

SECTION 5310 STATE MANAGEMENT PLAN

ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES

**State of Indiana
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Office of Transit
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INTRODUCTION

49 U.S.C. § 5310 authorizes the Enhanced Mobility of Seniors and Individuals with Disabilities Program and provides formula funding to States and designated recipients to improve mobility for seniors and individuals with disabilities.

This program provides grant funds for capital and operating expenses to recipients for:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;
- Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.);
- Public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and
- Alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.

Eligible applicants include private non-profit organizations and public bodies that coordinate specialized transportation services.

Other public transportation-related federal programs may provide support for Section 5310 projects, and Section 5310 projects may in turn enhance the effectiveness of these programs.

Indiana receives an annual Section 5310 apportionment from FTA for eligible projects serving small urbanized and rural areas. Section 5310 funds are generally provided at up to an 85 percent Federal share for eligible capital expenses for accessible vehicles and up to a 50 percent Federal share for eligible operating expenses, subject to applicable Federal requirements. The Governor of Indiana has designated the Indiana Department of Transportation (INDOT) as the agency responsible for administering Indiana's Section 5310 allocation for rural and small urbanized areas.

The Indiana Department of Transportation, Office of Transit administers the Section 5310 program by soliciting applications, selecting eligible projects, executing grant awards, procuring equipment for traditional Section 5310 capital projects, monitoring subrecipient compliance and project performance, and providing program oversight throughout the applicable grant and asset management periods.

The **Section 5310 State Management Plan** explains the policies and procedures used by INDOT to implement the Section 5310 program.

A. PROGRAM GOALS AND OBJECTIVES

1. Goals and Objectives

The Indiana Department of Transportation (INDOT) Office of Transit's mission is to improve personal mobility and quality of life through the preservation and enhancement of passenger transportation systems. This mission is carried out through the following goals:

1. Improve access to employment, services, education, and recreation for all Indiana citizens.
2. Increase modal choices through high occupancy, shared-ride travel options to provide every community with a broad range of transportation options.
3. Support affordable modal choices for all Indiana citizens.
4. Encourage energy conservation.

INDOT has identified the following objectives to provide direction in the implementation of the Section 5310 program.

- To improve the access of seniors and individuals with disabilities to shopping, education, employment, health care, recreation and all other community services;
- To promote safe, effective and efficient delivery of transportation services for seniors and individuals with disabilities;
- To assist in the maintenance, development and improvement of transportation services for seniors and individuals with disabilities;
- To promote the maximum feasible coordination of Section 5310 funded services with other federal/state funding programs and local transportation providers.

2. Transit in INDOT's Long Range Planning Process

INDOT incorporates public transportation considerations into its statewide transportation planning process and provides opportunities for consultation and public involvement consistent with applicable Federal and State planning requirements. Section 5310 projects are also coordinated through locally developed coordinated public transit-human services transportation plans, as described in Section C of this State Management Plan.

B. ROLES AND RESPONSIBILITIES

1. Federal Transit Administration (FTA)

The Federal Transit Administration (FTA) is the Federal agency responsible for oversight of the Section 5310 program. FTA provides program guidance, apportions Section 5310 funds, reviews and approves INDOT's Federal awards, and monitors INDOT's administration and oversight of the program. INDOT administers the Section 5310 program in accordance with applicable Federal statutes, regulations, FTA requirements, and the terms and conditions of its Federal awards.

2. Indiana Department of Transportation (INDOT)

As the designated agency responsible for administering the Section 5310 program, INDOT is responsible for:

- Developing program criteria and procedures;
- Notifying eligible applicants of funding opportunities and soliciting, reviewing, and selecting eligible projects;
- Executing agreements with Section 5310 subrecipients;
- Procuring vehicles and equipment for traditional Section 5310 capital projects, as applicable, and monitoring federally assisted property throughout its useful life and disposition;
- Monitoring subrecipient activities, compliance, and project performance in accordance with applicable Federal and State requirements;
- Reviewing required financial, program, and performance information;
- Providing technical assistance and addressing identified deficiencies or noncompliance; and
- Promoting coordination of specialized transportation services at the State and local levels.

3. Metropolitan Planning Organization (MPO)

The Metropolitan Planning Organization exists in small, urbanized areas as a function of a local governmental unit or separate non-profit planning corporation. INDOT requires applicants from a small, urbanized area to submit their Section 5310 application to the MPO for inclusion in the Transportation Improvement Program (TIP). The purpose of a TIP is to describe and prioritize all publicly funded highway and transit projects into a single, comprehensive document.

The MPO reviews the application in relation to the goals and objectives of the TIP. The MPO (or local TAC) must prioritize any two or more Section 5310 applications from the small, urbanized area. MPOs are also responsible for development of their small urban area Public Transit – Human Services Coordination Plan.

4. Local Transportation Advisory Committee (TAC)

INDOT requires all subrecipients to participate in any existing Transportation Advisory Committee (TAC) or establish a TAC should none exist. Many areas already have groups that perform the functions of a TAC. These groups are acceptable as long as they have the proper representation and perform the activities required of a TAC. Subrecipients from small, urbanized areas may use their local MPO planning process as their TAC.

The local TAC should consist of representatives from all sectors interested in the delivery of transportation services to seniors and individuals with disabilities. Suggested representation includes:

- Private for-profit and private non-profit transportation operators
- Public non-profit transportation operators
- Public transit providers
- Social service agencies
- Local elected officials
- Consumers of elderly/disabled transportation services
- Local and/or regional planners

5. FTA Section 5311 Program

The Section 5311 program makes federal operating and capital assistance available to rural areas for the development, improvement and use of public transportation systems. INDOT administers this program on behalf of the Federal Transit Administration.

Many Section 5311 recipients or operators in Indiana are non-profit organizations or public bodies. These agencies are eligible to receive assistance through the Section 5310 program. INDOT encourages Section 5310 applicants to participate in coordinating transportation with Section 5311 grantees as long as coordinated services will continue to meet the purposes of both programs.

6. Surface Transportation Block Grant Program

The federal Surface Transportation Block Grant Program (STBG) is a source of flexible funds for both highways and transit projects. At a state's discretion, it may use STBG funds for transit capital projects that meet the needs of seniors and individuals with disabilities. In addition, INDOT may use local STBG funds for similar transit capital projects.

C. COORDINATION

INDOT considers coordination the heart of the Section 5310 grant program. Because demand for Section 5310 funds exceeds the annual allocation, INDOT uses the following state and local mechanisms to affect coordination:

1. Coordinated Public Transit-Human Services Transportation Plans

All Section 5310 projects are selected for funding from a locally developed coordination plan, developed as a result of participation by a wide range of stakeholders, including but not limited to, representatives of public, private, and non-profit and human services transportation providers, potential advocacy organizations, medical professionals, local businesses, and the general public. These local plans, county and/or regional, representing nonurbanized and urbanized areas, have been developed and adopted locally and comprise the Indiana statewide coordinated plan.

To be considered, each local coordination plan must contain:

1. An assessment of available services that identifies current transportation providers (public, private, and non-profit);
2. An assessment of transportation needs for individuals with disabilities, older adults, and people with low incomes;
3. Strategies, activities and/or projects to address the identified gaps between current services and needs, as well as opportunities to improve efficiency in service delivery; and
4. Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified.

The coordinated plan serves as the foundation for the program of projects and will be integrated into the metropolitan and statewide transportation planning processes and documents to demonstrate local policy support and Federal fund eligibility. INDOT provided assistance through its technical assistance contract for the development of these plans. These plans can be found at <http://www.in.gov/indot/2825.htm>

2. Coordination at the State Level

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 5310 program. The purpose of establishing this group is twofold: (1) to assist and advise INDOT in the review and selection of Section 5310 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 – 5310/Small Urban 5339 Program Manager (Chair)
- Indiana Department of Transportation/Transit Office – 5311/5339 Rural Program/Project Managers (3)
- Indiana Department of Transportation/Transit Office – Transit Planner
- Rural Transit Assistance Program (RTAP) – Coordinator
- Indiana Department of Transportation

3. Local Transportation Advisory Committee and/or Metropolitan Planning Organization

The foundation for maximizing transportation resources is the local Transportation Advisory Committee (TAC) and/or a Metropolitan Planning Organization (MPO). INDOT requires all applicants to participate in any existing TAC, to establish a TAC or to participate in the metropolitan planning process, typically through the MPO “Technical Committee”. These local organizations serve as an advisory and information resource to the applicants. INDOT charges each TAC/MPO with the following activities and responsibilities:

- To serve as a forum for the ongoing dialogue with community representatives on key issues, strategies, and plans for implementation as identified in the local Coordination Plan;
- Engaging in outreach efforts that enhance the coordinated process and identifying the opportunities that are available in building a coordinated system.
- Reviewing, commenting on, and prioritizing on the proposed Section 5310 grant applications based on their ability to address any identified elderly/disabled transportation service gaps/needs in your service area, or to achieve efficiencies in service delivery, as identified in the local Coordination Plan.
- Conducting meetings - at a minimum - on a quarterly basis.
- Serving as a coordinator/host for technical assistance efforts, including training, workshops and seminars.

All these activities are part of an on-going process designed to assist the subrecipient in effectively using and coordinating local transportation resources. As part of the evaluation criteria, INDOT reviews the minutes of the local TAC/MPO meetings.

In addition to regularly scheduled TAC/MPO meetings, subrecipients pursue a variety of coordination activities with other public, not-for-profit and private transportation providers in their service area. Examples of these activities include:

- Joint training efforts (first aid, driver, passenger assistance techniques, etc.);
- Sharing or leasing vehicles with other agencies during normal down time;
- Joint marketing and outreach efforts;
- “Trading” passengers among agencies in cases where services overlap in a particular service area;
- Working together to obtain better prices on vehicle repairs, parts, fuel, insurance, etc.;
- Referring individuals to other agencies in your service area;
- Providing transportation services under contract to other non-profit organizations in your service area.

INDOT encourages all subrecipients to explore these and other methods for coordinating transportation services. Successful coordination may result in the commitment of other local agencies to purchase service, share resources and fully utilize the transportation services available in your area.

4. Leasing Vehicles

As part of the coordination process, subrecipients may request that INDOT allow their agency to lease the proposed vehicle(s) to another public or private transportation provider. INDOT will allow this as long as the applicant will maintain **control and responsibility** for the operation of the vehicle. INDOT must agree, in writing, and prior to the lease between the Section 5310 applicant and the transportation provider.

Such an agreement should specify that the leased vehicle shall be used to provide transportation service to seniors and individuals with disabilities, that the vehicle may be used for incidental purposes only after the needs of these individuals have been met, and that the subrecipient or State must retain title to the vehicle.

5. Private Sector Participation

INDOT encourages all applicants to maximize opportunities for participation by private public transportation providers. This includes:

- Soliciting participation in local transportation advisory committees;
- Notifying private providers of pending grant applications; and
- Leasing of vehicles

D. ELIGIBLE SUBRECIPIENTS/ACTIVITIES

Traditional Section 5310 Projects

Section 5310(b) provides that of the amounts apportioned to states and designated recipients, not less than 55 percent shall be available for traditional Section 5310 projects—those public transportation capital projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate.

This 55 percent is a floor, not a ceiling—INDOT may use more than 55 percent of its apportionment for this type of project.

This means that at least 55 percent of any rural or small urbanized area's annual apportionment must be utilized for public transportation capital projects that are planned, designed, and carried out to meet the specific needs of seniors and individuals with disabilities. It is not sufficient that seniors and individuals with disabilities are merely included (or assumed to be included) among the people who will benefit from the project.

Further, FTA Circular C9070.1G, page II-1 provides that, for these projects, a recipient may allocate the funds apportioned to it to a:

1. Private non-profit corporation

A private non-profit corporation that provides or desires to provide transportation services to individuals who are elderly and/or individuals with disabilities. This is defined as an organization incorporated as a private non-profit corporation with the Indiana Secretary of State and receiving tax exempt status, from the Secretary of the Treasury, under 26 U.S.C. Section 501(c)3.

Non-profit corporations located in Indiana must certify their non-profit status by providing INDOT with a copy of their Certificate of Incorporation filed with the Indiana Secretary of State, at the time of application.

Non-profit corporations located outside of Indiana must certify they are eligible to conduct business in Indiana by providing their Certificate of Authorization filed with the Indiana Secretary of State, at the time of application.

2. Local Public Body

A Local Public Body that certifies to INDOT that no non-profit corporations or associations are readily available in an area to provide the service. These public bodies must provide INDOT with letters from local private non-profit organizations stating that they do not provide transportation services in the proposed service area.

- ***A Local Public Body approved by the state to coordinate services for seniors and individuals with disabilities.*** An example of an eligible public body would be a city/county department on aging or a public transit provider. The Local Public

Body must provide a copy of documentation stating that 1) a county or multi-county not-for profit agency involved in providing services to elderly persons and/or persons with disabilities; or 2) a Metropolitan Planning Organization approved the Local Public Body as the coordinator of transportation services for elderly and disabled persons in the proposed service area. A Local Public Body may not designate itself as the coordinator of these services.

ELIGIBLE ACTIVITIES

Traditional Section 5310 Projects

1. Acquisition of expansion or replacement buses or vans;
2. Vehicle wheelchair lifts, ramps, and securement devices.

Other Section 5310 Projects – Eligible Subrecipients

For purposes of the INDOT's Other Section 5310 projects, eligible subrecipients must be an existing Section 5311 grantee or Section 5307 designated recipient in good standing and have met all requirements for those programs as stipulated in the INDOT Section 5311 State Management Plan and FTA Circulars 9040.1F and 9030.1E.

Section 5307 designated recipients must have previously received their designated status. For the Section 5311 Program, eligible subrecipients must be a unit of government authorized under state law to provide and carry out a local public transportation project. Eligible Applicants include counties, cities, or towns; Public Transportation Corporations (PTC) as established under Indiana Code 36-9-4-11; Regional Transportation Authorities (RTA) as established under I.C. 36-9-3-2; Regional Planning Commissions as established under I.C. 36-7-7, or non-profit organizations with formal resolution of the local governing board of an eligible public recipient.

This does not prohibit, however, projects where an eligible subrecipient would pass through the funding to another entity (see Pass-Thru Recipients paragraph below). Eligible subrecipients must document their participation in a locally developed coordination plan and how their proposed project will serve the employment transportation needs of individuals with disabilities.

In areas where there are no Section 5311 grantees, INDOT will accept New Applicants, eligible subrecipients that are units of local government authorized under state law to provide and carry out a local public transportation project. Eligible Applicants include counties, cities, or towns; Public Transportation Corporations (PTC) as established under Indiana Code 36-9-4-11; Regional Transportation Authorities (RTA) as established under I.C. 36-9-3-2; Regional Planning Commissions as established under I.C. 36-7-7, or non-profit organizations with formal resolution of the local governing board of an eligible public recipient. In these cases, INDOT will work with these subrecipients to ensure that all applicable State and Federal requirements can be met.

Eligible Section 5310 “Other” Activities

Up to 45% of a nonurbanized or small urban area annual apportionments may be utilized for:

Public Transportation Projects that Exceed the Requirements of ADA.

The following activities are examples of eligible projects meeting the definition of public transportation services that is beyond ADA:

1. Enhancing paratransit beyond minimum requirements of the ADA.
2. Feeder services. New “feeder” service (transit service that provides access) to commuter rail, commuter bus, intercity rail, and intercity bus stations.

Public Transportation Projects that Improve Accessibility.

1. Making accessibility improvements to transit and intermodal stations not designated as key stations.
2. Travel training. New training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities.

Public Transportation Alternatives that Assist Seniors and Individuals with Disabilities. The following activities are examples of projects that are eligible as new public transportation alternatives:

1. Purchasing vehicles to support new accessible taxi, ride sharing, and/or vanpooling programs.
2. Supporting the administration and expenses related to new voucher programs for transportation services offered by human service providers.
3. Supporting new volunteer driver and aide programs.

Because of overwhelming demand for vehicles, INDOT is not currently accepting applications for “Other” activities in nonurbanized areas.

E. LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

All local share must be provided from sources other than Federal DOT funds. Some examples of sources of local match which may be used for any or all of the local share include State or local appropriations; other non-DOT Federal funds; dedicated tax revenues; private donations; revenue from human service contracts; toll revenue credits; and net income generated from advertising and concessions. Non-cash share such as donations, volunteered services or in-kind contributions is eligible to be counted toward the local match as long as the value of each is documented and supported and represents a cost which would otherwise be eligible under the program.

Local match may be derived from other Federal funds derived from Federal programs that are eligible to be expended for transportation, other than Federal Department of Transportation funds. Examples include Temporary Assistance for Needy Families (TANF), Medicaid, Employment training programs, Rehabilitation Services, and Administration on Aging. 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.

Traditional Section 5310 Projects

INDOT requires the applicant to provide 20% of the total cost of the equipment described in the application package. To help the applicant in determining the amount of local share, INDOT provides cost estimates in the application package. INDOT bases these estimates on the expected cost of the equipment at the time of purchase.

The applicant must provide the local cash match prior to vehicle delivery. The following are examples of eligible sources for match funding:

- grant or appropriation from a unit of government;
- income from purchase of service contracts;
- grants from service groups, foundations, individuals, United Way, etc.;
- Other state funds eligible to match federal funds;
- Local fund-raising efforts;

In addition, the local share may be derived from Federal programs that are eligible to be expended for transportation (*other than DOT/FTA programs*). Examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services.

Applicants must certify the availability of their share with a resolution passed by their Board of Directors or Governing Board. All applicants must list the funding source(s) dedicated to the project.

Section 5310 applicants must submit documentation demonstrating sufficient financial capacity to provide the required local match and support the ongoing operation of the vehicle. Documentation may include sources of operating income and local match, financial statements, IRS Form 990, or an audit, if available. The ability to provide the required local match and to operate the vehicle are included in the evaluation criteria for approval of the grant application. INDOT requires Section 5310 subrecipients to provide the local cash match prior to vehicle delivery. INDOT reviews the submitted financial documentation prior to granting the award to determine financial capability.

Other Section 5310 Projects

Other Section 5310 funds may be used to finance capital and operating expenses. The Federal share of eligible capital costs may not exceed 80% of the net cost of the activity. The Federal share of the eligible operating costs may not exceed 50% of the net operating costs of the activity. The local share of eligible capital costs shall be no less than 20% of the net cost of the activity, and the local share for eligible operating costs shall be no less than 50% of the net operating costs.

F. PROJECT SELECTION CRITERIA AND METHOD OF DISTRIBUTING FUNDS

All Section 5310 Projects

INDOT conducts a preliminary review to ensure each application has all the necessary information.

INDOT expects applicants to submit a complete application. Failure to address every requirement will exclude the application from consideration. Applicants not approved for funding may appeal the decision to the Manager of INDOT's Transit Office. For further information on the grant appeal process, see "Notification" later in this section.

INDOT will use the following criteria for the evaluation and selection of applications for Section 5310 assistance.

Evaluation Criteria

Coordination: Application is derived from a local or statewide Coordinated Public Transit – Human Services Transportation Plan. Participation in local Transportation Advisory Committee, notification of providers, and prioritization of applications. Identification and description of all existing public transit and human service transportation providers in proposed service area. Identification and description of elderly/disabled transportation service gaps/needs in proposed service area.

Project Need: Extent and urgency of need for requested capital equipment: Overview of agency programs and service area. Description of proposed service. Age/miles/condition of vehicle(s) to be replaced, fleet condition, accessibility needs & availability of alternative vehicle funding sources. Documentation of need for expansion vehicles (waiting lists, trip denials, estimated trips, ability to pay for expanded services). Demonstration of how the proposed equipment helps address identified elderly/disabled transportation service gaps/needs in proposed service area, along with strategies to address gaps for target populations.

Fiscal and managerial capability: Capability to provide responsive transportation to elderly & disabled public within service area. Ability to comply with contract provisions, provide local capital match (20%), vehicle operation and maintenance funding. Ability to develop and implement a preventive maintenance plan, provide driver training, advertise service, provide administrative oversight and organizational stability.

INDOT will use the above criteria to evaluate each vehicle requested from applicants. INDOT may grant partial awards to applicants requesting two or more vehicles.

INDOT will base evaluations on the information included in the application.

Because of limited program funds, INDOT has designed the application review process to identify projects of merit.

1) Equity of distribution (Title VI)

INDOT administers the Section 5310 program in accordance with applicable Title VI and nondiscrimination requirements and considers the equitable distribution of program benefits as part of its program administration and oversight. INDOT maintains appropriate documentation and conducts outreach and public involvement consistent with its current Title VI Program and applicable Federal requirements.

2) Selection from local coordinated plan

INDOT reviews each application to ensure the applicant has participated in developing the local coordinated plan, and that the application purpose meets one or more of the goals/strategies listed in the region's plan.

3) Public involvement in local coordinated plan

INDOT supports the development and periodic update of locally coordinated public transit-human services transportation plans through a process that provides opportunities for participation by relevant stakeholders, including individuals with disabilities, older adults, transportation providers, human service agencies, and members of the public. Public involvement may include public notices, stakeholder and community meetings, surveys, and review of relevant demographic and transportation information.

G. ANNUAL PROGRAM OF PROJECTS DEVELOPMENT AND APPROVAL PROCESS

1. Application (Traditional & Other)

Section 5310 funds are available to potential applicants on an annual basis. INDOT maintains a mailing list of potential applicants. Interested organizations may be put on this mailing list by phone call, e-mail, or mail to INDOT.

Eligible equipment requests include passenger vehicles and accessibility equipment. INDOT includes a brief description for these items in the application package. Applicants may choose only from the vehicle options offered in the application package. By standardizing equipment, INDOT can take advantage of cost savings associated with volume purchasing. INDOT encourages applicants to provide input into the development of vehicle specifications. The best time to offer suggestions is in July or August, prior to solicitation of bids for vehicles awarded during the previous grant cycle.

Under the Americans with Disabilities Act, applicants may request **non-lift-equipped** vehicles if they can certify the transportation service provided to persons with disabilities is equivalent to service provided to ambulatory persons. This certification is included with the grant application package and is in effect for the useful life of the vehicle.

2. Application content (Traditional)

The applicant must demonstrate service coordination, a need for requested equipment, and the fiscal and managerial capability to provide the service proposed in the application.

Applicants serving the same geographical area are encouraged to file jointly. Items such as Project Justification, Project Description, Provider Notification Letter and Public Notice should reflect the joint nature of the application.

All Applications must contain the following items:

Coordination

- Application Information Form
- Inclusion in local Transportation Improvement Plan (small urban areas only)
- Inclusion in local or statewide Public Transit – Human Services Coordination Plan
- Local Transportation Advisory Committee membership, minutes and recent activities
- Local Transportation Advisory Committee prioritization of applications (if needed)
- Local Public Body Certification (if needed)

Project Justification

- Need
- Project Description
- Additional support materials (pictures, maintenance records, etc.)

- Vehicle Inventory

Fiscal/Managerial Capability

- Fiscal/Managerial documentation
- Estimated capital budget
- Estimated Annual operating costs (this is not a request for operating assistance)

Certification

- Certificate of Incorporation
- Authorizing Resolution
- Standard Federal Assurances/Certifications
- Certification of Equivalent Service (if requesting a non lift-equipped vehicle)
- Lobbying Certification (if requesting over \$100,000 in federal funds)
- Section 13(c) Labor Protection Certification (if the applicant receives other FTA funding)

The annual INDOT Section 5310 Application package (available from INDOT) further discusses the individual items required in an application.

3. Application content (Other)

The applicant must describe existing transportation services, service area, number of passengers served, existing vehicle inventory, type of service provided, capital needs, proposed operating and capital budgets, procurement system, and system operation and performance.

4. Notification (Traditional and Other)

Applicants will receive written notification of INDOT's decision 3 to 4 months after the application deadline. INDOT incorporates approved applications into a statewide application (Program of Projects), which it then submits to the Federal Transit Administration. Receipt of FTA approval takes up to three months.

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

- a. The affected applicant must send, by certified mail, an appeal within 15 calendar days after receiving notification of INDOT's decision. The appeal should be mailed to:

Indiana Department of Transportation
Transit Office Manager
100 North Senate, Room N955
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. The Manager of INDOT's Transit Office 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. The applicant may appeal INDOT's final decision in accordance with Indiana Code 4-21.5-3-1, et seq.

5. Contract Execution (Traditional and Other)

Once INDOT receives FTA approval of the statewide application, INDOT will execute a grant contract with approved subrecipients.

The contract describes the responsibilities of each party, the equipment INDOT will purchase on behalf of the subrecipient, and the project budget. The President of the subrecipient's Board of Directors/Governing Board must sign the contract. The digital signature timestamp serves as verification of the signature; a separate attestation by the Board Secretary/Treasurer is not required. 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 signed contract to the grantee.

H. STATE ADMINISTRATION, PLANNING AND TECHNICAL ASSISTANCE

INDOT may use up to 10 percent of the State's Section 5310 apportionment for eligible program administration, planning, and technical assistance activities. These funds may support eligible administrative and overhead costs, staff salaries, office supplies, development of vehicle and equipment specifications, and other eligible activities necessary to administer the Section 5310 program.

INDOT provides direct technical assistance through methods that may include:

1. Grant application technical assistance workshops for traditional Section 5310 projects;
2. On-site Section 5310 program reviews of the subrecipient's project;
3. Attending local Transportation Advisory Committee/Metropolitan Planning Organization meetings;
4. Development and dissemination of INDOT preventive maintenance guidance to assist traditional Section 5310 applicants and subrecipients;
5. Development of a "Section 5310 Vehicle Selection Guide" to accompany the traditional Section 5310 grant application;
6. Development of a Title VI Plan Template and other supporting resources;
7. Technical assistance supporting the development and update of locally coordinated public transit-human services transportation plans;
8. Direct technical assistance to applicants and subrecipients.

INDOT may also provide Section 5310 technical assistance through the Indiana Rural Transit Assistance Program (RTAP). Indiana RTAP provides training, workshops, technical assistance, and other resources that may benefit rural and specialized transportation providers throughout Indiana.

I. TRANSFER OF FUNDS

1. Transfer of Section 5310 Funds

INDOT may transfer Section 5310 funds when authorized by Federal law and applicable FTA requirements, including when applicable Section 5310 program needs have been met. INDOT will complete any required consultation, notification, certification, or other Federal requirements before transferring funds.

2. Flexible Funds

Flexible funds from the Federal Highway Administration (FHWA) may be transferred to the Section 5310 program for use by the recipient. The funds will be treated under the Section 5310 program requirements, with the exception of the local match and the minimum requirement for 55 percent to be spent on traditional Section 5310 projects. FHWA funds will maintain the FHWA eligible match, including the application of the sliding scale for a higher federal share. The funds are available for obligation by the state for two additional years after the year in which they are transferred.

For transfers of flexible funds to Section 5310, the recipient must notify both FHWA and FTA and request FHWA to transfer the funds to the appropriate FTA account. The transfer must be completed prior to grant award.

J. PRIVATE SECTOR PARTICIPATION

By Federal statute, the public is required to be involved in the transportation planning process. Specifically, private providers must be consulted in developing transportation plans and programs in both urbanized and rural areas. To this end, Section 5310 applicants are encouraged to provide opportunities for private transportation provider participation through local Transportation Advisory Committees (TACs), Metropolitan Planning Organizations (MPOs), or other applicable local planning and advisory processes. Applicants must encourage every possible transportation provider, including private-for-profit providers, to participate in the project.

Furthermore, vehicles acquired under the Section 5310 program may be leased to other entities such as local governmental authorities or agencies, other private nonprofit agencies, or private for-profit operators. Under such a lease, the lessee operates the vehicles on behalf of the Section 5310 subrecipient and provides transportation to the subrecipient's clientele as described in the grant application.

Section 5310 subrecipients are responsible for resolving complaints from transportation providers resulting from a local decision or interpretation concerning the Section 5310 program. Subrecipients must maintain records of correspondence related to the complaint, information considered in making the decision, and the process used to resolve the complaint. The subrecipient must inform the transportation provider of the local appeal process and the provider's rights under that process. If the complaint is not satisfactorily resolved through the local process, the originating party may appeal the subrecipient's final decision to INDOT.

All complaints presented to INDOT will be heard by the Section 5310 Program Manager, the Office of Transit Manager and the Local Programs Division Chief with concurrence by the INDOT Deputy Commissioner. The originating party must file with INDOT a written request of complaint within 15 calendar days following the subrecipient'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 reviews within five working days and, if necessary, request by certified mail additional information from the originating party or the subrecipient. INDOT will allow five working days for receipt of additional materials. INDOT will make a final decision within 15 calendar days from 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 subrecipient 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.*

K. CIVIL RIGHTS

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

1. State Monitoring of Subrecipients

All subrecipients are required to complete a Title VI Plan every three years.

Every Title VI Program shall include the following information:

- A copy of the recipient's Title VI 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. Include a list of locations where the notice is posted.
- A copy of the recipient's instructions to the public regarding how to file a Title VI discrimination complaint, including a copy of the complaint form.
- A list of any public transportation-related Title VI investigations, complaints, or lawsuits filed with the recipient since the time of the last submission. This list should include only those investigations, complaints, or lawsuits that pertain to allegations of discrimination on the basis of race, color, and/or national origin in transit-related activities and programs and that pertain to the recipient submitting the report, not necessarily the larger agency or department of which the recipient is a part.
- A public participation plan that includes an outreach plan to engage minority and limited English proficient populations, as well as a summary of outreach efforts made since the last Title VI Program submission. A recipient's targeted public participation plan for minority populations may be part of efforts that extend more broadly to include other constituencies that are traditionally underserved, such as people with disabilities, low-income populations, and others.
- A copy of the recipient's plan for providing language assistance to individuals with limited English proficiency, based on the DOT LEP Guidance.
- Recipients that have transit-related, non-elected planning boards, advisory councils or committees, or similar bodies, the membership of which is selected by the recipient, must provide a table depicting the racial breakdown of the membership of those committees, and a description of efforts made to encourage the participation of minorities on such committees or councils.

- Primary recipients shall include a narrative or description of efforts the primary recipient uses to ensure subrecipients are complying with Title VI, as well as a schedule of subrecipient Title VI program submissions.
- If the recipient has constructed a facility, such as a vehicle storage facility, maintenance 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.

As part of its monitoring efforts, INDOT will conduct an on-site review of the subrecipient's project at least once every three years. During this review, INDOT will review the subrecipient's Title VI Plan to ensure it meets the above noted requirements.

INDOT will provide each subrecipient a copy of its "Civil Rights Title VI Handbook" for Section 5310 subrecipients.

INDOT will also review the following EEO requirements:

- A copy of the agency procedures for tracking and investigating EEO complaints.
- A list of any 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 EEO and instructions to the public on how to file a discrimination complaint.

2. State Efforts to Assist Minority Applicants/Include Subrecipients Serving Significant Minority Populations

Prior to distributing the grant application, INDOT puts public notices in rural and small urban area newspapers throughout Indiana that serve minorities informing them of the availability of grant application packages from INDOT. On an annual basis, the Section 5310 Program Manager reviews census data and race projections (STATS Indiana) to ensure proper coverage.

Other INDOT outreach efforts include conducting at least one application assistance workshop, attendance at local Transportation Advisory Committee/Metropolitan Planning Organization meetings, and one-on-one direct technical assistance with interested applicants.

INDOT records each applicant's "ridership percentage by race" to ensure an equitable distribution of grant awards among eligible groups within Indiana. INDOT also notes if it funded the application.

3. DBE requirements/monitoring

INDOT administers applicable Disadvantaged Business Enterprise requirements in accordance with 49 CFR Part 26 and current U.S. Department of Transportation and FTA requirements. Section 5310 subrecipients must comply with applicable DBE requirements and INDOT procedures, as amended.

L. 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 compliance/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:

- Agency's maintenance preventive maintenance schedule for wheelchair lifts/ramps and related equipment
- A list of any Section 504/ADA investigations, complaints, or lawsuits filed with the agency since the time of the last submission.
- Does the agency continue to provide equivalent services to individuals 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)?
- Does the subrecipient 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?
- Does the subrecipient have written policies regarding transporting of service animals, personal care attendants and portable oxygen?
- Does the subrecipient ensure that personnel are trained to proficiency, as appropriate to their duties, so that they operate vehicles and equipment safely and properly assist and treat individuals with disabilities who use the service in a respectful and courteous way, with appropriate attention to the difference among individuals with disabilities?

M. PROGRAM MEASURES

Traditional Program

The **Annual Vehicle Report** is available to traditional Section 5310 subrecipients in BlackCat beginning in January of each year. Subrecipients are responsible for accessing and completing the report for INDOT review. For each vehicle, the subrecipient must report required ridership, operating and financial information, and attest to appropriate vehicle use and management procedures.

INDOT will also use the Section 5310 Annual Vehicle Report for collecting and reporting from “traditional” grantees:

- Gaps In Service Filled: Number of older adults and people with disabilities afforded mobility they would not have without Section 5310 vehicles;
- Ridership: Actual/estimated # of one-way trips provided annually for individuals with disabilities and older adults on Section 5310 supported vehicles.

Other Program

Service Improvements: related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

Physical Improvements: Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

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 as a result of other Section 5310 projects implemented in the current reporting year.

INDOT will collect and report Section 5310 program measures in accordance with applicable FTA requirements and current Federal award reporting requirements.

N. STATE PROGRAM MANAGEMENT

1. Procurement

INDOT and its Section 5310 subrecipients must conduct procurements involving FTA financial assistance in accordance with applicable Federal and State requirements, including 2 CFR Part 200, applicable provisions of 49 U.S.C. Chapter 53, FTA Circular 4220.1G, Third Party Contracting Guidance, and the terms and conditions of the applicable FTA award. Procurements must provide for full and open competition and comply with all applicable Federal requirements, clauses, and certifications. Contract periods of performance must be reasonable and must not restrict or undermine full and open competition. For bus rolling stock and replacement parts, contract options may not extend beyond five years after the date of the original contract, consistent with 49 U.S.C. § 5325(e) and FTA requirements.

Procurement of “Traditional” program vehicles

INDOT purchases all equipment on behalf of the grantee. INDOT purchases equipment through Indiana Department of Administration (IDOA) Quantity Purchase Awards (QPAs). INDOT develops vehicle specifications for all modified vehicles (low floor mini vans, 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. The process of awarding bids to vendors is typically complete by the end of December. **Actual delivery of the vehicles will occur 6 to 12 months after bid award.**

To comply with DBE Transit Vehicle Manufacturer (TVM) requirements, INDOT will submit within 30 days of making an award, the name of the successful bidder and the total dollar value of the contract to the FTA via <https://www.surveymonkey.com/r/vehicleawardreportsurvey>

INDOT performs a federal pre-award audit of the vehicle to ensure vendor compliance with vehicle specifications, Buy America requirements, federal motor vehicle safety standards and bus testing.

Buy America Pre-Award Audits

INDOT will:

1. Review the component and subcomponent listings to verify 70 percent domestic product content.
2. Review the total final assembly cost.
3. Check that the manufacturer’s final assembly location is located within the United States.
4. 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.

5. Complete a pre-award Buy America compliance certification.
6. Keep the Buy America certification on file for future FTA reviews.

Purchaser's Requirements

1. Review the manufacturer's bid specifications to ensure they are in compliance with the recipient's solicitation specifications and that the proposed manufacturer will be capable of meeting the specifications.
2. Review the solicitation specifications, the bid specifications, and the recipient's approval of any approved equals and that the manufacturer's qualifications (such as quality control measures, previous customers, and other qualification documents).
3. Complete a pre-award purchaser's requirements certification.
4. File the purchaser's requirements certification for future FTA reviews.

Federal Motor Vehicle Safety Requirements

1. Obtain the manufacturer's FMVSS sticker information from each manufacturer.
2. Complete an FMVSS certification.
3. File the FMVSS certification for future FTA reviews.

After INDOT determines the actual price of the vehicle, INDOT will order the vehicles. After INDOT orders the vehicles, INDOT will mail a Local Share Invoice to the subrecipient. The subrecipient then has until delivery of the vehicle to submit the local cash share to the vendor.

After the vendor notifies INDOT of vehicle delivery, INDOT calls the subrecipient to give instructions/directions on how and where to pick up the vehicle. In accordance with federal regulations, INDOT performs a federal post-delivery audit of the vehicle to ensure vendor compliance with vehicle specifications, Buy America requirements, and federal motor vehicle safety standards.

INDOT is responsible for payment and closeout of the vendor purchase agreements. INDOT will reconcile the financial portion of the INDOT/subrecipient contract after delivery of equipment and refund any unused local share. The operating, reporting and disposition requirements of the contract remain valid throughout the useful life of the vehicle.

Buy America Post-Delivery Audits

INDOT will:

1. Review the component and subcomponent listings to verify 70 percent of domestic product content.
2. Review the total final assembly cost.
3. Check that the manufacturer's final assembly location is located within the United States.
4. 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.
5. Complete a post-delivery Buy America compliance certification.
6. Keep the Buy America certification on file for future FTA reviews.

Purchaser's Requirements

1. Visually inspect and road test the buses before delivery.
2. Complete a post-delivery purchaser's requirements certification.
3. File the purchaser's requirements certification for future FTA reviews.

Federal Motor Vehicle Safety Requirements

1. Check that the manufacturer's FMVSS sticker is affixed to each bus.
2. Complete an FMVSS certification.
3. File the FMVSS certification for future FTA reviews.

Procurement of Other Section 5310 Projects

INDOT assists grantees with the procurement of other grant-related equipment. INDOT's guide for developing small vehicle specifications and general guide on procuring equipment and services will be provided to each grantee. In addition, some equipment such as computers and passenger vehicles may be purchased from state quantity purchase awards.

Standards

- **Competition:** All procurement will be conducted in a manner providing for full and open competition.
- **Code of Conduct:** Subrecipients 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.
- **Purchase Review:** Subrecipients 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 subrecipients are encouraged to use intergovernmental agreements, where possible.
- **Price or Cost Analysis:** Subrecipients shall perform a price or cost analysis with every procurement, including contract modifications. As a starting point the subrecipient 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.
- **Contract Awards:** Subrecipient shall only make contract awards to responsible and responsive bidders. "Responsible" means a bidder who is capable of performing the contract requirements fully and who has the integrity and reliability that will assure good faith performance. "Responsive" means a bidder who has submitted a bid or quote conforming in material respects to the bid terms, conditions, and specifications. Federal regulations prohibit the use of contractors who have been debarred or suspended. INDOT will monitor adherence to this regulation by way of its annual compliance reviews and reviewing procurement documents for the presence of the Debarment and Suspension Certification (49 CFR Part 29).
- **Contracts: State and Federal Clauses.** All contracts must include all appropriate federal and state clauses. The most current version of these clauses is provided to the grantee at the time of contract.
- **Contract Administration:** Subrecipients must maintain a contract administration system, which ensures that contractors perform in accordance with the terms, conditions, and specifications of all purchases.

- **Contract Records:** Subrecipients 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.
- **Disputes and Protests:** Subrecipients 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. Subrecipients must have protest procedures to handle and resolve disputes relating to their procurement. A protester must exhaust all administrative remedies with the subrecipient before pursuing protest with INDOT.

Purchasing and Leasing

Most purchases and leases made under the Section 5310 “Other” program will be made through Sealed Bid (formal advertising) method. All procurement must be conducted in accordance with I.C. 5-22-7 Competitive Bidding.

Annual Purchases & Leases Over \$25,000: Purchasing by Sealed Bids is required by state law (I.C. 5-22-7). The formal advertisement (notice) must be published in accordance with Indiana Code 5-3-1 Publication of Notices. Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the lowest responsible and 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.

An exception to the sealed bid requirement is for the development of specifications. A subrecipient may request proposals (using competitive procurement methods) for the development of specifications which will lead to a sealed bid procurement. The need to request proposals must be documented by the grantee and approved by the subrecipient executive officer and INDOT. The resulting specification shall be subsequently issued for bid.

Annual Purchases and Leases Under \$25,000: Purchases and leases under \$25,000 are considered small purchases, therefore relatively simple and informal procurement methods may be used. Subrecipients are allowed two options under this situation:

- If the subrecipient has small purchase procedures which meet the intent of I.C. 5-22-8, or which are stricter, then the subrecipient’s procedures may be followed. If the subrecipient does not have small purchase procedures, they may invite quotes from at least three vendors known to deal in the type of purchase or lease being made. INDOT has developed and provided to its grantees a sample quote form template which reflects all requisite

procurement requirements, including all required Federal and State clauses. Copies of these quote forms and all supporting documentation must be submitted with the subrecipient's invoice for reimbursement. A copy of the specification should be mailed to the vendor not less than seven days before the time for receiving written quotes.

- The subrecipient may purchase or lease in the open market without inviting or receiving quotes. However, INDOT does not recommend the use of option 2 except under emergency or severe time constraint situations.

Request for Proposals: Request for Proposals (RFP) is the method generally used when conditions are not appropriate for the use of sealed bids and it is allowed by State law. One situation mentioned earlier is for the development of specifications. Also, a subrecipient may use the RFP method for the procurement of architectural, engineering, and land surveying services. Services of architects, engineers, and land surveyors must be procured in accordance with Indiana Code 5-16-11.1.

If this method is used, the following requirements apply:

1. The request must identify:
 - (a) 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 federal Brooks' Amendment.
 - (b) Any bonding requirements or other evidence of financial responsibility.
2. Solicitation of an adequate number of qualified vendors.
3. Subrecipient must have a method for conducting technical evaluation for the proposals.
4. Contract award will be made to the responsible vendor whose proposal is most advantageous to the program.

Sole Source Procurement: Subrecipients may purchase or lease parts for machinery or equipment that can only be purchased from the manufacturer of the machinery or equipment without advertising or bids.

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, subrecipients 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, Subrecipients must make available all procurement documentation upon request by INDOT.

2. INDOT Financial Management/Accounting Systems/Audit and Closeout

Federal Payment Requests – INDOT requests reimbursement of eligible Federal expenditures in accordance with applicable FTA award requirements and Federal cash management requirements. Payment requests are based on allowable, allocable, and adequately documented costs and are subject to appropriate internal controls to ensure requests are accurate, supported, and limited to eligible expenditures.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) 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.

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

INDOT has annual audits conducted in accordance with 2 CFR Part 200.

INDOT will complete 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 FFR, MPR, final budget, and final POP at the time of closeout. Programs and Projects will be uploaded to TRAMS on an annual basis.

3. Vehicle Title

Subrecipients are responsible for the licensing and title of Section 5310 vehicles. The Indiana Bureau of Motor Vehicles will issue the title in the name of the subrecipient.

For vehicles purchased through the Traditional grant program, INDOT places a lien on vehicles to reflect FTA's 80 percent federal interest in the vehicle. INDOT holds the original title until the vehicle has reached its useful life, or until other disposition arrangements are enacted.

4. Useful Life/Disposition

INDOT maintains a Section 5310 vehicle database. INDOT uses the database to track Annual Vehicle Reports and to assist with vehicle disposition.

The subrecipient is accountable to INDOT throughout the “useful life” of the Section 5310 funded vehicle. INDOT has developed a policy on vehicle classification and useful life to evaluate requests to terminate the contract (i.e., the 80 percent federal interest) for a particular vehicle.

For the Traditional grant program, when a vehicle attains the year or mileage requirement listed below (four years or 100,000 miles) and has a fair market value of \$10,000 or less, INDOT will mail the subrecipient the vehicle title.

<u>Vehicle Type</u>	<u>Useful Life</u> <u>Years or Miles</u>
Low floor mini-van	4 or 100,000 miles
Small, Medium or Large Transit Vehicle	4 or 100,000 miles

As evidence of its approval, INDOT will sign off on the lien and send the title to the subrecipient.

INDOT's release of the lien does not make the vehicle automatically eligible for replacement through the Section 5310 program. As noted previously, INDOT does not guarantee funding to replace any vehicle. All requests for vehicles, whether replacement of a Section 5310 vehicle or a locally purchased vehicle, are evaluated using the criteria mentioned previously in this document.

After receiving the title, subrecipients no longer need to submit a Section 5310 Annual Vehicle Report on the operation of the vehicle.

After a vehicle has reached its applicable useful life, the subrecipient should continue to use the vehicle for its authorized transportation purpose as long as the vehicle remains safe, serviceable, and needed. When the vehicle is no longer needed for its authorized purpose, the subrecipient must coordinate disposition with INDOT and comply with the applicable Federal, State, and INDOT disposition requirements described in the following subsections.

For the Other grant program, when a vehicle attains the year requirement listed below (four years or 100,000 miles) and has a fair market value of \$10,000 or less, INDOT will notify the subrecipients that the vehicle has met useful life, and that they no longer need to submit Section 5310 Performance Measures.

<u>Vehicle Type</u>	<u>Useful Life</u> <u>Years or Miles</u>
Low floor mini-van	4 or 100,000 miles

Small, Medium or Large Transit Vehicle

4 or 100,000 miles

Merely obtaining sufficient miles or years on a vehicle does not guarantee federal capital assistance for its replacement. "Other" applications are evaluated competitively based on project justification, coordination, fiscal capabilities, and capital project priorities.

Disposition of Equipment besides Vehicles:

Equipment that is no longer needed for the original project or program must be disposed of in accordance with applicable Federal requirements, Indiana Code § 36-1-11, and INDOT procedures. For federally assisted equipment with a current per-unit fair market value of \$10,000 or less, the applicable Federal disposition requirements allow the recipient to retain the equipment or disposition proceeds, subject to applicable State and INDOT requirements. For federally assisted equipment with a current per-unit fair market value greater than \$10,000, any remaining Federal interest must be addressed in accordance with applicable Federal requirements. Subrecipients must coordinate disposition with INDOT, submit required disposition documentation, and maintain complete records of the disposition.

Disposition of federally assisted real property must be coordinated with INDOT and handled in accordance with applicable Federal real-property disposition requirements, State law, and INDOT procedures.

Planned Disposition

When equipment, and/or real property are no longer needed for the original project or program, disposition of said items must be made in accordance with Indiana Code 36-1-11 Disposal of Real or Personal Property. Real property is defined as land and buildings, including any accessories added to the land or buildings.

5. Disposition Prior to Meeting Useful Life Criteria - Vehicles

A subrecipient must obtain INDOT approval before disposing of or transferring a federally assisted vehicle prior to the end of its applicable useful life. The subrecipient must determine the vehicle's fair market value and submit the required information to INDOT. INDOT will determine the applicable disposition requirements and provide instructions consistent with Federal requirements, State law, and INDOT procedures. Any remaining Federal interest must be calculated and addressed as applicable, and the subrecipient must maintain complete documentation of the disposition.

6. Determination of Fair Market Value - Vehicles

To carry out a disposition option before the vehicle meets the end of its useful life, the subrecipient must obtain an estimate of the vehicle's fair market value. The subrecipient may determine fair market value using the straight-line depreciation method or by averaging two independent appraisals. INDOT bases the straight-line depreciation method on the useful life and the original cost of the vehicle. The subrecipient may obtain the original cost of the vehicle by contacting INDOT.

The subrecipient must submit the appraisal or depreciation estimate to INDOT prior to disposition of the vehicle, along with a written request for release of the applicable contractual obligations. INDOT will review the request and provide guidance regarding the applicable disposition option described below.

7. Disposition Options - Vehicles

- a. Title Transfer** - A subrecipient may request approval to transfer a vehicle to another eligible nonprofit organization or public body that provides transportation for seniors and individuals with disabilities. INDOT may assist the subrecipient in identifying an eligible receiving organization. The vehicle's fair market value must be determined in accordance with Section N.6, and the proposed transfer must be coordinated with and approved by INDOT.

When approved by INDOT, the receiving organization may buy out the transferring subrecipient's local interest in the vehicle for 20 percent of the vehicle's fair market value. INDOT will amend the applicable agreements to document the transfer of contractual responsibility. If an eligible receiving organization cannot be identified, INDOT may authorize disposition through a competitive sale as described below.

- b. Program Transfer** - A subrecipient may request approval to transfer a vehicle to another eligible transportation program or provider when the vehicle is no longer needed for its originally authorized purpose. Any transfer must be approved by INDOT and must comply with applicable Federal requirements, State law, and INDOT procedures. INDOT will determine the requirements applicable to the transfer, including any remaining Federal interest and documentation necessary to transfer responsibility for the vehicle.
- c. Competitive Bid** - With prior INDOT approval, a subrecipient may sell a federally assisted vehicle before the end of its useful life through a competitive sale process consistent with applicable Federal, State, and INDOT requirements. The sale must provide for open and fair competition and result in an award to the highest responsive bidder. The subrecipient must coordinate with INDOT regarding the sale proceeds and the calculation and disposition of any remaining Federal interest. The subrecipient must maintain complete documentation of the sale and disposition of proceeds.

8. Insurance Settlements - Vehicles

Subrecipients may replace vehicles damaged beyond repair due to an accident, fire, or theft.

After receiving confirmation from their insurance carrier that the vehicle is a total loss, the subrecipient should contact - via telephone, written letter or e-mail - the Section 5310 Program Manager. The subrecipient must inform INDOT of the estimated amount of the insurance settlement from the insurance carrier.

INDOT, with concurrence from the subrecipient, may apply the entire insurance settlement toward the replacement vehicle if it will provide the same service as specified in the project application and contract. INDOT will then amend the contract to reflect this change.

Traditional grant program

If a federally assisted vehicle is damaged or destroyed before the end of its useful life, the subrecipient must notify INDOT and coordinate with INDOT regarding the insurance claim and disposition of the vehicle. Insurance proceeds and any remaining Federal interest must be handled in accordance with applicable Federal requirements, State law, and INDOT procedures. With INDOT approval, insurance proceeds may be applied toward the acquisition of an eligible replacement vehicle. The subrecipient must maintain documentation of the insurance settlement and disposition of the proceeds.

Other grant program

Subrecipients receiving Section 5310 assistance through other eligible projects must notify and coordinate with INDOT when federally assisted vehicles are damaged or destroyed before the end of useful life. Insurance proceeds and any remaining Federal interest must be handled in accordance with applicable Federal requirements, State law, INDOT procedures, and the terms of the applicable award.

VEHICLE USE, MAINTENANCE AND DISPOSITION

9. Vehicle Title

Traditional Grant Program

Subrecipients are responsible for the licensing and title of Section 5310 vehicles. The Indiana Bureau of Motor Vehicles (BMV) will issue the title in the name of the Subrecipient. INDOT places a lien on all vehicles to reflect FTA's 80% interest in the vehicle. INDOT holds the original title until the vehicle has reached its applicable useful life or until another disposition action is approved by INDOT.

Other Grant Program

Titles for vehicles purchased with Section 5310 "Other" funds will be held by the subrecipient, including titles to vehicles, which are leased to public bodies, private nonprofit organizations, or private for-profit organizations. In cases where it is a financial advantage for the title to be co-held with other State or local governmental entities, e.g., for better insurance rates, to take advantage of bulk purchases of fuel, maintenance and supplies available to those entities, INDOT will permit this practice as long as a written agreement has been executed between the parties assuring the requisite safeguards and control.

Subrecipients may qualify for municipal license plates. These are available free of charge to rehabilitation facilities, Community Action Agencies, Area Agencies on Aging and local Councils on Aging. Additional information regarding eligibility and requirements for municipal license plates is available from the Indiana Bureau of Motor Vehicles.

10. Vehicle Insurance

INDOT requires all subrecipients to maintain adequate insurance coverage (collision/comprehensive/liability) as required by federal, state and local law and to provide assurance of coverage to protect FTA's 80% interest in the vehicle. The subrecipient is to safeguard against loss, damage or theft of equipment. INDOT will verify vehicle insurance of FTA funded vehicles via grant applications and compliance reviews.

11. Vehicle Operation

The subrecipient must use the equipment to provide service within the service area and to the population groups described in the application. The subrecipient must use, maintain and dispose of the equipment in accordance with the grant contract and this State Management Plan.

Use of the vehicle is not limited to agency clientele. The intent is to serve the needs of all seniors and individuals with disabilities through coordinated efforts. INDOT encourages subrecipients to make vehicles available for shared use with other agencies and programs. The subrecipient can make the equipment available to service the transportation needs of the public or to provide non-passenger services (Meals-on-Wheels). However, such services must not interfere with the provision of transportation services to seniors and individuals with disabilities.

Subrecipients that operate non-lift-equipped Section 5310 vehicles must also provide an equivalent level of service to individuals with disabilities. Equivalent service is measured using the following seven criteria: 1) response time, 2) fares, 3) geographic service area, 4) hours and days of service, 5) restrictions on trip purpose, 6) availability of information and reservation capability, and 7) constraints on capacity or service availability.

12. Vehicle Use

INDOT encourages maximum use of vehicles funded under the Section 5310 program. Federally assisted vehicles must first be used for the purposes for which they were acquired. When the vehicles are not needed for those purposes, they may be used for other eligible transportation activities consistent with applicable Federal requirements, the terms and conditions of the award, and INDOT requirements. Vehicles may be used:

- a) For Section 5310 Project and Program Purposes. The subrecipient must provide for maximum feasible coordination with transportation services assisted by other Federal sources. Subrecipients should be encouraged to the extent feasible to also provide service to older adults and people with disabilities not affiliated with their agency, *as well as to the general public on an incidental basis if such service does not interfere with transportation services for older adults and people with disabilities.*

In some situations it may be appropriate to provide Section 5310 assistance to an agency to provide transportation exclusively to its own clients, but even in situations in which it is not feasible for the agency to provide services to those in the community

beyond its own clients, *that agency must, when practicable, make the vehicle itself available to provide transportation service to other older adults and people with disabilities at times the agency is not using the vehicle for grant-related purposes.*

The recipient shall use the vehicle in the project or program for which it was acquired as long as needed, even if the project does not continue to receive Federal funding.

- b) For other Federal Programs or Project Purposes. During the period the vehicle is used to serve the project or program needs for which it was acquired, the subrecipient shall make it available for use on other projects or programs, *as long as such other use does not interfere with the service for which the vehicle was originally acquired.*

First preference for such other use will be given to other projects or programs sponsored by the Federal Transit Administration, and second preference will be given to projects or programs sponsored by other Federal agencies.

Finally, vehicles may be used by non-Federally funded providers, first to meet the needs of older adults and people with disabilities, and then to serve the transportation needs of the general public on an incidental basis.

- c) When No Longer Needed for Original Project or Program Purposes. If the original subrecipient no longer needs the vehicle for the purposes for which it was acquired, INDOT will keep the vehicle in use for Section 5310 program purposes by transferring the vehicle to another subrecipient. Once the vehicle is no longer needed for Section 5310 program purposes, the vehicle may be used first in connection with other FTA-sponsored activities, and then for activities sponsored by other Federal agencies.
- d) For Meal Delivery. Transit service providers receiving assistance under this section may coordinate and assist in providing meal delivery services for homebound people on a regular basis if the meal delivery services do not conflict with the provision of transit services or result in a reduction of service to transit passengers.

The number and size of vehicles applied for under Section 5310 must be determined only by the number of passengers to be transported, not meal delivery capacity. Section 5310 funds may not be used to purchase special vehicles to be used solely for meal delivery or to purchase specialized equipment such as racks or heating or refrigeration units related to meal delivery.

13. Leasing Vehicles

Subrecipients may operate their equipment through a lease agreement with another public or private transportation provider. **However, the subrecipient must maintain continuing control and responsibility for operation of the vehicle.** The lease agreement must address applicable training, insurance, vehicle control and responsibility, maintenance, recordkeeping, and reporting requirements. The subrecipient remains responsible for ensuring compliance with applicable Section 5310 requirements. Other permissible uses of the vehicle must not interfere with transportation service for seniors and individuals with disabilities.

INDOT must provide written approval prior to execution of a lease between the Section 5310 subrecipient and the transportation provider.

14. Vehicle Maintenance

INDOT will ensure that vehicles and equipment acquired with Section 5310 funds are maintained in good operating order and in accordance with the subrecipient's INDOT-approved preventive maintenance plan, applicable manufacturer recommendations, and applicable Federal and State requirements. Subrecipients are responsible for maintaining adequate maintenance records documenting preventive maintenance and repairs. INDOT will monitor subrecipient maintenance practices and records through its established oversight and compliance review processes to ensure adequate protection of the Federal interest in federally assisted property. At a minimum, 80% of required preventative maintenance activities 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.

Adequate maintenance procedures and programs must be developed to keep vehicles and equipment in good condition. Preventive maintenance programs are required for all 5310-funded vehicles. INDOT provides a preventive maintenance manual and training through the Rural Transit Assistance Program (RTAP). In addition, as part of INDOT's compliance review monitoring process, intervals for preventive maintenance are reviewed and calculated to ensure that at minimum 80 percent are performed on time; see the example in the following table:

Example Vehicle Maintenance Interval Spreadsheet

AGENCY:									
TOTAL VEHICLES IN PUBLIC TRANSIT FLEET:						30% AUDITED			
VIN # (LAST 4)	Enter Total # of oil changes that occurred between dates provided in column C & D	Date of first audited oil change	Date of last audited oil change	TOTAL MILEAGE IN PERIOD	OIL CHANGE INTERVAL	# ON-TIME (WITHIN 10% +/-)	# OF PM'S PERFORMED EARLY	# OF PM'S PERFORMED LATE	TOTAL PERCENT ON-TIME
									#DIV/0!
									#DIV/0!
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TOTALS	0					0	0	0	#DIV/0!

As a condition for accepting Section 5310 vehicles, the subrecipient 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 individuals with impaired vision or hearing.

Subrecipients shall promptly repair accessibility features if they are damaged or out of order. When an accessibility feature is out of order, the subrecipient 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.

Subrecipients interested in further information about maintenance should contact the Section 5310 Program Manager and request a copy of the Indiana Preventive Maintenance Manual.

15. Fees, Program Income and Donations

INDOT encourages subrecipients to generate program income to defray operating costs. However, subrecipients may not use Section 5310 equipment to compete unfairly with private for-profit transportation providers. Subrecipients may charge fees or request donations from their riders. A subrecipient may charge a cost per ride or per mile to another human service agency or funding source (such as Medicaid) for providing transportation service.

REPORTING REQUIREMENTS/PROGRAM MONITORING

16. Record Keeping and Reporting

INDOT Reporting

Any indirect costs that are included as a result of a subrecipient's reimbursement request, will have been approved as part of that subrecipient's cost allocation plan by INDOT. To standardize and simplify the approval process, INDOT will provide a cost allocation template to all subrecipients for their completion and submittal to, and approval by, INDOT. All subrecipients are required to use this template unless otherwise authorized by INDOT.

Federal Financial Reports (FFRs) – INDOT prepares and submits all required Federal Financial Reports (FFRs) in accordance with FTA award reporting requirements.

Subrecipient Required Recordkeeping and Reporting

The subrecipient must maintain proper records, including drivers' daily records, passenger trip records, operating expense information, inventory control and maintenance records.

INDOT and FTA reserve the right to inspect records for completeness and accuracy at any time.

INDOT permits subrecipients to set up capital reserve accounts to replace existing equipment as long as non-federal revenues fund such accounts. It is allowable for the subrecipient to amortize the 20% local share as an agency expense.

An **Annual Vehicle Report** form is available for the subrecipients in BlackCat in January of each year. For each vehicle, the subrecipient must collect ridership, operating and financial information, as well as attest to appropriate vehicle use and management procedures.

Technical assistance regarding applicable reporting requirements may be available through Indiana RTAP. Subrecipients must submit a Section 5310 Annual Vehicle Report 90 days following the close of the reporting period (January through December).

Chronic failure to complete Annual Vehicle Reports accurately and promptly may result in termination of the contract, repossession of project equipment and/or a penalty assessed to subsequent grant applications. Subrecipients must continue required vehicle reporting until the applicable INDOT vehicle reporting and useful-life requirements have been satisfied.

INDOT maintains a Section 5310 vehicle database. INDOT uses the database to track annual vehicle report submission and to assist with vehicle disposition.

Section 5310 subrecipients (private not-for-profit) hire independent auditors to conduct audits. The legal authorized auditing body for Section 5310 subrecipients (units of local government – cities, counties, towns, etc.) is the State Board of Accounts. INDOT reviews subrecipients' audits as part of the Section 5310 application process and compliance reviews.

Section 5310 subrecipients, if applicable, may submit a *Waiver of Audit Requirement* from the State Board of Accounts. The subrecipient should instead submit IRS Form 990, or an Accountant's Review/Compilation Report.

17. Program Monitoring by INDOT

INDOT monitors Section 5310 subrecipients to ensure compliance with applicable Federal and State requirements, the terms and conditions of the award, and INDOT program requirements. INDOT will conduct a comprehensive compliance review of each Section 5310 subrecipient at least once every four years. INDOT may conduct reviews more frequently when warranted based on risk, prior findings, compliance concerns, changes in operations or management, or other circumstances identified through ongoing monitoring.

As part of its monitoring efforts, INDOT will conduct an on-site review 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:

- Vehicle maintenance, including maintaining accessibility equipment;
- Continuing control and responsibility for federally assisted vehicles and equipment, including applicable insurance requirements;
- Coordination, including the subrecipient's efforts to coordinate services with other transportation providers;
- Meal delivery and other incidental services, including whether such activities interfere with the provision of transportation services for seniors and individuals with disabilities;
- ADA service requirements, including applicable equivalent-service requirements for individuals with disabilities;
- School bus service, if applicable, including compliance with applicable Federal and State requirements;
- Applicable Federal civil rights requirements, including Title VI, Section 504, the Americans with Disabilities Act (ADA), Equal Employment Opportunity (EEO), and other applicable nondiscrimination requirements;
- Debarment and suspension requirements, including whether the subrecipient, its principals, contractors, subcontractors, or other applicable parties have been excluded from federally assisted transactions; and the status of any unresolved audit findings related to the Section 5310 program.

The comprehensive compliance review consists of a desk review and, as applicable, a site review, as described below.

Desk Review: INDOT will conduct a desk review of available documentation and information relevant to the subrecipient's compliance with applicable Section 5310 requirements. The desk review may include grant applications and agreements, Annual Vehicle Reports, vehicle and equipment inventories, preventive maintenance records, financial and audit information, applicable policies and procedures, Civil Rights documentation, prior compliance review findings and corrective actions, and other materials deemed necessary by INDOT.

Site Review: As part of the comprehensive compliance review, INDOT may conduct an on-site review to verify information obtained through the desk review and evaluate the subrecipient's implementation of applicable Section 5310 requirements. INDOT may provide the subrecipient with a compliance review questionnaire or request for information in advance of the review. During the site review, INDOT may examine records and federally assisted property, interview appropriate personnel, review supporting documentation, and verify compliance with applicable program requirements.

The objectives of the compliance review are to evaluate the subrecipient's compliance with applicable Federal and State requirements, the terms and conditions of the award, and INDOT program requirements; identify and resolve areas of noncompliance; and support continued compliance through cooperation and technical assistance.

INDOT will collect applicable Federal certifications and assurances from each Section 5310 applicant as required by current FTA requirements.

O. OTHER PROVISIONS

1. Environmental Protection

Because INDOT primarily uses Section 5310 funds for vehicle purchases, many Section 5310 projects may qualify as Categorical Exclusions (CEs) under applicable environmental requirements. INDOT will review Section 5310 projects to determine the appropriate level of environmental review and ensure that applicable environmental requirements are satisfied.

For Section 5310 projects involving activities other than vehicle purchases (for example, new construction or expansion of transit terminals, storage and maintenance garages, office facilities, and parking facilities), INDOT will screen potential projects when they are first identified to make an initial determination as to which projects clearly meet the FHWA/FTA criteria for CEs and which projects may require additional documentation.

INDOT will coordinate with the FTA regional office early in project development so that any necessary environmental analysis and review will not delay implementation. INDOT will discuss with the FTA regional office any project involving new construction of a facility or substantial rehabilitation of an existing facility to determine the need for information supporting a CE and the applicability of any additional environmental requirements.

2. Restrictions on Lobbying

Section 5310 subrecipients must comply with applicable Federal restrictions on lobbying in accordance with 31 U.S.C. § 1352 and 49 CFR Part 20. Subrecipients must provide the required lobbying certification before entering into applicable grants, contracts, or cooperative agreements exceeding \$100,000. When applicable, lobbying activities using non-Federal funds must be disclosed using Standard Form-LLL in accordance with Federal requirements.

INDOT will monitor compliance with applicable Federal lobbying restrictions through its subrecipient oversight and procurement review processes and will maintain applicable lobbying certifications and disclosures in accordance with Federal requirements'

3. Prohibition of Exclusive School Transportation

Through its subrecipient compliance reviews, INDOT ensures that subrecipients are not providing exclusive school transportation per Section 5323(f) of the Federal Transit Act.

This prohibition does not preclude a subrecipient from providing transportation services that are open and available to the general public and may also be used by students, provided the service is not operated exclusively for the transportation of students or school personnel and otherwise complies with applicable Federal requirements

4. Prohibited Charter Services

Through its subrecipient compliance reviews, INDOT ensures that subrecipients are not engaging in prohibited charter bus services.

5. Drug/Alcohol Testing

INDOT Subrecipients that receive only Section 5310 will comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for employees who hold Commercial Driver's Licenses (49 CFR part 382). INDOT Section 5310 subrecipients that also receive funding under one of the covered FTA programs (Sections 5307, 5309 and 5311) will include any employees funded under Section 5310 projects in their testing program.

INDOT will verify, through its subrecipient oversight process, that each Section 5310 subrecipient has identified and complies with the drug and alcohol testing requirements applicable to its operations and Federal funding sources.