



State Management Plan
Federal Transit Programs

Updated June 2018

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Table of Contents

	PAGE
I. INTRODUCTION	1
II. PROGRAM MANAGEMENT	9
III. FTA SECTION 5305: METROPOLITAN AND STATEWIDE PLANNING PROGRAMS	13
IV. FTA SECTION 5310: COORDINATED MOBILITY PROGRAM.....	16
V. FTA SECTION 5311: FORMULA GRANTS FOR RURAL AREAS	24
VI. FTA SECTION 5339: BUS AND BUS FACILITIES	34
VII. GRANT ADMINISTRATION	36
VIII. PROJECT MANAGEMENT	38
IX. FINANCIAL MANAGEMENT AND FINANCIAL CAPACITY.....	39
X. PROCUREMENT.....	43
XI. DISADVANTAGED BUSINESS ENTERPRISE	46
XII. ASSET MANAGEMENT	49
XIII. CHARTER BUS/SCHOOL BUS REGULATIONS.....	55
XIV. AMERICANS WITH DISABILITIES ACT	56
XV. TITLE VI	58
XVI. EQUAL EMPLOYMENT OPPORTUNITY	62
XVII. DFWA/DRUG AND ALCOHOL PROGRAM	63

APPENDICES

A SECTION 5311 RURAL TRANSPORTATION PROGRAM GRANT GUIDEBOOK	
B COORDINATED MOBILITY PROGRAMS (SECTION 5310) GRANT GUIDEBOOK	
C ADOT RTAP GUIDELINES	

I. Introduction

A. STATE MANAGEMENT PLAN

The State Management Plan documents the procedures of the State of Arizona in managing and utilizing federal funds to assist public, tribal, private non-profit and private for-profit passenger transportation systems in Arizona. The Arizona Department of Transportation (ADOT) Multimodal Planning Division (MPD) manages the programs described in this document.

This document includes the State's objectives, policies, procedures, and administrative requirements, in a form that is readily accessible to ADOT staff, the Federal Transit Administration (FTA), potential subrecipients, and the public. The State Management Plan serves four purposes:

1. Provides a basis for FTA state level management reviews of the programs;
2. Serves as an internal reference document for the management of the various grant programs. It can be used for new employees to gain a broad understanding of the programs and as a tool for cross-training current employees;
3. Provides public information on grant management administrative processes; and
4. Provides information to subrecipients in regards to State and federal program requirements.

FTA requires a State Management Plan for the States that administer Transit Program Sections 5310, 5311, and 5339. ADOT has also chosen to document information related to the management of other federal transportation grant funds that the Transit Program oversees in this State Management Plan.

ADOT's Multimodal Planning Division (MPD) also serves as the State Safety Oversight Agency (SSO). With the passing of 49 U.S.C. § 5329 / MAP-21 Section 20021 and the SSO final rule 49 CFR § 674.19 on March 16, 2016 the Federal Transit Administration (FTA) significantly strengthens the SSOA's authority to investigate accidents and oversee the rail transit agency's implementation of its System Safety Program Plan (SSPP) and Public Transportation Agency Safety Plan. ADOT MPD is designated by the State to serve as the SSO agency for Arizona. As a requirement of 49 CFR Part 674, ADOT developed the Arizona Department of Transportation System Safety Program Standard for Rail Safety and Security Oversight Revision 5, a separate and freestanding document which identifies the State's policies, procedures, and processes for fixed guideway systems safety and security oversight. Under the new rule the SSOA's are the principal oversight authorities for rail transit, and the SSO final rule requires that SSOAs have the necessary enforcement authority and resources to make rail transit safer for passengers and workers. This final SSO rule replaces the existing regulations for SSOAs at 49 CFR Part 659, in place for the past 20 years.

The State Management Plan is accompanied by a set of appendices. The appendices include the ADOT Grant Guidebooks for the Section 5310 (Coordinated Mobility) and Section 5311 (Rural Public Transportation) programs. The Guidebooks are provided to

potential subrecipients to assist them in understanding the grant programs and program requirements, to provide the information necessary to complete applications for funding under these programs, and to provide subrecipients with guidance in the ongoing management of their projects. The contents of the State Management Plan are updated on the following basis:

- The State Management Plan is reviewed on an annual basis to ensure that any new federal regulations are reflected in the Plan;
- The Guidebooks included in the Appendixes are updated annually;
- The State Management Plan is more thoroughly revised approximately every six years, or upon re-authorization of the federal transportation funding bill;
- Guidebooks and Application materials, included in the Appendixes are amended and issued annually to reflect changes in state or federal regulations and policy direction; and
- The System Safety Program Standards for Light Rail Safety Oversight comply with the 49 CFR Part 659, and are reviewed and updated annually.

