

# Table of Contents

<b>Chapter IV. Grant Application Procedures .....</b>	<b>17</b>
Introduction .....	17
First Time Applicants: Before You Apply .....	17
The Application Process.....	17
Grant Application Development.....	17
Evaluation Criteria for Grants.....	18
Operating Assistance for Existing Grantees .....	18
First-time Applicants.....	18
Operating Assistance for New Applicants .....	19
Capital Assistance .....	21
Application Review Process.....	22
Program of Projects.....	22

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## CHAPTER IV. GRANT APPLICATION PROCEDURES

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### INTRODUCTION

This section reviews INDOT grant application requirements and procedures under the Section 5311 program. Procedures are subject to annual change. Existing and prospective grantee should refer to the INDOT Office of Transit application package that is produced each year for additional guidance.

### FIRST TIME APPLICANTS: BEFORE YOU APPLY

INDOT encourages interested parties to meet with INDOT Office of Transit staff early in the planning process to discuss potential transit grant projects. Pre-planning meetings improve the applicant's understanding of the program requirements. First time applicants must have completed an approved feasibility study in order to apply for funding assistance. Feasibility study project periods must be based on a calendar year (January – December). As such, new applicants needing funding assistance to conduct the feasibility study must complete a 5311 grant application. Each new system will be established as a demonstration project that INDOT is not obligated to fund beyond two years. INDOT will review the consistency between an applicant's feasibility study projections and two years data on vehicle miles, operating expenses, and passenger trips. Subsequent funding will be contingent upon INDOT findings regarding efficiency and productivity.

**Please note that completion of a feasibility study does not guarantee approval of an applicant to enter the**

**5311 Program, nor the receipt of 5311 funding.**

### THE APPLICATION PROCESS

Section 5311 funds are made available to eligible applicants on a calendar year basis. Applications are submitted to the INDOT Office of Transit on a pre-determined schedule. This schedule is published on the INDOT website at <https://secure.in.gov/indot/2436.htm>.

#### Grant Application Development

Completion of the grant application is the second step in the grants process. Eligible applicants are notified of the acceptance of their Letter of Intent (new applicants only) and are sent a grant application package and instructions for completing the application. Existing grantees will also receive an application package and instructions. INDOT offers assistance to those applicants having difficulty completing the application.

The application generally includes the following items:

1. *A description of the project and the project budget.* 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 systems, and system operation and performance. INDOT recommends that applicants begin small when establishing a transit system and plan for service expansion.

2. Coordination with other groups. The applicant must describe how coordination on the project will be achieved with the following groups:
  - a. Social Service Involvement: The applicant must make an effort to encourage social service agency transportation providers to participate in and coordinate with the project.
  - b. Public Involvement: Public involvement is essential to providing a service that addresses community needs. Efforts to involve the public should be made. INDOT strongly encourages applicants to establish a local transportation advisory committee or board. The transportation advisory board is expected to encourage private sector participation to afford an opportunity for input in plan developments. Public hearings are required for all capital grant applications.
3. Transportation Improvement Plans: Section 5311 transit systems that are located within metropolitan planning boundaries must submit their transit projects to the applicable Metropolitan Planning Organization (MPO) for inclusion in the current Transportation Improvement Plan.
4. Grant justification: The applicant must provide evidence of need and how the services or equipment requested will meet that need. The applicant must also explain how the project complements existing services and resources.
5. Governing body authorization: A resolution must be passed by the appropriate legislative body authorizing the applicant to pursue Section 5311 funding.

6. Federal Compliance Certifications and Standard Assurances: Applicants must certify compliance with various Federal requirements, including:
  - a. Title VI
  - b. Equal Employment Opportunity Act
  - c. Section 504
  - d. Americans with Disabilities Act
  - e. Bus Testing Requirement
  - f. Restrictions on Lobbying
  - g. Disadvantaged Business Enterprise Program
  - h. Section 5333(b) (labor requirements)
  - i. Charter Rule
  - j. School Bus
  - k. Environmental Protection
  - l. Evaluation of Flood Plain (for capital transit facilities only)
  - m. Real Estate Acquisition and Relocation (for capital transit facilities only)
  - n. Buy America Provision
  - o. FTA's Safety Jurisdiction
  - p. Drug and Alcohol Testing

## **EVALUATION CRITERIA FOR GRANTS**

### **Operating Assistance for Existing Grantees**

Existing grantees have already demonstrated satisfactory effort to operate their transit systems according to INDOT's guidelines. As such, the criteria used by INDOT to evaluate existing Section 5311 grantee applications are the completeness and thoroughness of the application. A checklist is used to verify that all pertinent items are submitted, complete, and adequate.

### **First-time Applicants**

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

eligible to apply for Section 5311 funding assistance. At a minimum, a first-time applicant's feasibility study must address the following eight (8) evaluation factor criteria:

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

Entities considering the development of new Section 5311 eligible services should contact the INDOT Office of Transit as early in the process as possible.

### **Operating Assistance for New Applicants**

Applications for funding from new applicants are reviewed by INDOT and RTAP. Seven (7) evaluation factor criteria are weighted according to their importance in fulfilling program goals. The "New Applicant Operating Application Review and Rating Form" is available in the Forms Section on the INDOT website, <http://www.in.gov/indot/2436.htm>. These criteria include:

1. The completeness of the application and compliance with guidelines and requirements of the application process.

2. While INDOT will concentrate review time on the merits and technical aspects of the application, failure to adequately address every requirement will adversely affect the rating of the grant and may eliminate the grant from further consideration. INDOT Office of Transit staff are available to assist applicants with the application process (phone numbers are included in **Chapter I** of this manual).
3. The ability of management to administer the grant and meet INDOT's program guidelines and requirement and operate a transit system.
4. New applicants will be evaluated on previous experience with similar grant programs, management structure, and accounting system. INDOT will examine compliance with other federal and state grant regulations and guidelines by reviewing the most recent audit of the applicant. The ability of the new applicant to operate a transit system will be evaluated based on the proposed organizational structure of the system, the experience of the personnel required to perform the system functions, and the applicant's past experience in operating a transportation system.
5. The extent to which existing services, manpower, and equipment are used in the project.
6. INDOT requires that applicants make every effort possible to coordinate available resources under operating and capital grants. Applicants must encourage every possible transportation provider (including

private-for-profit) to participate in the project. Successful coordination would include the commitment of other local agencies to purchase service, share resources, and use the transit system. New applicants will be evaluated based on the amount of coordination expected and planned for in the proposed transit system. If other providers are not interested in participating in the project, then the applicant must develop a transit system compatible with the other providers.

7. The appropriateness of type of service, planned improvements, expansion, and equipment.
8. The development of the transit system must be carefully planned and explained because the proposed cost and projected productivity are functions of the type of service established to meet the mobility needs. The new applicant should make these decisions after careful and appropriate consideration of the purpose and expectations of the service. If the purpose and expectations are not clearly defined, it will be impossible for the applicant to determine if the service is successful.
9. The grant justification should show the relationship between the transit service and the identified mobility needs and service area characteristics (*e.g.*, geography, traffic patterns, population density, etc.). The applicant must make every reasonable effort to ensure that elderly and persons with disabilities will be able to use the public transit service.

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

**Fixed Route Service**

- ◆ Service area has few main activity centers, central business district is usually the primary activity center
- ◆ Trip needs may be met through fixed schedules
- ◆ Trip needs may be met by service over major streets
- ◆ Service area has relatively high population density
- ◆ Users have convenient access to routes
- ◆ Routes are accompanied by the required Complementary Paratransit Service

**Demand Responsive Services (including Dial-a-Ride, advanced request, deviated fixed route, and shared-ride taxi):**

- ◆ Trip needs are dispersed throughout the service area and throughout the day
- ◆ A significant proportion of users are those who have difficulty walking and standing (*e.g.*, getting to fixed route type services)
- ◆ Service area has relatively low population density
- ◆ New applicants will be evaluated based on the appropriateness of the type of service in terms of the aforementioned criteria and on the type of equipment to be used in relationship to the demand for service. Careful consideration will be given to assessing the methods used by the applicant in selecting a particular type of service.

1. The actions previously implemented and/or planned to reduce operating costs and to improve operating revenue.

Since operating revenues do not cover total costs, it is imperative that

management makes every effort to keep costs low. This is extremely important in view of the limited amount of governmental assistance available to finance transit. The applicant's ability to increase operating and other revenues will directly improve the financial stability of the transit system by decreasing its dependency on governmental assistance. The applicant must give consideration to an appropriate revenue recovery program for its transit system.

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

2. The suitability of the existing and/or proposed promotional techniques and programs to reach riders and potential riders.

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

## **CAPITAL ASSISTANCE**

INDOT currently views vehicle acquisition as a priority within the program. As such, requests for capital assistance outside of vehicles purchased off the INDOT Quantity

Purchase Award (QPA) agreements may only be considered on a discretionary basis.

Similar to applying for operating assistance, the capital assistance application is evaluated according to several weighted factors. The weights of the factors represent the importance of the factor in achieving program goals. The evaluation criteria include:

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

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

must provide documentation that it is more cost-effective to wash buses in-house.

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

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

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

The applicant must demonstrate that that applicant has developed cooperative relationships with other agencies involved in providing transportation or other services that involve the use of resources similar to those required by the transit system. All capital projects will be reviewed in terms of the availability of opportunities to fulfill capital needs through cooperative relationships and sharing resources with outside agencies.

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

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

## **APPLICATION REVIEW PROCESS**

The application review process is designed to identify projects of exceptional quality. Documented efforts to operate the transit

system in the most effective and efficient manner possible, secure sources of local cash match, and establish a fare revenue policy consistent with local goals will be viewed positively by INDOT. However, due to the limited amount of Section 5311 funding, preference is given to existing Section 5311 grantees.

INDOT and RTAP will review and rate the operating applications of new applicants and all capital applications using the application Review and Rating forms mentioned in this section. Based on this ranking, INDOT will make project selections based on the highest scores and project priorities identified in this section. INDOT will award projects based on funding availability.

## **PROGRAM OF PROJECTS**

The selected applications and the existing grantees' operating applications will be compiled into INDOT's proposed Program of Projects (POP). Each capital and operating application will be listed as a separate line item and the funding amounts will be identified. The Program of Projects will then be presented to INDOT management. Upon approval, the Program of Projects will be incorporated into INDOT's annual application for Section 5311 funds to the Federal Transit Administration.