



Program Management Plan for 49 USC § 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities

April 2015

Background

The current federal transportation legislation, Moving Ahead for Progress in the 21st Century (MAP-21), was signed into law on July 6, 2012. It authorized \$105 billion for surface transportation programs across the nation for fiscal years 2013 and 2014. Two notable improvements this legislation makes over previous transportation legislation are the streamlining of various transportation funding programs and an emphasis on performance-based planning and implementation.

The Federal Transit Administration's (FTA) Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C Section 5310) has been reauthorized through MAP-21. This formulaic grant program is intended to enhance the mobility of seniors and those with disabilities by providing funding for projects serving the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.

The 5310 program was established under previous federal transportation legislation (SAFETEA-LU), but has undergone important changes under MAP-21. Funds were previously awarded directly to the individual states. In Tennessee, the Tennessee Department of Transportation (TDOT) received this funding, managed the program and selected the applicants and projects to be awarded funding. Under new provisions established by MAP-21, 5310 funding now goes directly to the various metropolitan areas, allowing the ultimate funding decisions to be made at the local level.

Funding allocated to the Chattanooga urbanized area will now be administered by the Chattanooga Area Regional Transportation Authority (CARTA) in partnership with the Chattanooga-Hamilton County/North Georgia Transportation Planning Organization (TPO).

The TPO has established a Public Transit-Human Services Coordination committee that is active on an as-needed basis to help draft and approve the coordination plan and help select projects through an annual Section 5310 call for projects process.

The Chattanooga-Hamilton County/North Georgia Transportation Planning Organization Coordinated Public Transit-Human Services Transportation Plan

Beginning in July 2006, the Chattanooga-Hamilton County/North Georgia Transportation Planning Organization (CHCNGA TPO) partnered with the Chattanooga Area Regional Transportation Authority (CARTA) to form a steering committee to address public transportation for older adults, individuals with disabilities, and low-income individuals. A variety of agencies were invited to attend. These included public, private, and non-profit transportation and human services providers. Federal program guidance requires that any area wishing to utilize section 5310 funding must develop a locally adopted Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan). The purposes of the area's Coordinated Plan is to identify the transportation needs of individuals with disabilities, older adults, and people with low incomes, provide strategies for meeting those local needs, and

prioritize transportation services for funding and implementation. The CHCNGA TPO approved the latest version of this plan on April 15, 2014; the first coordinated plan was approved in 2007. The most current CHCNGA TPO Coordinated Plan can be found on the CHCNGA TPO's website (http://www.chcrpa.org/TPO_reorganized/Plans_and_Programs/Public_Transit-Human_Services_Coordination%20Plan/FINAL_Coordinated_Plan.pdf); hard copies of the plan may be obtained directly from the TPO's office.

The Coordinated Plan update is done with representatives from the CHCNGA TPO, CARTA, and the coordination committee, which includes regional human service agencies. These stakeholders reflect populations of seniors and individuals with disabilities, and private non-profit.

CARTA, in addition to its ongoing consultations with its planning partners and its participation in the regional planning process described above, will continue to use the Coordinated Plan as a fundamental tool to enhance coordination in the region.

In addition to the Coordinated Plan requirement, the designated recipient of 5310 funding must develop a Program Management Plan (PMP). In the Chattanooga urbanized area, CARTA is the agency designated by the governor as the recipient of 5310 funds. CARTA will serve as the designated recipient for all subrecipients.

Program Management Plan

The Program Management Plan (PMP) is a document that describes a designated recipient's policies and procedures for administering the Federal Transit Administration (FTA) Enhanced Mobility of Seniors and Individuals with Disabilities program in a large urbanized area. As the designated recipient for the Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities program, CARTA is required to have an approved PMP on file with the FTA Region IV Office and to update it regularly to incorporate changes in program management or new requirements. CARTA must provide an opportunity for review by stakeholders when it develops a new plan or significantly revises an existing plan.

The PMP is intended to facilitate both CARTA management and FTA oversight by documenting policies and procedures for administering the Enhanced Mobility of Seniors and Individuals with Disabilities Program. The primary purposes are to serve as the basis for the Federal Transit Administration to perform designated recipient-level management reviews of the programs, and to provide public information on the administration of the programs.

The Federal Transit Administration (FTA) Circular 9070.1G allows the designated recipient to establish arrangements to administer and conduct the competitive selection process. The CHCNGA TPO, in cooperation with CARTA, will issue the call for projects. CARTA is the designated recipient for FTA Section 5307 Urbanized Area Formula funds, and is the designated recipient for 5310 funds. CARTA is the largest public transit operator in the region, and therefore, maintains a structure and broad institutional knowledge regarding FTA grant applications, vehicle procurement and maintenance, and transit-related operational and certification requirements. As a result, on the behalf of eligible subrecipients of 5310 funding, CARTA may provide assistance with the submission of grant program applications, receive the

resulting FTA grant contracts, and assist with meeting all federal and/or state requirements. In order to ensure unbiased project evaluation and subsequent project management, the CHCNGA TPO and Coordination committee will oversee the selection of projects for the 5310 program.

Successful applicants will be subrecipients to CARTA and will be subject to meeting the operational and reporting requirements of the FTA Section 5310 program.

Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310): Program Administration

Background

On an annual basis, FTA Section 5310 funding is announced in a Federal Register notice. Under MAP-21, this funding will be allocated at the metropolitan area level. CARTA will coordinate with the Chattanooga-Hamilton County/North Georgia TPO to notify area human and social services agencies of the funding availability, as well as solicit notices of intent to apply.

Applications received by the deadline indicated in the funding announcement will be evaluated and scored using current project evaluation criteria, as detailed in Appendix A of this document. All projects must meet the established minimum scoring requirements. CHCNGA TPO staff will prioritize 5310 projects in keeping with the recommendations in the Coordinated Plan. 5310 Program project applications that are not consistent with the Coordinated Plan or are ineligible for 5310 funds will not be scored. The CHCNGA TPO staff will present all eligible applications and its initial recommendations for funding to the independent Coordination committee. Finally, the recommendations of the committee will be presented to first the TPO Technical Coordinating Committee (TCC) and then the Executive Board of the TCC for approval.

Program Goals

CARTA's program goals are to:

- Improve mobility for seniors and individuals with disabilities throughout the Chattanooga-Hamilton County/North Georgia Urbanized Area by removing barriers to transportation services and expand the transportation mobility options available. Toward this goal, CARTA, as a designated recipient, will provide technical assistance to prospective grantees and recipients of Section 5310 funding for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities.
- Meet the federal requirements associated with receiving Section 5310 FTA funding.
- Develop projects that encourage local coordination efforts.
- Facilitate the flow and appropriate level of Section 5310 program funding to the region by ensuring that the coordinated plan fully complies with the MAP-21 regulations and with the spirit and intent of the Section 5310 program.
- Establish a framework by which proposed projects requesting Section 5310 program funding can be solicited and selected through a fair and equitable process.

- Ensure that all components of the Plan/Program have benefited from a comprehensive public involvement effort that has effectively reached out to public, private, and nonprofit transportation providers, human service providers, and other stakeholders representing persons with disabilities, seniors, and the general public.
- Encourage not only coordination among services supported by the Section 5310 Program but also coordination among the broad array of community transportation services in the four-county region.

Responsibilities by Agency

Federal Transit Administration

The FTA has, through its Region IV Office in Atlanta, federal oversight responsibilities over local public and specialized transportation assistance programs. Regional responsibilities include reviewing and approving grant applications, program management plans, and grant management activities.

CHCNGA TPO

As the metropolitan planning organization for the Chattanooga-Hamilton County/North Georgia region, the CHCNGA TPO will assume responsibility for the following duties regarding the administration of the Section 5310 program:

- Issuing the call for projects every year (in cooperation with CARTA);
- Convening the Coordination committee;
- Developing project scoring/selection criteria (with the assistance of CARTA);
- Certifying that each project selected is derived from the locally adopted Public Transit-Human Services Coordinated Plan;
- Conducting an analysis of each project application, and scoring each application accordingly;
- Selecting projects to be awarded funding through the Coordination committee;
- Publishing a list of projects/sponsors selected for funding;
- Ensuring fair and equitable distribution of program funds; and
- Incorporating the selected projects into the TIP and coordinating with TDOT for inclusion in the STIP.

