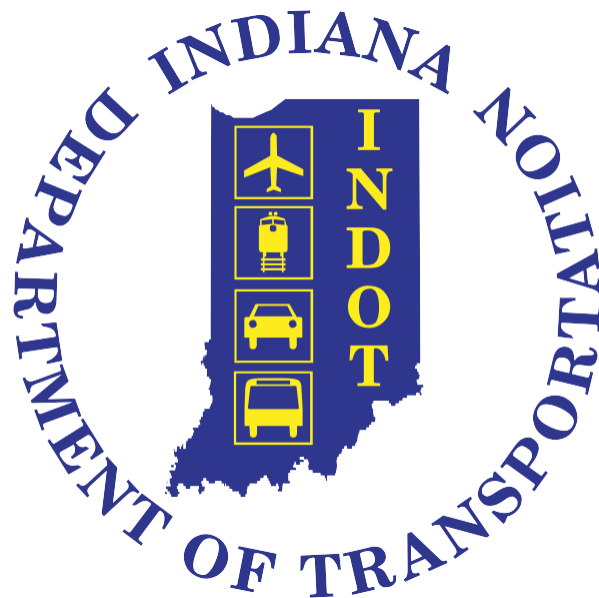


**STATE MANAGEMENT PLAN  
FOR SECTION 5311/5339  
TRANSIT ASSISTANCE TO RURAL AREAS**

**STATE OF INDIANA**



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## **FUNDING DISCLAIMER**

This publication has been financed in part through a grant from the United States Department of Transportation, Federal Transit Administration under the provision of Section 5311 of the Federal Transit Act, as amended.

## **PREFACE**

The Section 5311/5339 State Management Plan is designed to assist current and potential grant recipients in fulfilling the various requirements of receiving federal financial assistance in accordance with the most recent version of the Federal Transit Administration (FTA) Circulars 9040.1. and 5100.1. The FTA provides limited federal financial assistance to support the operation and capital investment needs of public transportation systems in rural areas. Its purpose is to outline the Indiana Department of Transportation's (INDOT's) plan for administering the Section 5311/5339 program and as a source of guidance to current grantees and interested parties.

Inquiries concerning the Section 5311/5339 Program should be directed to:

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# **PROGRAM BACKGROUND**

## **INTRODUCTION**

This Management Plan explains the policies and procedures used by the Indiana Department of Transportation (INDOT) to implement the Section 5311/5339 program. In 1978 the United States Congress passed the Surface Transportation Assistance Act (STAA) which amended the Federal Transit Act. The STAA added 49 U.S.C. Section 5311 which established a program (for the first time) to provide federal grant assistance to rural areas for public transportation. Each state and US Territory is allocated Section 5311 funding, which is administered by that state's Governor or Territory's Administrator. The Governor of Indiana has designated the Indiana Department of Transportation as the agency responsible for administering this assistance.

MAP-21 established a new Section 5339 Bus and Bus Facilities Formula Program (Bus Program), changing the program from discretionary to formula. Funding is allocated to states and territories and designated recipients in urbanized areas. The purpose of the new Bus Program is to assist eligible recipients in replacing, rehabilitating, and purchasing buses and related equipment; and to construct bus-related facilities, thus allowing grantees to address replacement and capital expansion needs.

Section 5311/5339 funding can be used for capital and/or operating assistance to public transportation operators, nonprofit agencies, local public bodies, or state agencies. Also, INDOT may use Section 5311 funding for its administrative costs and to provide technical assistance.

INDOT recommends that current grantees and potential applicants review this plan and other program related materials prior to applying for a grant. In addition, INDOT encourages prospective applicants to meet with INDOT Transit staff early in the planning stage to discuss grant projects. INDOT has found that pre-planning meetings can improve the applicant's understanding of program requirements. First time applicants of Section 5311 funding must complete a feasibility study in order to apply for funding assistance. A feasibility study project period is based on a calendar year (January – December). Based on funding availability, applicants who have completed an approved feasibility study will be eligible to apply for funding assistance the following calendar year. Each new system will be established as a demonstration project that INDOT is not obligated to fund beyond two years. INDOT will review the consistency between an applicant's feasibility study projections and two years data on vehicle miles, operating expenses, and passenger trips. Completion of a feasibility study does not guarantee and applicant's approval into the program.

## **A. PROGRAM GOALS AND OBJECTIVES**

### **1. Program Goal**

The goal of Indiana's transportation system includes providing transit service throughout the state to meet the needs of transit users. The State's role in the delivery of transit service is supported by the Section 5311/5339 Program which provides operating, capital, program

assistance for the Intercity Bus transportation program, and the Federal Rural Transportation Assistance Program (RTAP). The mission of the Indiana Department of Transportation's Office of Transit is to help people and communities meet their mobility needs by supporting safe, responsive, efficient and environmentally sound transit services.

## 2. Program Objectives

INDOT has adopted the following program objectives for Section the 5311/5339 Program:

- a. Increase availability of public transit for Indiana's population that enhances access to health care, shopping, education, employment, public services, and recreation.
- b. Encourage and support increased coordination of transit service with various public resources that maximizes transportation efficiencies and benefits for Indiana.
- c. Alleviate transportation barriers as well as improve mobility opportunities for elderly persons, people with disabilities, economically disadvantaged persons, and any other populations that may have transportation disadvantages.
- d. Implement cost effective strategies and performance measures for subrecipient transit systems that maximize the Federal and State investment in transit.
- e. Maintain a state commitment to public transportation.
- f. Manage federal transit programs to ensure subrecipient compliance with pertinent federal and state regulations.
- g. Provide necessary planning and technical assistance to subrecipient transit systems to ensure success with meeting local transit needs.
- h. Ensure a successful Intercity Bus program which promotes the participation of private providers in both the development and provision of transit services in Indiana.

## 3. INDOT Long Range Planning Process

The INDOT planning process is constantly looking for and receiving comments and input from citizens, elected officials and transportation professionals for its Long Range Plan and updates. INDOT's Long Range Transportation Planning staff has the responsibility to maintain and update the Long Range Plan. This requires the staff to monitor current transportation conditions and forecast future needs of the State. The use of the Annual Program Development Process (APDP), corridor studies, and technical planning tools are useful methods employed by staff to understand the needs and concerns of the public and the technical demands of the state's transportation network.

The Long Range Plan (LRP) is an ever-evolving document, in a continuous (somewhat circular) process of update that essentially begins as soon as one update is completed. Input

received following completion of an LRP update is documented and used as a basis for the next. The formal LRP update process includes, but is not limited to the following steps:

- Conduct of a comprehensive, statewide public stakeholders public participation process;
- Review of existing transportation (including FTA-funded services) policies and documents (short range plans, corridor analyses, INDOT Office of Transit Annual Reports, etc.;
- A comprehensive needs assessment of the transportation system (including public transit) driven by the public participation and Human Services Statewide Coordination Plan process, and INDOT's review of the existing transportation network, and forecast of future demand;
- Coordination with all INDOT management systems;
- Assessment of current and future anticipated financial resources;
- Conduct of technical planning, benefit/cost, and economic impact analysis;
- Draft LRP (which includes a public transportation section) and public comment period; and
- Final LRP.
- Beginning of the next LRP update process.

## **B. ROLES AND RESPONSIBILITIES**

Roles and responsibilities for implementation and administration of the Section 5311/5339 Program require action at the Federal, State, and local levels and are described below.

### **1. Federal Transit Administration**

The Federal Transit Administration (FTA) is the federal oversight agency. The FTA headquarters office in Washington, D.C. is responsible for: providing overall policy and program guidance for the Section 5311/5339 programs; allocating funds annually to the States; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation.

The FTA Region V Office in Chicago is responsible for the day-to-day administration of the program. Regional office activities include: reviewing and approving state grant applications; obligating funds; working with states to implement the annual program; receiving state certifications and revisions to the program of projects; review and approval of State Management Plans; oversight of state management responsibilities; and overall grant management.

### **2. INDOT - INDOT has been designated by the Governor of Indiana as the agency responsible for administering the Section 5311/5339 programs. INDOT's responsibilities include a fair and equitable distribution of funds, adhering to federal and state program guidelines, notifying eligible applicants about the availability of the program, developing program criteria,**

soliciting applications, and monitoring and improving coordination of public transportation services at the local and state levels. INDOT will certify eligibility of applicants, review applications, select applications for approval, monitor grants, ensure that audits are performed on all Section 5311/5339 grants, and close out projects. INDOT is also responsible for providing management oversight and appropriate technical assistance for non-urbanized areas.

3. Applicant – Applicants for Section 5311/5339 funding are responsible for developing the local grant application and all supporting documentation as required by INDOT. Applicants must assess and identify the transit need, plan an appropriate transit system, and establish the funding plan. Applicants may directly operate the transit system or contract for service with a private for-profit or nonprofit provider. In either case, applicants are responsible for: compliance with program requirements (federal and state); project management and management oversight; monitoring budgets, service, and subcontracts; ongoing service planning; and ensuring that audits are performed in accordance with INDOT requirements. Under a purchase of service arrangement, applicants are required to enter into a contract with the transit provider before expenditures may be reimbursed by INDOT under a grant contract. INDOT requires that any applicant contemplating a purchase of service arrangement procure those services competitively; INDOT must review and approve all documents prior to the procurement as well as any resulting award and contract.

## C. COORDINATION

1. Intra-agency Cooperation Group - INDOT has established an Intra-agency Cooperation Group (ICG) to facilitate cooperation and coordination between INDOT administered transportation programs and the Section 5311/5339 program. The purpose of establishing this group is twofold: (1) to assist and advise INDOT in the review and selection of Section 5311/5339 grant applications, and (2) to provide a forum for discussing strategies and policies that may assist INDOT in achieving its program goals.

The ICG is comprised of the following members:

- Indiana Department of Transportation/Transit Office – 5311/5339 Program Manager (Chair Person)
  - Indiana Department of Transportation/Transit Office – 5310 Program Manager
  - Indiana Department of Transportation/Transit Office – 5311/5339 Project Managers (2)
  - Indiana Department of Transportation/Transit Office – Transit Planner
  - Rural Transit Assistance Program (RTAP) – Coordinator
2. Social Service Involvement - Many rural areas do not have “for-profit” service providers but almost all have some form of social service transportation service, or non-profit providers. Efforts must be made to encourage these providers to participate in and coordinate with the project.
  3. Public Involvement - Public involvement is essential to providing a service that addresses community needs. Efforts to involve the public should be made. INDOT strongly encourages



applicants to establish a local Transportation Advisory Committee (TAC) or board. The local TAC is expected to encourage private sector participation and to afford an opportunity for input in plan developments. For capital grants public hearings are required.

4. Transportation Improvement Plans - Section 5311/5339 transit systems which are located within metropolitan planning boundaries must submit their transit projects to the applicable Metropolitan Planning Organization (MPO) for inclusion in the current Transportation Improvement Program (TIP). Guidance is provided in 23 CFR Part 450 and 49 CFR Part 613.

#### **D. ELIGIBLE SUBRECIPIENTS**

By definition, eligible subrecipients consist of those entities eligible to receive funding directly from INDOT and must be a unit of government authorized under state law to provide and carry out local public transportation projects. Only projects in nonurbanized areas are eligible. With this definition established, The Indiana Department of Transportation permits local public entities, public transportation corporations, regional commissions, and non-profit organizations that have been authorized to provide public transportation in the State of Indiana to be an eligible recipient of Section 5311/5339 funds, with the following conditions and stipulations, consistent with INDOT program management practices as further described below.

##### Eligible Applicants

Eligible applicants include all of the following:

1. Eligible public applicants include:
  - a. The State of Indiana, counties, cities, or towns within the State.
  - b. Public Transportation Corporations (PTC) as established under I.C. 36-9-4-12 (<http://www.in.gov/legislative/ic/2004/title36/ar9/ch4.html> ).
  - c. Regional Transportation Authorities (RTA) as established under I.C. 36-9-3-2 (<http://www.in.gov/legislative/ic/2010/title36/ar9/ch3.html> ).
  - d. Regional Planning Commissions as established under I.C. 36-7-7 (<http://www.in.gov/legislative/ic/2004/title36/ar7/ch7.html> ).
  - e. With designation by formal resolution of the local governing board, nonprofit organizations.
2. In the case of lower tier contracts between public entities and the service provider, the public entity must assign compliance responsibility for all applicable contract terms and conditions to the pass-through recipient.
3. The eligible public agency will continue to be the responsible party for invoice submission, receipt of all payments from INDOT, and shall hold the title to all capital equipment that may be acquired under a Section 5311/5339 grant.
4. Nothing in this guidance prohibits an eligible public entity from using competitive means to select an entity to manage and administer its public transportation program.
5. In order to minimize INDOT's project management burden, and in consideration to both

FTA's and INDOT's objectives for local service coordination, an eligible public entity may only enter into one "pass-through" arrangement in a given county for a countywide rural public transit system.

- a. If a public entity operates over a multi-county service area, one pass-through arrangement per county is permissible.
- b. INDOT will permit a city or town in a nonurbanized area to operate its own public transportation within its political boundaries, even if such a system falls within the service area of a countywide rural public transit system. Under such circumstances, INDOT shall require the city or town and the public agency sponsoring countywide public transportation to coordinate services to the maximum extent possible.

### Pass-Through Recipients

The Federal Transit Administration (FTA) permits states to use an eligible recipient as a "pass-through" in order to provide project funds to another eligible recipient when the lower tier recipient would also be an eligible recipient. In this case, the arrangement is not a third-party contract but a pass-through (e.g. the state awards funds to a public agency that in turn gives the funds to an otherwise eligible recipient). Thus, FTA allows the state to pass-through funds to private non-profit agencies as long as those agencies are considered eligible recipients.