Prior to this document, the State Management Plan was last updated on July 2015. The current update addresses changes to program requirements arising from the Fixing American's Surface Transportation (FAST) Act, signed into law on December 4, 2015. A public review and comment period is incorporated with this update given the nature of the revisions.

B. AUTHORITY

The Arizona Department of Transportation (ADOT) has been designated by the Governor of Arizona as the principal authority and designated recipient (DR) for administering FTA programs within the state. With the exception of the 5310 program for the Maricopa Association of Governments (MAG) region, for which the City of Phoenix is the DR, and small-urban and urbanized area transit programs and tribal transit programs for which others are DRs.

The unit within ADOT that is responsible for administering FTA programs is the Transit Programs and Grants unit which is part of the Multimodal Planning Division (MPD). The Transit Program and Grants unit is the primary entity with other offices supporting the program.

Major functions of the Transit Programs and Grants unit include all phases of grant administration for FTA-funded programs, including Sections 5305e and 5305f, 5310, 5311, 5320 when awarded, and 5329. The unit administers FTA state-apportioned, transferred, and competitively awarded funds for the Section 5307, 5309 5339, and special re-investment acts. Transit Programs and Grants also serves as the State Safety Oversight Agency for light rail services within Arizona, establishing state safety and security standards for light rail transit systems. The unit is also responsible for identifying agency/division discretionary grant opportunities including the application process.

ADOT provides a broad range of training programs to ADOT staff and subrecipients in an effort to ensure capacity to administer FTA programs. Staff training records are kept

through the agency's online Learning Center. ADOT strongly supports safety trainings for rail/transit agencies and subrecipients. ADOT-required driver and transit program training is outlined in the annual program guidebooks. Subrecipients are required to maintain a record of all training provided to employees. ADOT provides RTAP scholarships for all required trainings. Train the trainer programs and on-line trainings are supported by ADOT's RTAP program. In addition, webinars, an annual conference, workshops, and other trainings are regularly held. Roadeos and other events to support driver and maintenance support are held when possible.

C. AGENCY MISSION AND DIRECTION

Our Vision: Moving Arizona to become the most reliable transportation system in the nation.

Our Mission: Connecting Arizona. Everyone. Every Day. Everywhere.

True North: Making Transportation Personal.

Our Values

- **Accountability:** We take responsibility for our actions.
- **Integrity:** We hold ourselves to the highest ethical and professional standards.
- **Respect:** We treat everyone with respect and dignity

ADOT's Multimodal Planning Division oversees the transit programs within ADOT and management responsibility is delegated to the Transit Programs Section. MPD's transit staff coordinates closely with other divisions within ADOT to oversee and provide the financial and civil rights oversight that FTA requires. MPD has multiple functions, including the following FTA grant administrative responsibilities:

- Administering Federal transit programs which provide local transit systems with capital and operating assistance;
- Providing technical assistance and expertise to local transit agencies and decision makers;
- Coordinating and funding transit planning efforts in rural and urban areas;
- Serving as the State Safety Oversight Agency for light rail; and
- Ensuring a multi-modal approach in addressing problems of mobility, congestion and air quality throughout the state.

D. TRANSIT PROGRAM GOALS AND OBJECTIVES

ADOT developed a strategic plan focused on building capacity. Key objectives include:

- Taking advantage of cutting-edge technology to fulfill transit functions;
- Assessing, updating, and operating the grant programs effectively;
- Pursuing strong internal and external partnerships;
- Improving coordination within ADOT to better serve our Transit subrecipients:

- Maintaining a “Customer Service Focus”;
- Empowering staff to grow as experts in their emphasis areas; and
- Developing programs that can be modeled by other agencies and states.

Additionally, ADOT seeks to:

Do more with limited existing resources: A key to coordination is tapping the underutilized capacity of existing transportation assets. This begins with an inventory of vehicles and their utilization. This helps in sharing space on agency vehicles, which allows more people to be served by available resources.

Enhance mobility within and between communities: Mobility management has always been a critical element in economic growth and wellbeing. Reducing individual isolation and improving the connectivity of people and communities can lead to important economic and social benefits.

Increase access to jobs and job training: Research has documented transport barriers facing the unemployed and working poor. Coordinated transportation can improve self-reliance and productivity by helping to overcome existing spatial mismatches between where people live and where they work.

Preserve individual independence: The lack of transportation alternatives contributes to increased dependency, especially among seniors and people with disabilities. The mobility of all citizens can be enhanced through local one-call centers coupled with local practices designed to assure independence and freedom of movement.