CARTA

As the largest provider of public transit in the region, and as a designated recipient for Section 5310 funding for the Chattanooga region, CARTA will assume responsibility for the following duties regarding the administration of the Section 5310 program:

- Assist the CHCNGA TPO in notifying eligible recipient of funding program availability;
- Assisting in the development of project selection criteria (in cooperation with the CHCNGA TPO);
- Serving on the Coordination committee;

- Developing the annual Program of Projects and submitting with 5310 grant applications to the FTA;
- Applying for and receiving FTA grants for the 5310 program on behalf of subrecipients and performing on-going project management;
- Ensuring adherence to federal program guidelines through subrecipient agreements, Memoranda of Understanding (MOU), etc. with any subrecipients;
- Receiving, verifying, and submitting for reimbursement from the FTA all eligible project expenses;
- Passing through the reimbursements received from FTA for all eligible project expenses;
- Receiving financial and status reports from all subrecipients;
- Completing financial and progress status reports in the FTA electronic grants management system; and
- Other such grant administrative actions as necessary to ensure project completion in accordance with the appropriate federal rules, regulations, and circulars.

Eligible Recipients

MAP-21 establishes two types of 5310 projects – traditional and non-traditional/other. Eligible recipients (as identified in FTA Circular 9070.1G) for each type are as follows:

- A. Traditional 5310 Projects (*at least* 55% of total 5310 funding)
 1. Private non-profit organizations. A non-profit organization is a corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. 501(c) which is exempt from taxation under 26 U.S.C. 501(a) or one which has been determined under State law to be non-profit and for which the designated State agency or urbanized area designated recipient has received documentation certifying the state of the non-profit organization.
 2. A state or local government authority that:
 - a. Is approved by the state to coordinate services for seniors and the disabled. On October 31, 2011, Tennessee’s Governor certified that public transportation agencies are authorized to coordinate human services transportation in their areas.
 - b. Certifies that there are no non-profit organizations in the area to provide these services.
- B. Non-Traditional 5310 Projects (*up to* 45% of total 5310 funding)
 1. A state or local government authority
 2. Private non-profit organizations
 3. Private for-profit organizations – *must certify that all funds are used in the provision of shared-ride services*

Local Share and Local Funding Requirements

The FTA Section 5310 program allows for a federal share of up to 80% for eligible capital costs, with a local match of 20%. The federal share of eligible operating costs may not exceed 50% of the net operating costs of the activity.

All of the local share must be provided from sources other than Federal Department of Transportation (DOT) funds. Possible sources of eligible local matching funds include: other non-DOT federal funds, dedicated tax revenues, private donations, revenue from human service contracts, net income generated from advertising and concessions. Local share documentation is required as part of the grant application. TDOT Division of Multimodal Transportation Resources has agreed to provide up to 10% of the total project costs, whether capital or operating. Eligible subrecipients are required to provide the other 10% for capital projects or 40% for operating projects.

All funds awarded must be spent in the Chattanooga area.

Some examples of sources of local match which may be used for any or the entire local share include:

- State or local appropriations;
- Other non-DOT Federal funds that are eligible to be expended for transportation;
- Private donations;
- Revenue from human service contracts;
- Net income generated from advertising and concessions; and
- Income from contracts to provide human service transportation

Use of Other Federal Funds

For 5310, local match may be derived from other Federal programs that are eligible to be expended for transportation, other than from the DOT program.

Examples of types of programs that are potential sources of local match for 5310 include:

- Employment training;
- Aging;
- Medical;
- Community services; and
- Rehabilitation services.

To be eligible for local match for FTA funds, the other Federal funds must be used for activities included in the total net project costs of the FTA grant. Expenditure of other Federal funds for transportation outside of the scope of the project cannot be applied as a credit for local match in the FTA grant.

Application Process

At the time a call for projects is issued, the CHCNGA TPO will provide a grant application to any eligible agency requesting one. A copy of the FY 2015 application is included in Appendix B. After all applications have been received (by the stated deadline), they will be scored and ranked by the Coordination committee using the following criteria:

Project Description

- The proposed project meets one of the identified needs in the plan. The score will be based upon category of need.
- The proposed project enhances or expands existing service
- The proposed project addresses a need in more than one service area or addresses a need for more than one target population group
- Project includes partnership with the private sector

40 points total

Financing

- Proposing organization has demonstrated financial capability to carry out the proposed activities. Matching funds have been identified and committed to the project.
- Able to quantify clear and measurable outcomes. Units of service delivered compared to cost, number of people benefiting from outcome of service compared to total cost.
- The proposed project is sustainable beyond the grant period

40 points total

Implementation

- Proposing organization has the necessary operational and technical capability to carry out tasks outlined in the proposal.
- The proposal contains a well defined and timely implementation plan.
- Outcomes are specific and measurable (specific strategies should be included in proposals responding to the Call for Projects).
- Timeliness of implementation plan.

20 points total

Total Score

100 points

To avoid any potential conflicts of interest, agencies submitting applications cannot participate in the ranking process. Each member of the Coordination committee’s ranking is combined into an overall score, thus prioritizing the applications. This priority ranking is then approved by the CHCNGA TPO Technical Coordinating Committee (TCC) and the Executive Board. The CHCNGA TPO-approved projects will then be forwarded to the Federal Transit Administration (FTA) by CARTA.

Local Planning Process - Public Outreach and Stakeholder Participation

Projects funded through Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities, are required to be derived from a Locally Developed Coordinated Public Transit-Human Services Transportation Plan. MAP-21 guidance issued by the Federal Transit Administration (FTA) indicates that the plan should identify “the transportation needs of individuals with disabilities, seniors, and people with low incomes; provide strategies for meeting those local needs; and prioritize transportation services and projects for funding and implementation.” The minimum required plan contents include:

- An assessment of available services that identifies current transportation providers (public, private, and nonprofit);
- An assessment of transportation needs for individuals with disabilities and seniors. This assessment can be based on the experiences and perceptions of the planning partners or on more sophisticated data collection efforts, and gaps in service;
- Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and
- Priorities for implementation based on resources, time, and feasibility for implementing specific strategies and/or activities identified.

A key component of the planning process is the public outreach/stakeholder input into the coordinated plan. Program guidance requires public outreach and public participation in the planning process. Partners, at a minimum, must include public, private, non-profit and human services transportation providers as well as representatives of target populations. The CHCNGA TPO partnered with the Chattanooga Area Regional Transportation Authority (CARTA) to form a steering committee to address public transportation for older adults, individuals with disabilities, and low-income individuals.

A variety of agencies were invited to attend and many participated in the coordinated planning process. These included public, private, and non-profit transportation and human services providers. Each of these meetings was open to the public. In addition, the CHCNGA TPO conducted focus group meetings and presented updates of the plan to groups such as the CARTA Care-A-Van Advisory Commission for Accessible Transportation.

At least one stakeholder meeting will be held each year to review the plan and update it, if necessary.

Program of Projects Development and Approval Process

Once the recommended POP is developed by the Project Selection Team, it will be presented to the CHCNGA TPO for endorsement. After that endorsement is received, the application will be submitted to FTA for approval.

Upon the initiation of a call for projects all pertinent materials regarding the selection of projects will be published on the www.chcrpa.org web site.

The CHCNGA TPO will work closely with CARTA to solicit, review and approve applications, with the CHCNGA TPO facilitating the overall process. Currently, CARTA is the designated recipient of Section 5310 funds in the Chattanooga area. All subrecipients will receive their funds through CARTA.

The following steps are included in the project selection process.