Private non-profit and private for-profit operators of transit services may participate in the INDOT Section 5311/5339 program as third party (lower tier) contractors for grantees or eligible recipients. Additionally, INDOT permits non-profit organizations to be pass-through recipients provided that the eligible public agency: 1) acts as the grant recipient; 2) is the responsible party for invoice submission; 3) receives all payments from INDOT; and 4) holds the title to all capital equipment that may be acquired under a Section 5311/5339 grant.

It is at the discretion of the eligible applicant to choose the best mechanism for administering and operating rural transit service in their area, but any pass-through agreement must have prior INDOT concurrence. **(See Exhibit 1.)**

Although a competitive procurement is not required in this situation, INDOT strongly recommends that the eligible applicant conduct an analysis to ensure that the funds provided for the service are being used in a cost effective and efficient manner.

## **E. ELIGIBLE SERVICES AND SERVICE AREAS**

1. Eligible Rural Public Transit Service – Eligible services which may be funded under the Section 5311/5339 program include any transportation service provided by bus, shared-ride taxi, or other publicly or privately owned conveyance that serves the general public on a regular basis in primarily nonurbanized areas. 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 5311/5339 funds are used in a joint urbanized and nonurbanized project, Section 5311/5339 funds must be used primarily to assist the nonurbanized portion of the project. Urbanized/Nonurbanized services should be coordinated whenever possible (i.e., drop-offs/transfers from demand response providers at the urbanized fixed route stops).

2. Joint Urbanized and Rural Projects – In some localities, a subrecipient may provide public transportation to urbanized and surrounding rural areas. These subrecipients should use Section 5311 fund only to assist the rural portion of those localities.

Because of the wide range of circumstances under which an operator may provide services in both urbanized and rural areas, INDOT expects the subrecipient to develop a cost allocation methodology related to the service provided, for allocating operating costs between multiple funding sources. The subrecipient should also apply this procedure to “joint” capital projects.

Similarly, a subrecipient that purchases vehicles under either the Section 5307 or 5311 program for use in any part of a combined urbanized and rural service area should ensure that it has capital replacement policies in place to ensure that it is using program funds according to federal eligibility requirements.

All Joint Urbanized and Rural Area projects must have a cost allocation methodology and must be submitted to INDOT for review and approval to determine if the methodology is reasonable.

INDOT Office of Transit currently determines the following methodologies as reasonable basis for allocating costs between multiple sources of funding;

1. Revenue Hours
2. Revenue Miles
3. Ridership
4. The home address of the rider
5. Vehicles operated in maximum service (VOMS)
6. Service Area (Rural vs. Urban square miles within the actual service area)
7. Any of the above or a combination of the above methodologies

3. Services not eligible for assistance - Any exclusive ride taxi service and service to individuals or groups which exclude use by the general public.

## **F. ELIGIBLE ASSISTANCE CATEGORIES**

### **1. Capital Grants**

INDOT will make Section 5311/5339 assistance funds available for capital expenses, which generally include the acquisition, construction and improvement of public transit facilities and equipment. The Section 5311/5339 share may not exceed 80 percent of the net capital cost. Examples of eligible capital expenses included, but are not limited to:

- a. Buses, vans, or other paratransit vehicles;
- b. Radios and communications equipment;

- c. Passenger shelters and bus stop signs;
- d. Wheelchair lifts and restraints;
- e. Vehicle rehabilitation;
- f. Operational support such as computer hardware and software;
- g. Spare parts with a unit cost over \$300 and/or a useful life of more than one year; and
- h. Construction or rehabilitation of transit facilities including design, engineering, and land acquisition.

Intercity Bus - Section 5311(f) funds are also available for the above capital expenses, up to the same federal share. In addition, intercity capital grants may include planning and marketing projects.

## 2. Operating Grants

INDOT will provide Section 5311 funds for operating expenses related to providing transit services. The Section 5311 share may not exceed 50 percent of the net operating expenses. Net operating expenses are defined as the difference between the total eligible operating expenses and operating income generated from the public transit service. Examples of eligible operating expenses are: salaries and wages, fringe benefits, purchase of transit service contracts, fuel, oil, lubricants, replacement parts, tires, vehicle insurance, and licenses.

- a. Grantees intending to charge indirect costs to their operating grant must submit as part of their annual grant application a Cost Allocation Plan developed with the templates provided by INDOT, unless otherwise authorized by INDOT. Detailed procedures for submitting Cost Allocation Plan along with a link to sample forms is available in the 5311 Program Manual on the INDOT website at <http://www.in.gov/indot/2436.htm>.
- b. Section 5311(f) (Intercity Bus) funds are also available for operating projects. Eligible activities include, but are not limited to: purchase-of-service agreements, user-side subsidies, demonstration grants, and coordination of rural transit operations and intercity bus carriers.
- c. INDOT has the option of treating some expenses as grantee project administrative expenses. Expenses such as insurance and office rental are considered administrative. INDOT established a policy to fund all expenses related to Intercity operations in an amount that is up to 50 percent of the federal share. This decision was made in order to stretch the federal funding.
- d. Eligible capital, operating and intercity expenses are discussed in detail in the grant application packages available from INDOT.

## **G. LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS**

Local financial commitment is vital to the success of a local Section 5311/5339 project. Applicants must provide sufficient local funding for a Section 5311/5339 grant to “match” the Federal grant. The local share must be from non-FTA sources of funding, and can include any local or state sources, or unrestricted federal/state funds. “Unrestricted Federal Funds” (including Title XIX) are those funds authorized by a federal agency (e.g. Health and Human Services) can be used as local match for Section 5310 and Section 5311/5339 grants. The project applicants are responsible for identifying unrestricted funds because of their accountability by the other federal agencies involved.

In addition, the following also apply to the provision of an applicant’s local share:

With respect to operating expenses, 49 U.S.C. 5311(g)(2) provides that the federal share shall not exceed 50 percent of the net operating cost of the project. Federal/State funds for operating projects. The Federal share for planning and capital projects may not exceed 80 percent of the net project cost. 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.

1. Contract revenues from a purchase of transit service agreement funded by unrestricted federal/state funds, may be used as the local cash share. Examples of local share which constitute cash include:
  - a. Local grants, appropriations, and dedicated tax revenues.
  - b. Income derived from purchase of service contracts, including contracts where the purchaser utilizes unrestricted federal/state funds to finance the purchase of transit service. Community Services Block Grant (CSBG) funds received by local agencies falls under this category and is considered local "cash" funding.
  - c. State funds from the Public Mass Transportation Fund (PMTF): The PMTF is a fund authorized by the legislature to receive revenue from the State’s General Fund. It is administered by INDOT and it can match up to the total sum of the locally derived income of an approved capital or operating grant. **New Applicants are eligible for state PMTF assistance ONLY after completing their two year demonstration period and INDOT has reviewed the two year data.**
  - d. Other state funds eligible to match federal funds: For other state funds to be used as match, they must be approved by the appropriate state grantor agency. In-kind contributions (cash equivalent) as defined in 2 CFR Part 200 [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl). (Note: all requirements previously contained in 49 CFR Part 18, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” are now contained in 2 CFR Part 200, or the “Super Circular.”)

It has been INDOT's experience that local commitment to a project in the form of local cash, remains one of the most crucial elements to the success of public transit service. Without local

cash, it is difficult to determine the relative importance of public transit when compared to other local services and to assess whether the service would survive if federal funding is decreased. To emphasize this point, INDOT intends to use Section 5311/5339 to augment and enhance existing revenue sources and will not fund projects that simply replace existing revenues with Section 5311/5339 and state funds.

## **H. PROJECT SELECTION CRITERIA AND METHOD OF DISTRIBUTING FUNDS**

1. Federal Apportionment of Funds - The Federal Transit Administration (FTA) apportions Section 5311 funds to each state by a federal congressionally mandated population formula. The formula is determined by the ratio of each state's non-urbanized population to the total non-urbanized population of all 50 states plus U.S. territories. The data used in the formula are from the most current census report.

The Section 5339 Bus and Bus Facilities Formula Program (Bus Program) is allocated to states and territories and designated recipients in rural and urbanized areas. The purpose of the Bus Program is to assist eligible recipients in replacing, rehabilitating, and purchasing buses and related equipment; and to construct bus-related facilities, thus allowing grantees to address replacement and capital expansion needs.

2. State Allocation of Funds: 5311/5339
  - a. INDOT Administrative & Technical Assistance Funding - Up to 10 percent of the state's annual Section 5311 apportionment may be assigned to administer the program and provide technical assistance to applicants and existing transit systems. Technical assistance may include project planning and development, management and operations, maintenance, and coordination of public transportation resources and programs (public and private). INDOT's technical assistance program is explained in more detail later in this section.
  - b. Discretionary Funding - Up to 10 percent of the state's annual Section 5311 apportionment may be used for discretionary funding. This funding may be available for the following: (1) feasibility studies (2) new applicants requesting operating assistance and (3) capital grants that cannot be funded through their formula allocation amount.
  - c. Public Transit Project Funding - The remaining percentage of the annual Section 5311 apportionment is allocated to existing grantees by a formula. The funding is allocated as follows: the Service Area Population has a 30 percent (weight factor), Annual Passenger Boardings a 30 percent (weight factor) and Locally Derived Income (LDI) a 40 percent (weight factor). All three data sources are chosen to provide stability to the formula. To improve funding dependability and predictability, previous year allocations will be used

as a baseline allocation. Passenger boardings and LDI data will be averaged for the most current three year period.

*Population* was chosen and weighted at 30 percent to provide a base allocation to all grantees. It is a stable and predictable allocation factor.

*Passenger Boardings* was chosen and weighted at 30 percent to encourage grantees to maintain and improve passenger boarding levels. INDOT considers this a foundational objective of all transit services.

*LDI* was chosen and weighted at 40 percent to encourage stable or increasing levels of local funding. The higher weighting for LDI represents INDOT's emphasis on local funding support for transit services. LDI includes fare revenues, local appropriations, unrestricted federal/state funds (i.e., federal/state funds eligible to match Section 5311 funds) and cash grants. LDI does not include contra-expenses (e.g., expense refunds such as, motor fuel tax) or in-kind volunteer labor services.

A grantee's allocation amount may be used for capital and/or operating assistance grants. Allocations can be adjusted at the discretion of the 5311/5339 Program Manager in order to meet program needs.

- d. Discretionary Capital Funding (Section 5339): INDOT's funding component for the bus and bus facilities program is based on age and condition of current fleet, administration capabilities, utilization of project equipment, and quality of application.

#### EVALUATION CRITERIA FOR GRANTS

1. Operating Assistance

- a. Existing Grantees

Existing grantees (those applicants currently receiving Section 5311 funds) have already demonstrated satisfactory effort to operate their transit system according to INDOT's guidelines. As such, the criterion used by INDOT to evaluate existing Section 5311 grantees is the completeness and adequacy of their application. A checklist is used to verify that all pertinent items are submitted, complete and adequate. INDOT, with contract assistance, performs compliance reviews every four years or as circumstances warrant.

- b. First -time Applicants

First-time applicants are those who have never received Section 5311 funding. A feasibility study must be completed to be eligible to apply for Section 5311

funding assistance. See **Exhibit 2** for the Feasibility Study Rating Form. At a minimum, first-time applicant's feasibility study must address the following ten (10) evaluation factor criteria:

- (1) Completeness of study;
- (2) Identification of the need for public transit service;
- (3) Identification of potential trip generators;
- (4) Calculation of service demand (peak & off peak);
- (5) Identification of the most appropriate type of service;
- (6) Identification of capital requirements needed to meet demand;
- (7) Identification of proposed public transit service provider;
- (8) Identification of projected operating costs;
- (9) Determination of degree of long-term local community support; and
- (10) Identification of marketing effort required for start-up.

- c. New Applicants: (Funding for new applications is based on funding availability.)

New applicants are those who have completed an approved feasibility study and are now eligible to receive Section 5311/5339 funding. INDOT and the Interagency Cooperation Group (ICG) will review applications. Seven (7) evaluation factor criteria are weighted according to importance in fulfilling program goals. **Exhibit 3** is the New Applicant Operating Application Review and Rating Form. Criteria for new applicants include:

- (1) **The completeness of the application and compliance with guidelines and requirements of the application process.**

INDOT expects, at a minimum, that applicants submit a complete grant application. Failure to adequately address every requirement will adversely affect the rating of the grant and may eliminate the grant from further consideration. INDOT intends to concentrate review time on the merits and technical aspects of an application and not on compiling missing or inadequate information. INDOT transit staff are available to assist applicants with the application process.

- (2) **The degree of local demand and local financial support for the project.**

- (3) **The ability of management to administer the grant and meet INDOT's program guidelines and requirements and operate a transit system.**

New applicants will be evaluated on previous experience with similar grant programs, management structure, and accounting system. The



ability of a new applicant to operate a transit system will be evaluated based on the proposed organizational structure of the system, the experience of personnel required to perform system functions, and the applicant's past experience in operating transportation service.

**(4) The extent to which existing area-wide services, manpower, and equipment are used in the project.**

INDOT requires that applicants make every effort possible to coordinate available resources under operating and capital grants. Applicants must encourage every possible transportation provider (including private-for-profit) to participate in the project. Successful coordination would include the commitment of other local agencies to purchase service, share resources, and use the transit system. New applicants will be evaluated based on the amount of coordination expected and planned for in the proposed transit system. If other providers are not interested in participating in the project, then the applicant must develop a transit system compatible with the other providers.

**(5) The appropriateness of type of service, planned improvements, expansion, and equipment.**

The development of a transit system must be carefully planned and explained because the proposed cost and the projected productivity are functions of the type of service established to meet the mobility needs. The applicant should make these decisions only after careful and appropriate consideration of the purpose and expectations for the service. If the purpose and expectations are not clearly defined, it will be impossible for the applicant to determine if the service is successful.

The grant justification should show the relationship between the transit service and the identified mobility needs and service area characteristics (e.g., geography, traffic patterns, population density, etc.). The applicant must make every reasonable effort to ensure that elderly and persons with disabilities will be able to use the public transit service.

The appropriateness of the type of service will be reviewed in part based on the following criteria:

**(a) Fixed Route Service:**

- [1] Service area has few main activity centers, central business district is usually the primary activity center;
- [2] Trip needs may be met through fixed schedules;
- [3] Trip needs may be met by service over major streets;

- [4] Service area has relatively high population density; and
  - [5] Users have convenient access to routes
- (b) Demand Responsive Services (including Dial-a-Ride, deviated fixed route, advanced request, and shared-ride taxi):
- [1] Trip needs are dispersed throughout the service area and throughout the day;
  - [2] A significant proportion of users are those who have difficulty walking and standing (e.g., getting to fixed route type services); and
  - [3] Service area has relatively low population density.

New applicants will be evaluated based on the appropriateness of the type of service in terms of the aforementioned criteria and on type of equipment to be used in relationship to the demand for service. Careful consideration will be given to assessing the methods used by the applicant in selecting a particular type of service.

- (6) The actions previously implemented and/or planned to reduce operating costs and to improve operating revenue.

Since operating revenues do not cover total costs, it is imperative that management makes every effort to keep costs low. This is extremely important in view of the limited amounts of governmental assistance available to finance transit. The applicant's ability to increase operating and other revenues will directly improve the financial stability of the transit system by decreasing its dependency on governmental assistance. The applicant must give consideration to an appropriate revenue recovery program for its transit system.

New applicants will be evaluated based on the reasonableness and appropriateness of expenses and revenue sources in relation to service characteristics. INDOT highly recommends that a formal fare structure be established.

- (7) The suitability of the existing and/or proposed promotional techniques and programs to reach riders and potential riders.

New applicants will be evaluated based on the appropriateness of planned marketing, public information, and promotional programs. These planned programs will be evaluated in relationship to objectives for reaching and maintaining projected ridership levels. At a minimum, INDOT expects each applicant to design some basic public information (i.e., bus schedules, ride guides, etc.) and also develop a proposal for its dissemination.

## 2. Capital Assistance

INDOT currently views vehicle acquisition as a priority within the program. As such, requests for capital assistance outside of vehicles purchased off the INDOT Quantity Purchase Award (QPA) agreements may only be considered on a discretionary basis.

Upon receiving the 5311/5339 grant application, INDOT will evaluate the application according to several weighted factors. See **Exhibit 4** for the Discretionary Capital Rating Form. The weights of the factors represent the importance of the factor in achieving program goals. The evaluation criteria include:

- a. *Project Justification.* Are vehicles or equipment requests appropriate (*i.e.*, does the vehicle mileage information justify replacement)? Are facilities, expansion, or equipment necessary for continued and/or improved operation? In regard to capital assistance, INDOT will give replacement vehicle projects the highest priority. However, it is critical for approval that sufficient information on mileage, age, and condition of vehicles is provided. Projects will be prioritized for eligibility as follows:
  - Replacement passenger vehicles for existing grantees;
  - Replacement of major equipment or maintenance items for existing grantees;
  - Passenger vehicles for expanded services for existing grantees and new applicant capital requests;
  - Facility rehabilitation; and
  - Construction of new facilities.

INDOT may consider projects for new facilities and expansion or rehabilitation of existing facilities. A project of this type must be clearly justified. For example, in the case of a facility expansion project, a transit property may decide to wash buses in-house rather than pay for a third party service. This decision will require the addition of a bus wash bay to the transit facility. To justify this project, the applicant must provide documentation that it is more cost-effective to wash buses in-house.

- b. *Administrative Capability.* The ability of management to administer the grant and meet INDOT's guidelines and requirements.

INDOT staff will look for staff with experience or access to personnel with experience in the fundamental aspects of procuring vehicles, equipment, and other capital assets, and in scheduling and implementing construction projects, if applicable.

- c. *Utilization.* Extent to which existing area-wide services, manpower, and equipment are used in the project.

The applicant must demonstrate that that applicant has developed cooperative relationships with other agencies involved in providing transportation or other services that involve the use of resources similar to those required by the transit system. All capital projects will be

reviewed in terms of the availability of opportunities to fulfill capital needs through cooperative relationships and sharing resources with outside agencies.

- d. *Quality.* Completeness of the application and compliance with guidelines and requirement of the application process.

All applications must be complete and follow the requirements. The applicant must provide adequate information for INDOT to evaluate the value and need for the project.

All applicants are required to submit Title VI documentation to INDOT for submission to FTA. Any changes or updates to this information must be included in the annual Section 5311/5339 grant application and/or submitted to INDOT as requested. INDOT monitors subrecipients to make sure there have been no civil rights complaints filed against the transit system since startup. Transit systems are required to post the Civil Rights Act of 1964 in the workplace where the workers can view it (see Section O for further Civil Rights subrecipient requirements).

Applicants whose service area is within a Metropolitan Planning Organization's (MPO's) planning jurisdiction must provide its capital and operating projects for inclusion in the MPO's Transportation Improvement Program (TIP), approved by the MPO and the Governor and in a Statewide Transportation Improvement Program (STIP) that has been approved by FTA and the Federal Highway Administration (FHWA).

## **I. INTERCITY BUS TRANSPORTATION**

INDOT is required to spend 15 percent of the Section 5311 apportionment to carry out a program for the development and support of intercity bus transportation. This percentage set-a-side is effective unless the Governor certifies that the intercity bus service needs of Indiana are being adequately met.

Funding must support intercity bus service in rural areas. Eligible activities include, but are not limited to: planning and marketing; capital grants for shelters, joint-use stops and depots; operating grants through purchase-of-service agreements, user-side subsidies, demonstration grants, and coordination of rural transit operations and intercity bus carriers.

Federal guidelines require the State to advertise the availability of these funds, review potential projects for compliance with federal and state criteria and fund those projects which are viable. Indiana undertakes extensive efforts to promote the availability of funding offered through the Section 5311(f) program. INDOT will solicit projects in the Spring by written notification and posting notices in local newspapers around the state.

Each Fall, INDOT provides the opportunity for public comment regarding the unused intercity funds by publishing a public notice in all major newspapers in Indiana and notifying via mail private

intercity carriers providing service in Indiana. The public comment period is fourteen days. If no written or verbal comments are received in response to these notices, a letter from the Governor certifies that the intercity bus service needs of Indiana are being adequately met, and any unused funds are transferred to program reserve. Charter and tour services are not eligible for this assistance in accordance with federal regulation 49 CFR Part 604.

## **J. ANNUAL POP DEVELOPMENT & APPROVAL PROCESS**

### **1. Review Process**

It is important to note that the 5311/5339 application review process is designed to identify projects of exceptional quality. Documented efforts to operate the transit system in the most effective and efficient manner possible, secure local sources of cash match, and establish a fare revenue policy consistent with local goals will be viewed positively by INDOT.

The ICG will review and rate the 5311/5339 applications of new applicants using the application review and ranking forms identified in this section. The Section 5311/5339 Program Manager will make a final project ranking taking into consideration the ICG's findings and comments. Based on this ranking, the 5311/5339 Program Manager will make project selections based on the highest scores.

The selected applications and the existing Grantee's 5311/5339 applications will be listed in the INDOT's Annual Program of Projects (POP). Each capital and operating application will be listed as a separate line item and the funding amounts will be identified. This Program of Projects will then be presented to the INDOT Office of Transit, Manager and FTA for approval.

### **2. Notification**

Applicants will receive written notification of INDOT's decision. Any applicant not receiving approval of their application may appeal the selection decision to the Manager of INDOT's Transit Office. The process for filing an appeal is as follows:

- a. Applicant must send, by certified mail, an appeal to the address below within 15 calendar days after receiving notification of INDOT's decision.

Indiana Department of Transportation  
Transit Office Manager  
100 N. Senate Avenue  
Indianapolis, IN 46204

- b. INDOT will conduct a preliminary review within five working days, and if necessary, request by certified mail additional information from the applicant.
- c. INDOT will allow five working days for receipt of additional materials;

- d. INDOT's Transit Office manager will make a final decision within 15 working days from the receipt of the appeal request, or within 15 working days from the receipt of additional materials;
- e. INDOT will notify the applicant in writing within five working days of its final decision;
- f. Applicant may appeal INDOT's final decision in accordance with I.C. 4-21.5-3-1, *et seq.*

### 3. Program of Projects

Selected applications and existing grantee's operating applications will be incorporated into a statewide application, or Program of Projects (POP). Each capital and operating application will be listed as separate line items with the funding amounts identified. The POP is then submitted to FTA for approval.

### 4. Contract Execution

Once INDOT receives FTA approval of the statewide application, INDOT will execute a grant contract with each applicant. The applicant will then become a grantee. The contract describes the responsibilities of each party. If the grantee is a county, the contract must be signed by the Board of Commissioners or designee and must be attested by the County Auditor. If the grantee is a city, the contract must be signed by the Mayor and attested by the Clerk-Treasurer. If the grantee is a town, the contract must be signed by the President of the Board of Trustees and attested by the Clerk-Treasurer. INDOT, State Budget Agency, Indiana Department of Administration and the Attorney General's Office then sign the contract. The contract execution process takes approximately three months. INDOT returns a copy of the fully executed contract to the grantee with a notice to proceed.

## **K. FUND TRANSFERS**

### 1. Program Reserve

The State may include funds in program reserve to assist projects that it has not yet identified at the time it submits its grant application to the FTA. The program reserve allows States to obligate its entire annual Section 5311 apportionment at one time. The program reserve funds are to accommodate unanticipated program needs. The State must allocate program reserve funds to specific projects within the period of availability of the funds.

### 2. New Applicants and Allocation Formula

Any new applicant approved for funding will be added to the funding formula in subsequent years following the second consecutive year of INDOT funding.

### 3. Disposition of Fund Balances

In the event funding is left in the program reserve balance; it may be programmed as a reserve funding line-item or carried forward and added to the next year's apportionment. Alternatively, fund balances may be used by INDOT to fund special projects or marketing studies, etc.

### *Section 5307*

The Governor may transfer the reserve funds to urbanized areas under 200,000 population. Likewise, the Governor may transfer FTA Section 5307 (the urbanized transit program) funds from urbanized areas under 200,000 population to the Section 5311 program. This type of transfer will only occur after consultation with the affected urbanized areas. INDOT will be responsible for notifying the FTA Regional Administrator on each transfer of Section 5311 or Section 5307 funds. In addition, Section 5310 (the capital program for non-profit agencies) funds may be transferred to Section 5311 within the last 90 days of its availability. INDOT does not typically transfer funds between sections. If INDOT were to transfer from Section 5307, it will retain the original program requirements for each program.

Even though authority is provided to the State to transfer Section 5307 funds to 5311 and 5311 funds to 5307, INDOT has chosen not to at this time. If INDOT chooses to initiate a transfer for 5307, 5310, funds to the 5311 program it will provide notice to FTA and will include (1) the amount of funds to be transferred; fiscal year in which funds were apportioned; program section(2); and (3) the INDOT contact information.

### *Section 5339*

MAP-21 replaced the Section 5309 Bus and Bus Facilities Program with the Section 5339 Program. Section 5339 provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Funds are allocated to the states, and these funds are eligible to be transferred by the States to supplement urban and rural formula grant programs. In Indiana, INDOT uses Section 5311 funds primarily for operating projects and Section 5339 funds for discretionary capital purchases. Both sources of funds are awarded through a single annual application process. All capital projects, regardless of the source of funding, are subject to INDOT's eligibility priorities and are evaluated with INDOT's Discretionary Capital Application Review and Rating Form, **Exhibit 4**.

## **L. STATE ADMINISTRATION & TECHNICAL ASSISTANCE**

INDOT provides management and technical assistance to rural public transit providers. INDOT will provide management assistance to help develop knowledgeable transit management and improve the effectiveness of transit operations. Also, INDOT provides a variety of technical assistance in the areas of planning, funding and vehicle and equipment procurement. These areas of assistance are described below:

1. Planning - This type of assistance is available upon request and may include transit feasibility studies, ridership surveys, ridership estimates, routing and scheduling, revenue and cost projections, and an identification of equipment needs.
2. Financing - INDOT will help applicants/grantees identify alternative funding sources as well as assist in preparing grant budgets.

3. Vehicle and Equipment Procurement - Vehicles are purchased through Indiana Department of Administration (IDOA) Quantity Purchase Awards (QPAs). IDOA is responsible for soliciting, reviewing and approving all bids for vehicles. In addition, equipment such as computers may be purchased from state quantity purchase awards.
4. Training - INDOT periodically sponsors seminars, workshops and training sessions on rural transit management and operations. In addition INDOT provides an ongoing program through the Rural Transit Assistance Program, which is explained below.

INDOT technical assistance to rural areas start very early in the planning process, from the development of a feasibility study to the completion of the Section 5311/5339 application. INDOT awards feasibility study grants at 80/20 with the maximum award being \$10,000. Feasibility studies must contain at a minimum a description of the service to be provided, who will provide the service, the cost of providing the service, and the sources of local share.

Each grantee is provided with INDOT's Rural Transit Program Manual which outlines all aspects of a Section 5311/5339 public transportation project including planning, accounting and budgeting, grant application procedures, procurement, property management, reimbursement, and operational data reporting. The manual is each Section 5311/5339 systems management guide for the Section 5311 program.

## **M. STATE RURAL TRANSIT ASSISTANCE PROGRAM (RTAP)**

The Rural Transit Assistance Program (RTAP) is a comprehensive and flexible program of training, technical assistance, research, and support services for rural public and specialized transit agencies. In 1987 RTAP was authorized by the passage of Section 18(h) of the Federal Transit Act. The RTAP has both a national and a state component. The National RTAP develops services and products of use to rural transit providers nationwide. Each state also receives a RTAP allocation to develop products and services that are state specific in nature. INDOT receives an annual federal allocation to develop and implement its program in conjunction with the Section 5311 Non-urbanized Area Public Transportation Assistance Program. While the RTAP is a portion of the Section 5311 funding, its purpose is somewhat different in nature.

INDOT also offers additional training through RTAP. INDOT's RTAP is available to assist rural transportation providers with training and technical assistance. The RTAP provides and supports Passenger Assistance Techniques training, Defensive Driving, Employee Substance Abuse, Emergency Procedures, Customer Service, and Disability Awareness and provides a scholarship program for agencies to help offset the costs to send staff to training programs. RTAP funding may not be used for administrative, operating or capital assistance.

### **1. RTAP Program Goals:**

- a. To promote the safe and effective delivery of public transit in rural areas and make more efficient use of public and private resources;



- b. To encourage the development of state and local ability for training and technical assistance;
  - c. To improve the quality of information and technical assistance available through the development of resource materials;
  - d. To facilitate peer-to-peer self help through the development of local networks of transit professionals; and
  - e. To support the coordination of public, specialized, and human service transportation services.
2. RTAP Advisory Committee - INDOT has established a RTAP Advisory Committee to provide guidance and ongoing review of program development, implementation, and delivery. The committee is made up of representatives from private non-profit specialized providers, private for-profit providers, public transit providers (Section 5311), and state agencies.
3. RTAP's Relationship to Other FTA Funding Programs:
- a. Section 5311: The Section 5311 program has a direct relationship with RTAP because most rural public transit operators receive Section 5311 capital and operating assistance. Under the Section 5311 program, INDOT uses administrative funds to provide technical and grant assistance to Section 5311 grantees. As such, RTAP is viewed as an extension of this program.
  - b. Section 5310: The Section 5310 Program provides capital assistance to non-profit agencies for meeting the special transportation needs of the elderly and persons with disabilities. Many Section 5310 funded agencies provide transportation services in rural areas. Some of these agencies also receive Section 5311 funding. The agencies providing rural transportation services are also intended to receive assistance through RTAP.

INDOT also coordinates and conducts trainings offered through the National Transit Institute (NTI), the Community Transportation Association of America (CTAA), and other State agencies such as Emergency Management, State Police and Homeland Security. In addition to the above assistance, INDOT can arrange to provide assistance in other functional areas such as marketing and promotion, accounting and reporting, coordination, and personnel and labor relations. Please contact INDOT, Transit Office for further information.

## **N. PRIVATE SECTOR PARTICIPATION**

INDOT requires that sub-recipients make every effort possible to coordinate available resources under operating and capital grants. Sub-recipients must encourage every possible transportation provider (including private-for-profit) to participate in the project. Successful coordination would include the commitment of other local agencies to purchase service, share resources, and use the transit system. INDOT also requires local Transportation Advisory Committees (TAC) include representatives from private transportation providers, if available, to be involved in public transit planning.

## O. CIVIL RIGHTS

INDOT will collect assurances and documentation on Title VI, Equal Employment Opportunity (EEO), Environmental Justice, disability (ADA/504), Limited English Proficiency (LEP), etc. from subrecipients prior to passing through FTA funds. These assurances will be submitted as part of a standard list of assurances provided by subrecipients to INDOT.

### General Civil Rights Requirements

In addition to the standard assurances, subrecipients are required to submit the following information to INDOT for submission to FTA. This information is also updated as necessary in the subrecipients' annual Section 5311/5339 grant application, unless otherwise requested by INDOT.

- An explanation of the posting and notice to the public that indicates the recipient complies with Title VI, and informs members of the public of the protections against discrimination afforded to them by Title VI.
- A list of any Title VI/EEO investigations, complaints, or lawsuits filed with the agency since the time of the last submission.
- A copy of the agency's notice to the public that it complies with Title VI/EEO and instructions to the public on how to file a discrimination complaint.
- A public participation plan that includes an outreach plan to engage minority and limited English proficient (LEP) populations, as well as a summary of outreach efforts made since the last Title VI Program submission; this potentially includes a copy of the agency's alternative framework for providing language assistance.
- A table depicting racial composition of membership of any non-elected planning boards, advisory councils or committees, or similar bodies and a description of efforts made to encourage the participation of minorities on such committees or councils.
- If the recipient has constructed a facility, such as a vehicle storage facility, operation center, etc., the recipient shall include a copy of the Title VI equity analysis conducted during the planning stage with regard to the location of the facility.
- A Board of Directors resolution or meeting minutes demonstrating the board approved the Title VI program.
- A description of fare or service adjustments, or policy or activity changes as conducted by the recipient, which would have a disproportionately high and adverse effect on minority or low-income populations as required by Environmental Justice requirements. This should include an explanation what mitigation measures or alternative actions were evaluated or implemented to reduce the effects with regard to the social, economic and environmental impacts to minority and low-income populations as well as assurances that all potentially

affected communities had full and fair participation in the transportation decision-making process.

- An EEO (Title VII) program for recipients employing 50 or more transit-related employees and requests/receives capital and operating assistance in excess of \$1 million or requests/receives planning assistance in excess of \$250,000. In addition, evidence is to be provided of threshold recipient or subrecipient monitoring of contractor's EEO program plan to ensure compliance and that affirmative action efforts are met.

In addition, INDOT provides all sub-recipients with a Title VI Plan template that assists sub-recipients meet all of the aforementioned requirements. The Title VI Plan template can be located on the Indiana RTAP website at <http://indianartap.com>.

#### Disadvantaged Business Enterprise (DBE)

Grantees and their subcontractors are subject to the U.S. Department of Transportation rules regarding the participation of disadvantaged business enterprises in DOT-assisted contracts. All recipients of Section 5311/5339 funds must agree to at least three provisions of FTA's DBE requirements, regardless of the dollar amount of Federal financial assistance.

- All grantees must continue to provide data on the DBE program to INDOT, as directed; and,
- All grantees must create and maintain a bidders list, consisting of all firms bidding on prime contracts and bidding or quoting on subcontracts or DOT-assisted contracts. For every firm, the following information must be included:
  - Firm name;
  - Firm address;
  - First status as a DBE or non-DBE;
  - Age of the firm; and,
  - Annual gross receipts of the firm.

Each contract signed between a grantee and a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

*The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.*

#### DBE Reporting Requirements

DBE goal projects and quarterly data are submitted by Section 5311/5339 grantees as part of a combined Section 5311 quarterly invoicing report.

Note that FTA excludes the purchase of vehicles from DBE goal calculations.

Grantees who receive over \$250,000 in contractual obligations, in a Federal fiscal year must prepare a DBE program pursuant to [49 CFR part 26, Subpart B](#), Section 26.21. Section 5311/5339 recipients who fall into this category must contact the INDOT Office of Transit for guidance on DBE program preparation.

All prospective DBE firms must be certified in the State of Indiana. The Indiana Department of Transportation, Economic Opportunity Division (EOD) certifies firms under the State of Indiana program. Lists of certified firms are available in both written form and at [http://www.in.gov/indot/files/dbe\\_list.xls](http://www.in.gov/indot/files/dbe_list.xls). Grantees should note that only firms that are “certified” (not “registered”) conform to U.S. DOT requirements.

#### State Monitoring of Subrecipients’ Civil Rights Compliance

As part of its monitoring efforts, INDOT will conduct an on-site review of the grantee’s project at least once every four years. During this review, INDOT will review all Civil Rights requirements.

## **P. MAINTENANCE**

Vehicle Maintenance - INDOT will ensure that vehicles funded as part of the 5311/5339 Program are maintained in accordance with the transit systems approved Preventative Maintenance Plan. Preventative maintenance should be performed as recommended by the equipment manufacturer and services completed by qualified mechanics. As part of INDOT’s annual site visits and compliance review processes, intervals for preventative maintenance will be reviewed. At a minimum, 80% must be performed on time using the Vehicle Maintenance Interval Chart. INDOT may request additional reporting from individual systems on a case-by-case basis.

### Vehicle Maintenance Interval Chart

Vehicle Model Year	# of PM Events Examined	Date - First Event Recorded	Date - Last Event Recorded	Total Mileage: In Period		On-Time (Within +/- 10%)	No. Early/Late		Percentage On-Time
							Early	Late	
183/2006	20	9/22/2009	10/04/2012	36,847		16	3	1	80%
186/2010	11	7/2/2010	09/28/2012	38,330		9	1	1	82%
		Totals				25	6	9	81%

<sup>1</sup> “On-time” maintenance events are those that occur within +/- 10 percent of the established interval. For Bus 183, this interval is 3,000 miles (*e.g.*, on-time events are performed at 2,700 to 3,300 mile intervals). For Bus 186, this interval is 5,000 miles (*e.g.*, on-time events are performed at 4,500 to 5,500 mile intervals). For purposes of compliance, early and on-time events are counted towards on-time performance.

As a condition for accepting Section 5311/5339 vehicles, the grantee must maintain in operative condition those features of vehicles that are required to make the vehicles readily accessible to and usable by individuals with disabilities. These features include, but are not limited to, lifts and other means of access to vehicles, securement devices, signage and systems to facilitate communications with persons with impaired vision or hearing.

Accessibility features shall be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, the grantee shall take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature. This does not prohibit isolated or temporary interruptions in service or access due to maintenance or repairs.

Grantees interested in further information about maintenance can contact the Section 5311 Program Manager and request a copy of the Indiana Preventative Maintenance Manual, or can download the manual from the Indiana RTAP website, [www.indianartap.com](http://www.indianartap.com).

## **Q. CHARTER RULE**

INDOT does not permit the provision of Charter Service by Section 5311/5339 grantees. As part of INDOT's compliance review process, all service provided by Section 5311/5339 grantees is reviewed to ensure that it does not meet the definition of charter. See Section T. of this document, Reporting, Monitoring, and Auditing, for more details of Indiana's compliance review process.

## **R. SECTION 504 AND ADA REPORTING**

INDOT will collect Section 504/ADA assurances from subrecipients prior to passing through FTA funds. These Section 504/ADA assurances will be submitted as part of a standard list of assurances provided by subrecipients to INDOT.

As part of its monitoring efforts, INDOT will conduct an on-site review of the grantee's project at least once every four years. During this review, INDOT will review the following Section 504/ADA requirements:

1. Agency's maintenance preventative maintenance schedule for wheelchair lifts/ramps and related equipment.
2. A list of any Section 504/ADA investigations, complaints, or lawsuits filed with the agency since the time of the last submission.
3. Does the agency continue to provide equivalent services to persons with disabilities (Response time, fares, geographic service area, hours and days of service, restrictions on trip purpose, availability of information and reservation capability, and constraints on capacity or service availability)?

4. Does the grantee have procedures for investigating and tracking ADA complaints filed against them and making their procedures for filing a complaint available to members of the public upon request?
5. Does grantee have written policies regarding transporting of mobility devices, service animals, personal care attendants, and portable oxygen?
6. Does the grantee have procedures in place to ensure that its emergency preparedness, disaster response, and disaster recovery planning and operations comply with Federal ADA and civil rights requirements?

## **S. NTD REPORTING**

INDOT collects all required National Transit Database (NTD) data in accordance with 49 U.S.C. 5335(a) and (b) and reports this information on an annual basis. In accordance with Section 5311(b)(4), each Section 5311/5339 recipient submits an annual report containing information on capital investment, operations and service provided under Section 5311. INDOT reports include (but are not limited to) total annual revenue; sources of revenue; total annual operating costs; total annual capital costs; fleet size and type, and related facilities; revenue vehicles miles; and ridership.

## **T. STATE PROGRAM MANAGEMENT**

### **REPORTING, MONITORING, AND AUDITING**

ECHO Requests – The INDOT Accounting and Control Manager develops a billing summary of all costs, based on operating and capital invoices submitted by the individual grantees, to be included in the ECHO request. The billing summary is then reviewed and approved by the ECHO approving official and the Office of Transit Manager; both individuals sign and date the request, which is then submitted by the Accounting and Control Manager.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFAT) REQUIREMENT: FTA's recipients must report the information about each first tier sub-award over \$25,000 (funds passed through to other public agencies or private nonprofit organizations) by the end of the month following the month the recipient makes any subaward or obligation (not the month after FTA awarded the direct grant). For example, if FTA awarded the grant in November, and the prime recipient did not sign subrecipient agreements until February, the FTA recipient would have until March 31 to report the subaward into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at <https://www.fsrs.gov>. Once the recipient submits an initial report, the recipient can revise it later to add additional subawards as they are made, or to change data previously submitted to reflect adjustments in subawards.

Any Indirect Costs that are included as a result of a Grantee's reimbursement request, will have been approved as part of that Grantee's cost allocation plan by INDOT. See also Section F.2.a.

1. Reporting – Federal Financial Reports (FFRs) and Milestone Progress Reports (MPRs) – INDOT prepares and submits all required Federal Financial Reports (FFRs) in accordance with FTA Circular C5010.1E

INDOT requires all grantees receiving operating assistance to report financial and operating data on a quarterly and annual basis. Failure to provide these reports will result in INDOT withholding future reimbursement requests under the grant agreement. Also, INDOT compiles and publishes an annual report for all transit systems in the state based on information from this reporting system.

Grantees receiving capital assistance are required to keep appropriate property control records on all equipment and real property. Grantees are responsible for submitting these records to INDOT to meet the capital asset reporting requirement. Federal Office of Management and Budget and Federal Transit Administration guidelines are used in meeting this reporting requirement.

2. Monitoring - INDOT has undertaken an effort to analyze the compliance practices of its Section 5311/5339 grantees and their sub-grantees. INDOT staff provides oversight of program compliance by conducting annual grant reviews, annual site visits, and compliance reviews every four years to ensure that 5311/5339 grantees are complying with federal and state regulations. The compliance review involves a comprehensive review of each grantee's practices, which includes a desktop review as well as on-site review. INDOT submits a compliance review report to the grantees. This report documents the findings from the desktop and on-site review and the corrective actions that should be taken to address the findings. Non-compliance items are noted as well as any comments in areas where the system is in general compliance. Included are corrective actions that should be taken to address the areas of non-compliance. Failure to correct areas of non-compliance may result in probationary actions or grant termination in the most severe cases.

Based on quarterly and annual reports, as well as site-visits, INDOT evaluates potential problem areas on each Section 5311/5339 transit system. Areas that are identified as possible problem areas are discussed formally through written means or informally through telephone calls with local representatives for explanation and/or resolution.

INDOT has a capital asset database using the property control records prepared by the grantees. This database is used to track capital assets and dispositions, and to cross check information with other reporting systems. In addition, the data base information is used for capital programming, such as determining the number of vehicles reaching the end of their useful life and calculating average prices for certain types of vehicles.

INDOT requires and monitors the grantees compliance with Title VI (Civil Rights), Disadvantaged Business Enterprise (DBE), Equal Employment Opportunity (EEO), Limited English Proficiency (LEP) and Environmental Justice requirements by apprising them of their responsibilities, collecting documentation of compliance via site visits and requesting the submission of applicable reports. Documentation includes but is not limited to: quarterly



Disadvantaged Business Enterprise utilization reports, Good Faith Effort documentation, the impact of grantee service provision on minority/disabled population and the employment make up of transit system personnel.

INDOT requires and monitors the conformance with Federal Restrictions on Lobbying through on-site compliance review questions; in addition INDOT will review all applicable procurement documents for the presence of the Lobbying Certification. Lobbying restrictions apply to grants, contracts, and cooperative agreements involving \$100,000 or more (Section 319 of Public Law 101-121).

3. Financial Management – INDOT and its grantees will dispense and account for program funds in accordance with Indiana Code 5-11-1-2. INDOT financial management practices provide data used to compile current financial reports such as required by the most recent version of FTA Circular 9040.1 and 5100.1. INDOT monitors grantee expenditures, checking for eligibility and conducts periodic site visits of its grantees during which time random invoices are traced throughout the local accounting system.
4. Auditing and Project Closeout - The grantee is responsible for securing organization-wide or 5311/5339 grant specific audits. All audits performed on grantees under the Section 5311 program shall be in accordance with the requirements of 2 CFR 200.

The legally authorized auditing body for all grantees (units of local government - cities, counties, towns, etc.) is the State Board of Accounts. Grantees that contract with private companies for transit service must require that these companies provide them with their annual audit. The grantee is responsible for reviewing all sub-contractors' audit reports and appropriately resolving any findings. These sub-contractors' audits must be submitted to INDOT for review and acceptance.

INDOT will initiate project closeout with subrecipients within 90 days after all funds are expended and all work activities for the project are completed. INDOT will initiate Program of Project (POP) closeout with FTA within 90 days after all work activities for the POP are completed. INDOT will electronically submit a final Financial Status Report (SF 269A), final budget, and final POP via TrAMS, FTA's Transit Award Management System, at the time of closeout.

## 5. Procurement

Consistent with Federal requirements as contained in the most recent version of FTA Circular 4220.1, INDOT has set a maximum period of performance of four (4) years for all subrecipient third party contracts, such as property, including rolling stock, services, leases, construction, revenue, etc. INDOT Section 5311/5339 procurement practices will comply with five specific Federal requirements contained in the current FTA Circular 4220.1. These include the following: 1) for rolling stock, a four 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 INDOT 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.

#### Standards

- a. Competition: All procurement will be conducted in a manner providing for full and open competition.
- b. Code of Conduct: Grantees must have a written code of conduct governing the performance of their employees engaged in the award and administration of contracts. Employees of the grantee shall not participate in selection, award, or administration of contract supported by federal and state funds if a conflict of interest, real or apparent, is involved.
- c. Purchase Review: Grantees must develop a process for reviewing purchases to avoid unnecessary and duplicate items. Consideration must be given to the most economical approach. Where appropriate, an analysis of lease versus purchase shall be made. All grantees are encouraged to use intergovernmental agreements, where possible.
- d. Contract Cost and Price Analysis for Every Procurement Action: Grantees shall perform a price or cost analysis with every procurement, including contract modifications. As a starting point the grantee must make an independent estimate before receiving bids or proposals. Usually a price analysis will be used to determine the reasonableness of the proposed contract price. This may also be established based on the catalog or market price of products sold in substantial quantities to the public, or based on price set by law. A cost analysis is required when the bidder is required to submit the cost elements of his estimated price (e.g., under professional service contracts such as, consulting or architectural and engineering). Also, a cost analysis is necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation. [FTA C 4220.1F, VI, 6.]

The process for developing an Independent Cost Estimate will vary depending on the nature of the procurement. For construction projects, the engineering firm preparing the designs and specifications will usually be able to provide a cost estimate. For purchases, such as vehicles, software or equipment, a variety of sources can be considered. For more standardized items, pricing research can be conducted by seeking publically available cost information, such as pricing information provided by suppliers of similar products. For more specialized purchases, such as specialized transit software or vehicles with special equipment, the staff conducting the procurement can seek cost information from other transit agencies which may have recently made similar purchases. For services to be performed on an hourly rate basis, recent past internal procurement rate information for similar services, or information from other

transit agencies who have secured similar services may be used. In all instances, the Independent Cost Estimate should provide a reasonably accurate summary of the expected costs of the items or services procured, using recent or current cost information, so that an accurate cost or price analysis can be conducted once proposals or bids have been received.

- e. Profit: Grantees must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. [FTA C 4220.1F, VI, 6.a.(3)]
- f. Federal Cost Principles: Costs or prices based on estimated costs for grant contracts will be allowable only to the extent that costs incurred of cost estimates included in negotiated prices are consistent with Federal cost principles. Grantees may reference their own cost principles that comply with applicable Federal cost principles.
- g. Required Federal and State Clauses: All procurements and resulting contracts must include all required federal and state clauses. Copies of these clauses are made available to the Grantees in the Section 5311/5339 grant application and further identified in the Section 5311/5339 grant assistance contracts between INDOT and its grantees.
- h. Contract Awards to Responsible Vendors: Grantees may only award contracts to responsible contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract and who demonstrate that its proposed subcontractors also qualify as responsible. Grantees must consider such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources when making a determination of contractor responsibility. Grantees must also ensure that the contractor is not listed as a debarred or suspended contractor on the System for Award Management (SAM), which is maintained by the General Services Administration (GSA), at the time of contract award. Entities that are listed as debarred or suspended contractors on SAM may not be determined to be responsible contractors by the grantee.

To designate a prospective contractor "responsible" as required by 49 U.S.C. § 5325, the grantee, at a minimum, must determine and ensure that the prospective contractor satisfies the following criteria described herein. In addition to being otherwise qualified and eligible to receive the contract award under applicable laws and regulations, a responsible contractor:

- Integrity and Ethics – Has a satisfactory record of integrity and business ethics, in compliance with 49 U.S.C. Section 5325(j)(2)(A).

- Debarment and Suspension – Is neither debarred nor suspended from Federal programs under DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Parts 180 and 1200, or under the FAR at 48 CFR Chapter 1, Part 9.4.
- Affirmative Action and DBE – Is in compliance with the requirements of 2 CFR Part 200 for affirmative action and FTA’s Disadvantaged Business Enterprise requirements.
- Public Policy – Is in compliance with the public policies of the Federal Government, as required by 49 U.S.C. § Section 5325(j)(2)(B).
- Administrative and Technical Capacity – Has the necessary organization, experience, accounting, and operational controls, and technical skills, or the ability to obtain them, in compliance with 49 U.S.C. Section 5325(j)(2)(D).
- Licensing and Taxes – Is in compliance with applicable licensing and tax laws and regulations.
- Financial Resources – Has, or can obtain, sufficient financial resources to perform the contract, as required by 49 U.S.C. Section 5325(j)(2)(D).
- Production Capability – Has, or can obtain, the necessary production, construction, and technical equipment and facilities.
- Timeliness – Is able to comply with the required delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments.
- Performance Record – Is able to provide a:
  - Current Performance – Satisfactory current performance record; and
  - Past Performance – Satisfactory past performance record in view of its records of long-time performance or performance with a predecessor entity, including:
    - Sufficient Resources. Key personnel with adequate experience, a parent firm with adequate resources and experience, and key subcontractors with adequate experience and past performance,
    - Adequate Past Experience. Past experience in carrying out similar work with particular attention to management approach, staffing, timeliness, technical success, budgetary controls, and other specialized considerations as described in the recipient’s solicitation, and
    - Any Past Deficiencies Not the Fault of the Bidder or Offeror. A prospective bidder or offeror that is or recently has been seriously deficient in contract performance is presumed to be non-responsible, unless the recipient determines that the circumstances were properly beyond the bidder or offeror’s control, or unless the bidder or offeror has taken appropriate corrective action. Past failure to apply sufficient tenacity, perseverance, and effort to

perform acceptably is strong evidence of non-responsibility. Failure to meet the quality requirements of a contract is a significant factor to consider in determining satisfactory performance. INDOT expects grantees to consider the number of the bidder or offeror's contracts involved and the extent of deficient performance in each contract when making this determination.

- i. Contract Administration: Grantees must maintain a contract administration system, which ensures that contractors perform in accordance with the terms, conditions, and specifications of all purchases.
- j. Contract Records: Grantees shall maintain records to sufficiently detail the procurement history. At a minimum this should include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- k. Disputes and Protests: Grantees are responsible for resolving all contractual and administrative issues arising out of procurement. Violations of law should be referred to the proper local authority having jurisdiction. If there is no local authority, the matter should be referred to INDOT. Grantees must have protest procedures to handle and resolve disputes relating to their procurement. A protestor must exhaust all administrative remedies with the grantee before pursuing protest with INDOT.

#### 6. Purchasing and Leasing – Methods of Procurement

Generally, purchases and leases (procurement) made under the Section 5311 program will be made through Sealed Bid (formal advertising) method. All procurements must be conducted in accordance with [Indiana Code \(I.C.\) 5-22-7 Competitive Bidding](http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html). (<http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html>).

#### **Micro-Purchases – Threshold: \$0 - \$3,499**

An exception to the formal procurement method is the case of purchases under \$3,500 (i.e., micro-purchases), or other lower threshold that grantees may set as they deem appropriate for purchases. Purchases below that threshold may be made without obtaining competitive quotations.

For micro-purchases, INDOT requires the grantee to, at a minimum, justify that the price for the procurement is fair and reasonable, and maintain written documentation about how that determination was derived. INDOT believes that determination may be completed quickly and efficiently in several ways. One possible method would be for the official tasked to review and authorize payment of a bill to annotate a finding such as "I have examined the expenditures reflected on this bill and determine that each reflects a reasonable price based on market price offered by vendors to the general public."

### **Small Purchases – \$3,500 - \$150,000**

Purchases and leases of \$3,500 up to \$150,000 or more are considered small purchases, therefore, relatively simple and informal procurement methods may be used. Small purchase procurement requires inclusion and acceptance of applicable federal clauses. The Request for Quotations Form Template that includes all of the required clauses can be found at

<http://www.in.gov/indot/2436.htm>.

If the grantee has small purchases procedures which meet the intent of [I.C. 5- 22-8](http://www.in.gov/legislative/ic/archive/2012/ic/2012/title5/ar22/ch8.html) (<http://www.in.gov/legislative/ic/archive/2012/ic/2012/title5/ar22/ch8.html>), or which are more strict, then the grantee's procedures may be followed. If the grantee does not have small purchase procedures, then they may invite quotes from at least three vendors known to deal in the type of purchase or lease being made. A copy of the specification should be mailed to the vendor not less than seven days before the deadline for receiving written quotes.

Sample Quote Form templates with instructions which reflect all requisite procurement requirements, including all federal and state clauses is available on the INDOT website at <http://www.in.gov/indot/2436.htm>. Copies of quote forms and all supporting documentation must be submitted with the Grantee's invoice for reimbursement.

A quotation should be solicited from other than the previous supplier before placing a repeat order. Whether quotations are solicited orally or in writing, the purchase record file should contain the following abstract information:

- a. Name, address, and telephone number;
- b. Pertinent details on the offered items (make, model, etc.);
- c. Unit price and total price;
- d. Discount terms;
- e. Delivery times;
- f. FOB point;
- g. Small, minority, and disadvantaged business information as appropriate;
- h. The person who provided the quote; and
- i. The time and date of the quote.

If the grantee receives a satisfactory quote, the grantee shall award the contract to the lowest responsible and responsive offeror. The grantee may reject all quotes.

### **Invitation For Bids (IFBs) –Procurement by Sealed Bids: Over \$150,000**

State law ([I.C. 5-22-7](http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html) – <http://www.in.gov/legislative/ic/2004/title5/ar22/ch7.html>) requires purchasing by IFB, or Sealed Bids, for purchases and leases over \$150,000. The formal advertisement notice must be published in accordance with [I.C. 5-3-1 Publication of Notices](http://www.in.gov/legislative/ic/2004/title5/ar3/ch1.html) (<http://www.in.gov/legislative/ic/2004/title5/ar3/ch1.html>). 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 grantee 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. **The solicitation documents must include detailed information on the location and time of the public bid opening information, and any access requirements at the location.**

An exception to the sealed bid requirement is for the solicitation of professional services. This is described in the request for proposals (RFP) method of procurement.