Enhance quality of life: Improving people’s access and availability to get to basic services and jobs while meeting other daily needs can have major impacts on their overall quality of life.

The State of Arizona has implemented the Arizona Management System which utilizes the LEAN principles. Transit has participated in continuously evaluating our processes to improve them which reaching our goals.

Long range goals are established as part of the agency’s Long-Range Transportation Plan. Current Long Range planning efforts are contained in the published What Moves You Arizona 2040 adopted in February 2018.

E. ROLES AND RESPONSIBILITIES

Federal Transit Administration (FTA)

The FTA provides overall policy and program guidance. The FTA is responsible for apportioning funds annually to the State; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation. The FTA regional offices have day-to-day responsibility for interface with State transit program managers.

The Arizona Department of Transportation (ADOT)

ADOT has been designated by the Governor to administer the FTA-funded Transit Programs for the State. These currently include Section 5305, 5310, 5311, 5329 (State Safety Oversight) and 5339 (Bus and Bus Facilities) programs in Arizona. ADOT MPD administers and provides oversight for the FTA programs, as well as the Rural Transit Assistance Program, and other federal grant programs such as Surface Transportation Block Grant funds that have been “flexed” to support Arizona’s transit programs. The 5307 funds are allocated to Arizona, but ADOT passes them through to the agencies who are direct recipients of FTA funds.

To administer these programs ADOT MPD works with Regional Transportation Planning Agencies and directly with subrecipients.

Duties of ADOT MPD include assistance throughout the grant processes, as well as subsequent monitoring of successful applicants. MPD also provides information, oversight, and technical assistance to Arizona communities, transportation planning agencies, transit agencies, and intercity carriers.

Transportation Planning Agencies

In Arizona, the responsibilities of Transportation Planning Agencies are assumed by regional government organizations: Metropolitan Planning Organizations (MPOs) in the urban areas, and regional Council of Governments (COGs) in rural areas.

There are currently nine urbanized areas (as defined by the US Census Bureau) with designated MPOs in Arizona: Phoenix, Tucson, Yuma, Flagstaff, Casa Grande, Lake Havasu, Sierra Vista, Avondale / Goodyear, and Prescott / Prescott Valley.

The MPOs are recipients of Section 5305 planning assistance and are responsible for coordination of FTA programs within their respective areas. Their funding is included in their Unified Planning Work Program (UPWP). Other requests for FTA funding from within an urbanized area are submitted to the MPO for inclusion in the MPO’s Transportation Improvement Program (TIP). The MPO staff reviews each application for coordination, conformity (where applicable), and fiscal constraint in relation to TIP goals and objectives.

For rural areas, MPD works with the MPOs and COGs to complete transportation planning functions. These efforts include Regional transit planning including intercity bus, transit feasibility studies, short-range transit development plans, capital project assessments, and special studies where needed. The COGs host mobility managers whose primary role is to assist MPD in coordination and outreach with local agencies and transit providers. MPD funds development plans with the COGs and local agencies, and funding for these plans are integrated into the local TIP and then incorporated into the State Transportation Improvement Program (STIP).

F. STATE SAFETY OVERSIGHT AGENCY

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), signed on December 18, 1991, required the Federal Transit Administration (FTA) to create a

State-managed safety and security oversight program for rail fixed guideway public transportation systems (RFGPTS) not regulated by the Federal Railroad Administration. The FTA published this regulation in 49 CFR Part 659, "Rail Fixed Guideway Systems; State Safety Oversight (SSO)", on December 27, 1995. The FTA worked with States to develop compliant programs and, in the fall of 1998, initiated its monitoring role as required in 49 CFR Part 659.7.

The ISTEA, followed by the Transportation Equity Act for the 21st Century, signed on June 9, 1998, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, signed on August 10, 2005, authorized the SSO program and set the stage for the safety and programmatic advances required under the Federal Public Transportation Act of 2012, Moving Ahead for Progress in the 21st Century (MAP-21), which was superseded by the Fixing America's Surface Transportation (FAST) Act on December 4, 2015. This amended the Federal transit law by authorizing a new Public Transportation Safety Program 49 U.S.C. § 5329. Pursuant to Section 5329(b), the Public Transportation Safety Program must include a National Public Transportation Safety Plan to improve the safety of all public transportation systems that receive Federal transit funds.

The purpose of the Public Transportation Safety Plan is to guide the national effort in managing the safety risks and safety hazards within our Nation's public transportation systems. The National Safety Plan is just one component of the Public Transportation Safety Program. In addition to this Plan, FTA has passed the following rules to improve transit safety:

- 49 CFR Part 674, State Safety Oversight, Final Rule;
- 49 CFR Part 673, Public Transportation Agency Safety Plan, Proposed Rule;
- 49 CFR Part 672, Interim Safety Certification Training Program Provisions, Final Rule;
- 49 CFR Part 670, National Public Transportation Safety Program, Final Rule;
- and
- 49 CFR Parts 625 and 630, National Transit Database / Transit Asset Management, Final Rule

Each component of the National Safety Program will work together to ensure that appropriate and adequate risk surveillance, monitoring, and intervention methods and practices are utilized to minimize risks through the strategic application of available resources.

With the passing of 49 U.S.C. § 5329, the FTA was given the responsibility to help the SSOA's transition into the new regulatory environment under the Public Transportation Safety Program. On March 16, 2016, FTA published a final rule to establish an enhanced rail SSO program. The SSO final rule is the first final rule that FTA has issued under the Public Transportation Safety Program, initially authorized by the Moving Ahead for Progress in the 21st Century Act (MAP-21). The SSO rule 49 CFR § 674.19 significantly strengthens an SSOA's authority to investigate accidents and oversee a rail transit agency's implementation of its System Safety Program Plan (SSPP) and Public Transportation Agency Safety Plan.

Under the new rule the SSOAs are the principal oversight authorities for rail transit, and the SSO final rule requires that SSOAs have the necessary enforcement authority and

resources to make rail transit safer for passengers and workers. This final SSO rule replaces the existing regulations for SSOAs at 49 CFR Part 65.

Under the SSO final rule 49 CFR § 674.19(a), States must assume greater responsibility for overseeing their rail fixed guideway systems and meet the following Federal requirements:

- Develop a Certification Work Plan (CWP), this plan is used in the SSO Formula Grant program to lay out each State's roadmap for meeting 49 U.S.C. § 5329 requirements;
- Financial and legal independence from any RFGPTS it oversees;
- 20% local match to FTA funding, as part of this process, the State must submit documentation, among other things, evidencing its formal designation of the intended recipient of the FTA SSO grant program funds and the source of its 20 percent local match, State may not use other Federal funds as all or a part of its local match;
- Does not directly provide overlapping public transportation services in an area with a RFGPTS;
- Does not employ any individual responsible for administering a RFGPTS;
- Has the authority to review, approve, oversee, and enforce a public transportation agency safety plan for a RFGPTS;
- Demonstrate through legislation, directive, administrative code, or other means and associated Program Standard language and procedures or checklists that they have the authority and ability to investigate and enforce RFGPTS safety, including the authority to investigate accidents, incidents, and occurrences at the RFGPTS, and to require, approve, track, and verify implementation of corrective actions to ensure RFGPTS safety;
- Has the authority to adopt and enforce Federal and State laws affecting RFGPTS safety;
- Audits each RFGPTS in its jurisdiction for compliance with safety plan requirements at least every three years;
- Reports the status of the safety of each RFGPTS to the Governor, FTA, and the RFGPTS board of directors or equivalent agency at least once a year in the interest of accountability and transparency;
- Develops and updates a Program Standard to communicate the SSO agency's oversight authorities, activities, and requirements for each RFGPTS in the State;
- Has sufficient staff resources and expertise to oversee the number, size, and complexity of the RFGPTS within the State; and
- Address the FTA's safety certification and training requirements for all staff resources, including contractors, who conduct audits, examinations, investigations, or inspections for the SSO agency, develop a Technical Training Plan (TTP) and complete the FTAs Transportation Safety and Security Program Certification (TSSP);

Federal law also requires states with rail transit systems in the engineering or construction phase of development or in operation to obtain FTA certification of their SSO Programs by April 15, 2019. In Arizona, the Department of Transportation is responsible for providing safety oversight of Valley Metro Rail and the City of Tucson Sun Link Streetcar. ADOT obtained SSO certification from FTA in April 2018.

New Arizona Legislation Required and Passed:

- 28-9201. Minimum safety standards; violation. Approved May 10, 2016
- 28-9202. Public records; confidentiality. Approved October 16, 2016
- 28-9203. Risk management; payment of costs. Approved March 22, 2017
- 20% state match to FTA funding. Approved May 10, 2016

On April 24, 2018 the U.S. Department of Transportation's announced that the Arizona State Safety Oversight Program was approved and certified by the Federal Transit Administration in accordance with the requirements of Federal public transportation safety law (49 United States Code § 5329(e) and FTA's SSO regulation (49 Code of Federal Regulation Part 674) one year in advance of the April 15, 2019 deadline. Additional details can be found [online](#).