1. Available Funds – The CHCNGA TPO staff will determine if sufficient funds are expected to be available to add new projects to the TIP.
2. Solicitation/Notification – Chattanooga area public transportation operators and social service agencies are notified via web notification, legal ad or letter, that applications are being accepted for the purpose of adding projects to the TIP. Each eligible applicant will receive a project application, provided access to the Coordinated Public Transit-Human Services Transportation Plan.
3. Notice of Intent to Apply – Potential sponsors of Section 5310 projects must forward a notice of intent to apply to the CHCNGA TPO staff, indicating an interest in pursuing federal funding for a specific project. The letter of intent should contain sufficient information to identify the general scope of the project, anticipated costs and requested federal funding, in order to ensure that the project is eligible for funding under FTA guidelines. A deadline for the letter of intent will be included in the initial funding announcement/call for projects.
4. Project Applications – Project sponsors will complete a project application via surveymonkey or pdf and forward it to the CHCNGA TPO staff by the deadline stated in the original funding announcement/call for projects. If a project sponsor submits more than one application, the projects should be prioritized in general and by funding category. A separate surveymonkey survey or pdf should be provided for each project. The CHCNGA TPO staff, assisted by CARTA, will review all project applications, apply evaluation criteria under the requested funding category, and develop a listing of project funding recommendations that will be presented to the Coordination committee. The project evaluation criteria are included in Appendix A. CARTA will abstain from reviewing their own project applications.
5. Coordination Committee Recommendations – The CHCNGA TPO technical staff will present a preliminary list of project funding recommendations to the Coordination committee, which will conduct its own independent review of the proposed projects. The Coordination committee will determine the project priorities and funding recommendations to be presented to the full Technical Coordination Committee (TCC) and the Executive Board of the TPO.
6. TCC Recommendations – The TCC will review the Coordination committee recommendations and develop its recommendation to the Executive Board of the TPO.
7. Public Review – The TCC recommendations will be presented for public review and comment.
8. Executive Committee Selection – The TCC recommendations and public comments will be presented to the Executive Board of the TPO. The Executive Board will ultimately select the projects to receive funding, and likewise, to be listed in the TIP. The TIP is subject to all requirements associated with the TIP development scheduled, as directed by TDOT.

Administration, Planning, and Technical Assistance

CARTA will allow up to 10% of the total fiscal year apportionment allocated to CARTA to defray administration, planning, and technical assistance expenses. CARTA will primarily use these funds for the administration of the Section 5310 program and to provide technical assistance to prospective recipients and recipients of Section 5310 funding. With respect to the Section 5310 Program, CARTA will provide technical assistance to prospective applicants.

Solicitation

Prior to the 30-day application period, an email notification will be sent to the Coordination Committee mailing list describing the Section 5310 program, and will include additional information on the application process. All applications will be made available for a minimum of 30 days on the CHCNGA TPO and CARTA websites at www.chcrpa.org and www.gocarta.org. Additional information to be posted on the CHCNGA TPO website includes PDFs of the anticipated timeline and the Coordinated Plan, which includes a comprehensive list of eligible activities. Paper copies of all electronic documents may be requested from the CHCNGA TPO. One completed application and all requested documentation should be emailed or mailed to the CHCNGA TPO by the stated deadline, using the address provided on the application.

Review

By the close of the 30-day period, all applications must be submitted to the CHCNGA TPO for review. The CHCNGA staff and Coordination committee members will score and rank the applications based on the scoring criteria, in Appendix A of this document, and as described on the actual 5310 application.

Approval

The prioritized list is then reviewed and recommended for approval by the Technical Coordinating Committee and the Coordination Committee prior to final approval by the Executive Board of the TPO. The TPO-approved projects are then forwarded to the FTA, TDOT, and CARTA (as the designated recipient).

Transportation Improvement Program (TIP)

The TIP is a list of every transportation project scheduled for funding within the Chattanooga metropolitan area over the next four years, as required by federal law. Although most projects in the TIP intend to use federal funds, even those not using federal funds must be included if deemed regionally significant. The projects listed within the TIP include a variety of transportation modes: pedestrian, bicycle, freight related projects, and innovative air quality projects, as well as the more traditional highway and public transit projects. Once the Program of Projects for the FTA Section 5310 program has been determined and approved, the projects will be added to the TIP.

Grant Award

Based on the approved Program of Projects, CARTA will then prepare and submit a formal grant application to the FTA for review and grant award.

Estimated Available Funds

The Federal Transit Administration apportions funds nationally by formula, based on a ratio of the number of senior citizens and disabled persons in an area to the number of senior citizens and disabled persons in all such areas. The formula uses the latest available Census data for those age 65 or older, and persons over the age of five having some form of disability.

Under the program guidelines established by MAP-21, 60% of the total available 5310 Program funds are apportioned to designated recipients in large urbanized areas (UZAs) with populations of 200,000 or more (such as the Chattanooga UZA). 20% of the funds are apportioned to the states for smaller urbanized areas with populations between 50,000 and 200,000. Finally, 20% of the funds are apportioned to the states for rural areas with populations of less than 50,000.

Transfers of Funds

Federal regulations prohibit the transfer of FTA Section 5310 funds to other programs. However, at the state's discretion, 5310 funds allocated to smaller areas may be transferred to large UZAs if the Governor certifies that the mobility needs of seniors and the disabled are being sufficiently met in those smaller regions. Funds from Federal Highway Administration (FHWA) programs (such as STP, CMAQ, etc.) may be transferred to the FTA Section 5310 program at the MPO's discretion. CARTA does not have any plans for transfer of funds.

Civil Rights

Prior to the receipt of any awarded funding, Section 5310 recipients will certify compliance with the requirement of Title VI, Equal Employment Opportunity (EEO) and Disadvantaged Business Enterprise (DBE) laws and regulations. Title VI of the Civil Rights of 1964 prohibits discrimination on the basis of race, color, and national origin for programs and activities receiving federal financial assistance. Six federal laws enacted between 1964 and 1991 comprise the federal Equal Employment Opportunity (EEO) program, which prohibits job discrimination based on race, color, religion, sex, national origin, age and disability, and provides for monetary damages in cases of intentional employment discrimination.

Whenever possible, compliance with all civil rights requirements will be verified as part of the Section 5310 funding application process.

Title VI

To ensure compliance with DOT civil rights regulations (49 CFR 21.5(2), 49 CFR 21.5(7) and 49 CFR 21.9(b)), and the DOT Order on Environmental Justice, FTA requires funding recipients to document that FTA funds are distributed without regard to race, color, and national origin. To fulfill this requirement, CARTA and its subrecipients are required to maintain a Title VI program in compliance with FTA Circular 4702.1A entitled “Title VI and Title VI-Dependent Guidelines for Federal Transit Administration Recipients,” to include the components outlined in the table below.

Prior to the receipt of any awarded funding, subrecipients shall submit the following information to CARTA; CARTA will then submit the following information to the Federal Transit Administration (FTA) as part of the Title VI program.

FTA Title VI Program Requirements			
Provision	Federal Circular Reference	Citation in DOT Title VI Regulations or Reference to the DOT Order on Environmental Justice	Reporting Requirement
Title VI Complaint Procedures	Chapter IV Part 2	49 CFR 21.9(b)	A copy of the applicant's procedures for filing a Title VI complaint
Record of Title VI Investigations, Complaints or Lawsuits	Chapter IV Part 3	49 CFR 21.9(b)	A list of Title VI investigations, complaints or lawsuits filed with the agency since the last submittal
Access to Services by Persons with Limited English Proficiency (LEP)	Chapter IV Part 4	49 CFR 21.5(b) and the DOT LEP Guidelines	A copy of the agency's LEP plan or alternative framework for providing access to services
Notifying Beneficiaries of their Rights Under Title VI	Chapter IV Part 5	49 CFR 21.9(d)	A notice that the agency is in compliance, and procedures the public may follow to file a complaint
Inclusive Public Participation	Chapter IV Part 9	DOT Order 5610	A summary of public outreach undertaken since the last submission and steps to ensure minority access to these activities

Whenever possible, compliance with all Title VI requirements will be verified as part of the Section 5310 funding application process.

Equal Employment Opportunity (EEO)

Prior to the receipt of any awarded funding, recipients and subrecipients with 50 or more employees that have received in the previous federal fiscal year FTA grants, cooperative agreements or contracts totaling over \$250,000 must develop and submit for approval to FTA an EEO program in accordance to FTA Circular 4704.1. CARTA is required to comply with this requirement and it also applies to contractors (with 50 or more employees) that are engaged in

providing transit services and receive funds under federal grant assistance. Areas covered by the EEO program are specified in FTA Circular 4704.1, "Equal Employment Opportunity Program Guidelines for FTA Recipients."

The required EEO components are outlined in Chapter 3 of FTA Circular 4704.1. The major required components of the EEO program are as follows:

Equal Employment Opportunity Reporting Requirements		
Statement of Policy	Chapter III - 2(a)	EEO program must include a statement regarding EEO policy affecting all employment practices for all persons regardless of race, color, creed, national origin, sex or age. At its discretion, the agency may include disability.
Dissemination	Chapter III - 2(b)	Communication mechanisms should be established to publicize and disseminate the agency's EEO policy, as well as appropriate elements of the program to its employees, applicants and public.
Designation of Personal Responsibility	Chapter III - 2(c)	The EEO program manager should be identified by name in all internal and external communications regarding the agency's EEO program.
Utilization Analysis	Chapter III - 2(d)	Identify those job categories where there is an underutilization or concentration of minorities and women in relation to the labor market.
Goals and Timetables	Chapter III - 2(e)	Specific goals with timetables must be set to correct any underutilization of affected classes of persons identified in the utilization analysis.
Assessment of Employment Practices to Identify Causes of Underutilization	Chapter III - 2(f)	Recipients, subrecipients and contractors must conduct an assessment of present employment practices to identify those practices that operate as employment barriers and unjustifiably contribute to underutilization.
Monitoring and Reporting System	Chapter III - 2(g)	Establish a successful EEO program by incorporating an internal monitoring reporting system to include: EEO accomplishments, identifying departments which have failed to achieve goals or implement affirmative action; and provide a factual database for future projections.
Complaints	Chapter IV	Maintain on file all complaints including: a statement of the issue, description of the investigation, summary of interviews and the investigator's findings and recommendations. These files will be reviewed upon request.

Whenever possible, compliance with all EEO requirements will be verified as part of the Section 5310 funding application process.

Section 504 and ADA Reporting

CARTA will monitor all projects funded by Section 5310 funds for compliance with all Section 504 and ADA rules and regulations. Accordingly, all applicants will be made to certify that their respective projects comply with all applicable rules and regulations related to Section 504 and ADA. Whenever possible, this compliance will be verified during the 5310 project application process. The Section 5310 application will require documentation demonstrating that eligible subrecipients have the endorsement of other human services agencies that accommodate the needs of ADA clients.

The CARTA Human Resources Department may be contacted by anyone alleging discrimination in service or employment, including Section 504 and ADA. Any written complaints alleging discrimination will be referred to the CARTA Human Resources Department. Any ADA violation by a subrecipient of 5310 funding may be grounds for termination of the funds.

Certifications

Certifications are required for all federal grant recipients, subrecipients, contractors, and subcontractors with grants or contracts exceeding \$100,000. Signed certifications must be obtained by CARTA from all subrecipients.

Subrecipient Agreement

CARTA will develop and execute subrecipient agreements with all subrecipients awarded funding under the Section 5310 program. The subrecipient agreements for capital projects will detail the scope of work of the project. Agreements for operating assistance will outline the type of service provided by the subrecipient, the time period covered by the agreement and the service area. All subrecipient agreements will include the funding amounts awarded. Any expenses incurred in excess of the budgeted amounts are the sole responsibility of the subrecipient.

Program Performance Measures

For each project funded through the Section 5310 program, designated recipients and states should submit both quantitative and qualitative information available on each of the following measures with their fourth quarter or annual milestone progress reports:

1. **Gaps in Service Filled**: Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities. The performance measure would be the number of seniors and individuals with disabilities afforded mobility that they would not have without program support.
2. **Ridership**: Actual or estimated number of rides (as measured by one-way trips) provided annually for seniors or individuals with disabilities on Section 5310 supported vehicles and services.
3. **Physical improvements**: Additions or changes to environmental infrastructure (e.g. transportation facilities, sidewalks, etc.), technology and vehicles that impact availability

of transportation services as a result of projects implemented in the current reporting year.

The above information should be reported for all recipients and subrecipients of Section 5310 funding. The designated recipient may consolidate information for all projects in the annual report for any open Section 5310 grant awarded to the recipient.

Reporting Requirements

Subrecipients are required to report on various items with each monthly invoice. In addition to the measures described above in the “Performance Measures” section, the following performance measures shall be reported to the designated recipient with the submittal of each monthly invoice, where applicable:

- Passengers per day
- Average passenger revenue
- Net cost per passenger
- Annual vehicle miles traveled
- Revenue service hours provided

A brief narrative of monthly activities shall also be submitted by the subrecipient (with invoices) to CARTA. Information included in the narrative should contain items such as coordination efforts with employers or other transportation providers, marketing or public awareness efforts, and service or scheduling revisions made during the period.

Project Monitoring and On-Site Reviews

CARTA will monitor subrecipients’ compliance with federal requirements through:

- Careful scrutiny of plans, reports and certifications submitted as part of the application process, under the provisions of Section 5310 regulations, and discussion with subrecipients to clarify all requirements;
- Review of monthly and final reports and invoices sent for payment of costs incurred
- Quarterly meetings with grant recipients, one of which may be an on-site visit
- Reviewing and approving, prior to issuance, any materials developed by subrecipients in connection with their project. This shall include, but is not limited to, any Request for Proposals (RFPs) and third-party contractual agreements related to the project

CARTA shall retain records of all meetings, visits and contacts with subrecipients. Throughout the project’s progress, CARTA will offer subrecipients program guidance and provide or arrange for technical assistance, should this be needed.

Financial Management

Accounting Process

All funding for expenses incurred under the Section 5310 Program is provided on a reimbursement basis. CARTA will reimburse the subrecipient with federal and any applicable state funds based on the proportions identified in the grant agreement. Subrecipients will retain the original receipts for all eligible project expenditures. In the case of capital projects, subrecipients must attach copies of vendor invoices to reimbursement requests. Subrecipients receiving operating assistance should submit copies of all vendor invoices.

Procurement

As FTA grantees, all Section 5310 funding recipients must use procurement procedures reflecting applicable state and local laws and regulations, subject to the FTA requirements that the procedures ensure competitive procurement and conform to applicable federal law, including 49 CFR Part 18 – specifically Section 18.36, and FTA Circular 4220.1F, “Third Party Contracting Requirements.”

The procurement procedures used by subrecipients must ensure competitive procurement and conform to applicable federal law. FTA requirements and standards apply to the procurement of all supplies, equipment and services funded by FTA. Purchasing of equipment may be done directly by the subrecipient, with CARTA oversight. The subrecipient will ensure that purchases are made competitively and that every contract that the subrecipient enters into contains all applicable federal and state required clauses, and any certifications required.

Property Management

Legal ownership of all vehicles purchased under the Section 5310 program is retained by the designated recipient. When titling a vehicle, sub-recipients are listed as a “Registered Owner,” responsible for the licensing and collision insurance; and the designated recipient as the “Legal Owner” and loss payee should anything happen to the vehicle. Ownership of all other equipment will be vested with the designated recipient, with local daily control by the sub-recipient.

The designated recipient will be responsible for keeping an accurate database that contains all vehicle inventory records. Reports with the database will contain vehicle year, make, and model; date accepted; included equipment; location; federal grant number, inspection data, mileage, type of funding used to purchase the vehicle and the name, address, and phone number of the sub-recipient who has daily control over the vehicle.

Also, notice of hearings shall include a concise description of the proposed project; and shall be published in a newspaper of general circulation in the geographic area the project will serve. Title 49 U.S.C. 5323(b) must be read in concert with 49 U.S.C. 5324(b) which states that FTA must review the public comments and hearing transcript to ascertain that an adequate opportunity to present views was given to all parties having a significant economic, social, or environmental interest in the project, and FTA must make a written finding to this effect.

FTA notes the public hearing requirements of 49 U.S.C. 5323(b) are separate and apart from the requirements for public participation in statewide and metropolitan planning. All capital projects financially supported by FTA are subject to statewide transportation planning requirements and, in metropolitan areas, to metropolitan planning requirements. FTA has codified procedures for compliance with statewide and metropolitan planning statutory mandates – including the mandates for public participation in the development of long-range plans and Transportation Improvement Programs (TIPs).

Contract Provisions

All contracts shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions or conditions that allow for:

- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate.
- Termination for cause and for convenience by the grantee or subcontractor including the manner by which it will be effected and the basis for settlement.

Statutory and Regulatory Requirements

A current and comprehensive list of statutory and regulatory requirements applicable to grantee procurements is included in the CARTA grant agreement. Grantees are responsible for evaluating these requirements for relevance and their applicability to each procurement. Further guidance concerning these requirements can be obtained by contacting CARTA.

Special Provisions

Prospective applicants are advised to carefully review the requirements of participating in CARTA funded programs. In addition to state and local contractual provisions, subrecipient grantees must comply with the various federal requirements governing federal financial assistance programs.

Vehicle Use

To the extent that subrecipients purchase vehicles using Section 5310 program funds, vehicles must be maintained and used for the intended purpose under which they are purchased. Maximum use of vehicles is encouraged, first for program related purposes, then other federal programs and project purposes. Vehicles procured using Section 5310 funding may not be used for charter services, unless those services are exclusively designed to meet the needs of targeted populations (the elderly, those with disabilities and/or those of low-income). CARTA is responsible for ensuring that the subrecipient is maintaining continuing control over vehicles and that the vehicles are being utilized for eligible public transit purposes.

If any vehicles are to be removed from service prior to the end of their useful life, the subrecipient must notify CARTA prior to doing so. The subrecipient will remit the federal share

of the un-depreciated value of the vehicles to CARTA. If vehicles are to be removed from service at the end of (or after) their useful life, the subrecipient will notify CARTA.

CARTA will maintain an inventory list of all vehicles purchased under the Section 5310 program. CARTA will require all subrecipients to submit annual vehicle use reports (miles, hours, passengers, and trip purpose) to ensure that vehicles are used in accordance with program requirements.

Maintenance

CARTA is responsible for ensuring that all vehicles purchased with federal funds are maintained in good operating order. CARTA will require subrecipients to follow manufacturer's suggested maintenance schedules to maintain good working order. CARTA may require subrecipients to perform pre-trip inspections of vehicles. CARTA will audit maintenance records of vehicles, and may inspect vehicles during on-site visits.

Disposition at End of Useful Life

Section 5310 subrecipients will follow FTA guidelines for determining when a vehicle has reached the end of its useful life. A subrecipient may dispose of or utilize the vehicle for another purpose when the vehicle has attained its useful life. Useful life varies depending on the vehicle type. Consult FTA Circular 5010.1D, "Grant Management Requirements" for vehicle useful life guidelines.

Audit

Subrecipients are required to obtain audits of their expenditures and operations annually by an independent audit firm if their agency has expended in excess of \$500,000 in federal funds. A copy of the audit report will be submitted to CARTA. CARTA will review the audit reports for compliance with the applicable OMB circular. The subrecipient is required to resolve any audit findings.

Other Provisions

Program Reporting Requirements and Monitoring

CARTA is responsible for ensuring certain reports are provided to FTA each quarter. In order to provide these reports for activities using 5310 funds spent by CARTA and its subrecipients, it will be necessary for CARTA to collect certain data from each subrecipient. The reports that CARTA will provide to FTA each quarter are:

1. Quarterly Status Report – CARTA will submit quarterly status reports that include a narrative for the quarter for each approved grant that contains active projects. The

narrative should include project descriptions, changes in projects from one category to another and adjustments, if applicable.

2. Significant Civil Rights Compliance – Issues occurring during the year (such as Title VI, Equal Employment Opportunity (EEO) or Disadvantaged Business Enterprise (DBE) program complaints against recipients or subrecipients) will be addressed in the annual status report. CARTA will also report notable accomplishments or problems involving Section 5310 subrecipients.
3. Milestone Activity Reports – The subrecipient will provide quarterly updates for milestone dates as part of the report. If the estimated completion date for the grant has changed, the revised date will be provided with an explanation as to why the date has changed.

Environmental

Any Section 5310 funding applications must include all assessments and submissions required by the National Environmental Protection Act (NEPA) for any capital project included within.

Buy America

Any capital item valued over \$100,000 is subject to federal Buy America requirements. Under the Buy America provision applicable to FTA grants, FTA funds may not be obligated unless steel, iron and manufactured products used in FTA-funded projects are produced in the United States. Rolling stock (including train control, traction power and communication equipment) must be assembled in the United States and have a 60% domestic content to be considered a United States product. CARTA, in accordance with FTA regulations, requires as a condition of responsiveness, that a bidder submit with its bid a completed Buy America certificate.

Subrecipients that purchase rolling stock for use in Section 5310 projects must conduct pre-award and post-delivery reviews to ensure compliance with specifications and Buy America requirements. Subrecipients will be required to have signed Buy America certificates for any qualifying procurements.

Restrictions on Lobbying

Any recipient of federal grants and contracts exceeding \$100,000 must certify compliance with U.S. DOT's Restrictions on Lobbying before it can receive funds. As a condition of receiving federal funding, recipients cannot use federal assistance to pay the costs of influencing any officer or employee of a federal agency, member of Congress, officer of Congress or employee of a member of Congress, in connection with making or extending a Grant Agreement or Cooperative Agreement. In addition, CARTA is required to impose the lobbying restriction provisions on its subrecipients and third-party contractors. All subrecipients applying for Section 5310 funding must submit certification of compliance as part of the application process.

Drug and Alcohol Testing

In compliance with certain DOT regulations, CARTA has a zero-tolerance policy for drug and alcohol use. Subrecipients must also comply with the relevant DOT regulations.

In accordance with 49 CFR Part 655, a drug and alcohol testing program must be in place for all safety-sensitive employees. The FTA-mandated drug and alcohol testing program is separate from, and in addition to, the provisions of the Drug-Free Workplace Act (DFWA). As a condition of receiving federal funds, a recipient must require its contractors and subcontractors with safety-sensitive employees to have a drug and alcohol testing program in effect.

Subrecipients will be required to submit their drug and alcohol policy as part of the application process. CARTA will monitor the subrecipient's drug and alcohol program proactively over the course of the subrecipient agreement. At a minimum, the FTA recommends that each contractor be required to provide: a copy of its policy; employee and supervisor training documentation; name and location of the collection site, laboratory, medical review officer (MRO), substance abuse professional (SAP); a description of its random selection process; quarterly management reports summarizing test results; and annual management information system (MIS) reports. The information that CARTA requires will be clearly defined in the contract documents issued by CARTA.

Davis-Bacon Wage Rates

The Davis-Bacon Act is applicable to all federally funded construction contracts in excess of \$2,000. This Act requires that each contract for the construction, alteration or repair (including painting and decorating) of public buildings or public works within the United States shall contain a clause that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rate for the laborers and mechanic employed on projects of a similar character in the area in which the work is to be performed. Subrecipients will be required to include the prevailing wage rates in contracts for construction in excess of \$2,000. Additional guidance can be found in 29 CFR parts 1, 3, and 5.

Designated Recipient Program Management

CARTA has developed a monitoring program and compliance review process to assure compliance with Federal and state requirements and to assist grantees with their efforts to improve project management and administration.

In general, receipt of any Federal grant carries with it contractual requirements for reporting on the project's progress and for monitoring the use of grant monies. Grants made by the Federal Transit Administration (FTA) are additionally monitored through performance reviews, either yearly or triennially, program management plan oversight, and site visits. In many instances, under the 5310 Program, CARTA is directly responsible for monitoring a subrecipient/grantee's ability to manage, control, and administer Federal funds.

Review Process for Subrecipients

The review is structured as a layered process. A full grantee review will be required every three years. Its major components are a desk review of files stored at CARTA's office and an onsite visit of the grantee's offices and operating facilities.

The overall compliance review consists of meetings and physically reviewing files, notices, facilities, and equipment. The review splits some of the areas for compliance review between the

desk review site visit depending upon where documentation is maintained or stored and if it is necessary to retain an item at a specific site or that it be posted at a site.

The need for site visits at other times also varies with the type of project involved. While they may coincide with a triennial review, these visits differ from those required every three years. They are generally made to review that the Federal interest is being maintained and in transit usage. For operating projects, the site review might be conducted once over the term of the specific Federal grant or the subrecipient agreement. For capital projects, the site would be visited once every two years for the entire term that CARTA maintains an interest in the project.

Some compliance items are combined for review because of the interrelated nature of the source documents for an item or their location. A good example of this would be the on-site review of vehicle and equipment maintenance with ADA compliance and continuing control of grant funded property.

Steps in the Review Process:

- Contact with grantee by email or letter to schedule the review
- Desk Review
- Site Visit
- Compliance Report

While the full grantee review takes place every three years other, ongoing reviews are also being conducted. They compare monthly and/or quarterly process reports against project schedules; invoicing and requisitions for payment reviews against project budgets; large procurement reviews against proposals; civil rights reviews against Title VI programs and reviews of the yearly program measures reports against goals or scopes in the applications.

For general site visits, CARTA has determined that the frequency will vary depending on the type of project involved. Every grantee will be visited before their project is initially implemented. For operating projects, the site will be visited one or more additional times during the term of the grant. For capital projects, the site will be visited once every two years for the entire term that CARTA maintains an interest in the project. At final grant close-out CARTA staff will visit the project site.

Contact with the Grantee

The letter informs the grantee that a review of its project(s) will be conducted by CARTA staff. It includes a request for a date of the review and a simple agenda. It asks that certain staff be available during the site visit and lists the materials, vehicles, and facilities that will be reviewed.

Desk Review

The desk review is performed in CARTA offices and reviews information required to be in the final grant application and ongoing reporting requirements, such as quarterly progress reports, yearly reports or requisitions. The following documents will be required in applications for 5310 funds.

Legal Documents

- Annual List of Certifications & Assurances
- Authorizing Ordinance
- Opinion of Attorney

Project Documents

- Project Application

- Signed subrecipient agreements between CARTA and grantee
- Quarterly Reports
- Annual Reports including program measures reporting

Financial and Technical Documents

- Requisitions
- Copy of Yearly Audit
- Documentation of actions to resolve any audit findings

Procurement, Buy America Documents

- State procurement of vehicles documentation, if used
- Third Party contracts and any requests for concurrence
- Review any lease agreements for equipment and/or facilities
- Review compliance with ITS Architecture requirements
- Buy America, waivers or certificates for FTA procurements

Maintenance and Satisfactory Continuing Control

- Vehicle fleet roster with funding source documentation
- Annual Certification of Use submitted to CARTA
- Capital Asset Inventory, every two years

Civil Rights

Title VI Assurance

- Review copy of Title VI Assurance
- Title VI Plan
- Materials that relate to pass through of funds without regard to race, color, or national origin and that minority populations are not being denied the benefits of or excluded from participation in programs

EEO

- If grantee receives more than \$1,000,000 and has more than 50 employees program required, review copy of EEO program
- Less than \$1,000,000, review file for EEO practices

DBE Plan and Report

- If grantee receives more than \$250,000, exclusive of vehicles, plan is required. If amount is less than \$250,000 only good faith efforts are required
- Review any documents or reports submitted to CARTA

Americans with Disabilities

- Review compliance plan

Safety & Security

- Review subrecipient's plan

Suspension & Debarment/Integrity/Restrictions on Lobbying

- For third party contracts and subcontracts over \$25,000, review copies of certifications on suspension and debarment and crosschecking with SAM.gov
- For contracts over \$100,000 review certifications on Restrictions on Lobbying
- If grantee uses non-federal funds for lobbying review copy of Standard Form LLL "Disclosure Form to Report Lobbying"

Charter and School Bus Service

- Review charters in compliance with new regulations, allowed for program purposes
- Review school bus routes if applicable

Drug Free Workplace and Drug and Alcohol testing

- Review copy of Drug-Free Workplace policy and program
- Review program for Compliance with Federal Motor Carrier’s Safety Administration Rule for Commercial Driver’s Licenses or program for Drug and Alcohol Testing

Program Measures

- Review proposal in application
- Review reports

Environmental (grant application requirement)

- Review Categorical Exclusion documentation, if necessary
- Review Environmental Review

Labor

- Davis Bacon forms (construction contracts only)

Site Visit

CARTA staff will visit all Section 5310 subrecipients. The administrative purpose of the actual site visit is to:

- Conduct a face to face review meeting with the grantee
- Review the compliance areas that pertain to a specific grantee
- Verify compliance with the regulations associated with the receipt of Federal funds
- Review financial records
- Review project records
- Review written policies
- Review preventive maintenance records and inspect vehicles, equipment and facilities

It also gives CARTA and grantee staff members the opportunity to discuss technical issues. The general structure for the on-site review day includes:

- Entrance conference
- Visit facilities
- Inspect vehicles
- On-site records review
- Exit interview and meeting

Visiting the facility allows the reviewer to verify that the facility or the part of the facility supporting transit service is in transit usage. Additionally it allows a general observation on the facility’s condition and whether required signs are properly posted. At some grantee properties it will be necessary to ride a route to review service and ADA compliance.

The grantee can prepare for the on-site review by reviewing a check list that CARTA will provide citing the areas being reviewed and the documents that will need to be made available. A finding of non-compliance in an area means that the grantee will need to focus on accumulating or preparing information to reach compliance. CARTA staff will be available to provide assistance with reaching compliance. It is very important that appropriate staff members be available for the entire site visit. Appropriate staff members would include the general manager or executive director, the finance manager, and the maintenance manager.

The following is the listing of the overall compliance areas that will be reviewed during the site visit. It includes information concerning the requirement as well as the basis for the requirement under law or statute.

Legal

Federal Transit law requires that grantees under all programs be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA funded projects. The authority can be in the form of an authorizing resolution or the by-laws of an organization. The grantee needs to be able to accept responsibility for the project under the laws of the state.

The attorney for the grantee must be able to affirm the legal authority of the grantee and indicate whether any pending legislation may affect the legal status of the grantee. Additionally the attorney will need, with the authorized official, to sign the certificates and assurances for the 5310 program.

At the on-site review agency and/or grantee by-laws and board minutes will be reviewed.

Financial and Technical

Receipt of a grant under the 5310 Program obligates the grantee to use the funds it receives as specified in the project application and grant agreement. Execution of the grant agreement establishes a partnership between CARTA and the grantee. CARTA assumes an oversight role in the use of grant funds and retains a vested interest in the funds applied to the project, unused grant balances, and the property and facilities constructed, purchased or otherwise acquired under the grant.

Grantees, operators, and third party contractors are responsible for establishing and maintaining adequate internal controls over all the functions which relate to project administration and implementation. The control systems must comply with the applicable Federal, FTA Grant Management (FTA Circular 5010.1D, as revised), and all State of Tennessee requirements.

CARTA must be assured that funds for the grant are correctly managed and that the project(s) are being implemented. The grantee needs to have financial management procedures in place. Accounting systems must be able to allocate revenues and expenses, in an acceptable manner.

For grants funding services it is important that the service be marketed to the target populations for the program. The grantee should demonstrate that such a program is in place and in use.

The local share for grants must be from non-FTA sources and may include state funds as well as unrestricted Federal funds. Grantees are required to have an independent audit for operating grants. This must be prepared by an independent CPA and it must include a schedule of costs, revenues, and expenditures in comparison with the Approved Project Budget. All audits performed must meet the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The selection of the auditor is to be made directly by the grantee. The grantee auditor must be independent from the grantee or operator. They cannot now, or during the course of the project, have any relationship with the grantee, including but not limited to any of the following: an officer, employee (volunteer or paid), stockholder or bookkeeper. If the organization uses the services of a CPA or audit firm for general accounting needs, the audit must be performed by a separate, independent and outside, audit firm.

The FTA may opt to perform audits of projects. These can take place during the course of the project and/or up to three years beyond the end of a master agreement.

The scope of the audit must include an examination of the grantee and/or contractor records and test of transaction sufficient to enable the audit firm to express an opinion on the following items. That the records of receipts, disbursements, assets and liabilities and the presentation of those records in the financial statements of the grantee and/or contractor are in accordance with generally accepted accounting principles. The principles are consistently applied and present fairly the financial positions of the grantee and/or contractor and the results of its operations for the period covered by the audit. That the costs incurred are eligible under the contract. Finally, the audit must review the degree of compliance with the terms and conditions of the contract, the approved program, and with CARTA guidance.

Purchasing, including Buy America & ITS Architecture

The “Common Rule,” US DOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, and “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations,” 49 CFR part 19, permits states to follow the same policies and procedures which they use for procurements funded with non-federal funds, to the extent permitted by Federal statutes and regulations.

The purchasing area includes all third party purchases and contracts entered into by the grantee with Federal funds. Grantees at a minimum must have established internal procurement procedures. Grantees must insure that every purchase order and contract issued by the grantee or a subcontractor using Federal funds includes all clauses required by Federal, state, and local statutes, executive orders and implementing regulations.

Grantees must follow CARTA procurement practices and include FTA required clauses in their procurement process for contracts in excess of \$10,000. CARTA concurrence is required for each procurement or construction contract estimated to cost greater than \$10,000. This concurrence is to be written and acquired before the advertising or solicitation of bids. Both the desk review and the site visit will include file review for concurrence documentation.

CARTA permits grantees to follow their own procurement policies provided that the basic Federal Third Party Contracting Guidelines standards are included in the procurement action. Those standards are detailed in FTA Circular 4220.1F, as revised.

If a grantee enters into agreement to operate service with a third party contractor, the contractor is obligated to follow FTA procurement guidelines, regardless of the organizational status of the contractor, private for-profit or private non-profit.

Rolling stock acquisitions funded under the Section 5310 Program may participate in the Tennessee Department of Transportation vehicle procurement process.

FTA expects each recipient to self-certify that its procurement system complies with Federal requirements for any FTA assisted third party contracts the recipient undertakes and administers. Grantees and subrecipients are required to maintain a written code of standards of conduct governing the performance for their employees engaged in the award and administration of contracts supported by Federal funds. This code will preclude any conflict of interest in a purchase and provides integrity for the process.

The following table presents general guidelines for capital purchased, as detailed in Federal Circular 4220.1F, as revised.

Category	Funding Source	Limits	Procurement Procedures	Record Keeping
Micro-Purchase	Capital Grant	Unit cost less than \$3,000	Local only	Local methods or 5 year minimum
Small Capital	Capital Grant	More than \$3,000 and lower than \$100,000	Local with notification to CARTA	Document inventory and certify continued use for useful life of asset
Regular Capital	Capital Grant	Unit cost greater than or equal to \$100,000 & useful life greater than or equal to 3 years	CARTA specified, in accordance with Federal Regulations	Document inventory and certify continued use for useful life of asset

During the on-site visit sample procurement files will be reviewed. This will help document that all procurement requirements are being met.

Buy America certification is required for all procurements of steel, iron, and manufactured products, including rolling stock, over \$100,000. Waivers may be requested when they are in the public interest, domestically produced goods are not available, or when there is a price differential of at least 25% between domestic and foreign bids. The review of procurement files will incorporate the review of this area.

For Intelligent Transportation System (ITS) projects there is a requirement for conformance with the ITS national architecture developed by the FTA. This national architecture defines the framework for ensuring compatibility of information exchange and interface of applications. ITS projects include integrated traffic signal system, automatic vehicle location systems, traveler information systems or traffic management systems. Procurement for these types of systems need to require conformance with the architecture.

Maintenance, Satisfactory Continuing Control, Section 504 and ADA

A grantee is required by Federal and state laws and regulations to maintain and keep in good operating order all federally and state funded real property facilities, equipment and vehicles. Real property is defined as land and buildings. Additionally, a grantee must ensure that these items continue in transit service in conformance with the terms of the grant programs.

Section 504 of the Rehabilitation Act, which preceded the Americans with Disabilities Act (ADA), prohibits discrimination of individuals on the basis of handicap by recipients of Federal financial assistance. The ADA, in addition to requiring the provision for complementary paratransit service, requires that vehicles and facilities be accessible. ADA regulations require that public

and private entities providing transportation services maintain in operative condition all accessibility features such as lifts, elevators, ramps, securement devices, signage and communication equipment. Review of the grantee's facilities, maintenance procedures and vehicles will include a review of facility accessibility and vehicle accessibility including lifts and other accessibility features. Training materials for operators will be reviewed. A bus route may be ridden to watch the system in operation.

FTA Circular 9070.1 encourage maximum use of vehicles funded under the program. In all instances the vehicles must be used first for program related needs. Federal policy does allow some incidental use if the other program or project uses are currently or were previously supported with Federal funds. This is considered incidental as long as it does not interfere with the program use outlined in the application.

To assure compliance with the requirement to maintain items in good working order written maintenance plans and schedules should be developed. If the service is provided by an outside contractor, the contractor needs to provide them to the subrecipient for review by the subrecipient, CARTA, and the FTA. These can be as simple as implementing a manufacturer's scheduled maintenance plan. '

Compliance under the continuing control requirement includes maintaining insurance for all real property, facilities, equipment, and vehicles. Good maintenance practices require that items be insured against theft, loss or damage and that warranty standards are followed. All grantees are required to submit an annual certificate of use for all vehicles and equipment funded under the programs until they are no longer used in service.

FTA maintains an interest in property and equipment purchased with federal funds for the useful life of an item or until it is removed from service. For that reason, grantees are required to maintain records on any of these items. Asset management means those systems used for recording purchases, for inventorying the purchased items and for maintaining items. FTA requires that physical inventories be taken at least every two years and that any differences are investigated.

When no longer needed or useful for their original purpose real property, facilities, equipment, and vehicles must be disposed of in accordance with Federal and state requirements. Disposition of real property and equipment with a fair market value of less than \$5,000 may occur with no further obligation to CARTA. Disposition of equipment and real property with a fair market value in excess of \$5,000 requires a written disposition plan to be filed with CARTA. In all cases of vehicle disposition, CARTA must be notified regardless of fair market value. At CARTA's option these vehicles may be transferred to other operators.

Safety & Security

The development of formal safety and security plans is now mandated under MAP-21 for all programs. CARTA will provide assistance and direction to subrecipients with the intention of making sure that the subrecipient recognizes the need for and benefit of a safety and security plan. FTA's authority in the area of safety is set forth in 49 USC 5329. Under this section FTA may conduct investigations into safety hazards and security risks. FTA and CARTA are both concerned with the safety and security of transit passengers and transit workers. While conducting the on-site compliance part of the monitoring program CARTA staff should be aware of any safety or security issues at the grantee's property.

In the event of a natural disaster or homeland security event all transportation vehicles in the region may be called into use. Preplanning for such events allow quick response. In any event organizations should develop contacts at the local emergency response agency.

MAP-21 describes the contents of a plan as follows:

- The Board of Directors (or equivalent entity) must approve the agency safety plan;
- The plan must include methods for identifying and evaluating safety risks throughout all elements of the agency;
- The plan must cover strategies to minimize the exposure of the public, agency personnel and property to hazards and unsafe conditions;
- A process and timeline for reviewing and updating the safety plan annually must be in place;
- Safety performance targets will be established by the FTA, in consultation with the grant community;
- Each agency must have an adequately trained safety officer who reports to the general manager; and
- The plan must include a comprehensive staff training program for operations personnel and personnel directly responsible for safety.

Manufacturers of vehicles and equipment will have procedures available for the safe operation of their products and for the training of operators. Certain transit providers may be affected by Federal Motor Carrier Safety Regulations and state motor carrier regulations. Insurance carriers expect and may require that specific equipment and operational practices be followed and that workplace safety guidelines be developed. Emergency preparedness procedures should be coordinated with other local agencies and governments.

Charter Bus and School Bus

The Charter bus requirements, Title 49 U.S.C. 5323(d), generally limit the use by public transportation operators of federally funded equipment and facilities for charters unless there are no willing and able private operators available to operate the charter. Charter regulations (49 CFR Part 604), published in the Federal Register on January 14, 2008 (73 FR 2326) state, at 604.2(e), "The requirements of this part shall not apply to a recipient that uses Federal financial assistance from FTA for program purposes only, less than 49 U.S.C. 5310...." This relieves the operator of a 5310 project from this requirement while operating service under this program.

Additionally at subpart B – Exceptions 604.7 provides an exception for recipients providing charter service to a Qualified Human Services Organization. This type of organization is defined as "...an organization that serves persons who qualify for human services or transportation-related programs or services due to disability, income, or advanced age." 604.3(q).

The School Bus requirements, Title 49 U.S.C. 5323(f), prohibit the use of FTA funds for exclusive school bus transportation for school students and school personnel. The regulations do permit regular service to be modified to accommodate students along with the general public. This service is commonly referred to as "tripper service."

The on-site review will focus on vehicle utilization reports, schedules and service description, including maps.

Drug-Free Workplace and Drug and Alcohol Testing

All recipients of FTA funding are required under 49 CFR part 32 to maintain a drug-free workplace for all employees and to have an anti-drug policy, awareness program and training program.

Grantees/subrecipients must notify employees that the use, manufacture, distribution, or possession of a controlled substance is prohibited in the workplace.

FTA grantees that receive only 5310 program assistance are not subject to FTA's Drug and Alcohol testing rules, but must comply with Federal Motor Carrier Safety Administration (FMCSA) rule for employees who hold Commercial Driver's Licenses (CDL) (49 CFR Part 382).

Additionally, if the duties of any personnel meet the duties defined as safety sensitive they will have to comply with the FMCSA. If any operating projects will be using vehicles that require a CDL, under the Federal Motor Carrier Safety Administration's regulations the carrier will be required to implement the regulations.

The Federal Motor Carrier Safety Administration's regulation under 49 CFR Part 40 requires:

- Pre-employment testing for drivers who perform a safety sensitive function.
- Reasonable suspicion testing when there is reasonable suspicion of use of alcohol and/or controlled substances.
- Random testing using a scientifically valid method.
- Post accident testing for fatal accidents and moving violations requiring vehicle towing or medical attention.

FTA defines safety sensitive duties as:

- Operating a passenger service vehicle, whether or not it is in service.
- Operating a vehicle that requires a Commercial Drivers License (CDL).
- Controlling dispatch or movement of a vehicle.
- Performing maintenance on a passenger service vehicle.
- Carrying a firearm for security purposes.

Labor Protections

The transit employee protections, 49 U.S.C. 5333(b), do not apply to the 5310 program.

For FTA programs, 49 U.S.C. 5333(a) imposes Davis-Bacon Act prevailing wage requirements on construction projects. Section 5333(a) requires the Secretary to ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under Chapter 53 be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

Report

The final part of the review process is creation of the final report and summary of findings matrix. The report document summarizes the steps in the monitoring process, describes the grantee, the program, and the project and outlines the corrective actions the grantee will need to take to bring the project into compliance with laws, regulations, guidance, and circulars. It will also provide a record of attendees at the meetings and at the site visit locations.

The outline for corrective action is a simple spreadsheet which gives a priority to the review item, names the area, states the finding, lists the deficiency and corrective action, and gives the grantee a time period for correction. Findings are summarized as No Deficiencies – ND, Deficiency – D, Not Applicable – NA, Not Reviewed – NR, and Advisory Comments – AC. Corrective action time periods are usually set at 30, 60, 90, 120 days.

If there are only a few items which need attention, the corrective action plan may take a more text-based form. The subrecipient will be asked to submit a response within a 30 or 60 day period.

Operating grants qualify for a Categorical Exclusion under environmental regulations.

Reviewers should be aware that in some instances significant issues will be discovered during the review. In anticipation of this occurrence CARTA has determined that it will, as the designated recipient, “stand in the shoes” of the Federal government when informing grantees of the impacts of non-compliance with grant requirements. This determination will assure that funds assigned to regional project will continue to be available to the region.

CARTA may request that FTA assist it in instituting a variety of actions depending on the severity of the issue. FTA’s Circular 5010.1D, as revised, Grant Management Requirements, outlines methods for Grant Close-Out and Suspension and Termination in Chapter III, Grant Administration. Section 5(b) covers Close-Out by FTA and Section 6 covers Suspension and Termination. Among a variety of reasons a grant may be closed-out by FTA are either failure to comply with the terms or conditions of the Grant Agreement or other Federal requirements and/or failure by the grantee to make reasonable progress to complete approved grant activities. A grant may be suspended or terminated for a variety of reasons including the failure to comply with the conditions of a grant including failure to make reasonable progress. Additionally FTA can pursue a partial termination of a grant where funds are no longer needed to accomplish grant purposes.

One possible series of remedial actions as a result of a grantee’s not meeting its performance requirements are as follows:

- Warning letter to the agency and the Board of Directors that identifies deficiencies, the necessary remedies, and a timeline for corrections.
- Suspension of grant fund payments.
- Ineligibility for any additional grant funds either within the current program or future programs.
- An audit of the agency to determine compliance with contractual obligations.
- Termination of the grant contract(s).
- Appropriate legal action by CARTA to enforce the contract.

Other approaches are possible but it is important that CARTA determines what action it will take if projects are not being implemented, if grants funds are not being used or if they are being misused. The grantee’s report will present CARTA’s determination and the required remedial action.

Other Provisions

CARTA makes appropriate certifications of compliance with Federal requirements. CARTA cites language regarding these Federal requirements in its contracts with subrecipients and requires each subrecipient to execute a certification of compliance with the relevant Federal requirements. Subrecipient certifications are required of the subrecipient prior to the execution of a contract by CARTA. In addition to monitoring subrecipient’s adherence to Title VI requirements, all other applicable requirements and certifications will be monitored under the CARTA compliance program.

Closeout Procedures

CARTA will use a two-step process to move a Federal grant to closeout.

Subrecipient Closeout

Subrecipients are responsible for writing “Final Invoice” on the last invoice the subrecipient submits. This process begins when all activities in the agreement are complete or all funds in the agreement are fully expended.

A final status report should accompany the final invoice. The final status report should state whether all project goals have been accomplished.

Finance initiates closeout of the individual project once final payment is made.

CARTA and FTA Closeout

CARTA is responsible for administering the Federal grant closeout through the FTA’s TEAM/TrAMS system. CARTA will make any necessary adjustments to the project budget and conduct a final grant project audit as required by A-133.

Grant closeout procedures are outlined in the following Circulars: Section 5310, 9070.1G, page VI-15 and Grant Management Requirements, 5010.1D, as revised, page III-14.

“The grantee must initiate close-out of a grant when all approved activities are completed and/or applicable Federal funds expended. All close-out documentation must be submitted within 90 days of the completion of all activities in the grant. This requires notifying FTA via letter or email that the grant is ready for close-out. The grantee should electronically submit the following in TEAM/TrAMS as part of the closeout process: 1) a final budget reflecting actual project costs by scope and activity; 2) a final Federal Financial Report; 3) a final narrative MPR indicating the actual completion date of each ALI; a discussion of each ALI contained in the final budget and list of project property purchased under the grant; 4) a request to deobligate any unexpended balance of Federal funds; and 5) any other reports required as part of the terms and conditions of the grant.”

The Milestone Report will include information on the completion of the individual projects as well as the total project.

All project records will be maintained by CARTA for three years.