### **Request for Proposals-Procurement By Competitive Proposals**

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–<http://iga.in.gov/legislative/laws/2015/ic/titles/005/>). 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 (<https://iga.in.gov/legislative/laws/2015/ic/titles/005/>).

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.

### **Sole Source Procurement**

When a grantee requires products or services available from only one responsible source, and no other products or services will satisfy its requirements, a grantee may make a sole source award with the prior approval of INDOT. Sole source awards are only appropriate when one of the following conditions apply:

- ◆ Unique Capability or Availability – The products or services are available from only one source if one of the conditions described below is present:
  - Unique or Innovative Concept – The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of

original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the grantee only from one source and has not in the past been available to the grantee from another source.

- Patents or Restricted Data Rights – Patent or data rights restrictions preclude competition.
- Substantial Duplication Costs – In the case of 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.
- Unacceptable Delay – In the case of 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 result in unacceptable delays in fulfilling the grantee's needs.

In addition, when a grantee requires an existing contractor to make a change to its contract that is beyond the scope of that contract, the grantee must treat the changes as if the grantee has made a sole source award that must be justified.

INDOT must review and approve all sole source procurements prior to any contract award.

#### 7. INDOT Review

All bid contracts, invitation for bids, and request for proposals for purchases or leases of \$25,000 or greater must be submitted to INDOT for review. In addition, grantees must make all technical specifications available for review, when INDOT believes such a review is needed to ensure that the purchase or lease specified is consistent with the grant award. Also, grantees must make available all procurement documentation upon request by INDOT.

#### 8. VEHICLE & EQUIPMENT USE

Equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and a unit price of \$300.00 or more. Typically, equipment includes such items as major spare parts, computer systems, communication system major maintenance tools, passenger shelters, etc.

Vehicles and equipment shall be used in the program for which it was acquired as long as it is needed. This is true even if Section 5311/5339 funding does not continue to fund the program. All grantees are required to submit an "annual certificate of use" for all vehicles and equipment acquired under the Section 5311/5339 Program.

The grantee may make vehicles or equipment available for use in other programs or projects currently or previously supported by federal funds. However, this use may not interfere with the work on the program or project for which it was originally acquired. User fees shall be considered in this situation. Federally funded vehicles and equipment may not be used to provide services for a fee to compete unfairly with private companies.



As mentioned above, Section 5311/5339 grantees may not reserve FTA funded vehicles for exclusive use, pursuant to a common purpose and under an itinerary specified in advance without INDOT and FTA approval. Such a service constitutes charter service, and is prohibited. Similarly, a grantee may not engage in exclusive school bus service in competition with private school bus operators. Transportation of school children may be provided where such an operation is open to the public and the provision of services is incidental to the regular transit operation. Guidance on eligible school bus operations is provided in 49 CFR 605. INDOT will monitor grantees for compliance with School Bus Operation regulations.

9. SATISFACTORY CONTINUING CONTROL

INDOT and the grantees must maintain satisfactory continuing control over facilities and equipment and ensure that they are used in transit service. A grantee must demonstrate control and use as required in FTA Circular 5010.1C. INDOT will monitor these stipulations through the compliance reviews. Any change in the use of vehicles or equipment must be approved by INDOT.

- A. Management Requirements: The grantee shall provide management records of all vehicles and equipment based on the following, as a minimum effort:
- 1) Vehicle and equipment control records must be maintained. These records shall include:
    - a. description of vehicle or equipment;
    - b. serial or identification number;
    - c. purchase date and price;
    - d. source of property;
    - e. title holder (owner);
    - f. federal participation;
    - g. physical location;
    - h. current use and condition;
    - i. disposal data; and
    - j. disposal price;
  - 2) A physical inventory of vehicles and equipment must be taken and the results reconciled with the control records at least every two years. A grantee must maintain a listing of a vehicle inventory, peak vehicle requirements and active vehicles.
  - 3) A control system must be developed to safeguard against loss, damage, or theft of vehicles and equipment. Each grantee is required to maintain adequate insurance coverage as required by federal, state and local law.
  - 4) Adequate maintenance procedures and programs must be developed to keep vehicles and equipment in good condition. Preventive maintenance programs are required for all Section 5311 funded vehicles.

## 10. FACILITY CONSTRUCTION AND RENOVATION

Facility is defined as any building which was constructed in whole or in part with Federal Transit Administration funds. The grantee must determine whether the construction of an administration building, storage facility, garage or other type of construction will have a significant impact on the environment and may proceed only after conducting an environmental impact study or obtaining a categorical exclusion.

Title VI regulations require that grantees perform a Fixed Facility Impact Analysis to assess the potential impact of new construction on minority communities. Such an analysis may be a part of an environmental impact analysis.

Section 5311 grantees must use competitive proposal methods for obtaining architectural and engineering services. Guidance is provided in Federal Transit Administration Circular 4220.1F.

A grantee must maintain procedures for Facility Construction and Renovation. INDOT requires that these procedures include:

- A. Adequate staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;
- B. A budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits and miscellaneous payments the grantee may be prepared to justify;
- C. A construction schedule;
- D. Organizational structures, management skills, and staffing levels required throughout the construction phase; and
- E. Internal plan implementation and reporting requirements, including cost and schedule control procedures

INDOT will monitor facility construction and renovation projects by requiring monthly submission of project budget and project schedule updates.

Adequate maintenance procedures must be implemented to protect federally funded facilities and ADA accessibility features from damage and deterioration. OMB Circular A-102 stipulates that periodic physical inventory of properties is taken to determine its condition. INDOT will conduct compliance reviews during which time grantees must show documentation of periodic inspections and regular maintenance procedures designed to protect the investment of federal funds.

INDOT will also monitor all transit facilities for compliance with ADA accessibility features. The grantee is responsible for implementing the ADA Accessibility Guidelines

found in 49 CFR 37 and providing an accessible environment throughout its facilities. Other aspects of facility accessibility include a transit system's provision for the use of service animals, portable oxygen tanks and personal care attendants. INDOT will review a grantee's written policies and staff training concerning ADA service provisions to determine compliance with 49 CFR 37.161.

## 11. DISPOSITION

- A. Replacement at End of Minimum Useful Life. Project property to be replaced must have achieved at least the minimum useful life. For purposes of bus replacement projects, the age of the bus to be replaced is its years of service or mileage at the time the proposed new bus is introduced into service. Official property records must be available upon request by the Office of Transit.
- B. Disposition before the End of Useful Life. Any disposition of project property before the end of its useful life requires prior FTA approval. FTA is entitled its share of the remaining Federal interest. The Federal interest is determined by calculating the fair market value of the project property immediately before the occurrence prompting the withdrawal of the project property from appropriate use. If project property is being removed from service before the end of its useful life, the Federal interest and the return to FTA is the greater of FTA's share of the unamortized value of the remaining service life per unit, based on straight line depreciation of the original purchase price, or the Federal share of the sales price (even though the unamortized value is \$5,000 or less). Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- C. Retain and Use Elsewhere. After the minimum useful life of project property is reached and is no longer needed for the original project or program, it may be used by the grantee for other transit projects or programs. FTA prior approval of this alternative is not required. FTA retains its interest if the fair market value of the project property is over \$5,000. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- D. Fair Market Value of Over \$5,000. After the service life of project property is reached, rolling stock and equipment with a current market value exceeding \$5,000 per unit, or unused supplies with a total aggregate fair market value of more than \$5,000, may be retained or sold. Reimbursements to FTA shall be an amount calculated by multiplying the total aggregate fair market value at the time of disposition, or the net sale proceeds, by the percentage of FTA's participation in the original grant. The grantee's transmittal letter should state whether the equipment will be retained or sold. The grantee must submit a completed Disposition Request form to the Office of Transit (see Exhibit 5). The instructions are included on the form and the form must be approved by the Office of Transit. Use of sales proceeds are discussed elsewhere in this Section. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.

- E. Fair Market Value of Less than \$5,000 Value. After the service life of project property is reached, rolling stock and equipment with a unit market value of \$5,000 or less, or supplies with a total aggregate market value of \$5,000 or less, may be retained, sold, or otherwise disposed of with no obligation to reimburse FTA. The grantee must submit a completed Disposition Request form to the Office of Transit (see Exhibit 5). The instructions are included on the form and the form must be approved by the Office of Transit. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- F. Like-Kind Exchange Policy. With prior FTA approval, a vehicle may be traded in or sold before the end of its minimum normal service life, if a grantee so chooses. In lieu of returning the Federal share to FTA, a grantee may elect to use the trade-in value or the sales proceeds from the vehicle to acquire a replacement vehicle of like kind. "Like-Kind" is defined as a bus for a bus with a similar service life. Under the Like-Kind Exchange Policy, proceeds from the vehicle sales are not returned to FTA; instead, all proceeds are reinvested in acquisition of the like-kind replacement vehicle. If sales proceeds are less than the amount of The Federal interest in the vehicle at the time it is being replaced, the grantee is responsible for providing the difference, along with the grantees local share of the cost of the replacement vehicle. If sales proceeds are greater than the amount of the Federal interest of the vehicles traded in or sold, the investment of all proceeds in acquisition of the like-kind replacement vehicles results in reduction of the gross project cost. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- G. Transfer of Rolling Stock – Grantee to Grantee. For property where the useful life has been met and with prior FTA approval, a grantee may transfer rolling stock to another grantee. In such event that transfer of rolling stock is desired prior the end of useful life, the Federal interest of the vehicles will be transferred, and therefore, there is no obligation to reimburse FTA. However, no additional FTA funds may be used to acquire the vehicles. Both grantees should coordinate with their Office of Transit, Project Manager. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- H. Transfer of assets no longer needed. For property that has not met its useful life and with prior FTA approval, the grantee may follow procedures for publication in the Federal Register to transfer project property (including land or equipment) to a public agency for non-public transportation use and can be approved if FTA confirms:
1. The assets will remain in public use for at least five years after the date the asset is transferred;
  2. There is no purpose eligible for assistance for which the asset should be used;
  3. The overall benefit of allowing the transfer is greater than the FTA interest in liquidation and return of the FTA remaining Federal interest in the asset, after considering fair market value and other factors; and

4. Through an appropriate screening or survey process (usually by following procedures for publication in the Federal Register), that there is no interest in acquiring the asset for the Federal Government use if the asset is a facility or land.

Additional information regarding this type of disposition is available from the FTA regional office. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.

- I. Sell and Use Proceeds for Other Capital Projects. After the useful life has been met and with prior FTA approval, the grantee may sell project property for which there is no longer any public transportation purposes and use the proceeds to reduce the gross project cost of other FTA eligible capital transit grants. The grantee is expected to record the receipt of the proceeds in the grantee's accounting system, showing that the funds are restricted within an interest bearing account for use in a subsequent capital grant, and reduce the liability as the proceeds are applied to one or more FTA approved capital grants. The subsequent capital grant application should contain information showing FTA that the gross project cost has been reduced with proceeds from the earlier transaction. Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- J. Unused Supplies. For the disposition of supplies for which there is not transit use with a total aggregate fair market value that exceeds \$5,000, the grantee shall compensate FTA for its share, or transfer the sales proceeds to reduce the gross project cost of other capital project(s). Records of this action must be retained and dispositions of said items must be made in accordance with Indiana Code 36-1-11.
- K. Casualty, Fire, Natural Disaster, and Misused property. When project property is lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of the equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. If any damage to project property results from abuse or misuse occurring with the grantee's knowledge and consent, the grantee agrees to restore the project property to its original condition or refunds the value of the Federal interest in that property. Records of this action must be retained. The grantee may fulfill its obligations to remit the Federal interest by either:
  1. With prior FTA approval, investing an amount equal to the remaining Federal interest in like-kind property eligible for assistance, if the like-kind property is within the scope of the project that provided Federal assistance for the property prematurely withdrawn from use; or
  2. Returning to FTA an amount equal to the remaining Federal interest in the withdrawn project property

- L. Insurance Proceeds. If the grantee receives insurance proceeds when project property has been lost or damaged by fire, casualty, or natural disaster, the grantee agrees to:
1. Apply those proceeds to the cost of replacing the damaged or destroyed project property take out of service, or
  2. Return to FTA an amount equal to the remaining Federal interest in the lost, damaged, or destroyed project property.

The Federal interest is not dependent on the extent of insurance coverage or on the insurance adjustment received. Records of this action must be retained.

M. Determination of Fair Market Value

1. The fair market value for vehicles and equipment may be determined by the use of averaging of two independent appraisals.

PASSENGER VEHICLE CLASSIFICATION AND USEFUL LIFE

A. Vehicle Classification

INDOT has developed the following passenger vehicle classifications for the Section 5311/5339 program. If a system requests a larger vehicle that is not included in the following list, INDOT must be contacted for further guidance. All vehicles are purchased using INDOT's consolidated purchasing program. There are four sub-categories for Vans:

- i. Mini-Van: Vans with seven passengers or less and which are commercially available from automobile manufacturers as a part of their standard vehicle production line. These vehicles are not wheelchair accessible.
- ii. Low Floor Minivan: A modified minivan is a standard production minivan which has been modified by lowering the floor. It can accommodate up to two wheelchairs and two permanent seats. The vehicle is equipped with a ramp for access by riders using mobility devices.
- iii. Body on Van Chassis (BOVC): This vehicle is also known as a Light Transit Vehicle (LTV). A passenger vehicle built on a van chassis, BOVC's have wider and/or longer bodies installed on a van chassis. Typically, these vehicles are built by school bus and recreational vehicle manufacturers.
- iv. Body on Truck Chassis (BOTC): This passenger vehicle is similar to the BOVC in that the body is attached to an existing chassis, however, this vehicle is a heavier duty vehicle because it is built on a truck chassis. It is for this reason it is classified separately from a van. This vehicle may require a Commercial Driver's License (CDL) depending on the number of passengers the vehicle was designed to transport.

B. Vehicle Useful Life

INDOT has developed the following vehicle useful life policy for the purpose of evaluating vehicle disposition requests and capital replacement applications. The useful life policy is shown in **Table 1**. However, merely obtaining sufficient miles and years on a vehicle does not guarantee federal capital assistance for its replacement. Section 5311/5339 applications are evaluated competitively based on project justification, coordination, fiscal capabilities, and capital project priorities.

The primary criterion in determining the vehicle useful life is mileage. The age of the vehicle will be considered only after the vehicle's mileage has been determined to be at or greater than the mileage categories listed in **Table 1** below.

**Table 1: Vehicle Useful Life Policy**

<b>Vehicle Classification</b>	<b>Miles</b>	<b>Years</b>
<b>Mini-Van</b>	100,000	4
<b>Standard</b>	100,000	4
<b>Body on Van Chassis (BOVC)</b>	100,000	4
<b>Body on Truck Chassis (BOTC)</b>	150,000	6

The age of the vehicle is calculated from the date the vehicle is actually placed into service, and not from the vehicle model year. On rare occasions, a grantee may have a vehicle that needs replacement prior to reaching its designated mileage. INDOT will consider these exceptions on a case-by- case basis.

C. Vehicle Replacement Planning

Grantees are required to develop and submit to INDOT a passenger vehicle replacement plan. The plan shall use the vehicle useful life mileage as the basis for determining the replacement of vehicles. The plan shall cover a five-year period and be updated biennially (after the original submission an updated plan will be due every other year). The plan shall show the number, classification, and the estimated cost of the vehicles to be replaced or added.

12. LOCAL COMPLAINTS

The grantee is required to resolve any complaints from transportation providers resulting from a local decision or interpretation concerning the Section 5311 program. The grantee is required to keep record of correspondence related to the issue, information used in making its decision and the process used in resolving the issue. Also, the grantee must inform the transportation provider of the local appeal process and the transportation provider's rights under the process.

If the complaint is not satisfactorily resolved, the originating party may appeal the grantee's decision to INDOT.

All complaints presented to INDOT will be heard by the Section 5311 Program Manager, the Transit Office Manager and the Local Programs Division Director with concurrence by the INDOT Chief of Staff. The originating party must file with INDOT a written request of complaint within 15 calendar days following the grantee's final decision. The complaint request must be made by certified mail and contain a brief description of the issues and copies of all relevant information. INDOT will conduct preliminary review within five working days and, if necessary, request by certified mail additional information from the originating party or the grantee. INDOT will allow five working days for receipt of additional materials. INDOT will make a final decision within 15 calendar days from the receipt of the complaint request or, if additional material was requested, within 15 calendar days from the receipt of the additional material. INDOT will notify the originating party and the grantee of its decision within five calendar days. INDOT's decision may be appealed in accordance with Indiana Code 4-21.5-3-1, *et seq.*

## **U. OTHER PROVISIONS**

As part of the grant contract, the Subrecipient shall permit INDOT, FTA or any of their authorized representatives, full access to any books, documents, papers, and records relevant to the project. INDOT maintains the right to inspect all project equipment and property. The Subrecipient, INDOT, FTA or any party with a vested interest in the project, may call a meeting to review or discuss project activities.

As part of its monitoring efforts, INDOT will conduct on site compliance reviews of the subrecipient's project at least once every four years. During this review, INDOT will inspect the equipment and related documentation to ensure the subrecipient is compliant in the following areas:

- ◆ Eligibility, eligible assistance categories, local match, and audits
- ◆ Services and use of project equipment
- ◆ Public involvement
- ◆ Procurement
- ◆ General compliance and assurances
- ◆ Civil Rights (Title VI, Environmental Justice, and Limited English Proficiency)
- ◆ Equal Employment Opportunity (EEO)
- ◆ Disadvantaged Business Enterprise (DBE)
- ◆ Section 504 and Americans with Disabilities Act (ADA)
- ◆ Labor (5333(b))
- ◆ Private Sector participation
- ◆ Charter Service
- ◆ School Bus Service
- ◆ Buy America/Pre-Award and Post-Delivery Reviews
  - INDOT purchases all vehicles on behalf of the grantee. INDOT purchases equipment through Indiana Department of Administration (IDOA) Quantity Purchase Awards (QPA's). INDOT develops vehicle specifications for all modified vehicles (low floor mini-



vans and body-on-chassis). Prior to solicitation of bids by IDOA, INDOT submits the applicable standard federal clauses to include in the bid documents. IDOA is responsible for soliciting, reviewing and approving all bids for vehicles.

- INDOT is responsible for ensuring compliance with Buy America, including the conduct of post-delivery audits, for which INDOT has developed a step-by-step procedure presented below:

- Buy America Post-Delivery Reviews

- Review the component and subcomponent listings to verify 60% domestic product content.
- Review the total final assembly cost.
- Check the manufacturer's final assembly location is within the United States.
- Review the list of final assembly activities, which should include activities such as welding, subassembly activities, component installation, and painting, to ensure that the activities at the final assembly location qualify as final assembly.
- Complete a post-delivery Buy America compliance certification and file for future reviews.

- Purchaser's Requirements

- Visually inspect and road test the buses before delivery.
- Complete a post-delivery purchaser's requirements certification and file for future reviews.

- Federal Motor Vehicle Safety Requirements

- Check the manufacturer's FMVSS sticker is affixed to each bus.
- Complete the FMVSS certification and file for future reviews.

- ◆ Integrity/Restrictions on Lobbying
- ◆ Environmental Protection
- ◆ Bloodborne Pathogens

INDOT has established a statewide Drug and Alcohol consortium that is managed under the auspices of the Indiana RTAP program. The RTAP program conducts periodic compliance assessments of a subrecipient's status with respect to compliance with the requirements of 49 CFR part 655 and 49 CFR part 40, and assist them with the submission of the annual Management Information System (MIS) reports.

INDOT has also established the Indiana Medical Qualification Program (MQ) for all grantees. The program was designed and implemented to ensure the safety of both those individuals providing public transit services and the traveling public. The program requires all grantees to develop and adopt Indiana's model Medical Qualification Policy and Indiana Prescription and Over-the-Counter Medication Policy. Other policies may be added to the program as needed.

Among other requirements, the Indiana Medical Qualification Program requires physical assessments for all safety-sensitive employees on an annual basis and following qualifying events.

The Indiana Medical Qualification Program is administered by the Indiana RTAP program, which will conduct periodic compliance assessments and collect necessary data to ensure program efficiency.

## **EXHIBIT 1: PASS – THROUGH AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 20\_\_ among (County) \_\_\_\_\_ Indiana, acting through the \_\_ (Governing Body of County Commissioners) \_\_ (hereinafter referred to as the “Applicant”) and \_\_\_\_\_ (Service Provider) \_\_\_\_\_, a private nonprofit corporation, (hereinafter referred to as the “Service Provider”), by its duly authorized representative(s), whose mailing address is: \_\_\_\_\_  
\_\_\_\_\_.

### **WITNESSETH**

WHEREAS, the Applicant has made application for the Operating Assistance Program under section 5311 of the Federal Transit Act with the Application incorporated and made a part of this Agreement by reference (see attached “Exhibit A”);

WHEREAS, the goals of the Operating Assistance Program are to enhance access to people in non-urbanized areas for purposes such as health care, shopping, education, recreation, public services, and employment;

WHEREAS, the Service Provider has the expertise and desire to provide said transportation; and

WHEREAS, the Applicant has agreed by resolution, or such similar instrument, to subcontract with the Service Provider.

NOW THEREFORE, in consideration of the mutual promises and covenants herein set forth, the Applicant and Service Provider agree as follows:

### **SECTION I: Purpose**

The purpose of this Agreement is to provide for the undertaking of transportation services to the general public in and around \_\_\_\_\_, Indiana, hereinafter referred to as the “Project,” by the Service Provider as outlined in Section I, Paragraph A, Subparagraph 1 of the Application and to state the terms, conditions and mutual understandings of the parties as to the manner in which the Project will be undertaken and completed.

### **SECTION II: Project Implementation**

The Service Provider agrees, based on the Grant Assistance provided, to undertake and complete the Project as described in the Application, filed with the approval of the Indiana Department of Transportation (“INDOT”) and the Federal Transportation Administration (“FTA”) in accordance with the terms and conditions of this Agreement.

### **SECTION III: Project Duration**

The Service Provider shall commence activities associated with the Project described in the Application from \_\_\_\_\_, 20\_\_ until \_\_\_\_\_, 20\_\_, as authorized by FTA and INDOT.

### **SECTION IV: Level of Funding**

Reimbursement to the Service Provider shall be through a cost reimbursement contract. These expenditure levels are contingent upon the necessary State and Federal funds to operate the Project. If State or Federal funding sources are not available and alternative funding cannot be obtained, the Project will be adjusted so as not to incur un-reimbursable expenses.

### **SECTION V: Eligible Project Expenditures**

Project expenditures eligible for reimbursement under the Cost Reimbursement Contract are only for those expenditures which are eligible for Section 5311 reimbursement and are further identified in the budget form accompanying the Applicant's Application.

Federal Office of Budget and Management Circular A-87 (OMB-A87) shall be used as guidance in establishing cost principals applicable to the grant.

### **SECTION VI: Reimbursement**

Eligible Project costs will be reimbursed on a quarterly basis by the Applicant upon presentation of claim voucher, State Form 3211, by the Service Provider.

### **SECTION VII: Financial Statement**

The Service Provider shall submit to the Applicant, at such times as it may require, such financial statements, records, and fiscal documents as may be deemed necessary by FTA and INDOT. Furthermore, the Service Provider shall submit to the Applicant an annual certified audit performed by an independent Certified Public Accountant ("CPA"). The Service Provider shall develop and maintain financial reports which are necessary for the effective control and management of operations and shall maintain financial records required by funding sources in accordance with generally accepted accounting procedures.

### **SECTION VIII: Audit and Inspection**

The Service Provider shall permit the Applicant, INDOT, FTA, or their authorized representative, to inspect all vehicles, facilities and equipment purchased by the Applicant, including those obtained through the Section 5311 Project, all transportation services rendered by the Service Provider by the use of such vehicles, facilities and equipment and all relevant Project data and records. The Service Provider shall also permit the above-named persons to audit the books, records and accounts of the Service Provider pertaining to the Project. Any overpayment to the Service Provider as determined by an audit must be immediately refunded to the Applicant.

## **SECTION IX: Use of Applicant's Equipment**

Any vehicles, equipment or facilities purchased under the Section 5311 Assistance Program and titled in the name of the Applicant, hereinafter referred to as "Capital Assets," are hereby leased to the Service Provider for an annual fee. The vehicles, equipment or facilities covered by this lease shall only be used by the Service Provider for the purpose of transportation services. Any fares, fees or other proceeds, including leases or sub-lease obtained by the Service Provider, shall be used in the performance of the transportation services and shall be reported quarterly to the Applicant. Any such proceeds shall be deducted from the monthly operating costs as allowed.

The Service Provider will maintain proper liability, collision, and property damage insurance for the service provided in the Project.

Upon the release of Capital Assets by FTA and INDOT, or in the event the Project is terminated, the Applicant will transfer ownership of any Capital Assets for which the Service Provider has provided the required local matching funds to the Service Provider.

## **SECTION X: Consultant Contracts**

Contracts for consultant services in excess of \$10,000 must be submitted by the Service Provider for review and prior approval by the Applicant, INDOT and FTA. The Applicant and/or Service Provider will abide by the requirements of FTA Circular 4220.1F (Third Party Contracting Requirements) in procuring services.

## **SECTION XI: Project Monitoring and Evaluation Data**

The Service Provider will provide quarterly and monthly financial and ridership reports to the Applicant. The quarterly and monthly reports shall include revenue and expense statements including a detailed report of expenses by budget category as identified in the Budget Form accompanying the Applicant's Application.

The Service Provider shall provide all data for the monitoring and evaluation of the Project as requested by INDOT and/or FTA. The Service Provider shall provide necessary information such as ridership, vehicle, hours of service, operations costs and revenues when such information is requested by INDOT and/or FTA.

## **SECTION XII: Changes in Project Scope or Budget**

The Service Provider shall immediately notify the State, FTA and the Applicant of any change in conditions, or of any event, which will affect its ability to perform the Project in accordance with the provisions of this Agreement.

### **SECTION XIII: Labor Protection**

Provisions of the Department of Labor Special Section 5333(b) Warranty signed by the Service Provider and the Applicant are hereby incorporated into this Agreement by reference (see attached "Appendix C").

### **SECTION XIV: Equal Employment Opportunity**

In connection with the execution of this Agreement, the Service Provider shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The Service Provider shall take affirmative action to insure the applicants are employed and treated fairly during their employment. Such action shall include, but not be limited to the following; employment, upgrade, demotion, or transfer, recruitment, or advertising, layoffs, or termination, rate of pay, or other forms of compensation; and selection for training including apprenticeship.

### **SECTION XV: Non-Discrimination**

The Service Provider agrees that as a condition to the Agreement that no otherwise qualified disabled person shall, solely by reason of his/her disability, be excluded from participation in, be denied, the benefits of, or otherwise be subjected to discrimination under this program or activity that receives or benefits from Federal financial assistance administered by the Applicant through funding by the United States Department of Transportation.

### **SECTION XVI: Civil Rights Act of 1964**

The Service Provider shall comply with all requirements imposed under Title VI of the Civil Rights Act of 1964 (78 Stat. 252), as amended, and any and all regulations issued pursuant thereto (CFR Title 49, Subtitle A, Part 21).

### **SECTION XVII: Section 5311 Program Compliance**

The Service Provider shall comply with all other assurances and regulations included in the Section 5311 Program as cited in the Operating Assistance Application.

### **SECTION XVIII: Termination**

The Applicant may, by written notice to the Service Provider, terminate the Project and cancel this Agreement

### **SECTION XIX: Agreement Changes**

Any proposed change in this Agreement must have the approval of both the Applicant and the Service Provider prior to becoming effective.

## **SECTION XX: Dispute**

Any dispute concerning a question of fact in connection with purposes contained within this Agreement shall be referred to the Commissioner of INDOT, whose decision shall be final.

## **SECTION XXI: Responsibility for Claims and Liability**

The Service Provider shall be responsible for and save harmless the Applicant for all damage to life and property due to activities of the Service Provider, its subcontractors, agents or employees, in connection with the execution of the Project.

**IN WITNESS WHEREOF**, \_\_\_\_\_ ( Service Provider ) and \_\_\_\_\_ (Applicant) have caused this Agreement to be executed in their respective names.

EXECUTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative of Applicant

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Service Provider Representative

## **CERTIFICATION OF APPLICANT'S ATTORNEY**

I affirm that to the best of my knowledge the Applicant and Service Provider are in total compliance with all items and conditions of the grant agreement executed between the Indiana Department of Transportation and the Applicant, hereby incorporated by reference, and as attached as Exhibit A to this Agreement.

I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or threatened that might adversely affect the validity of these certifications and assurances or of the performances of the Project. Furthermore, if I become aware of circumstances that change the accuracy of the foregoing statements, I will notify the Applicant, Service Provider and INDOT.

Date: \_\_\_\_\_

By: \_\_\_\_\_

## EXHIBIT 2: SECTION 5311 FEASIBILITY STUDY RATING FORM

APPLICANT'S NAME: \_\_\_\_\_

**Ratings: Excellent - 3   Good - 2   Adequate - 1   Poor - 0**

1. Completeness of Study: \_\_\_\_\_  
(Comments)

\_\_\_\_\_

2. Identification of the need for Public Transit Service: \_\_\_\_\_  
(Comments)

\_\_\_\_\_

3. Identification of Potential Trip Generator: \_\_\_\_\_  
(Comments)

\_\_\_\_\_

4. Calculation of Service Demand (Peak and Off-Peak): \_\_\_\_\_  
(Comments)

\_\_\_\_\_

5. Identification of the Most Appropriate Type of Service: \_\_\_\_\_  
(Comments)

\_\_\_\_\_

6. Identification of Capital Requirements Needed to Meet Demand: \_\_\_\_\_  
(Comments)

\_\_\_\_\_

7. Identification of Proposed Public Transit Provider(s): \_\_\_\_\_  
(Comments)

\_\_\_\_\_

**Exhibit 2, Page 2**

8. Identification of Projected Operating Cost: \_\_\_\_\_  
(Comments)

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9. Determination of Degree of Long-Term Local Community Support: \_\_\_\_\_  
(Comments)

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10. Identification of Marketing Effort Required for Start-up: \_\_\_\_\_  
(Comments)

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TOTAL SCORE: \_\_\_\_\_

REVIEWER'S NAME: \_\_\_\_\_

Please return form to INDOT, Transit Office, 100 N. Senate Ave., Indianapolis, IN 46204-2219.

**NOTE:** This rating form will be used to evaluate Feasibility Study requests only.



### EXHIBIT 3: NEW APPLICANT OPERATING APPLICATION REVIEW AND RATING FORM

APPLICANT'S NAME: \_\_\_\_\_

		Weight
Criteria		Factor x Rating = Score
1.	Completeness of the application and compliance with guidelines and requirements of the application process.	10
2.	Evidence of demand of local financial support	25
3.	Ability of management to administer the grant and meet INDOT's guidelines and requirements and operate a transit system.	20
4.	Extent to which existing area-side services, manpower, and equipment are used in the project.	15
5.	Appropriateness of type of service, level of service, planned improvements/expansion, and equipment.	10
6.	Actions previously implemented and/or planned to reduce operating costs and improve operating revenue.	10
7.	Suitability of the existing and/or proposed promotional techniques and programs to reach riders and potential riders.	10

TOTAL WEIGHTED SCORE (Total points possible: 300) \_\_\_\_\_

**Ratings: Excellent - 3 Good - 2 Adequate - 1 Poor - 0**

Reviewer: \_\_\_\_\_

**Please return form to INDOT, Transit Office, 100 N. Senate Ave., Indianapolis, IN 46204-2219**

**Note: This rating form will be used to evaluate New Applicant Operating requests only.**

## EXHIBIT 4: DISCRETIONARY CAPITAL APPLICATION REVIEW AND RATING FORM

APPLICANT'S NAME: \_\_\_\_\_

		Weight
Criteria		Factor x Rating = Score
1.	Project Justification: -Vehicle and equipment appropriateness. <b>Or</b> -Facilities, expansion, or equipment necessary for continued and/or improved operation?	40
2.	Ability of management to administer the grant and meet INDOT's guidelines and requirements. <b>Or</b> applicant's history of program compliance and the maintaining and proper use of other federally funded project equipment.	30
3.	Extent to which existing area-side services, manpower, and equipment are used in the project.	20
4.	Completeness of the application and compliance with guidelines and requirements of the application process.	10

TOTAL WEIGHTED SCORE (Total points possible: 300) \_\_\_\_\_

Ratings: Excellent - 3 Good - 2 Adequate - 1 Poor - 0

Reviewer \_\_\_\_\_

Please return form to INDOT, Transit Office, 100 N. Senate Ave., Indianapolis, IN 46204-2219

Note: This rating form will be used to evaluate Discretionary Capital requests only.

## EXHIBIT 5: INDOT Office of Transit Vehicle Disposition Request Form

INDOT Office of Transit must receive notification requesting disposition of vehicles purchased. Disposition Request Forms must be submitted to [vrayburn@indot.in.gov](mailto:vrayburn@indot.in.gov). Please provide the vehicle information required in the spaces below that will be reviewed for approval by INDOT Office of Transit.

INDOT POC: Vickie Rayburn (317)232-5078

<b>Transit System Name:</b>		<b>Date:</b>	
<b>Individual Requesting Disposition:</b>			
<b>Disposition Type: (Vehicle has met: Years of Service/Miles/Both)</b>			
<b>Date vehicle was removed from Revenue Service: (MM/DD/YYYY)</b>			

### Required Vehicle Information:

Vehicle Year	Vehicle Mileage			Make	Model	Seating Capacity	VIN #
Condition (Good, Fair, Poor, Bad, Back-up, Not In Service NIS)	Purchase Price	Fed %	Local %	Date Purchased (MM/YY)	Date Placed Into Revenue Service (MM/YY)	Funding Source (5311, 5339, ARRA)	Fair Market Value
Method of Determining Fair-Market Value (i.e. Kelly Blue Book, Midwest Transit, Local Dealer, Online Quotes)							
Mechanical Defects: (Briefly describe any MAJOR mechanical defects in the space below)							

Any vehicle with a Fair-Market Value of \$5,000 or more requires reimbursement to FTA of the proportionate share of the Fair-Market Value or the net proceeds of the sale. For these types of dispositions, INDOT Office of Transit will contact the transit system to ensure all regulatory requirements are being met.

<b>INDOT Office of Transit Use Only:</b>	<b>Approved:</b>		<b>Denied:</b>	
<b>30-day Availability Dates:</b>	<b>Start Date:</b>		<b>End Date:</b>	

Systems will be notified of approval upon INDOT review of disposition request. INDOT's useful life policy is based on 100,000 miles or 4 years (See 5311 Program Manual). Vehicles receiving approval for disposition will be made available for 30 days for sale or transfer to other INDOT grantees in accordance with I.C. 36-1-11. INDOT Office of Transit will notify the system upon expiration of the 30-day availability. At this time the vehicle may be disposed in accordance with Indiana Code with no further obligation to INDOT.

**AFTER RECEIVING INDOT APPROVAL THIS FORM MUST BE RETAINED BY THE TRANSIT PROVIDER. UPON FINAL DISPOSITION THIS FORM MUST BE RESUBMITTED TO INDOT WITH THE INFORMATION REQUIRED BELOW**

**Final Disposition Information: (Submit to INDOT immediately upon final disposition or resale of vehicle)**

Date Sold (MM/YY)	Sale Amount (Include Copy of Bill of Sale)

\_\_\_\_\_  
(Authorized Agency Representative Signature)

\_\_\_\_\_  
(Date)

## **EXHIBIT 6 – INDOT DRUG FREE WORKPLACE**

The Indiana Department of Transportation (INDOT) is committed to providing and maintaining a drug free workplace. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the workplace. Controlled substances include but are not limited to marijuana, cocaine, heroin, amphetamines and depressants (21 U.S.C. 812). In addition, any employee convicted of violating a criminal drug statute in the workplace must notify INDOT within five days of the conviction.

Adherence to the above is a condition of employment. Employees while acting on behalf of the state, or using State property/equipment, will be subject to disciplinary action, up to and including dismissal.

The Drug Free Workplace Policy is included in the State of Indiana Employee Handbook which is located at <http://www.in.gov/spd/2732.htm> and the INDOT Employee Handbook at <http://intranet.indot.state.in.us/HRweb/pubs/INDOTHandbook.pdf>

The State Personnel Department has designed Onboarding to facilitate the transition into state employment and provide information on preparing for successful integration into a state agency.

Onboarding is a collaborative effort among the entire organization. Each division, department, director, manager, and employee has a responsibility to ensure that an employee's first days, weeks, and months on the job provide a successful launch to his or her career. It is critically important that the state provide the foundation, tools, resources, and organizational perspective that ensure rapid inclusion within INDOT's workforce and culture.

The Onboarding process begins with an accepted job offer and it continues through the first 90 days of employment. This is not to say that Onboarding stops after 90 days. Employees are responsible for continuing to develop and grow their knowledge, skills, and abilities in order to be a productive member of the INDOT team.

Each employee must acknowledge that he or she has reviewed the policies, including a check list (Policy Acknowledgement), which contains Drug and Alcohol Free Workplace and Drug and Alcohol Testing policies.

The State of Indiana has an Employee Assistance Program (EAP) program which includes counseling for drug and alcohol abuse. The EAP is discussed during Onboarding and is included in the annual open enrollment for all state employees.

In addition to the Onboarding process, the INDOT Office of Transit will post the Drug Free Workplace Policy in common areas (breakroom and Office of Transit Conference Room) and will be included on the agenda of each monthly Office of Transit Staff meeting.

### Arrests & Convictions

When the state receives notice of an employee's criminal conviction (Arrests & Convictions Policy) for a drug statute violation that occurred in the workplace, INDOT will notify the FTA Regional Counsel. The written notification to the FTA will::

- Identify the employee's position and title;
- Include the identification number(s) of each affected award;
- Be sent within ten calendar days after the conviction; and
- Be sent to every Federal agency on whose award the convicted employee was working.

Within 30 calendar days of learning about an employee's conviction, INDOT must either:

- Take appropriate personnel action against the employee, up to and including dismissal; or
- Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes.



U.S. Department  
of Transportation  
**Federal Transit  
Administration**

February 28, 2017

Mr. Larry Buckel  
Office of Transit, Manager  
Indiana Department of Transportation (INDOT)  
100 North Senate Avenue, Room N955  
Indianapolis, IN 46204

**Re: Program Management Plan**

Dear Mr. Buckel:

We have reviewed the Indiana Department of Transportation's (INDOT) Program Management Plan (PMP) for the Bus and Bus Facilities Formula Program (Section 5339) and Formula Grants for Rural Areas Program (Section 5311) latest version submitted on February 16, 2016, and have approved it on the basis that it addresses the basic requirements provided in FTA Circulars 5100.1 and 9070.1G. INDOT is the designated recipient for the Section 5339 and 5311 Programs for the small urban and non-urbanized areas. An approved PMP remains valid until FTA approves a later plan submitted by the designated recipient, or an FTA designated recipient management review results in a specific request to the designated recipient by FTA for a revised PMP, or FTA announces significant new program documentation requirements.

FTA strongly encourages the designated recipient to issue timely revisions to the PMP, particularly when information helpful to minority applicants, subrecipients, and third party contractors is involved. When the designated recipient proposes major changes to the PMP, the designated recipient should give an opportunity to comment at the minimum to potential subrecipients of assistance, potential service providers, other designated recipient agencies and representatives of other funding sources, and any relevant designated recipient associations and professional organizations.

If revisions are substantive, but not pervasive, the designated recipient may submit changes and additions in the form of page changes which can be approved by FTA and incorporated into the PMP on file. If the designated recipient changes the PMP significantly, however, the designated recipient should submit the entire revised plan to FTA for approval. The designated recipient is responsible for ensuring that FTA has a complete copy of the current PMP. The designated recipient may submit minor changes and technical corrections to FTA to update the approved plan, without the need for additional FTA approval.

If you have any questions or need further assistance regarding this matter, please contact Alexandria Burns of my staff. You can reach her by telephone at (312) 353-3770 or by email at [Alexandria.burns@dot.gov](mailto:Alexandria.burns@dot.gov).

Sincerely,

A handwritten signature in black ink that reads "Vanessa Adams".

Vanessa Adams  
Director, Financial Management & Program Oversight