II. Program Management

A. APPLICATION PROCESS

ADOT staff review the application process prior to each application cycle. Public notice requirements are outlined in each program guidebook according to FTA circulars. MPD posts the announcement of the program application funding announcements via the ADOT website and email. Previous applicants, agencies that have expressed interest in the application process, and COGs/MPOs are notified. The Mobility Managers distribute the announcements locally including at the coordination council meetings and support ADOT application workshops. In Egrants, the ADOT Grant Management System, all registered parties see the notice of application availability.

Outreach is conducted throughout the state to identify potential new subrecipients. Mobility Managers lead coordination meetings locally to identify providers willing to participate including tribal governments. The mobility managers support 5310 and 5311 applicants where needed. The coordination outreach supports transportation in the region and helps identify gaps in service. Each region prioritizes their needs rolling up to the State application process. Each application includes criteria to ensure that potential grantees are eligible for the project and eligible to receive FTA funds. Coordination through the MPO/COG coordinating councils is strongly encouraged for all programs and required for the Section 5310 program. Applications are made available for review by COG/MPO's when appropriate.

ADOT provides technical assistance in the form of workshops, webinars, and written instruction manuals to assist FTA program applicants. A call center provides technical support for the online application and program managers and Mobility Managers provide support for the application process and transit development. The application and subsequent documents are managed through ADOT's online E-Grants system. All applicants are required to obtain login information to access the system and submit all application forms and documents through the E-Grants system. RTAP scholarships follow a different process (see RTAP policy manual).

The application award process and review criteria are outlined in each program guidebook and/or announcement. Upon receipt of an application, ADOT conducts a threshold review to ensure applicants are eligible. A panel of at least three reviews each application per State requirement. The reviewers' "scores" are compiled, to rank each application/project for funding. The applications and the preliminary awards are reviewed for internal compliance with ADOT policies. Prior to award, a review of the subrecipient Title VI implementation plan and ADA policies is conducted by the Civil Rights office. Transit Staff conducts a Title VI and environmental justice analysis of the preliminary

awards to ensure that projects are appropriately awarded and conducted in a non-discriminatory manner. ADOT follows all State and Federal Review required processes.

Applicants awarded funding are notified first through a preliminary notice of award for those programs which require FTA grant modifications. MPO / COG's are also notified of these awards so that they can modify their TIP's. Upon notification of preliminary award, a protest or appeal can be filed. Applicants have 10 business days to appeal their award notification information to the Program Manager. The ADOT Program Manager will review the letters and respond within 10 business days. If unsatisfied, an additional appeal may be made within 10 business days to the Transit Group Manager. This appeal process has satisfied the majority of all application problems. If there are still problems, then the Transit Group Manager will notify the MPD director and it will be discussed.

B. SUBRECIPIENT AGREEMENTS

Each successful applicant is provided funds through a grant contract agreement with ADOT that has specific terms and conditions. The Agreement identifies the responsibilities of ADOT and the subrecipient, lists the performance expectations, contract deliverables, and includes all Federal requirements. This Agreement is submitted to ADOT at the time of application. By signing the application, the applicant is committing to a legal binding agreement with ADOT if awarded funding. The Exhibit A is the final award of funding and costs can begin to be incurred upon issuance. Agreements are effective from October 1 to September 30 each year consistent with the Federal fiscal year unless otherwise noted in the Exhibit A or work plan. Agreements must be executed prior to reimbursement of costs. ADOT Multimodal Planning Division will not assume financial obligation or liability until the agreement is executed.

Approved subrecipients are responsible for all expenses incurred prior to the eligible date established in the agreement. No Federal funds will be available until the contract is executed. Per the contract, ADOT has the authority to re-distribute funds if the agreement is not executed by December 31 of each year or as outlined in the agreement.

C. SUBRECIPIENT MONITORING

ADOT, as the administrative agent for Federal funds, is required to monitor grantees on a regular basis. ADOT oversight begins at the time of the application and contracting process. Desk reviews of subrecipient documents and/or site visits are used to determine if all requirements, as specified in the contracts, are being met. All reimbursements require back-up documentation from the general ledger and other documentation where required. Audits and/or site visits include a detailed review of receipts for invoices to verify the reimbursement costs and applicable performance measures.

ADOT staff conducts short visits as staff availability allows to provide technical assistance and to confirm compliance in any area of concern. ADOT

staff/contractors/mobility managers may also conduct desk reviews, telephone conferences, vehicle inspections, and site visits to observe the systems and to ensure that programs are complying with program requirements. ADOT staff participates in Transit Advisory Committee meetings when possible.

ADOT has a policy of conducting site visits every three years on Section 5311 programs that have been in operation at least one year. