that an otherwise eligible recipient has adopted a resolution that designates the nonprofit agency as a recipient of funds.

1. What entity is a party to the financial assistance contract with INDOT?

2. What is the organizational status of the entity that is party to the financial assistance contract with INDOT?

- Indiana County
- Indiana City or Town
- Indiana Public Transportation Corporation
- Regional Transportation Authorities

3. Who is the operator of public transit services?

If a pass-through arrangement is in place, has the subrecipient met the Federal and state requirements for such relationships?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	The pass-through operator is an eligible recipient of Section 5311 funds as defined by FTA.
<input type="checkbox"/>	<input type="checkbox"/>	The pass-through recipient is a duly incorporated nonprofit corporation in the State of Indiana.
<input type="checkbox"/>	<input type="checkbox"/>	The pass-through recipient was specifically named as the operator of services in the project application.
<input type="checkbox"/>	<input type="checkbox"/>	The governing board of the INDOT eligible recipient has passed a resolution designating the nonprofit agency as the operator of public transit services.

Based on the information and assessment conducted above, has the operator passed the required tests to be considered a pass-through recipient and not be considered a third party contractor?

Yes No

Legal Authority

Subrecipients and/or operators must have the legal capacity to receive Federal and state grants. Subrecipients must be eligible under the specific requirements of the FTA programs. The authority to take necessary actions and responsibility on behalf of the subrecipients must be properly delegated and executed. This means that:

- Subrecipients must have designated a body legally responsible for the overall organization, management, and operation of the transportation system.
- The officials acting on behalf of subrecipients must have the appropriate authority. This is usually documented in an authorizing resolution passed by the governing body.

4. What is the name of the designated body legally responsible for the overall organization, management, and operation of the transit system?

5. What is the name or title of the person or persons with the authority to act on behalf of the transit system?

6. What is the source of that authority? Does the system have an authorizing resolution that has been adopted by the Governing Board?

Certifications and Assurances

To receive a grant under any FTA-administered programs, INDOT must annually assure FTA that the State and subrecipients meet certain requirements. INDOT should maintain adequate files documenting the basis for all assurances which it makes to FTA. Each fiscal year, FTA publishes the required certifications and assurances in the *Federal Register* and updates the certifications and assurances in the TEAM system. This notice indicates which certifications and assurances apply to all grantees or to certain kinds of awards, and which are required for grants under specific sections.

INDOT, as the FTA recipient, must electronically submit the appropriate certifications and assurances each fiscal year for all active grants and new grants that it expects FTA to make during that fiscal year. Subrecipients should use the most recent version of the current year notice for a list of required certifications and assurances FTA has issued. Recipients can find the current list in TEAM.

7. Has the transit system submitted the properly completed Annual Certifications and Assurances? Is the document up-to-date?

Yes No

8. Were they signed by an authorized official with the proper authority?

Yes No

9. Was the submission verified by an Opinion of Counsel?

Yes No

Governance

There is no specific FTA requirement on governing boards; however, some FTA requirements include approval actions by the governing board. These policies, plans or programs include DBE, Title VI, and Drug and Alcohol regulations.

10. What is the governing body of the organization that is duly authorized to operate the public transit project?

11. How often does this body meet?

12. Is there documented evidence that this body deliberates on key management issues facing the transit system?

Control Environment

An agency's overall control environment sets the tone of the organization and influences the control consciousness of its employees. To successfully address risks and achieve its objectives, agency management must institute various control activities, such as segregation of duties, physical controls, and a system of approvals.

13. Does management promulgate internal controls and enforce those controls throughout the agency (e.g., checks and balances, authorizations and approvals, segregation of duties), and positively convey the agency mission statement, goals, and objectives to its employees?

Yes No

If "Yes," describe how this control is maintained.

14. Are agency employees skilled and trained to perform the duties associated with their particular job functions (e.g., daily management of staff, accounting functions, delivery of services)?

Yes No

If "Yes," describe how the agency ensures that individuals with the proper training and credentials are assigned job duties.

15. How does management remain abreast of the requirements of laws and regulations pertinent to the transit grant programs?

16. Is there a formal (written) conflict of interest policy or code of conduct in effect?

Yes No

If "Yes," describe the key elements of this policy.

Who is covered by this policy?

Yes	No	Covered Individuals
<input type="checkbox"/>	<input type="checkbox"/>	Employees
<input type="checkbox"/>	<input type="checkbox"/>	Officers of the organization
<input type="checkbox"/>	<input type="checkbox"/>	Board members
<input type="checkbox"/>	<input type="checkbox"/>	Immediate family members of (a), (b), (c) above
<input type="checkbox"/>	<input type="checkbox"/>	Agents/contractors of the organization
<input type="checkbox"/>	<input type="checkbox"/>	Prospective employees

17. How does the agency management convey the message that integrity cannot be compromised? How is this communicated to employees?

18. Are employees who handle cash, securities, and other valuable assets bonded or otherwise covered under an insurance policy?

Transportation Improvement Program (TIP)

Metropolitan Planning Organizations (MPOs) are responsible for transportation planning and programs in metropolitan areas. When INDOT funds a state administered project within an MPO's current planning/study area boundary, which may include areas that are currently nonurbanized but are expected to become urbanized within 20 years, then INDOT must work with the MPO to ensure that the MPO includes the project in the Metropolitan Transportation Plan and selects the Section 5311 project for inclusion in the MPO's Transportation Improvement Program (TIP). While INDOT is ultimately responsible for distribution of nonurbanized formula funds within the State, MPOs - in cooperation with the State - must select Section 5311, Section 5316, and Section 5317 projects within the metropolitan area planning boundaries of a Transportation Management Area (all urbanized areas over 200,000 and all other urbanized areas).

19. Is the subrecipient's service area included within the planning jurisdiction of a Metropolitan Planning Organization (MPO)?

Yes No

If "Yes," has the project been programmed in the MPO's TIP?

Yes No

If "No," has INDOT programmed the project in the STIP?

Yes No

Section 2. Selection and Eligibility/Eligible Services

Overview

States and subrecipients must be eligible under the specific requirements of the FTA programs and have the legal, financial, and technical capacity to carry out the proposed program of projects.

This section of the INDOT Compliance Field Guide addresses eligibility requirements by program.

1. What are the sources of Federal funds received by this subrecipient during the last three years (check all that apply)?

Section 5311
 Section 5317

Section 5311(f)
 Section 5309

Section 5316

Section 5311

States and subrecipients must be eligible under the specific requirements of the FTA programs and have the legal, financial, and technical capacity to carry out the proposed program of projects.

Eligible projects may constitute an entire public transit system, a particular service or function within that service, or an individual route or route segment. Service may include transportation to and from urbanized areas. However, such services should not include both pick-up and discharge operations within the urbanized area, particularly if the urbanized area is served by public transit. If Section 5311 funds are used in a joint urbanized and nonurbanized project, Section 5311 funds must be used primarily to assist the nonurbanized portion of the project.

2. What is the organizational status of the subrecipient (*check one only*):

- Governmental agency
 Indian tribal organization
 Nonprofit agency operator under a “pass-through” arrangement
 Private, for profit provider of transportation under contract to an FTA recipient or subrecipient

3. Has the subrecipient demonstrated the **technical capacity** to administer a Section 5311 grant?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Adequate staffing levels to run the transit program.
<input type="checkbox"/>	<input type="checkbox"/>	Appropriately trained and educated personnel appropriate to job duties.
<input type="checkbox"/>	<input type="checkbox"/>	Level and quality of program documentation and internal procedures adopted by the subrecipient and/or operator.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to complete reports and data submissions required by INDOT.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to submit applications and report on-time.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to maintain project equipment in good working condition.
<input type="checkbox"/>	<input type="checkbox"/>	Demonstrated ability to meet Federal and state compliance requirements.

Note to Reviewer: Evaluation of this ability should be done at the conclusion of the review based on the sum of all evidence, documentation, and observation following the site review. If the subrecipient is deficient, then specific remedy for the deficiency must be cited.

Based on the information and assessment conducted above, does the subrecipient/operator possess the requisite technical capacity to administer a Section 5311 grant?

Yes No

4. Document the scope of services provided under the Agreement to ensure that services comply with eligible public transit services. At a minimum, the subrecipient/operator must demonstrate that it meets the following requirements:

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	A fare structure is in place.
<input type="checkbox"/>	<input type="checkbox"/>	The service is advertised as being available to the general public.
<input type="checkbox"/>	<input type="checkbox"/>	No restrictions or eligibility criteria are imposed on those individuals who seek to access the service.

5. Does the subrecipient provide other types of non-public transit services using project equipment?

Yes No

If "Yes," are these services incidental to the provision of transit services?

Yes No

If "No," does the system have a cost allocation method in place to ensure that such services are paid for in full (and not billed to the Section 5311 program)?

Yes No

6. Does the subrecipient provide service to/from or in an urbanized area?

Yes No

If "Yes," has the subrecipient/operator developed a cost allocation methodology to ensure that Section 5311 funds are used to only benefit residents of nonurbanized areas?

Yes No

7. Has it been necessary to deny public transit trips due to contract and subscription service utilizing all available capacity?

Yes No

If "Yes," how often does this occur?

What percentage of system ridership has been general public (non-sponsored) versus contract (sponsored) ridership?

In the reviewer's opinion, is the frequency of these incidences sufficient to warrant concern about the service being available to the public?

Yes No

8. Are there any restrictions on eligibility or prioritized trip purposes when scheduling trips?

Yes No

If "Yes," are these restrictions placed universally or do they apply to only a subset of the transit system's ridership?

Are trip purpose restrictions contrary to the "open to the public" requirements?

Yes No

9. What is the transit system's fare structure?

Is the fare structure prohibitive in terms of attracting general public ridership?

Yes No

10. What efforts are made to promote the service to the general public?

Are these efforts sufficient and/or commensurate with promotional strategies used by other nonurbanized area public transit systems?

Yes No

11. Are all transit system vehicles used in public transportation service labeled in a manner consistent with public transit use?

Yes No

Section 5311(f)

Title 49 U.S.C. 5311(f) requires each state to spend 15 percent of its annual Section 5311 apportionment "to carry out a program to develop and support intercity bus transportation," unless the Governor certifies that "the intercity bus service needs of the state are being met adequately." Title 49 U.S.C. 5311(f) requires INDOT to consult with intercity bus providers before the Governor's certification. The required percentage applies only to the amount of the Federal Transit Administration's (FTA's) annual apportionment of Section 5311 funds to the state. The required percentage does not apply to any funds the state subsequently transfers to its nonurbanized area formula program from another program.

Objectives under the Section 5311(f) program are to support:

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

FTA encourages states to use the funding under 49 U.S.C. 5311(f) to support these national objectives, as well as priorities determined by INDOT.

FTA defines intercity bus service as regularly scheduled bus service for the general public that:

- Operates with limited stops over fixed routes;
- Connects two or more urban areas not in close proximity;
- Has the capacity for transporting baggage carried by passengers; and
- Makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.

Intercity bus projects may include package express service, if it is incidental to passenger transportation. The definition of intercity bus does not include commuter service (service designed primarily to provide daily work trips within the local commuting area). Intercity service is not limited by the size of the vehicle used or by the identity of the carrier. Intercity bus does not include air, water, and rail service. While much of the public transportation service assisted under Section 5311 covers large distances because of the nature of the areas served, not all long distance trips are included in the definition of intercity service. For example, service, which provides extensive circulation within a region (in contrast to regular but infrequent service from limited points in the community of origin to limited points in the destination community), is not considered intercity service, although it may be an eligible public transportation service. Similarly, service that only incidentally stops at an intercity bus facility among other destinations within the city at either end of a route that covers a long distance, without regard to scheduled connections, is eligible for Section 5311 assistance as public transportation, but is not an intercity feeder service. Likewise, commuter service is excluded because it is considered a local public transportation service, eligible for assistance under the Section 5311 program.

12. Does the subrecipient provide intercity bus services funded under Section 5311(f)?

Yes No

If “No,” move to the next section; if “Yes,” go to Question 13.

13. Does the subrecipient’s intercity bus service meet the definition of intercity services as defined by FTA?

Yes No

14. Does the subrecipient’s intercity bus service provide meaningful connections to the national network of intercity bus services, wherever feasible?

Yes No

15. Does the subrecipient operate “feeder” services under the Section 5311(f) program?

Yes No

If “Yes,” does the service provide intercity connections to the one or more of the following modes (check all that apply):

- Intercity bus services
- Rail/Amtrak
- Commercial air services

16. Does the subrecipient have any interlining ticketing arrangements with another intercity carrier that will transport individuals across state lines?

- Yes No

If “Yes,” does the subrecipient comply with all applicable Federal Motor Carrier Safety Administration requirements?

- Yes No

17. Are Section 5311(f) funds being spent on eligible purposes?

- Yes No

Section 5316

The JARC program supports public transportation projects that develop and maintain transportation services for welfare recipients and eligible low-income people to and from jobs and activities related to their employment. Public transportation projects that transport residents of urbanized areas and other than urbanized areas to suburban employment opportunities (reverse commute) are also eligible for JARC funding.

18. Is the subrecipient an eligible organization to receive Section 5316 funds?

- Yes No

19. Was the subrecipient's project selected through a competitive, statewide application process?

- Yes No

20. Has the subrecipient demonstrated the technical capacity to administer a Section 5316 grant?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Adequate staffing levels to run the transit program.
<input type="checkbox"/>	<input type="checkbox"/>	Appropriately trained and educated personnel appropriate to job duties.
<input type="checkbox"/>	<input type="checkbox"/>	Level and quality of program documentation and internal procedures adopted by the subrecipient and/or operator.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to complete reports and data submissions required by INDOT.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to submit applications and report on-time.
<input type="checkbox"/>	<input type="checkbox"/>	Ability to maintain project equipment in good working condition.
<input type="checkbox"/>	<input type="checkbox"/>	Demonstrated ability to meet Federal and state compliance requirements.

Note to Reviewer: Evaluation of this ability should be done at the conclusion of the review based on the sum of all evidence, documentation, and observation following the site review. If the subrecipient is deficient, then specific remedy for the deficiency must be cited.

21. Has the subrecipient expended Section 5316 funds for eligible purposes?

Yes No

22. Is the service funded with Section 5316 consistent with a locally developed coordination plan?

Yes No

23. Has the subrecipient made acceptable arrangements for labor protection? (*Note: the Section 5333(b) Special Warranty for the Section 5311 Program does not apply to JARC grants.*)

Yes No

Section 5317

The New Freedom Program provides new public transportation services and public transportation alternatives beyond those required by the ADA to assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

24. Is the subrecipient an eligible organization to receive Section 5317 funds?

Yes No

25. Was the subrecipient's project selected through a competitive, statewide application process?

Yes No

26. Has the subrecipient demonstrated the technical capacity to administer a Section 5317 grant?

Yes No

27. Has the subrecipient expended Section 5317 funds for eligible purposes?

Yes No

28. Do the New Freedom funded services meet the definition of "new"?

Yes No

29. Have subrecipients exhibited maintenance of effort in services as a condition of eligibility for Section 5317 funds? Subrecipients may not terminate ADA paratransit enhancements or other services funded as of August 10, 2005, in an effort to reintroduce the services as "new" and then receive New Freedom funds for those services. Has this subrecipient demonstrated maintenance of effort?

30. Is the service funded with Section 5317 consistent with a locally developed coordination plan?

Section 3. Financial Management

Overview

As a primary recipient of FTA funds and as the State agency designated to administer such funds for public transit activities, INDOT will manage the fiscal elements of these programs in accordance with its existing procedures, FTA guidelines, and other applicable state and Federal regulations.

All subrecipients are required to establish and maintain an accounting system to 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 the public transit program must be clearly identified regardless of the operational nature of the agency.

Accounting Practices

Receipt of a Section 5311 grant obligates the grantee to use funds it receives as specified in the project application and grant agreement. Execution of the grant agreement establishes a partnership between INDOT and the grantee wherein INDOT assumes an oversight role in the use of grant funds and retains a vested interest in the unused grant balances, improperly applied funds, and property and facilities purchased or otherwise acquired under the grant. Grantees and third party contractors are responsible for establishing and maintaining adequate internal control over all their functions that relate to project administration and execution. These control systems must adhere to: Indiana Code 5-11-1-2, applicable Federal requirements outlined in the Common Rule (49 CFR part 18 and 49 CFR part 19), OMB Circular A-87, and program specific guidance contained in FTA Circular 9040.1F, and other requirements as may be established by INDOT.

Both 2 CFR part 225 (formerly OMB Circular A-87), Cost Principles for State, Local, and Indian Tribal Governments, and 2 CFR part 230 (formerly OMB Circular A-122), Cost Principles for Nonprofit Organizations, indicate that reports reflecting the distribution of activity of each employee must be maintained of all staff members whose compensation is charged, in whole or in part, directly to (a grant) award. Additionally, the report must reflect an after-the-fact determination of actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to (grant) awards. The use of percentage time allocations of staff in their charges of time is not permissible under the cost principles of either local government or nonprofit organizations. Time charged to the Section 5311 program must:

- Reflect after-the-fact determination of actual activity;
- Account for the total activity of the employee;
- Be signed by the individual employee; and
- Be prepared at least monthly and coincide with one or more pay periods.

Financial records, supporting documentation, and all other records pertinent to a grant must be retained by the subrecipient and must be made readily available to authorized representatives of the

U.S.DOT and the Comptroller General of the United States for a period of three (3) years from the date the State electronically submits the final Financial Status Report (SF-269A) under the grant.

If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained beyond three (3) years, until all litigation, claims, or audit findings involving the records have been resolved.

1. **Accounting System.** Is the subrecipient's chart of accounts sufficiently detailed to accumulate project revenues and expenses in detail?

Yes No

2. **Accounting System.** Is the chart of accounts sufficiently detailed to distinguish between project capital and operating expenses?

Yes No

3. **Accounting System.** Is the subrecipient's accounting system capable of generating reports to ensure the timely collection of revenues and grant receipts?

Yes No

4. **Accounting System.** Are the personnel responsible for recording financial transactions, generating reports, and ensuring the accuracy of financial data suitably trained to perform these functions?

Yes No

5. **Records Retention.** Does the subrecipient adhere to FTA requirements that all financial records pertaining to an INDOT grant be retained for three (3) years following the final payment and/or audit (whichever comes later)?

Yes No

6. **Written Procedures.** Does the subrecipient have written financial management procedures?

Yes No

7. **Reasonableness of Costs.** 2 CFR part 225 (formerly OMB Circular A-87) and 2 CFR Part 230 (formerly OMB Circular A-122) require that all costs incurred under a grant must be “reasonable and necessary.” Does the subrecipient have a process in place to determine reasonable and necessary costs prior to making the expenditure?

Yes No

If “Yes,” what are these procedures?

8. **Cost Allowability.** How does the subrecipient ensure that costs claimed under the Section 5311 program are not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period?

9. **Financial Capacity.** Financial capacity is measured by a subrecipient's ability to handle a number of functions, including the following management elements (check if the subrecipient demonstrates sufficient managerial ability to):

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Match and manage FTA grant funds.
<input type="checkbox"/>	<input type="checkbox"/>	Cover cost overruns.
<input type="checkbox"/>	<input type="checkbox"/>	Cover operating deficits through long-term, stable, revenue sources.
<input type="checkbox"/>	<input type="checkbox"/>	Maintain and operate Federally funded equipment.
<input type="checkbox"/>	<input type="checkbox"/>	Conduct annual A-133 audits.

Indirect Cost

Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term "indirect costs," applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities.

There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect

to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan is required.

Amounts not recoverable as indirect costs or administrative costs under one Federal award may not be shifted to another Federal award, unless specifically authorized by Federal legislation or regulation. Indirect cost rate proposals are prepared annually and submitted to the cognizant Federal agency, an agency designated by OMB as responsible for reviewing, negotiating, and approving indirect cost rate. In the absence of a designated cognizant agency, the Federal funding source providing the most significant amount of funding will typically serve as the cognizant agency. In cases where funds first flow to a primary recipient to a subrecipient, the primary recipient may review, negotiate, and approve indirect cost rate proposals.

10. Does the subrecipient seek reimbursement of indirect costs in its claims under its various Federal grant awards?

Yes No

If "Yes" to Question 10, has the subrecipient submitted the plan for approval to a cognizant Federal agency?

Yes No

If "Yes," which agency approved the Cost Allocation Plan (CAP)?

11. Is the Cost Allocation Plan (CAP) updated annually?

Yes No

What is the date on the latest approved CAP?

12. Are claims for reimbursement of indirect costs made in accordance with the latest approved indirect cost rate?

Yes No

Internal Controls

Subrecipients are responsible for establishing and maintaining adequate internal controls over all of their functions that affect implementation of a grant. For proper management of grants, these controls must be used by each grantee in all of its operating, accounting, financial, and administrative systems. To ensure proper accountability for grant funds, internal controls must be integrated with the management systems used by the grantee to regulate and guide its operations.

13. Subrecipients must demonstrate that it has certain policies, procedures, and protocols in place to demonstrate that it has sufficient internal controls over financial management. Does the subrecipient address the following internal controls?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have written grants administration policies that govern organizational control of its activities?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient's formal organizational structure clearly define, assign, and delegate appropriate authority for all duties?
<input type="checkbox"/>	<input type="checkbox"/>	Given the size of the organization, is there sufficient segregation of duties in financial management functions to ensure that adequate internal checks and balances exist?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have a system of organizational planning to determine financial, property, and personnel resource needs?
<input type="checkbox"/>	<input type="checkbox"/>	Are there sufficient checks and balances in place to prevent illegal or unauthorized transactions or acts?
<input type="checkbox"/>	<input type="checkbox"/>	Do the subrecipient's information systems reliably provide needed operating and financial data for decision-making and performance review?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have any type of internal audit functions to ensure that grant funds are expended properly?
<input type="checkbox"/>	<input type="checkbox"/>	Are the subrecipient's personnel properly qualified for their assigned responsibilities, duties, and functions? Are education, training, experience, competence, and integrity considered in assigning work?
<input type="checkbox"/>	<input type="checkbox"/>	Are the subrecipient's expenditures controlled so that construction, equipment, goods, and services are acquired and received as contracted for (as to quality, quantity, price, and time of delivery)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient exercise sufficient control over real property, equipment, expendables, and funds to prevent misuse, misappropriation, waste, or unwarranted deterioration or destruction?

14. How is the security of financial data maintained? Who has access to records? How often is the financial system backed-up?

Budget

Subrecipients are responsible for monitoring expenditures or outlays and must compare these outlays to budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If the unit cost data are required, estimates based on available documentation will be accepted whenever possible.

Applicable Office of Management and Budget (OMB) cost principles, as stated in 2 CFR parts 225 and 230, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the allowability and allocability of costs.

Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contracts, and subgrant award documents.

15. How is the budget developed? Who is responsible for developing the budget?

16. Who is responsible for approving the budget?

17. Who is responsible for ensuring that costs are consistent with the project budget and the limitations set forth in the grant agreement?

18. Who is responsible for determining cost allowability? Are budget officials knowledgeable about Federal cost principles governing cost allowability?

19. How is the budget managed throughout the fiscal year? Does the accounting system generate periodic reports regarding revenues, expenses, budget variances, etc.? Who receives these reports? How are the reports used by transit management?

20. What are the subrecipient's policies on seeking contract amendments?

21. Has the subrecipient made any budget revisions during the last three fiscal years?

Yes No

If "Yes," did the revision meet INDOT requirements for subrecipient authorized revisions?

Yes	No	Personal Activity Report or Equivalent Document Must Demonstrate:
<input type="checkbox"/>	<input type="checkbox"/>	The transfer between line items was less than 10 percent of the total project cost.
<input type="checkbox"/>	<input type="checkbox"/>	The transferred funds were used for public transit purposes as specified in the project application.
<input type="checkbox"/>	<input type="checkbox"/>	There was no transfer of funds between direct and indirect cost categories.
<input type="checkbox"/>	<input type="checkbox"/>	There was no transfer of funds between non-construction and construction line items.
<input type="checkbox"/>	<input type="checkbox"/>	The transfer did not affect the quantity of capital item purchases.

22. Has the subrecipient required a contract amendment during the last three fiscal years? A contract amendment will change the scope, the period of performance, or amount of the contract.

Yes No

If "Yes," was approval for the contract amendments obtained prior to making the change?

Yes No

23. What is the subrecipient's fiscal year?

Start date (current year) _____ End date (current year) _____

24. What is the subrecipient's basis of accounting?

- Cash Basis
- Modified Cash
- Accrual Basis
- Other (Describe) _____

25. **Accounts Receivable/Payable.** If the subrecipient provides service under contract to human service agencies, what is the frequency for issuing invoices to the contracting organizations? What is the typical aging cycle on such receivables?

26. **Accounts Receivable/Payable.** What procedures does the subrecipient have in place to track and collect on aged receivables?

27. **Credit Cards.** Does the subrecipient provide credit cards to its employees?

- Yes No

If "Yes," are their written policies in place governing the use of such cards?

- Yes No

Do these policies provide sufficient protection against fraud and abuse? Is there sufficient separation of function to detect fraud and misuse of agency credit cards?

- Yes No

Documentation of Costs

Normally, supporting documentation consists of receipts, invoices, vouchers, contracts, leases, etc. There are special requirements for the documentation of personnel expenses, particularly those employees whose time is split between (a) more than one Federal award; (b) a Federal award and a non-Federal award; (c) an indirect cost activity and a direct cost activity; (d) two or more indirect activities which are allocated using different allocation bases; or (e) an unallowable activity and a direct or indirect cost activity.

28. Does the subrecipient maintain proper supporting documentation for routine purchases?

Yes No

29. How does the subrecipient support personnel charges made to Federal grants?

30. Do any FTA-funded positions that charge time to the INDOT grant meet any of the conditions noted in the introduction to this section?

Yes No

If “Yes,” do the affected employees maintain personal activity reports consistent with OMB requirements below?

Yes No Personal Activity Report or Equivalent Document Must:

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Reflect an after-the-fact distribution of the actual activity of each employee. |
| <input type="checkbox"/> | <input type="checkbox"/> | Account for the total activity for which each employee is compensated. |
| <input type="checkbox"/> | <input type="checkbox"/> | Prepared at least monthly and must coincide with one or more pay periods. |
| <input type="checkbox"/> | <input type="checkbox"/> | Must be signed by the employee. |

31. Did the subrecipient use any FTA funds to finance the lease of any transit equipment or facilities?

Yes No

If “Yes,” did the subrecipient conduct a comparison of the cost of leasing the asset compared with the cost of purchasing or constructing the asset?

Yes No

If “Yes,” were the costs used in the comparison reasonable, based on realistic current market conditions, and based on the expected useful service life of the asset?

Yes No

Cash Management

Cash management requirements for subrecipients are different than for direct recipient that must abide by a series of rules regarding disbursement of funds drawn electronically via FTA’s Electronic Clearinghouse Operation (ECHO). As a subrecipient, the agency must periodically reconcile grant

accounts, reconcile bank records with financial system records, ensure the timely deposit of cash receipts to prevent fraud or loss, and ensure sufficient separation of function to provide adequate checks and balances in the cash handling process.

32. Describe the process in which the transit system receives cash and checks from INDOT and or other entities that purchase service.

33. How often are receipts deposited to the bank?

34. Does a person other than the individual who conducts the accounting function verify the cash receipts listing against the deposit slips?

Yes No

35. Document the following elements associated with fare collection:

Are there written procedures governing fare collection?

Yes No

How often are revenues pulled from system vehicles/fareboxes?

Where are farebox revenue counts conducted?

Is this location secure? Who has access?

How are the counts posted to the agency's general ledger?

Are farebox counts reconciled against driver logs?

Yes No

36. What steps has the organization taken to protect itself from theft, fraud, or loss? Are employees who handle cash bonded? Is there insurance to cover loss or theft?

37. Does the subrecipient sell passes, pass books, or paper tickets? What controls are in-place to prevent misuse or abuse of the passes?

38. Is there a petty cash fund?

Yes No

If yes, are there written policies and procedures in place for petty cash expenditures which include how it may be used and who is eligible to withdraw funds?

Yes No

39. Who is responsible for check writing?

Are two original signatures required on all checks?

Yes No Other

If "Other," please explain:

40. Are check signers authorized by the governing board?

Yes No

41. Are bank accounts reconciled on a regular basis?

Yes No

42. Does the subrecipient have written policies regarding the payment of travel expenses incurred by employees who travel away from their duty station on agency business?

Yes No

Financial Reporting

INDOT has adopted a standard chart of accounts that must be used in budgeting and reporting Section 5311 expenses. This chart of accounts is based on the Federal Transit Administration (FTA) required chart of accounts, which is used by FTA grantees in urbanized areas throughout the United States. Subrecipients that contract service through competitive procurement are required to maintain and report their own administrative expenses plus amounts paid to the contract operator. Contract operators may continue to use their own accounting system, so long as that system reports financial information in accordance with INDOT's standardized account code structure.

43. Does the subrecipient submit its Quarterly Operating Financial Status Reports on time?

Yes No

44. Does the subrecipient submit its Quarterly Operating Data Reports on time?

Yes No

45. Does the subrecipient utilize monthly financial reports and/or variance reports to monitor budget adherence?

Yes No

Local Match/LDI

The Federal share of eligible capital and project administrative expenses may not exceed 80 percent of the net cost of the project. There are three exceptions to the 80 percent match for capital projects: (1) bicycle projects; (2) ADA projects; and (3) Clean Air Act projects. It is only the incremental cost of the equipment required by the ADA or CAA that may be funded at 90 percent, not the entire cost of the vehicle, even if the vehicle is purchased for use in service required by the ADA or CAA. Alternatively, for administrative simplicity, FTA allows grantees to compute the Federal share at 83 percent for accessible vehicles. The Federal share of eligible operating expenses may not exceed 50 percent of the net operating cost of the project. Under Subsection 5311(g)(3)(A), funds received pursuant to a service agreement with a State or local social service agency or a private social service organization may be used as local match. Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for Section 5311 operating assistance. In either case, the cost of providing the contract service is included in the total project cost.

Under Subsection 5311(g)(3), the local match for the remainder of net project costs: (a) may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a State or local social service agency or a private social service organization, or new capital; (b) may be derived from amounts appropriated or otherwise made available to a department or agency of the Government (other than the U.S. Department of Transportation) that are eligible to be expended for transportation; or (c) notwithstanding item (b) above, may be derived from amounts made available to carry out the Federal Lands Highway Program established by Section 204 of Title 23.

Examples of non-Federal sources that may be used for any or all of the local share include: State or local appropriations; dedicated tax revenues; private donations; and net income generated from advertising and concessions. Recipients may count non-cash shares such as donations, volunteered services, or in-kind contributions toward the local match only if the recipient formally documents the value of each non-cash share, and if this value represents a cost that would otherwise be eligible under the project. The net project cost must include the value of any in-kind contributions included in net project cost to the extent it is used as local match. States should reference Federal Administrative Rules for Grants and Cooperative Agreements, 49 CFR parts 18 and 19 for more information. Recipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the recipient for the purposes of the project. The only DOT funds that States can use as local match for Section 5311 projects are from the Federal Lands Highway Program cited in 49 U.S.C. 5311(g)(3).

46. What are the sources of funds being used to generate the local match? Are these sources non-Federal as defined above? Do these sources meet FTA requirements for local match as defined below?

Yes No Check all that apply:

Statutorily Defined Sources:

- Undistributed agency cash surplus
- Replacement or depreciation cash fund or reserve
- State or local appropriations
- Dedicated tax revenue
- Private donations
- Net income derived from advertising and/or concessions

Other Federal funds that are unrestricted in their use as match:

- Funds received pursuant to a service agreement with a State or local social service agency or a private social service organization
- Federal Lands Highway Program
- Other¹

In-Kind or Contributed Services:

- In-Kind²
- Volunteer²

¹ Verify there are no restrictions on use as match.

² See next section to verify allowability as in-kind or volunteer service.

47. Are the funds cited above verified as not being included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation?

Yes No

48. Is the subrecipient generating sufficient local match to meet the applicable statutory percentage for all FTA grants?

Yes No

49. Is the subrecipient correctly calculating LDI for PMTF reimbursements?

Yes No

50. In calculating LDI, does the subrecipient exclude contra-expenses and volunteer labor in the computation?

Yes No

If “Yes,” does LDI exceed the amount of PTMF requested?

Yes No

In-Kind or Contributed Services

Non-cash shares such as donations, volunteered services, or in-kind contributions are eligible to be counted toward the local match only if the value of each is formally documented and supported. Additionally, any donation or volunteer service must represent a cost which would otherwise be eligible under the project.

OMB guidance in 2 CFR part 225 states that contributions and donations, including cash, property, and services, by governmental units to others, regardless of the recipient, are unallowable. Donations, volunteered services, and other in-kind contributions provided by other non-governmental organizations may be eligible with approval of INDOT.

OMB guidance in 2 CFR part 230 allows for donated or volunteer services to be furnished to an organization by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of the donations may be used to meet the local match requirements under the conditions described in paragraph 23 of OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.” These conditions require that the donations are: (a) verifiable from the recipient’s records; (b) not included as contributions for any other Federally-assisted project or program; (c) necessary and reasonable for proper and efficient accomplishment of project or program objectives; (d) allowable under the applicable cost principles; (e) not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching; and (f) provided for in the approved budget when required by the Federal awarding agency; and (g) conform to other provisions of OMB Circular A-110, as applicable.

Fair market value of contributed or volunteer labor must be computed based on the regular rates paid for similar work in other activities of the organization or, in cases where the kinds of skills involved are not found in other activities of the organization, the rates used must be consistent with those paid for similar work in the labor market in which the organization competes for such skills.

Under any circumstance, the value of these services is not reimbursable either as a direct or indirect cost under Federal grant awards; rather this value may only be used as local match.

INDOT does not permit the value of in-kind or contributed services to be counted in the computation of state PMTF share, calculated as total expenses minus the Federal share minus contra-expenses minus in-kind labor, divided by 2.

51. Does the subrecipient utilize contributions or donations to meet part of the match share of FTA grants?

Yes No

52. How did the subrecipient assign fair market value to the donated or contributed service?

53. Are the services or items donated necessary and reasonable for proper and efficient accomplishment of project or program objectives?

Yes No

54. If the subrecipient is a public entity, did the donation or contributed service come from the public entity itself?

Yes No

55. Did the subrecipient use the value of the donation only as local match (*e.g.*, the subrecipient does not seek reimbursement from grant funds for the donation)?

Yes No

Program Income

Program Income is gross income received by a subrecipient that is directly generated by a grant supported activity, or earned only as a result of the Grant Agreement during the grant period (the time between the effective date of the grant and the ending date of the grant reflected in the final financial report).

Program income includes income: (a) from fees for services performed; (b) from the use or rental of real or personal property acquired with grant funds; (c) from the sale of commodities or items fabricated under a Grant Agreement; and (d) from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc., and interest earned on any of them.

FTA and INDOT allow its grantees and subrecipients to keep program income and use it for capital and operating expenses. Program income may not be used to reduce the local share of the grant from which it was earned, but may be used in future grants. If grantees choose not to use program income for public transportation purposes, then it must be deducted from total allowable costs to determine the net allowable costs.

56. Does the subrecipient generate program income?

Yes No

If "Yes," has the subrecipient retained the revenues for use in the transit program?

Yes No

If "Yes," has the subrecipient used the program income for the local share in the year other than the year in which the income was earned?

Yes No

57. If the subrecipient earns program income but does not use it for local match, has the subrecipient used the income to reduce total project expenses prior to applying for reimbursement from INDOT?

Yes No

A-133 Audit

Subrecipients expending \$500,000 or more in Federal financial assistance from all sources in the subrecipient's fiscal year must prepare a single audit pursuant to OMB Circular A-133.

The legally authorized auditing body for all primary recipients is the State Board of Accounts. Primary recipients that contract with nonprofit organizations via "pass-through" arrangements to operate the transit service must require that these organizations provide INDOT with their own A-133 audit, if applicable. The grantee is responsible for reviewing all subcontractors' audit reports and appropriately resolving any findings. The subcontractors' audits must be available for review by INDOT, upon request.

Grantees and subgrantees are responsible for prompt resolution of all audit findings and recommendations. This responsibility requires that the grantee:

- Promptly evaluate the report;
- Determine the appropriate follow-up actions and establish a date for their completion; and
- Complete all required actions within the established period of time.

Deficiencies or opportunities for improvement identified in an audit must be resolved by the subrecipient. The audit is not resolved until INDOT concurs in the documentation of steps taken to implement any needed corrective actions. The status of outstanding audit findings and recommendations should be monitored and reported by the grantee in quarterly progress reports and, where appropriate, significant events reported.

58. Did the subrecipient receive more than \$500,000 in Federal funds annually (from all sources) during any one of the last three fiscal years?

Yes No

If "Yes," did the subrecipient prepare an A-133 audit?

Yes No

59. Does the subrecipient submit a copy of the audit report to INDOT as required?

Yes No

60. Does the audit contain any findings relative to the subrecipient's use of FTA funds?

Yes No

If "Yes," has the subrecipient resolved the findings to the satisfaction of INDOT?

Yes No

If "Yes," did INDOT close the audit finding?

Yes No

61. **Subrecipients Not Required to Prepare an A-133 Audit.** Did the subrecipient submit independently prepared financial statements?

Yes No

Section 4. Procurement

Overview

When procuring property, supplies, equipment, or services under an FTA grant, the State will follow the same policies and procedures it uses for procurements from its non-Federal funds, to the extent permitted by Federal statutes and regulations. While the Federal threshold for small purchases is currently \$100,000, the State may set a lower threshold for itself and its subrecipients. All governmental subrecipients follow State procurement procedures. However, because of differences between 49 CFR part 18 and 49 CFR part 19 (the Common Rule), FTA third party contracting requirements are fewer for States and subrecipients that are local or tribal governments than for subrecipients that are private non-profit organizations. For the sake of consistency, the State may choose to use the more detailed FTA requirements included in the current version of FTA circular 4220 for all subrecipients as part of its State procurement procedures.

Each recipient of FTA seeking Federal assistance to acquire property or services in support of its proposed project shall certify to FTA, in accordance with 49 CFR 18.36 that its procurements and procurement system will comply with all applicable third party procurement provisions of Federal laws, regulations, and directives, except to the extent FTA has expressly approved otherwise in writing. Any applicant that fails to provide this certification may be determined ineligible for award of Federal assistance if FTA determines that its procurement practices and procurement system are incapable of compliance with Federal laws, regulations, and directives governing procurements financed with FTA assistance.

State procurement practices must, at a minimum, comply with five specific Federal requirements contained in the most current FTA Circular 4220. 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.

Subrecipients that are governmental authorities such as local or Indian tribal governments must comply with the same Federal requirements governing State procurements. States are responsible for ensuring that subrecipients are aware of and comply with Federal requirements.

Subrecipients that are private non-profit organizations must comply with FTA procurement requirements contained in the most current FTA Circular 4220. States are responsible for ensuring that private non-profit subrecipients are aware of and comply with these additional requirements.

Subrecipients that are private for-profit organizations must comply with FTA procurement requirements contained in the most current FTA circular 4220 for procurements conducted with Federal funds. States are responsible for ensuring that private for-profit subrecipients are aware of and comply with these additional requirements.

Standards of Conduct

The Common Grant Rules require each recipient to maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

1. Does the subrecipient maintain written standards of conduct governing the performance of its employees that are engaged in the award and administration of contracts?

Yes No

2. Does the written policy cover employees, officers, agents, or board members, or their immediate family members, partners, or organizations that employ or are about to employ any of the foregoing individuals? Does the standard of conduct preclude such persons from participating in the selection, award, or administration of a contract supported with FTA financial assistance if there is a conflict of interest, real or apparent?

Yes No

3. Does the written policy deal with the acceptance of gifts?

Yes No

4. Does the written policy address penalties, sanctions, or other disciplinary action for violation of such standards by the recipient's officers, employees, agents, board members, or by contractors or subrecipients or their agents?

Yes No

Third Party Contracting Capacity

As part of the subrecipient's obligation to maintain adequate technical capacity to carry out its project and comply with the Common Grant Rules, the subrecipient's third party contracting capability must be adequate to undertake its procurements effectively and efficiently in compliance with applicable Federal, State, and local requirements. The Common Grant Rules require the recipient to maintain a contract administration system to ensure that it and its third party contractors comply with the terms, conditions, and specifications of their contracts or purchase orders and applicable Federal, state, and local requirements. If the subrecipient lacks qualified personnel within its organization to undertake the various procurement tasks, such as drafting specifications, evaluating contracts, or performing internal audits for the recipient, INDOT expects the recipient to acquire the necessary services from sources outside the recipient's organization. When using outside sources, the recipient should take appropriate steps to prevent or mitigate organizational conflicts of interest that would result in conflicting roles that might bias a contractor's judgment or would result in unfair competitive advantage.

5. Does the subrecipient have written procurement policies?

Yes No

6. Do these policies address the following elements:

Yes	No	Elements
<input type="checkbox"/>	<input type="checkbox"/>	Use of clear, performance based specifications that use non-restrictive terms and requirements and incorporate "brand name or equal" terms when specific references cannot be avoided?
<input type="checkbox"/>	<input type="checkbox"/>	Internal procedures that result in an assessment of the subrecipient's need for the property or services?
<input type="checkbox"/>	<input type="checkbox"/>	Evaluation of lease vs. purchase options?
<input type="checkbox"/>	<input type="checkbox"/>	The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement?
<input type="checkbox"/>	<input type="checkbox"/>	Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient?

7. If the subrecipient or operator is a public entity, does the transit system utilize its own procurement policies or follow local government procurement policies?

The transit system uses its own procurement policies.
 The transit system uses local government procurement policies.

If the transit operator is a nonprofit organization, have the procurement policies been approved by the governing board?

Yes No

If "Yes," have governing board approvals kept pace with changes made to the policy?

Yes No

8. Does the subrecipient incorporate required Federal terms and conditions in procurement specifications and contracts?

Yes No

9. Does the subrecipient maintain a written history of every procurement?

Yes No

Does this history include the following elements:

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Documentation for basis of the procurement method used.
<input type="checkbox"/>	<input type="checkbox"/>	Documentation for the contract type used.
<input type="checkbox"/>	<input type="checkbox"/>	Documentation of the basis for vendor selection.
<input type="checkbox"/>	<input type="checkbox"/>	Justification for the contract cost or price.
<input type="checkbox"/>	<input type="checkbox"/>	Other documents as necessary, commensurate with the size and complexity of the procurement itself, so that compliance with applicable standards can be documented.

10. Does the subrecipient's procurement policy permit access to records by the Comptroller General, or any of their representatives, access to and the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with Federal assistance authorized by 49 U.S.C. Chapter 53?

Yes No

11. Does the subrecipient have in place a methodology to ensure it acquires only quantities it needs for transit services?

Yes No

12. Has the subrecipient undertaken any procurements in the last three years where it split the quantities to take advantage of small purchase procedures?

Yes No

If "Yes," was the purpose of breaking the purchase into smaller quantities to permit DBEs greater opportunity to participate?

Yes No

13. What steps does the subrecipient use to ensure that awards are only made to "responsible" contractors?

Does the subrecipient consider the following elements in the determination that the contractor is responsible?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Contractor integrity
<input type="checkbox"/>	<input type="checkbox"/>	Compliance with public policy
<input type="checkbox"/>	<input type="checkbox"/>	Record of past performance
<input type="checkbox"/>	<input type="checkbox"/>	Financial and technical resources to conduct the required work or provide the good or service

14. Does the subrecipient apply U.S. DOT's debarment and suspension requirements to itself and each third party contractor at every tier if the estimated cost of the contract is \$25,000 or greater?

Yes No

If "Yes," does the subrecipient routinely check the Excluded Parties List System (EPLS) maintained by the GSA and available at the Web site it maintains: <http://www.epls.gov/> before awarding a third party contract?

Yes No

15. If the third party contract will exceed \$100,000, does the subrecipient obtain a lobbying certification, and if applicable, a lobbying disclosure from a prospective third party contractor?

Yes No

16. Does the recipient use sound business judgment in establishing and extending a contract's period of performance?

Yes No

If "Yes," does the subrecipient adhere to FTA limitations in the five year limitation in the period of performance on rolling stock and replacement part contracts?

Yes No

17. For all procurements estimated to be in excess of \$25,000, did the subrecipient obtain INDOT approval of all procurement documents prior to advertisement to prospective offerors?

Yes No

Purchase Methods

Most purchases under FTA state-administered programs will be micro purchases, or purchases under \$3,000. Micro-purchases are relatively simple in terms of required procedures and may be made without obtaining competitive quotes. These purchases are exempt from FTA's Buy America requirements. Davis-Bacon prevailing wage requirements, however, will apply to construction contracts exceeding \$2,000, even though the recipient uses micro-purchase procurement procedures. FTA does not intend to imply that the recipient must treat any purchase under \$3,000 as a micro-purchase. The transit operator's governing board may set lower thresholds for micro-purchases in compliance with State and local law, or otherwise as it considers appropriate.

FTA anticipates that subrecipients will distribute micro-purchases equitably among qualified suppliers. Subrecipients, however, are not permitted to divide or reduce the size of its procurement merely to come within the micro-purchase limit. FTA's only documentation requirement for micro-purchases is a determination that the price is fair and reasonable and a description of how the recipient made its determination. FTA does not require the recipient to provide its rationale for the procurement method used, selection of contract type, or reasons for contractor selection or rejection.

Above \$3,000, transit systems may use "small purchases." Small purchase procedures may be used to acquire services, supplies, or other property valued at more than the micro-purchase threshold but less than the Federal simplified acquisition threshold. Again, the governing board may set a lower threshold.

When using small purchase procedures, the transit operator must obtain price or rate quotations from an adequate number of qualified sources and like micro-purchases, may not divide or reduce the size of its procurement to avoid the additional procurement requirements applicable to larger acquisitions.

Presently, Indiana state law sets the small purchasing threshold at \$150,000, higher than the current Federal threshold of \$100,000. However, this limit only applies to public entity operators; nonprofit agencies must adhere to the conditions specified in FTA Circular 4220.1F.

Indiana Code 5-22-7 requires purchasing by IFB, or Sealed Bids, for purchases and leases over \$150,000 unless other methods are approved by law. The formal advertisement notice must be published in accordance with I.C. 5-3-1 Publication of Notices. Bids are publicly solicited and a firm-fixed price contract (lump sum or unit price) is awarded to the lowest responsible, responsive bidder. In addition to the published notice, INDOT strongly recommends direct solicitation to known vendors.

The subrecipient and/or operator is responsible for preparing the bid contract and specification, advertising and soliciting bids, receiving and reviewing bids, and awarding the contract to the lowest responsible and responsive bidder. Bids will be opened only at a time and place listed in the solicitation, and at least one (1) witness must be present.

A Request for Proposals (RFP) is the method generally used when conditions are not appropriate for the use of sealed bids and when it is allowed by State law (I.C. 5-22-9 – Attachment VI-4). One situation mentioned earlier is for the development of specifications. Also, a grantee may use the RFP method for the procurement of architectural, engineering, program management, construction management, planning and feasibility studies, and land surveying services. Services of architects, engineers, and land surveyors must be procured in accordance with I.C. 5-16-11.1 (Attachment VI-5).

If the RFP method is used, the following requirements apply:

- The request must identify all evaluation factors and their relative importance, including cost as a factor. Please note that cost may not be used as an evaluation factor for architectural and engineering services, in accordance with the Brooks' Amendment;
- Any bonding requirements or other evidence of financial responsibility;
- Solicitation of an adequate number of qualified vendors;
- Grantee must have a written method for conducting technical evaluation for the proposals; and
- Contract award will be made to the responsible vendor whose proposal is determined in writing to be the most advantageous to the program.

Micro Purchases

18. Do the subrecipient's written purchase policies recognize micro-purchases?

Yes No

If "Yes," what is the micro purchase threshold?

19. If the subrecipient undertakes micro purchases, does the agency:

Yes	No	Policy
<input type="checkbox"/>	<input type="checkbox"/>	Distribute micro-purchases equitably among qualified suppliers?
<input type="checkbox"/>	<input type="checkbox"/>	Break the purchase into smaller quantities or reduce the size of its procurement merely to come within the micro-purchase limit?
<input type="checkbox"/>	<input type="checkbox"/>	Maintain documentation on the procurement to FTA standards?
<input type="checkbox"/>	<input type="checkbox"/>	Make a determination that the price is fair and reasonable and a description of how the recipient made its determination?

20. What documentation does the subrecipient maintain for micro purchases?

Small Purchases

21. Do the subrecipient's written purchase policies recognize small purchases?

Yes No

If "Yes," what is the small purchase threshold?

22. If the subrecipient undertakes small purchases, does the agency:

- | Yes | No | Action |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Solicit quotes from a minimum of three suppliers? |
| <input type="checkbox"/> | <input type="checkbox"/> | Document the quotes in writing and attach the written quote to the purchase requisition/order? |
| <input type="checkbox"/> | <input type="checkbox"/> | Maintain documentation on the procurement? |
| <input type="checkbox"/> | <input type="checkbox"/> | Break the purchase into smaller quantities or reduce the size of its procurement merely to come within the small purchase limit? |
| <input type="checkbox"/> | <input type="checkbox"/> | Make awards to the low responsive and responsible vendor? |

Formal Purchase

23. Do the subrecipient’s written purchase policies recognize formal purchases that require competitive bids/proposals?

- Yes No

If “Yes,” do the policies set a threshold for use of formal procedures at levels less than that set by Indiana code and/or FTA Circular 4220.1F?

- Yes No

If “Yes,” what is the formal purchase threshold used by the organization?

24. Has the subrecipient undertaken any formal procurements during the last three years?

- Yes No

If “Yes,” what was the procurement used:

- Sealed bid (Invitation for Bid)
 Competitive Proposals (Request for Proposal)

25. If sealed bids were used, did the subrecipient's procurement meet the following prerequisites necessary for use of this procurement method?

- | Yes | No | Condition |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | A complete, adequate, precise, and realistic specification or purchase description is available. |
| <input type="checkbox"/> | <input type="checkbox"/> | Two or more responsible bidders are willing and able to compete effectively for the business. |
| <input type="checkbox"/> | <input type="checkbox"/> | The procurement was concluded with a firm, fixed price contract. |
| <input type="checkbox"/> | <input type="checkbox"/> | The successful bidder was selected on the basis of price and those price-related factors listed in the solicitation including, but not limited to, transportation costs, life cycle costs, and discounts expected to be taken. |
| <input type="checkbox"/> | <input type="checkbox"/> | No discussions with bidders were held after bids were received as award was based on price and price-related factors alone. |

26. If seal bids were solicited, did the subrecipient procurement documents include the following:

- | Yes | No | Procurement Specification |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | A clear and accurate description of the recipient's technical requirements for the property or services to be acquired in a manner that provides for full and open competition. |
| <input type="checkbox"/> | <input type="checkbox"/> | A functional specification rather than designation of specific brands. |
| <input type="checkbox"/> | <input type="checkbox"/> | Specific quantities predicated on the subrecipients needs. |
| <input type="checkbox"/> | <input type="checkbox"/> | If alternatives to use of brand names could not be avoided, did the subrecipient include "or equal" language in the specifications to ensure competition was not hindered? |

27. Examine the most recent bid documents (formal procurements undertaken during the last three years) to determine if the subrecipient engaged in any of the following prohibited actions:

- | Yes | No | Action |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Imposition of unreasonable business requirements for bidders or offerors. |
| <input type="checkbox"/> | <input type="checkbox"/> | Imposition of unnecessary experience requirements for bidders and offerors. |
| <input type="checkbox"/> | <input type="checkbox"/> | Utilization of prequalification procedures that conflict with the prequalification standards described in FTA Circular 4220.1, Chapter VI, paragraph 1.c. |
| <input type="checkbox"/> | <input type="checkbox"/> | Utilizing a noncompetitive award to any person or firm on a retainer contract with the recipient if that award is not for the property or services specified for delivery under the retainer contract. |
| <input type="checkbox"/> | <input type="checkbox"/> | Imposition of excessive bonding requirements. |
| <input type="checkbox"/> | <input type="checkbox"/> | Utilization of brand-name only specifications without permitting or equal substitutions. |
| <input type="checkbox"/> | <input type="checkbox"/> | Improper imposition of in-state and/or geographic preferences. |
| <input type="checkbox"/> | <input type="checkbox"/> | Allowance of a procurement action where there was an organizational conflict of interest. |
| <input type="checkbox"/> | <input type="checkbox"/> | Incorporation of questionable practices or other restraint of trade provisions. |
| <input type="checkbox"/> | <input type="checkbox"/> | Any other arbitrary action that is contrary to the Circular's requirements. |

28. Has the subrecipient conducted any formal purchases by competitive negotiation during the last three (3) years?

Yes No

If “No,” skip to the next section.

If “Yes,” did the solicitation meet the following conditions for the use of this procurement method?

Yes	No	Prerequisite
<input type="checkbox"/>	<input type="checkbox"/>	The property, good, or service can be described in a technical specification.
<input type="checkbox"/>	<input type="checkbox"/>	There was uncertainty over the number of potential qualified suppliers.
<input type="checkbox"/>	<input type="checkbox"/>	Price alone was not the determinative factor in vendor selection.
<input type="checkbox"/>	<input type="checkbox"/>	There was a need for discussion with prospective offerors in order to determine the final scope of work.

29. Did the competitive negotiation meet the following requirements (*check all that apply*)?

Yes	No	Action
<input type="checkbox"/>	<input type="checkbox"/>	Was the RFP publicly advertised?
<input type="checkbox"/>	<input type="checkbox"/>	Were all evaluation factors and their relative importance specified in the RFP?
<input type="checkbox"/>	<input type="checkbox"/>	Were proposals solicited from an adequate number of qualified sources?
<input type="checkbox"/>	<input type="checkbox"/>	Did the subrecipient use a specific evaluation methodology to conduct the technical review of proposals received?
<input type="checkbox"/>	<input type="checkbox"/>	Was award made to the responsible offeror whose proposal was deemed most advantageous to the subrecipients program with price and other factors considered?
<input type="checkbox"/>	<input type="checkbox"/>	Were any negotiations conducted as part of the evaluation process?
<input type="checkbox"/>	<input type="checkbox"/>	If negotiations were conducted, did the subrecipient keep price information of competitors confidential?

Special Requirements for Formal Purchases

FTA’s enabling legislation at 49 U.S.C. Section 5325(b)(1) requires the use of the qualifications-based procurement procedures contained in the “Brooks Act,” 40 U.S.C. Sections 1101 through 1104, to acquire architectural and engineering (A/E) services. These same requirements also apply to program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping and related services. The nature of the work to be performed and its relationship to construction, not the nature of the prospective contractor, determine whether qualifications-based procurement procedures may be used as described below.

The recipient must use qualifications-based procurement procedures not only when contracting for A/E services, but also for other services listed in 49 U.S.C. Section 5325(b)(1) that are directly in support of, directly connected to, directly related to, or lead to construction, alteration, or repair of real property.

30. Has the subrecipient conducted any formal purchases to acquire architectural/engineering services or related services during the last three (3) years?

Yes No

If “Yes,” did the solicitation follow the requirements of the Brooks Act?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Was the evaluation of offerors based on qualifications?
<input type="checkbox"/>	<input type="checkbox"/>	Was price excluded as a factor in the evaluation and ranking of offerors?
<input type="checkbox"/>	<input type="checkbox"/>	Were initial negotiations conducted only with the most qualified offeror?
<input type="checkbox"/>	<input type="checkbox"/>	If price negotiation with the most qualified vendor did not produce a fair and reasonable price, did the subrecipient conduct negotiations with successive offerors in descending order until a contract award was made to the offeror whose price the recipient believed was fair and reasonable?

Other Than Full and Open Competition

Normally, the subrecipient must provide for full and open competition when soliciting bids or proposals. The Common Grant Rule for governmental recipients, however, acknowledges that under certain circumstances, a recipient may conduct procurements without providing for full and open competition.

31. Has the subrecipient undertaken any “sole source” procurements during the last three (3) years?

Yes No

If yes, did the subrecipient evaluate the procurement prior to making a sole source purchase to determine unique capability or availability?

Yes No

If “Yes,” were the following factors present?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	The offeror demonstrated a unique or innovative concept or capability not available from another source
<input type="checkbox"/>	<input type="checkbox"/>	There were patent or data rights restrictions that precluded competition
<input type="checkbox"/>	<input type="checkbox"/>	Was this a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition?
<input type="checkbox"/>	<input type="checkbox"/>	Was this a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would have resulted in unacceptable delays in fulfilling the subrecipient’s needs?

32. Has the subrecipient undertaken any procurement (bid or proposal) where there was only a single offer?

Yes No

If “Yes,” did the subrecipient undertake a post procurement investigation that revealed:

The single bid was caused by conditions beyond the subrecipient’s control.
 The single bid was caused by conditions within the subrecipient’s control.

Cost and Price Analysis

The Common Grant Rules require the subrecipient to perform a cost or price analysis in connection with **every procurement** action, including contract modifications. The method and degree of analysis depends on the facts and circumstances surrounding each procurement, but as a starting point, the subrecipient must make independent estimates before receiving bids or proposals.

The method and degree of analysis depends on the facts and circumstances surrounding each procurement, but as a starting point, the recipient must make independent estimates before receiving bids or proposals.

The recipient must obtain a cost analysis when a price analysis will not provide sufficient information to determine the reasonableness of the contract cost.

33. Is there evidence in the procurement files of purchases that the subrecipient developed a preliminary cost estimate for every procurement?

Yes No

34. In procurement of goods and services where competition was deemed adequate, has the subrecipient conducted a price analysis wherein the entity checks catalog or market prices for the good or service?

Yes No

If “Yes,” is the level of effort and documentation commensurate with the scale of the procurement (e.g., micro purchases and small purchases require only simple or abbreviated analysis)?

Yes No

35. In the procurement of professional services, A/E firms, etc., where the offeror submits cost elements that included labor hours, overhead, materials, and related costs, the subrecipient is expected to conduct a cost analysis. Has the subrecipient conducted any type of procurement where a cost analysis would be required?

Yes No

If "Yes," has the subrecipient analyzed the following elements in its cost analysis?

Yes	No	Element
<input type="checkbox"/>	<input type="checkbox"/>	Federal cost principles that define the allowability or allocability of costs.
<input type="checkbox"/>	<input type="checkbox"/>	The wage rates and fringe benefits paid to the respective job classifications offered in the bid or proposal.
<input type="checkbox"/>	<input type="checkbox"/>	The proposed indirect cost rate to be charged by the firm.
<input type="checkbox"/>	<input type="checkbox"/>	The proposed profit rate.

36. Does the subrecipient conduct a cost analysis in the following additional situations where a cost analysis is required?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Competition was inadequate during a procurement (<i>e.g.</i> , single bid).
<input type="checkbox"/>	<input type="checkbox"/>	All sole source procurements.
<input type="checkbox"/>	<input type="checkbox"/>	For all major change orders on existing contract.

Protests and Disputes

The Common Grant Rules charge subrecipients with the initial responsibility to resolve protests of third party contract awards.

Apart from other methods, when the subrecipient may have to resolve third party contract issues, such as mediation or arbitration, the Common Grant Rule for governmental recipients requires the recipient to have protest procedures. While the Common Grant Rule for non-governmental recipients does not impose a similar requirement on a nonprofit subrecipient or operator, FTA expects each subrecipient to have appropriate written protest procedures, as part of its requirement to maintain or acquire adequate technical capacity, to implement the project.

37. Does the subrecipient have written protest procedures?

Yes No

38. Has the subrecipient had any protests during the last three (3) years?

Yes No

If “Yes,” did the subrecipient notify INDOT immediately upon notification of a vendor protest?

Yes No

39. Does the subrecipient have procedures to resolve disputes that arise in the administration of third party contracts?

Yes No

40. Has the subrecipient been engaged in any formal contract disputes with third party contractors during the last three (3) years?

Yes No

If “Yes,” was the dispute resolved without further intervention by INDOT?

Yes No

Pre-Award and Post Delivery Audits

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.” The regulation requires any recipient or subrecipient that purchases rolling stock for use in revenue service with funds obligated after October 24, 1991, to conduct a pre-award and post delivery review to assure compliance with its bid specifications, Buy America requirements, and Federal motor vehicle safety requirements, and to complete specific certifications.

FTA requires grant recipients purchasing a certain number of revenue passenger rolling stock to undertake reviews of the rolling stock both before the award of the contract and following delivery of the vehicles. The requirement to undertake the pre-award and post delivery reviews arises from 49 U.S.C. 5323(m) and is specified in FTA regulations at 49 CFR part 663. Compliance must be certified on the Annual List of Certifications and Assurances.

SAFETEA–LU amended this requirement so that procurements of 20 vehicles or fewer, purchased for serving rural areas and cities of less than 200,000 in population, are not subject to either review procedure. The procurement of unmodified vans, in any quantity, is not subject to the review requirement.

When a State undertakes a consolidated State procurement on behalf of several subrecipients of FTA funds, the requirement for a resident inspector at the manufacturing site depends upon the number of buses in a subrecipient’s order. That is, for example, although a State may order 30 vehicles, if no subrecipient expects to receive 20 or more of the vehicles (10 or more for a large urbanized area subrecipient), the State is not required to place an inspector on site. If 20 or more vehicles are ordered for a single subrecipient, an on-site inspector is required, and may be provided by either the State or the subrecipient. In addition, if the on-site inspector is used on one subrecipient’s order, then this meets the

on-site inspection requirement for the State procurement even though there are other subrecipient orders of 20 or more vehicles.

41. Has the subrecipient, during the last three years, engaged in any single procurement of 20 vehicles or more that was not conducted through the Indiana Department of Transportation?

Yes No

If “Yes,” did the subrecipient complete the pre-award audit required under 49 CFR part 655?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Buy America certification.
<input type="checkbox"/>	<input type="checkbox"/>	Pre-award purchaser’s certification.
<input type="checkbox"/>	<input type="checkbox"/>	FMVSS certification from the manufacturer (if applicable) or manufacturer’s verification that vehicle is not covered.

If “Yes,” did the subrecipient complete the post-delivery audit required under 49 CFR part 655?

Yes No

42. For any size vehicle procurement of primary manufacturer standard production and/or unmodified vans not subject to pre- and post-audit, did the subrecipient conduct a visual inspection and road test of the vehicles to determine that the vehicles met the contract specifications?

Yes No

New Model Bus Testing

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 (49 CFR part 665). This requirement applies to all buses and modified vans procured with FTA funds. It does not apply to unmodified vans, including vans with raised roofs or lifts installed in strict conformance with the original equipment manufacturer modification guidelines. A “new bus model” is defined as a model that has not been used in public transportation service in the United States before October 1, 1988, or a model that has been used in such service but which, after September 30, 1988, is being produced with a major change in configuration or components.

43. Has the subrecipient certified that for any vehicle purchased using its own procurement procedures (other than unmodified vans) that it has obtained a copy of the copy of the official bus testing reports from the Altoona, PA bust testing facility?

Yes No

If “Yes,” did the subrecipient submit all documentation and certifications to the Office of Transportation Delivery?

Yes No

Purchase of Service Contracts

Subrecipients may purchase service from private sector transportation providers as well as public providers. Under such arrangements, certain special conditions apply to the purchase of service agreement.

The purchase of service contracts must be either a cost reimbursement or fixed price contract.

- Fixed price contracts should have the cost calculated on a service or route specific basis, either vehicle or passenger miles, or a combination of both. It is not subject to any adjustment on the basis of a contractor's cost experience in performing the contract.
- Cost reimbursement contracts should allow for a periodic evaluation of the fixed rate in order to accommodate changes in transportation costs. These contracts establish an estimate of total cost for obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without approval.

Profit is an eligible cost in the contract. The amount of profit must be established as a fixed fee, not as a percentage figure.

Depreciation of vehicles is an eligible expense in private sector purchase of service agreements and must be based on acquisition, not replacement costs, and is not eligible if the vehicles were originally purchased with Federal funds.

Management or administrative costs incurred by the contract provider should be prorated for only that portion of the operator's service being purchased.

44. Has the subrecipient entered into any purchase of service contracts?

Yes No

If “Yes,” what type of contract did the subrecipient use with the service provider?

- Fixed price contract
 Cost reimbursement contract

45. Has the subrecipient used “capital cost of contracting” in any service contract entered into with a private sector provider?

Yes No

If “Yes,” has the subrecipient correctly classified the type of contract and corresponding capital participation rate in the contract?

Yes No

Section 5. Civil Rights

Overview

Federal civil rights requirements are encompassed in laws, regulations, and Executive Orders. The objective of FTA's oversight in this area is to:

- Ensure that the level and quality of transportation service is provided without regard to race, color, or national origin;
- Identify and address, as appropriate, disproportionately high and adverse human health and environmental effects, including social and economic effects of programs and activities on minority populations and low-income populations;
- Promote the full and fair participation of all affected populations in transportation decision making;
- Prevent the denial, reduction, or delay in benefits related to programs and activities that benefit minority populations or low-income populations; and
- Ensure meaningful access to programs and activities by persons with limited English proficiency.

Title VI Requirements Applicable to all Recipients/Subrecipient

Some Title VI elements are the responsibility of ODOT and are addressed in the project application and/or grant agreement process. Questions in this section are designed to ensure that subrecipients are compliant with new FTA regulations that went into effect October 1, 2012.

1. Has the subrecipient developed a Title VI Program?

Yes No

If "Yes," has it been adopted by the subrecipient's governing board?

Yes No

2. Has the program been submitted to ODOT?

Yes No

If “Yes,” does the list include the following items?

Yes	No	Required List Elements
<input type="checkbox"/>	<input type="checkbox"/>	A notice to the public that indicates the subrecipient complies with Title VI, and informs members of the public of the protections against discrimination afforded to them by Title VI.
<input type="checkbox"/>	<input type="checkbox"/>	A copy of the recipient’s instructions to the public regarding how to file a Title VI discrimination complaint, including a copy of the complaint form.
<input type="checkbox"/>	<input type="checkbox"/>	A list of any public transportation-related Title VI investigations, complaints, or lawsuits filed with the recipient since the time of the last submission to ODOT.
<input type="checkbox"/>	<input type="checkbox"/>	A public participation plan that includes an outreach plan to engage minority and limited English proficient populations, as well as a summary of outreach efforts made since the last Title VI Program submission.
<input type="checkbox"/>	<input type="checkbox"/>	A copy of the recipient’s plan for providing language assistance to persons with limited English proficiency, based on the DOT LEP Guidance.
<input type="checkbox"/>	<input type="checkbox"/>	A table depicting the racial breakdown of the membership of advisory boards or non-elected planning boards and a description of efforts made to encourage the participation of minorities on such committees or councils.
<input type="checkbox"/>	<input type="checkbox"/>	A narrative or description of efforts the primary recipient uses to ensure subrecipients are complying with Title VI, as well as a schedule of subrecipient Title VI program submissions.

3. Does the notice include the following items?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	A statement that the agency operates programs without regard to race, color, and national origin.
<input type="checkbox"/>	<input type="checkbox"/>	A description of the procedures that members of the public should follow in order to request additional information on the subrecipient’s nondiscrimination obligations.
<input type="checkbox"/>	<input type="checkbox"/>	A description of the procedures that members of the public should follow in order to file a discrimination complaint against the subrecipient.

4. How has the subrecipient disseminated this notice?

5. Has the subrecipient translated this notice into languages other than English consistent with the subrecipient’s LEP program?

Yes No

6. Does the subrecipient have procedures for investigating and tracking Title VI complaints and for making such complaints available to the public?

Yes No

If "Yes," does the subrecipient have a specific complaint form?

Yes No

7. Has the subrecipient integrated into its established public participation and outreach processes procedures that ensure involvement and participation by minority and LEP populations?

Yes No

If "Yes," describe these activities.

8. Are these efforts effective?

Yes No

Do these effective practices include elements that FTA considers "best practice:"

Yes	No	Best Practices
<input type="checkbox"/>	<input type="checkbox"/>	Scheduling meetings at times and locations that are convenient and accessible for minority and LEP communities.
<input type="checkbox"/>	<input type="checkbox"/>	Employing different meeting sizes and formats.
<input type="checkbox"/>	<input type="checkbox"/>	Coordinating with community- and faith-based organizations, educational institutions, and other organizations to implement public engagement strategies that reach out specifically to members of affected minority and/or LEP communities.
<input type="checkbox"/>	<input type="checkbox"/>	Considering radio, television, or newspaper ads on stations and in publications that serve LEP populations. Outreach to LEP populations could also include audio programming available on podcasts.
<input type="checkbox"/>	<input type="checkbox"/>	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.

Fixed Route Service Providers Only

Most requirements for Title VI apply only to transit providers that operate more than 50 vehicles in fixed route peak service and are located in an urbanized area of 200,000 or more. However, the requirement to establish system-wide standards and policies apply to all providers of fixed route service.

All fixed route transit providers shall set service standards and policies for each specific fixed route mode of service they provide. Fixed route modes of service include but are not limited to, local bus, express bus, and commuter bus.

9. Do the system service standards include:

Yes	No	Best Practices Service Standards
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle load, by fixed mode, by peak and off-peak periods
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle headway
<input type="checkbox"/>	<input type="checkbox"/>	On-time performance
<input type="checkbox"/>	<input type="checkbox"/>	Service availability for each mode

10. Do the system policies include:

Yes	No	Best Practices Policies
<input type="checkbox"/>	<input type="checkbox"/>	Distribution of transit amenities, by mode
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle assignment, by mode

Limited English Proficiency (LEP)

Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English can be limited English proficient, or "LEP." These individuals may be entitled to language assistance with respect to a particular type of service, benefit, or encounter. DOT recipients are required to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons.

Subrecipients should apply four (4) factors to the various kinds of contacts they have with the public to assess language needs and decide what reasonable steps they should take to ensure meaningful access for LEP persons:

- The number or proportion of LEP persons eligible to be served or likely to be encountered by a program, activity, or service of the recipient or grantee.
- The frequency with which LEP individuals come in contact with the program.
- The nature and importance of the program, activity, or service provided by the recipient to people's lives.
- The resources available to the recipient and costs.

After completing the above four-factor analysis, subrecipients can determine the appropriate "mix" of LEP services required. Subrecipients have two main ways to provide language services: oral interpretation, either in person or via telephone interpretation service, and written translation. The correct mix should be based on what is both necessary and reasonable in light of the four-factor analysis.

11. Has the subrecipient assessed and addressed the ability of persons with limited English proficiency (LEP) to use transit services?

Yes No

12. Describe the subrecipient's efforts to provide access to information and services by LEP persons.

Equal Employment Opportunity

A subrecipient must ensure that it does not discriminate in its hiring practices on the basis of race, color, sex (including pregnancy), national origin, creed, or religion. All subrecipients must take affirmative action to ensure that applicants are employed, and that employees, are treated during employment without regard to race, color, creed, national origin, sex, or age. Such action must include, but not be limited to: hiring, promotion or upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, disciplinary actions, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The subrecipient shall have a written affirmative action plan designed to achieve full utilization of minorities and women in all parts of the work force.

Subrecipients must post, in a conspicuous place, and make available to employees and applicants for employment, notices setting forth the subrecipient's EEO policy. These policies must include procedures for filing complaints of discrimination, both internally as well as externally with the Federal Economic Opportunity Commission (EEOC), a local or state human rights commission, and/or FTA.

If a subrecipient exceeds size threshold requirements set by FTA, it must prepare an EEO Affirmative Action Plan and submit this plan to INDOT every three (3) years.

13. Who is responsible for ensuring that EEO obligations are fulfilled on behalf of the subrecipient?

14. Has the subrecipient posted an EEO statement in a conspicuous and accessible place in the workplace?

Yes No

15. Is the subrecipient's EEO policy included in personnel policies and/or employee handbook?

Yes No

16. Are EEO statements included on the subrecipient's job applications and employment notices/job postings?

Yes No

17. How does the subrecipient ensure non-discrimination for ADA-eligible persons in terms of employment?

If requested, were reasonable accommodations made for hiring a person with disabilities in accordance with Title I of the ADA?

Yes No

If "Yes," describe the accommodation.

18. Were any EEO complaints or lawsuits received in the past three years?

Yes No

If "Yes," describe the nature of the complaint or lawsuit.

Did the subrecipient report the complaint or lawsuit to INDOT?

Yes No

19. Does the subrecipient exceed the FTA thresholds for preparation of an Affirmative Action Plan:

Yes No

If "Yes," verify the threshold requirements:

- | Yes | No | Requirement |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | The subrecipient has 50 or more transit related employees; |
| AND: | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Received capital or operating assistance in excess of 1 million during the last fiscal year; OR |
| <input type="checkbox"/> | <input type="checkbox"/> | Receive planning assistance in excess of \$250,000. |

Disadvantaged Business Enterprises (DBE)

The recipient agrees and assures that it will comply with U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 CFR part 26. Among other provisions, this regulation requires recipients of DOT Federal financial assistance, namely State and local transportation agencies, to establish goals for the participation of disadvantaged entrepreneurs and certify the eligibility of DBE firms to participate in their DOT-assisted contracts.

Subrecipients receiving planning, capital and/or operating assistance who will award prime contracts (excluding transit vehicle purchases) exceeding \$250,000 in FTA funds in a Federal fiscal year must submit a DBE program. If the subrecipient does not meet this threshold, other requirements still apply.

20. Did the subrecipient have contracting opportunities totaling greater than \$250,000 (excluding vehicle purchases) in any of the past three years?

- Yes No

If "Yes," did the subrecipient prepare and submit a DBE program to INDOT?

- Yes No

21. Does the subrecipient include the requisite contract language in 49 CFR part 26.13(b) in all subcontracts?

- Yes No

22. Does the subrecipient properly count DBE expenditures towards its goals?

- Yes No

23. Does the subrecipient have mechanisms in place to ensure that prime contractors pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each payment made to the prime contractor?

Yes No

24. Has the subrecipient purchased any vehicles using local procurement procedures (*e.g.*, not through INDOT)?

Yes No

If "Yes," did the subrecipient verify that the vehicle manufacturer has made the requisite certification to FTA regarding DBE commitment?

Yes No

25. Even if the subrecipient is not required to have a DBE program, how does the organization make good faith efforts to ensure that DBEs have full opportunity to compete for contracts?

26. Does the subrecipient submit DBE reports to INDOT in a timely manner?

Yes No

27. Has the subrecipient undertaken any construction projects during the last three (3) years?

Yes No

If "Yes," did the A/E consultant include in the bid specifications the required DBE certification in the bid specifications?

Yes No

If "Yes," did the bidder show evidence of good faith efforts during the solicitation of bids in the event the DBE goal was not met?

Yes No

If "Yes," did INDOT require project specific race neutral goals for the project?

Yes No

28. If the subrecipient is required to prepare a DBE program, does the program include the following elements?

- | Yes | No | Requirement |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | A policy statement that expresses the organization's commitment to its DBE program, states its objectives, and outlines responsibilities for its implementation. |
| <input type="checkbox"/> | <input type="checkbox"/> | Did the subrecipient circulate the policy statement throughout the organization and to the DBE and non-DBE business communities that perform work on DOT-assisted contracts? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did the subrecipient designate a DBE liaison officer, who has direct, independent access to the Chief Executive Officer concerning DBE program matters? |
| <input type="checkbox"/> | <input type="checkbox"/> | Is the liaison officer responsible for implementing all aspects of the DBE program? Does the subrecipient have adequate staff to administer the program in compliance with the regulations? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has the subrecipient investigated the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community and made reasonable efforts to use these institutions? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the subrecipient encourage prime contractors to use such institutions? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the subrecipient rely on INDOT certified DBEs? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the subrecipient certify firms? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has the subrecipient made any determination that DBE firms are over concentrated in a certain type of work? If yes, has the grantee devised appropriate strategies to address this over-concentration? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has the subrecipient developed a monitoring and enforcement mechanism? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the subrecipient's program include an element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors? |

29. Has the subrecipient developed a DBE goal based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on DOT-assisted contracts? (Note: The goal must reflect the subrecipient's determination of the level of DBE participation it would expect absent the effects of discrimination.)

- Yes No

Section 6. Americans with Disabilities Act (ADA)

Overview

Under Department of Transportation (DOT) Americans with Disabilities Act of 1990 (ADA) regulations, public and private transportation providers are required to operate services in a way that does not discriminate against persons with disabilities. The regulations include general nondiscrimination provisions that apply to all types of agencies and services. There are also provisions that apply just to certain types of agencies and services. For example, public fixed route operators are required to make on-board stop announcements to keep riders oriented to their location. They are also required to have a system in place at stops served by multiple routes that allows riders to identify the bus they need to catch, or drivers to identify which riders are waiting to catch their bus. Public fixed route operators also must provide ADA complementary paratransit service to individuals who cannot use the fixed route due to their disability. Commuter bus service is exempted from this requirement. As defined in 49 CFR part 37.3, commuter bus service is “characterized by service predominantly in one direction during peak periods, limited stops, use of multi-ride tickets, and routes of extended length, usually between the central business district and outlying suburbs. Commuter bus service may also include other service, characterized by a limited route structure, limited stops, and a coordinated relationship to another mode of transportation.” Similarly, intercity bus service may resemble commuter bus service in that there is no attempt to comprehensively cover a service area, it has a limited route structure, limited origins and destinations, and limited purposes of travel, and therefore, the obligation to provide ADA complementary paratransit may not apply. However, other relevant requirements of 49 CFR parts 27, 37, and 38 do apply to intercity bus service.

Section 5311 recipients that provide financial support for intercity bus in the form of vouchers or operating subsidies, are addressed by 49 CFR part 37.37(a), which states that a private entity does not become subject to requirements applicable to a public entity simply “because it receives an operating subsidy from, is regulated by, or is granted a franchise or permit to operate by a public entity.” However, when a public entity enters into a contract or other arrangement or relationship (including grants or subgrants) with a private entity to operate fixed route or demand-responsive service, the public entity shall ensure that the ADA obligations are met, including any ADA complementary paratransit requirements (49 CFR part 37.23). The nature of the arrangement between the public entity and the private intercity operator would determine whether 49 CFR part 37.37 or 49 CFR part 37.23 applies.

Services Classification

Compliance responsibilities will vary depending upon the type of entity providing the service. The regulations recognize three types of entities as follows:

Public entities include city, town, county, or state governments, or special authorities created under public law such as transit authorities.

Private, primarily engaged entities include private companies whose primary business is transportation. This includes private taxi companies, van or bus companies, or private intercity bus companies. This category includes private, non-profit agencies whose main business is transportation.

Private, not primarily engaged entities are private companies or organizations, including non-profit organizations, whose primary business is something other than transportation, but who provide transportation as a secondary or support service. This includes human service agencies that operate transportation services as a secondary or support service.

Compliance responsibilities will also vary depending on the type of transportation service provided by the subrecipient. Several types of service that are particularly relevant to these reviews are:

Fixed route system means a system of transporting individuals (other than by aircraft), including the provision of designated public transportation service by public entities and the provision of transportation service by private entities, including, but not limited to, specified public transportation service, on which a vehicle is operated along a prescribed route according to a fixed schedule.

Commuter bus service means fixed route bus service, characterized by service predominantly in one direction during peak periods, limited stops, use of multi-ride tickets, and routes of extended length, usually between the central business district and outlying suburbs. Commuter bus service may also include other service, characterized by a limited route structure, limited stops, and a coordinated relationship to another mode of transportation.

Demand responsive system means any system of transporting individuals, including the provision of designated public transportation service by public entities and the provision of transportation service by private entities, including but not limited to specified public transportation service, which is not a fixed route system.

Route Deviation, Point Deviation, or Flex-Bus systems, which do not have prescribed routes, or which allow for on-request deviations off of prescribed routes, are considered types of demand responsive systems if the on-request, off-route deviations are available to all riders. If off-route deviations are made only for certain individuals, such as persons with disabilities, these types of services are considered fixed route.

ADA complementary paratransit is a specific type of demand responsive service that is required of public entities that provide non-commuter fixed route service.

Entity Classification and Service Mode

To determine compliance responsibilities, the review must determine the type of entity and service modes delivered.

1. Based on the articles of incorporation or enabling legislation, identify the type of subrecipient under review:

- Public entity
- Private entity, primarily engaged in transportation
- Private entity, not primarily engage in transportation

2. Evaluate the scope of services and determine all modes of service operated by the subrecipient. For each subrecipient, check all the primary and sub-modes that apply:

- Fixed route
 - Non-commuter bus
 - Commuter bus
 - Inter-city bus
 - Route/point deviation with deviations limited to certain riders
- Demand Response
 - ADA complementary paratransit
 - Route/point deviation with deviations for the general public
 - Other demand responsive service

Nondiscrimination - All Providers

No entity shall discriminate against an individual with a disability in connection with the provision of transportation service. Except for very specific circumstances, service policies cannot keep individuals with disabilities from benefiting equally from the transportation services provided. Possible exceptions are if providing the service would fundamentally change the nature of the service provided (e.g., exclusive ride versus shared-ride), or if providing the service would present a “direct threat” (i.e., a safety threat to **others**, not the person with the disability). Examine all public information related to the transportation services provided, including Rider Guides, operating policies and procedures, service bulletins, employee training materials, etc. for any policies or requirements that could discriminate against or limit service to persons with disabilities.

Denying Service

In general, policies should not cause service to be denied to persons with disabilities. Policies can only call for a denial of service if the situation or behavior is illegal, violent, or seriously disruptive. To be illegal, there must be an established law prohibiting the behavior, not just a common standard of appropriate behavior. Seriously disruptive behaviors must be significant, not just annoying or unpleasant.

3. Following are examples of common policies that discriminate against persons with disabilities. Determine if the subrecipient engages in any of these actions, or has any other policies that discriminate:

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have policies that impose any special charges for individuals with disabilities, including wheelchair users?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient deny service to any individual because its insurance company conditions coverage or rates?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient require that wheelchairs have working brakes, be “in good working condition,” or place any other restrictions on mobility devices? (Exception: situation that poses a “direct threat to others.”)
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have policies that suggest a denial of service for rude behavior, swearing, or other behaviors that do not rise to illegal or seriously disruptive?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient require individuals with disabilities to use designated priority seats?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient require persons traveling in securement areas to wear seat belts or shoulder straps when all other passengers do not have the same requirement?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient require wheelchair users to wear a body belt when traveling up and down on the lift?
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient policy prohibit respirators or portable oxygen supplies (Exception: items that are prohibited under applicable Department of Transportation rules on the transportation of hazardous materials—49 CFR subtitle B, chapter 1, subchapter C.)
<input type="checkbox"/>	<input type="checkbox"/>	Does the subrecipient have any other policy that could discriminate against persons with disabilities?

4. Does the subrecipient have a policy for dealing with individuals who engage in violent, seriously disruptive, or illegal conduct?

Yes No

If “Yes,” are supervisors, dispatchers, and vehicle operators trained on this policy?

Yes No

Is there an appropriate appeal policy for any service refusals?

Yes No

Attendant Policies

Individuals with disabilities should be allowed to travel with attendants. Attendants cannot be required, though, except if service could otherwise be refused for illegal, violent or seriously disruptive behavior.

5. Does the subrecipient allow persons with disabilities to travel with attendants?

Yes No

If “Yes,” does definition of attendant extend beyond assistance during travel to also include assistance at destination?

Yes No

6. Are any claimed attendants allowed (*i.e.*, no registration of only certain persons who can be attendants)?

Yes No

7. Are persons with disabilities allowed to travel without attendants, even if they indicate they sometimes use attendants (Exception: Caregiver or guardian requests that attendant always be present, or documented past behavior allows refusal and person/caregiver agree to use attendant to mitigate issues)?

Yes No

Questions for Demand Response Systems

If entities operating demand response services plan to purchase vehicles that are not accessible, they must first make a determination that the services they will be providing (after the purchase of the inaccessible vehicle or vehicles) are “equivalent.” Therefore, if entities have inaccessible vehicles as part of their fleet that were purchased since the issuance of the regulations, the services they provide must be “equivalent.” Equivalency is defined by specific criteria (noted below). If inaccessible vehicles are purchased, certification of equivalency must also be provided to INDOT.

Service Equivalency

8. **Service Area:** Consider the service area and how accessible and inaccessible vehicles are distributed throughout the area. Are persons with disabilities who need an accessible vehicle able to travel throughout the area on an equivalent basis to all other riders?

Yes No

9. **Response Time:** Consider the advance notice requirement to use the service. If accessible vehicles are operated separate from or different from inaccessible vehicles, consider the advance notice required for use of each type of vehicle. Is the same (or lesser) advance notice required of riders with disabilities who need and use accessible vehicles?

Yes No

10. **Fares:** Consider the fares charged for the service. Note if there are different costs to riders who need and use accessible vehicles versus those who can use inaccessible vehicles. Is the fare the same (or lower) for riders with disabilities who need to use accessible vehicles?

Yes No

11. **Days and Hours:** Consider the days and hours of operation of the service. Note if there are any differences in days and hours based on the accessibility of the vehicles. Are the days and hours the same (or greater) for persons with disabilities who need and use accessible vehicles?

Yes No

12. **Trip Purpose:** Consider the types of trips that are provided by the subrecipient. Note if there are any differences in policy about trip purpose for service provided with accessible versus inaccessible vehicles. Are persons with disabilities able to travel for the same purposes (or more) than individuals who do not need accessible vehicles?

Yes No

13. **Capacity Constraints (Part 1):** Consider if trip requests are sometimes denied for lack of capacity, or if waiting lists or trip caps are employed due to capacity limitations. Examine trip denials records, waiting lists, or other documentation to determine if persons with disabilities who need to use accessible vehicles are denied or wait-listed more frequently than other riders.

Are there any trip denials, or are wait lists or trip caps used?

Yes, Trip Denials
 Yes, Wait Lists
 Yes, Trip Caps
 No

If there are denials, wait lists, or trip caps, are persons with disabilities who need to use accessible vehicles denied/wait-listed, capped at the same (or lower) rate than other riders?

Yes No

Note what information or data the system develops and uses to compare the level of trip denials, wait lists, or trip caps for persons with disabilities and for other riders to allow for this type of comparison and analysis.

14. **Capacity Constraints (Part 2):** Examine records of service quality (on-time performance, on-board ride times). Consider if there are differences in service quality for trips provided to riders who need to use accessible vehicles versus other riders. Consider if the number and percentage of accessible vehicles in the system suggests that there could likely be problems responding to late trips in an equivalent way throughout the service area. Do persons with disabilities, including persons who need to use accessible vehicles receive the same (or better) level of service?

Yes No

Note what information or data the system develops and uses to compare the level of service (on-time performance, on-board ride times) for persons with disabilities and for other riders to allow for this type of comparison and analysis.

15. **Information and Reservations Capacity:** Consider the service information that is provided and the trip reservations capacity (hours of call-taking, accessibility of information and phone services). If information and reservations are different for using accessible versus inaccessible vehicles, note the differences. Is information and communications provided in accessible formats, and are persons with disabilities who need an accessible vehicle able to get information and reservations assistance in an equivalent way?

Yes No

16. Has the subrecipient acquired vehicles in the last three (3) years?

Yes No

If "Yes," were the vehicles accessible pursuant to 49 CFR part 38 standards?

Yes No

If "No," did the subrecipient, before any procurement of an inaccessible vehicle, file with INDOT the required certificate that it provides equivalent service meeting the equivalent service of 49 CFR part 37.77(c)?

Yes No

Questions for Route/Point Deviation Systems – Demand Response

17. Are off-route deviations provided for all riders?

Yes No

If “Yes”, answer Questions 18-22 below. If “No”, the system does not qualify as demand responsive and must be evaluated as a fixed route system. The fixed route section of the checklist should be completed. ADA complementary paratransit service must also be provided and that section of the checklist must be completed.

18. Are off-route deviations provided throughout the defined service area all along the route?

Yes No

19. Do riders who request deviations pay the same fare as riders who walk to stops to use the service?

Yes No

20. Do riders who request deviations experience the same “response time” as riders who walk to stops to use the service (i.e., advance reservation for deviations equal to the route headway)?

Yes No

21. Are off-route deviations accepted during all days and hours that the service is operated?

Yes No

22. Do riders who request deviations experience the same “capacity constraints” as riders who walk to stops to use the system (i.e., no trip denials, the same on-time performance and on-board ride time)?

Yes No

Questions for Fixed Route Systems – Fixed Route Service

23. Examine policies and training materials related to on-board stop announcements. Also examine lists that identify which stops are to be announced by route. Does the material indicate that stops are to be announced at transfer points with other fixed routes, other major intersections and destination points, and intervals along a route sufficient to permit individuals with visual impairments or other disabilities to be oriented to their location?

Yes No

If "Yes," does the material indicate that stops are to be announced anytime at the request of a passenger with a disability?

Yes No

24. Does the subrecipient provide a means by which an individual with a visual impairment or other disability can identify the proper vehicle to enter or be identified to the vehicle operator as a person seeking a ride on a particular route?

Yes No

25. **On-Board Stop Announcement Observations:** Ride a random sample of fixed routes. For each route observed, identify the stops that are supposed to be announced and record how many are announced. Also record if the announcements are audible throughout the vehicle. Make the observations as discretely as possible (unannounced and before doing driver interviews). Record results below.

Number of routes observed _____
Total number of stops required to be made _____
Total number of stops actually made _____
Total number audible _____

26. **Vehicle Identification System Information:** Examine policies and training materials related to vehicle identification (e.g., external vehicle/route announcements). Does the material require that drivers make external announcements at all stops served by more than one route?

Yes No

Are these announcements to be made any time there are waiting passengers and not just when there is a passenger that the driver feels has a vision disability (e.g. white cane or service animal)?

Yes No

27. **Vehicle Identification System Observations:** Identify a random sample of stops served by more than one route (transfer centers). Observe buses arriving at these locations and record how many vehicle identification announcements are made. Also record if the announcements are audible to passengers waiting throughout the stop area. Record results below.

Number of stops observed _____
Total number of bus pull-ins observed _____
Total number of drivers that identified vehicles _____
Total number that were audible _____

Questions for Fixed Route Systems – Complementary Paratransit

This portion of the checklist should be completed if the subrecipient operates any non-commuter fixed route services, or if route/point deviation services are operated where off-route deviations are made only for some riders (not all riders).

Complementary Paratransit Plan

28. Did the subrecipient prepare a complementary paratransit plan prior to implementing fixed route service (or doing the initial period of complementary paratransit implementation: 1991 to 1997)?

Yes No

29. Has the subrecipient made any policy and/or service changes to its complementary paratransit plan since adoption?

Yes No

If “Yes,” did the subrecipient utilize its outreach and consultation process prior to implementing these changes?

Yes No

Eligibility Determination

30. Does the system have a process for certifying the eligibility of persons for complementary paratransit services?

Yes No

Is this function performed in-house or contracted to a third party?

Yes No

Describe the method used to determine eligibility.

31. Is information concerning the application process available in alternative formats upon request?

Yes No

32. Are ADA complementary paratransit eligibility decisions made within 21 days of receipt of a complete application? Examine the log of recent determinations (or a sample of files). What percent of determinations take longer than 21 days from receipt of a complete application?

_____ % ≤ 21 days
_____ % > 21 days

Does public and/or application information indicate that if determinations are not made within 21 days that service will be provided until a determination is made?

Yes No

If some determinations take longer than 21 days, is presumptive eligibility granted and service provided until a determination is made?

Yes No

33. Are persons whose eligibility is limited (denied, conditioned, only temporary) given a written statement with specific reasons for the denial (not a standard statement or statement that person “can use fixed route”), and notice of their right of appeal?

Yes No

34. Does the appeals process adhere to DOT ADA regulations (opportunity to be heard, separation of function, decision within 30 days, and written notification of decision, with a reason for it)? Note: Concerning “opportunity to be heard,” a request for appeal can be required to be in writing, but appellants cannot be required to submit in writing the reasons for their appeal or why they feel the decision was not correct. This type of information can be provided if appellant chooses, but can’t be required.

Yes No

If appeals are not decided within 30 days of being heard, is presumptive eligibility granted and service provided until a decision is made?

Yes No

Are appeals heard and decided by an individual or individuals who have not been involved in the initial decision, and who do not have a direct line of authority to those who made the initial decision (i.e., separation of authority)?

Yes No

Personal Care Attendants, Companions, and Visitors

35. Does the subrecipient provide free complementary paratransit service to Personal Care Attendants (PCAs)?

Yes No

36. Does the subrecipient provide complementary paratransit service to companions (always one, and others on a space available basis)?

Yes No

37. Does the subrecipient provide complementary paratransit to visitors for up to 21 days in a 365-day period?

Yes No

If “Yes,” does this include individuals determined ADA eligible by other transit systems, as well as individuals who do not have ADA paratransit eligibility from other areas?

Yes No

For individuals who do not have ADA paratransit eligibility from another transit system, is documentation of disability only required when the disability is not “apparent?”

Yes No

Suspensions

38. Does the subrecipient have a process in place to suspend eligibility for eligible users who establish a pattern or practice of missing scheduled trips?

Yes No

When adopting this policy, did the subrecipient utilize its consultative and outreach process with the disability community before adopting the policy?

Yes No

39. Does the policy consider both the absolute number of no-shows, as well as the frequency of no-shows when determining if there is a “pattern and practice” of abuse of the service?

Yes No

40. If late cancellations are counted along with no-shows, are late cancellations the “operational equivalent” of no-shows (e.g., cancels within 1-2 hours of scheduled pick-ups, but not further in advance)?

Yes No

41. Does the public information describing the policy note that no-shows and late cancellations beyond the rider’s control will not be counted and explain how to provide this information if charged with a no-show or late cancellation?

Yes No

If “Yes,” are riders first notified of the no-shows and late cancellations recorded against them, and given a chance to explain or dispute them before a decision is made to suspend?

Yes No

42. If a suspension is issued, is the rider notified of their right to an appeal, and does this appeal process conform to the requirements that apply to eligibility appeals?

Yes No

43. If riders are charged for no-shows and/or late cancellations, is this only in lieu of a suspension?
Note: Charges can only be proposed as an alternative to a suspension and only after there has been a “pattern and practice” of abuse and a suspension has been issued.

Yes No

Service Criteria

44. **Service Area:** Examine public information describing the ADA paratransit service. Compare any service area maps to maps of fixed routes. Is ADA paratransit service provided, at a minimum, to all areas within ¼ of a mile of non-commuter fixed routes?

Yes No

Are small areas surrounded by service corridors also served?

Yes No

Does the ADA paratransit service area cross all boundaries unless there is a specific legal bar prohibiting agency vehicles from crossing a boundary?

Yes No

45. **Response Time:** Examine public information describing the ADA paratransit service. Note the advance notice requirements and the days and hours of trip reservations. Can trip requests be made up on a “next day” basis on all days that precede a day of service (including Sundays and holidays)?

Yes No

Are trip reservations taken during typical administrative business hours?

Yes No

46. **Fares:** Examine public information describing the ADA paratransit service. Compare ADA paratransit fares to base, non-discounted, adult fares on the fixed route service. Are ADA paratransit fares no more than twice the base adult fixed route fares? Note: Consider all fixed routes, including any free shuttle or circulators that may exist.

Yes No

47. **Days and Hours of Service:** Examine public information describing the ADA paratransit service. Compare the days and hours of operation to the earliest pickup times and latest drop-off times on all fixed route schedules. Is ADA paratransit service provided, at a minimum, during all the days and hours that fixed route service is provided?

Yes No

48. **Trip Purposes:** Examine public information describing the ADA paratransit service. Does it indicate that all trip purposes are served?

Yes No

Are all trip requests taken and scheduled the same, without trip purpose priorities?

Yes No

49. **Capacity Constraints:** Examine recent service delivery data, particularly trip denials, missed trips, on-time pickup and drop-off performance, on-board ride times, and telephone hold times. Also examine how each of these measures of performance is defined and the goal or standard for each. Does the subrecipient have a goal to have zero trip denials?

Yes No

Are trips with pickups more than one hour from the time requested counted as trip denials?

Yes No

50. Does the service operate without a substantial number of trip denials?

Yes No

Number of denials in last year: _____

51. Is the service operated without a waiting list and without trip caps?

Yes No

What is the goal/standard for missed trips? _____

52. Are missed trips defined to not include trips not taken within the pickup window (which should be no-shows)?

Yes No

Does the service operate without a substantial number of missed trips?

Yes No

53. What is the percent of scheduled trips that were missed in the last year: _____

54. What is the on-time pickup window and the goal/standard for on-time pickups? _____

Does the service operate without a substantial number of significantly late pickups?

Yes No

% of pickups that were late in last year: _____

55. What is the on-time drop-off window and the goal/standard for on-time pickups?

Does the service operate without a substantial number of significantly late drop-offs?

Yes No

% of drop-offs that were late in the last year: _____

56. How are excessively long trips defined, and what is the goal/standard for on-board travel times?

Is this standard consistent with FTA guidance (*i.e.*, comparable to similar trips by fixed route)?

Yes No

57. Does the service operate without a substantial number of excessively long rides?

Yes No

% of trips with excessively long ride times: _____

58. What is the goal/standard for telephone hold times in reservations and dispatch (if separate)?

Is this standard reasonable (*e.g.*, average hold times < 1 minute, or 95% of all calls answered within 3 minutes)?

Yes No

Does the service operate without excessive telephone hold times?

Yes No

Passenger Assistance

59. Does the subrecipient provide origin-to-destination service in its complementary paratransit program? (Either door-to-door service, or door-to-door as needed. Only curb-to-curb service does not meet this requirement.)

Yes No

If door-to-door as needed service is provided, is the need for assistance considered for each trip requested, not just in the eligibility process?

Yes No

Subscription Caps

60. If there are capacity constraints, does the subrecipient monitor, by time of day, subscription rates and are these rates no more than 50% of capacity at any hour?

Yes No

All Service Providers

61. How does the subrecipient keep lifts and other accessibility features on system vehicles in working order?

When a vehicle is removed from revenue service, does the subrecipient take reasonable steps to accommodate individuals with disabilities who were scheduled on that vehicle?

Yes No

62. Are vehicle operators trained to immediately report that a lift is not in working order?

Yes No

63. Are vehicles removed from revenue service when it is reported that a lift is not in working order?

Yes No

64. Are vehicles repaired promptly and within the five day period for nonurbanized areas?

Yes No

65. Does the subrecipient transport all wheelchairs and occupants if the lift and vehicle can physically accommodate them, unless doing so is inconsistent with legitimate safety requirements?

Yes No

66. Does the subrecipient “do the best it can” to secure mobility devices, but not deny riders because the mobility devices they are using cannot be secured to the satisfaction of the driver or agency?

Yes No

67. Does the subrecipient permit standees to use the lift?

Yes No

68. Does the subrecipient require scooter users or wheelchair passengers to transfer to another seat?

Yes No

69. Do the subrecipient's operators assist individuals with disabilities with the use of securement systems, ramps, and lifts?

Yes No

70. Does the subrecipient permit service animals on system vehicles?

Yes No

Is the subrecipient's service animal policy consistent with regulatory requirements? (The policy should not require certification of training, should not inappropriately limit type of animal—except emotional support or comfort animal, or animal that cannot be trained to assist.)

Yes No

71. Does the subrecipient make available to individuals with disabilities adequate information concerning transportation services?

Yes No

72. Does the subrecipient permit a passenger who uses a lift to disembark from a vehicle at any designated stop, unless the lift cannot be deployed, the lift will be damaged if it is deployed, or temporary conditions at the stop, not under the control of the entity, preclude the safe use of the stop by all passengers?

Yes No

73. Does the subrecipient ensure that personnel are trained to proficiency, as appropriate to their duties, so that they operate vehicles and equipment safely and properly assist and treat individuals with disabilities who use the service in a respectful and courteous way, with appropriate attention to the difference among individuals with disabilities?

Yes No

Facilities

74. Has the subrecipient constructed any new facility to be used in providing designated public transportation services so that the facility is readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs?

Yes No

Has the subrecipient undertaken any alterations of an existing facility or a part of an existing facility used in providing designated public transportation services in a way that affects or could affect the usability of the facility or part of the facility, the entity shall make the alterations (or ensure that the alterations are made) in such a manner, to the maximum extent feasible, that the altered portions of the facility are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, upon the completion of such alterations?

Yes No

Section 7. Use and Maintenance of Project Equipment

Overview

Under the common grant rule, States may use, manage, and dispose of equipment acquired under a Section 5311 grant according to State law and procedures. States are free to adopt the procedures established in 49 CFR part 18 for other public body recipients or use them as a guide in developing State procedures for equipment use, management, and disposition, but they are not required to do so. States may use the same procedures for private and non-profit subrecipients as for public body subrecipients, so long as those procedures are consistent with 49 CFR part 19.

Common grant rule procedures and requirements for subrecipients that are not States, and their public subrecipients are more explicit and can be found in 49 CFR part 18.32 and 49 CFR part 19.34.

All property acquired using Federal funds shall be utilized and disposed of in accordance with the applicable FTA program circular, FTA Circular 5010.1D (as amended), and 49 CFR part 18. Title to all property purchased with Federal funds shall be vested in the name of the grantee/subrecipient.

The subrecipient and/or designated operator shall have the requisite fiscal and technical capacity to carry out the project and be responsible for maintaining required insurance coverage, property records, conducting physical inventories, implementing adequate property control systems, and maintaining the equipment in proper working condition. Documentation must be available upon request.

Federally-funded equipment and facilities must be kept in good operating order. Meal delivery or other incidental services provided by the grantee cannot conflict with the provision of public transit service or result in a reduction of service to transit passengers.

Real Property

1. Does the subrecipient own any real property that has been acquired under the FTA grant program?

Yes No

If "Yes," does the subrecipient have title to the real property?

Yes No

2. Is the real property being used for transit purposes or purposes otherwise stated in the grant application?

Yes No

If “No,” what is the property being used for?

3. Does the subrecipient use real property for any incidental uses?

Yes No

If “Yes,” describe these incidental uses and determine if these uses generate any program income?

Does the incidental use compromise the use of the real property for transit purposes?

Yes No

4. Has the subrecipient disposed of real property in the last three years?

Yes No

If “Yes,” did the subrecipient notify INDOT for disposition instructions?

Yes No

5. If the property was sold, did the subrecipient notify INDOT?

Yes No

If “Yes,” did the subrecipient compensate INDOT in an amount equal to the percentage of FTA participation in the original purchase/construction price times the current fair market value proceeds of the sale – after deduction of any actual and reasonable selling and repair expenses?

Yes No

What steps did the subrecipient use to ensure that it received fair market value for the real property?

6. Has the subrecipient transferred title of real property during the last three (3) years?

Yes No

If "Yes," did the subrecipient transfer real property to another entity eligible to receive assistance under 49 U.S.C. Chapter 53?

Yes No

Did INDOT approve of the transfer?

Yes No

Equipment - General

Any property (equipment, furniture and fixtures, vehicles, buildings, and land) purchased with Federal funds valued at \$5,000 or more must be accounted for in the agency's fixed asset listing. The asset listing is to contain the Federally required information outlined in the Common Rule and generally accepted accounting principles, as appropriate.

7. Does the subrecipient use all equipment acquired with FTA funds in a manner consistent with the original project application or purpose?

Yes No

8. What is the current configuration and fleet size of the public transit fleet?

9. Describe the fleet size and vehicle requirements:

	Total fleet size
	Number of vehicles in maximum revenue service
	Number of spare vehicles
	Spare vehicle ratio

Is the spare vehicle ratio reasonable given peak period requirements and the fleet configuration?

Yes No

10. Does the subrecipient have any project equipment that is no longer needed for transportation purposes?

Yes No

If "Yes," has the subrecipient notified INDOT that the equipment is no longer needed for program purposes?

Yes No

11. Has the subrecipient disposed of any project equipment during the last three years?

Yes No

If "Yes," had the equipment exceeded its useful life as determined by INDOT?

Yes No

If "No," did the subrecipient notify INDOT for transfer to another transit program?

Yes No

12. If the subrecipient disposed of any project equipment prior to the end of useful life via a transfer to another project, what methods were used to establish fair market value?

13. Has the subrecipient transferred any project equipment with remaining useful life to another entity?

Yes No

If "Yes," did the subrecipient transfer real property to another entity eligible to receive assistance under 49 U.S.C. Chapter 53?

Yes No

If "Yes," Did INDOT approve of the transfer?

Yes No

14. Does the subrecipient maintain property/asset records for all equipment acquired with FTA funds?

Yes No

If "Yes," are all the required data elements contained in the inventory record?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Description of the property
<input type="checkbox"/>	<input type="checkbox"/>	Serial number or other identification numbers
<input type="checkbox"/>	<input type="checkbox"/>	Source of the property (grant source, program number)
<input type="checkbox"/>	<input type="checkbox"/>	Name of the title holder
<input type="checkbox"/>	<input type="checkbox"/>	Acquisition date
<input type="checkbox"/>	<input type="checkbox"/>	Cost
<input type="checkbox"/>	<input type="checkbox"/>	Percentage of Federal participation in the cost of the property
<input type="checkbox"/>	<input type="checkbox"/>	Location of the equipment
<input type="checkbox"/>	<input type="checkbox"/>	Use and current condition
<input type="checkbox"/>	<input type="checkbox"/>	Disposition information (if applicable), including date of disposal and sales price

15. Does the subrecipient lease any project equipment to lower tier contractors?

Yes No

If "Yes," what measures does the subrecipient use to ensure that it exhibits satisfactory continuing control over project equipment?

16. Has the subrecipient suffered any casualty loss of project equipment during the last three years?

Yes No

If "Yes," did the subrecipient receive an insurance settlement?

Yes No

Did the subrecipient request guidance from INDOT on the procedures for re-investing the settlement proceeds in a replacement vehicle?

Yes No

If a replacement vehicle was not acquired, did the subrecipient return the Federal share of the insurance settlement?

Yes No

Equipment – Incidental Use

17. Does the subrecipient utilize project equipment for use on other projects or programs supported directly or indirectly by the Federal government?

Yes No

18. Does the subrecipient use FTA funded equipment to engage in homebound meal delivery?

Yes No

If “Yes,” does the subrecipient have a cost allocation/costing methodology in place to assess the meals program the fully allocated cost of service?

Yes No

19. Does the subrecipient transport passengers for compensation (either directly or indirectly) across state lines?

Yes No

If “Yes,” has the subrecipient registered with FMCSA?

Yes No

20. Does the subrecipient utilize equipment purchased with nonurbanized area funding for use in an urbanized area?

Yes No

If “Yes,” has the subrecipient developed and submitted a cost allocation plan to INDOT?

Yes No

Equipment – Insurance

Under the Common Rule, states set their own requirements for maintenance of all equipment acquired with Federal funds. Insurance coverage must be adequate to protect the Federal interest in the vehicle within the useful life determined by INDOT.

21. How are FTA and State-funded facilities and equipment insured?

22. Are all vehicles covered?

Yes No

If "Yes," are there any exceptions or riders attached to the policies that would impact use of project equipment in the manner described in the grant application?

Yes No

23. Does the grantee maintain comprehensive and collision insurance on all vehicles with remaining useful life at sufficient levels to protect the remaining Federal interest in the equipment?

Yes No

If no, does the subrecipient have a self insurance reserve fund sufficient to repay INDOT for the Federal interest of the vehicle that was subject to the casualty loss?

Yes No

24. Does management periodically review insurance coverage?

Yes No

Maintenance of Equipment and Facilities

Subrecipients are required to certify that any property purchased under the project shall be used for the provision of public transportation services within the subrecipient service area or other areas as described in the grant application, and for the life of the equipment or facility in compliance with the property management standards of 49 CFR part 18.31 through 18.34.

25. How are vehicle maintenance services performed?

- In-house
- Contractors
- Combination of in-house and contractors

If a combination of methods is used, are there specific functions that are contracted out?

Yes No

If "Yes," describe:

26. Does the subrecipient have a written preventive maintenance plan for vehicles?

Yes No

If "Yes," are the maintenance actions and intervals consistent with manufacturer's minimum maintenance requirements for vehicles under warranty and INDOT's preventive maintenance guide?

Yes No

27. Does the subrecipient's preventive maintenance program also include specific action to ensure that a vehicle's accessibility features, i.e., lifts, ramps, public announcement systems, tie-downs, are maintained in good working order?

Yes No

28. What procedures does the subrecipient use to track all maintenance activities?

29. What is the subrecipient's schedule for vehicle preventive maintenance (PM) inspections?

30. Are vehicle PM inspections completed on time? Does the review of the maintenance records indicate that at least 80 percent of the inspections are performed on time?

Yes No

31. Does the subrecipient conduct daily pre-trip inspections prior to placing a vehicle in service?

Yes No

If "Yes," how does the system utilize pre-trip defection reports to make repairs to system vehicles.

32. Does the subrecipient track warranty claims?

Yes No

If "Yes," are these claims reported to INDOT as required?

Yes No

33. Does the subrecipient operate facilities that were financed by FTA?

Yes No

If "Yes," is there a written facility maintenance plan?

Yes No

34. Does the subrecipient insure federally financed facilities?

Yes No

If "Yes," are the coverage levels adequate to protect the Federal interest in the facility?

Yes No

35. Does the subrecipient develop and have a current five-year vehicle replacement schedule?

Yes No

If "Yes," has this plan been submitted to INDOT?

Yes No

Section 8. Charter and School Bus

Overview

The Federal Transit Administration was established by the Federal Transit Act, as amended. The Act provided funds for “mass transportation” purposes, defined as: “transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service) and moving over prescribed routes.” This provision illustrates the balance Congress sought to strike between the public and private sectors of the economy. Congress acted to provide Federal funding for the continued existence of urban fixed route providers by enacting a capital program to acquire private transit companies and establish new public transportation agencies. The charter services provided by private companies were still profitable; accordingly, Congress excluded charter service from the definition of “mass transportation.”

"Charter service" means, but does not include demand response service to individuals:

- (1) *Transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:*
 - (a) *third party pays the transit provider a negotiated price for the group;*
 - (b) *Any fares charged to individual members of the group are collected by a third party;*
 - (c) *The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time; or*
 - (d) *A third party determines the origin and destination of the trip as well as scheduling; or*

- (2) *Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:*
 - (a) *A premium fare is charged that is greater than the usual or customary fixed route fare;*
or
 - (b) *The service is paid for in whole or in part by a third party.*

New regulations provide for both exemptions and exceptions to the regulations. FTA excludes recipients of four funding programs (Section 5310, Section 5311, Section 5316, and Section 5317) from charter regulation coverage **if** the service is for “program purposes.” FTA defines this term as: “...*transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals).*”

No FTA grantee or operator of project equipment is permitted to engage in exclusive school bus operations using buses, facilities or equipment funded under the Act. Note: FTA considers Head Start to be human service agency transportation (not school bus transportation for purposes of 49 CFR part 605).

INDOT expressly prohibits Section 5311 grantees to engage in charter service.

Charter Service

1. Does the subrecipient provide charter service?

Yes No

2. Can all of the subrecipient's services be called "program" transportation?

Yes No

3. Does the subrecipient operate any services that are defined in the federal regulations as exempt service as defined in 49 CFR part 604.2?

Yes No

If yes, describe the charter service provided.

4. Does the subrecipient provide charter services using non-FTA funded vehicles?

Yes No

School Bus Service

5. Does the subrecipient provide transportation to/from school for school children?

Yes No

Is the transport of school children to/from school done on an exclusive basis (e.g., in demand response mode, is the run built entirely on school children)?

Yes No

6. Does the subrecipient provide any tripper services?

Yes No

7. If the system provides exclusive school bus service does it meet any of exemptions specified in the regulations?

Yes No

Section 9. Miscellaneous Provisions

Overview

In addition to the program-specific requirements and guidance provided in this circular, FTA grantees are held to a number of FTA-specific and other Federal and state requirements.

Medical Qualifications Program

The Indiana Department of Transportation (INDOT) has developed a Model Medical Qualification (MQ) Program and required its use by all Indiana Rural Transit (Section 5311) Systems. This Model Program consists of the following components:

- Medical Qualification (MQ) Policy
- Example MQ Medical Release Form (as a result of a return to active status situation or triggering event).
- Example Medical Disqualification Form
- Supplemental Rx/OTC Medication Policy
- Rx/OTC Medication Procedures
- Rx/OTC Medication Information Form
- Post Accident Investigation Procedures and Forms
- Medical Qualification Driver's Physical Examination Form
- Medical Determination Appeals Procedure

Medical qualification assessments and determinations are made by a Medical Determination Officer (MDO), a medical professional under contract to the individual transit systems. The MDO performs a variety of medical services including, but not limited to, physical examination services/fitness or duty assessments for all safety-sensitive transit positions in accordance with Indiana Code 20-9.1-3-1 and applicable transit system policies including Medical Qualification and Substance Abuse Policies. As such, the MDO provides a written recommendation for an applicant's ability to perform the essential duties of a safety-sensitive job. The example MQ Medical Release Form and example Medical Disqualification Form shown as examples above are provided as a guide to the MDO. However, the actual forms used may actually be a composite of these forms and suggestions from the MDO. The Model Medical Qualification Program and the MDO contracts are administered by the Indiana Rural Transit Assistance Program (Indiana RTAP).

Medical Qualifications

1. Does the subrecipient have a board-approved Medical Qualification Policy?

Yes No

If “Yes,” does the policy reflect the following elements:

- | Yes | No | Requirement |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Has the policy been submitted to Indiana RTAP for review? |
| <input type="checkbox"/> | <input type="checkbox"/> | What is the date of board approval? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has the policy been distributed to all safety-sensitive staff? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the system’s application packet contain an employee MQ policy compliance acknowledgement? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the transit system maintain a record that each safety-sensitive employee has received a copy of the MQ policy or a written notice that the policy is available for review? |
| <input type="checkbox"/> | <input type="checkbox"/> | When is the policy distributed to safety-sensitive employees? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the transit system maintain a record of receipt from each safety-sensitive employee? |

2. What job categories are considered safety-sensitive at this transit system (Indiana Medical Qualification uses the same definition as defined in 49 CFR Part 655 for safety sensitive classification purposes)?

3. Does the transit system have job descriptions that comply with the Medical Qualifications Program in place for all safety-sensitive employees (job descriptions must include all essential job functions and include the established physical and cognitive ability requirements specified by the Indiana Medical Qualification Program)?

Yes No

4. Did the transit system receive notification of medical qualification prior to assigning safety-sensitive employees to safety-sensitive duties?

Yes No

5. Does the transit system have a method in place to identify if the Medical Determining Officer has not provided an assessment result in a reasonable period after the assessment (48 hours)?

Yes No

6. Has the transit system had any safety-sensitive employees with temporary qualification?

Yes No

If yes, did the system provide documentation of continued qualification?

Yes No

7. Has the transit system had any safety-sensitive employees with temporary disqualification?

Yes No

If yes, has the system provided evidence the employee was removed from safety-sensitive duty within 24 hours of notification of disqualification?

Yes No

8. Has the transit system had any accidents involving safety-sensitive employees that required the employee/employees to be drug and alcohol tested under DOT authority?

Yes No

If yes, was a Medical Qualification assessment completed for the employee/employees?

Yes No

9. Was the employee/employees removed from duty pending the results of the Medical Qualification Assessment?

Yes No

10. Is employee Medical Qualification information maintained in a secure manner with controlled access to assure employee confidentiality?

Yes No

Rx/OTC Medication Policy

11. Does the system have a board approved Rx/OTC Medication Policy?

Yes No

If "Yes," does the policy reflect the following elements:

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Has the policy been submitted to Indiana RTAP for review?
<input type="checkbox"/>	<input type="checkbox"/>	What was the date of board approval?
<input type="checkbox"/>	<input type="checkbox"/>	Has the policy been distributed to all safety-sensitive staff?
<input type="checkbox"/>	<input type="checkbox"/>	Does the system's application packet contain an employee Rx/OTC policy compliance acknowledgement?
<input type="checkbox"/>	<input type="checkbox"/>	Does the transit system maintain a record that each safety-sensitive employee has received a copy of the Rx/OTC policy or a written notice that the policy is available for review?
<input type="checkbox"/>	<input type="checkbox"/>	Is the policy distributed to safety-sensitive employees?
<input type="checkbox"/>	<input type="checkbox"/>	Does the transit system maintain a record of receipt from each safety sensitive employee?

12. Has the system provided periodic training and information on Rx/OTC medications, including those that have the potential may impair safety-sensitive functions?

Yes No

13. Has the system provided medical authorization forms to the employee for use, with the consultation and written authorization from a medical professional or licensed pharmacist, in reporting Rx/OTC medication use?

Yes No

14. Has the system maintained the confidentiality of all information received from employees regarding Rx/OTC medication use in the employee's confidential medical file?

Yes No

15. Has the system had any safety-sensitive employees been sent for a medical qualification evaluation by the MDO as a result of the employee's self-referral?

Yes No

If "Yes," have any been disqualified for performance of safety-sensitive duties?

Yes No

16. Following a qualifying accident (defined as a National Transit Database (NTD) reportable accident), have you requested a non-FTA NIDA 10+2 (synthetic opiates) drug test under its own authority as identified in your Medical Qualification Policy and Accident Investigation Procedures?

Yes No

Public Hearing Requirements

The public hearing requirement in 49 U.S.C. 5323(b) for capital projects was changed by SAFETEA-LU. The new provision associates more clearly the public involvement and hearing requirements for capital projects with the environmental review required by the National Environmental Policy Act (NEPA) and its implementing regulations. It also broadens the requirement to apply to all capital projects (as defined in Section 5302). Now, the grant applicant must provide an adequate opportunity for public review and comment on a capital project, and, after providing notice, must hold a public hearing on the project if the project affects significant economic, social, or environmental interests. These requirements will be satisfied through compliance with the NEPA requirements for a public scoping process, public review and comment on NEPA documents, and a public hearing on every draft environmental impact statement (EIS). FTA will also require a public hearing on environmental assessments (EAs) that have a high probability of being elevated to EISs 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. 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.

17. Has the subrecipient applied for capital in the last three (3) years?

Yes No

If “Yes,” did the subrecipient provide an adequate opportunity for public review and comment on the project?

Yes No

18. Did the project affect significant economic, social, or environmental interests?

Yes No

If yes, did the subrecipient go through the environmental (NEPA) process to determine impacts?

Yes No

If yes, did the subrecipient hold the requisite public hearing?

Yes No

Did the hearing include the following elements:

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Concise description of the proposed project?
<input type="checkbox"/>	<input type="checkbox"/>	Published in a newspaper of general circulation in the geographic area the project will serve?

Did the subrecipient submit the public comments obtained at the hearing and hearing transcript to INDOT in order for the state to forward comments to FTA?

Yes No

Environmental Protection

FTA's environmental impact regulation (49 CFR part 622) requires different levels of analysis and documentation for the various types of projects funded through its programs. Most projects and activities funded through the Section 5311 program do not normally involve significant environmental impacts. Such projects are termed "categorical exclusions (CEs)" in FTA's procedures because they are types of projects which have been categorically excluded from the requirement to prepare an environmental document. In the annual certifications and assurances, INDOT must assure FTA that all the projects in the application are CEs under 23 CFR 771.117(c) unless otherwise noted. FTA's regulation classifies categorically excluded actions and projects into two groups.

The first group, described at 23 CFR 771.117(c), contains activities and projects which have very limited or no environmental effects at all, such as planning and technical studies, preliminary design work, program administration, operating assistance, and transit vehicle purchases. Because environmental impacts of these activities are either nonexistent or minimal, no environmental documentation is required.

The second group of projects, described at 23 CFR 771.117(d), which normally qualify for a CE, are projects involving more construction and greater potential for off-site impacts. As this process is carefully monitored by FTA and INDOT, compliance monitoring through the CMP process is minimal.

19. What was the scope of activities undertaken with FTA financial assistance during the last three years?

Yes	No	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	Planning or technical studies
<input type="checkbox"/>	<input type="checkbox"/>	Preliminary design work
<input type="checkbox"/>	<input type="checkbox"/>	Program administration
<input type="checkbox"/>	<input type="checkbox"/>	Operating assistance
<input type="checkbox"/>	<input type="checkbox"/>	Transit vehicle purchases

20. Based on the activities undertaken by the project, do all project activities undertaken in the last three (3) years fall into the provisions of the “first” group of activities that require no environmental documentation?

Yes No

If “No,” describe the project activity.

Clean Air

The principal CAA requirement with which FTA-funded projects must comply is the transportation conformity process. The conformity requirements are contained in an Environmental Protection Agency (EPA) regulation (40 CFR part 93) and they apply in areas that currently violate one or more of the national ambient air quality standards (nonattainment areas) and also in areas that once violated the standards but have since been re-designated to attainment status by EPA (so-called maintenance areas).

21. Is the subrecipient’s project service area in a nonattainment area?

Yes No

If “Yes,” is INDOT aware of this status?

Yes No

22. Is the subrecipient’s project service area in a maintenance area?

Yes No

If “Yes,” is INDOT aware of this status?

Yes No

Private Sector Participation

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

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

23. How does the subrecipient assure that private transportation companies are consulted in the development of transportation plans and programs?

Are the actions of the subrecipient proactive?

Yes No

24. How does the subrecipient assure that private transportation companies are engaged in public transportation service delivery to the maximum extent feasible?

Labor Protection

Title 49 U.S.C. 5333(b) requires that the interests of employees affected by assistance under most FTA programs shall be protected under arrangements the Secretary of Labor concludes are fair and equitable. Title 49 U.S.C. 5311(b) requires that the Department of Labor (DOL) use “a special warranty that provides a fair and equitable arrangement to protect the interests of employees” in order for the Section 5311(i) requirements to apply to Section 5311.

25. Has the subrecipient executed the Special Warranty?

Yes No

26. Is the execution current?

Yes No

Drug-Free Workplace Act

In accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 *et seq.*) and 49 CFR part 32, each grantee is required to maintain a drug-free workplace for all employees and to have an anti-drug policy and awareness program.

The grant applicant must agree that it will provide a drug-free workplace and comply with all requirements of 49 CFR part 32. However, these provisions apply only to States or tribes as FTA's direct grantees and do not extend to subrecipients.

If a subrecipient is also a direct recipient of FTA funds, then coverage of this topic would be included in the Triennial Review; INDOT will not duplicate FTA efforts in this regard.

27. Is the subrecipient a direct recipient of any FTA funds that would trigger applicability of the Drug-Free Workplace Act?

Yes No

If "No," proceed to the Drug and Alcohol Testing Section.

If "Yes," document any potential unresolved findings from the latest Triennial Review.

Drug and Alcohol Testing

In the interest of the safety of transit operations, recipients of funding from the 5307 Urbanized Area Formula Program, 5309 Capital Program, 5311 Nonurbanized Area Formula Program, and other programs as determined by the Secretary are required by 49 U.S.C. 5331 to establish drug and alcohol testing programs. The purpose of the testing program is to help prevent accidents, fatalities, and injuries resulting from misuse of alcohol or the use of prohibited drugs by employees who perform safety-sensitive functions. Grant recipients identified above must also certify annually that they are in compliance with the U.S. DOT and FTA regulations concerning drug and alcohol testing (49 CFR part 40 and 655.) Compliance with the regulations is a condition of FTA funding. Where applicable as discussed below, recipients of FTA funding are required to comply with Federal Railroad Administration (FRA) regulations and to Federal Motor Carrier Safety Administration (FMCSA) and United States Coast Guard (USCG) regulations concerning drug and alcohol programs.

States must annually certify on behalf of their Section 5311 subrecipients. Standard language for certification of compliance with the regulations appears in 49 CFR part 655 Subpart I. 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.

FTA’s rule requires testing of employees who perform a safety-sensitive function, which is defined in 49 CFR 655.4. The rule requires the following six types of testing: pre-employment for drugs (including transfer from a non-safety-sensitive position to a safety sensitive position); reasonable suspicion; random; post-accident; return-to-duty; and follow-up.

The rule requires each employer to establish and implement a substance abuse prevention program consisting primarily of a testing program but with elements requiring training, educating, and evaluating safety-sensitive employees. The rule requires the development of a detailed policy statement that must be distributed to all safety-sensitive employees and employee organizations. In addition, the 49 CFR part 655 Subpart D establishes alcohol concentration levels and prohibited behavior, and employers are directed to take specific action on the basis of the level of alcohol concentration.

Oversight of this topical area is designed to ensure whether the covered subrecipient is aware of applicable requirements. INDOT monitors the drug and alcohol testing program requirements through other means than the Compliance monitoring program.

28. Does the subrecipient have a drug and alcohol program and policy statement as required by FTA drug and alcohol regulations?

Yes No

If “Yes,” what is the date of the policy?
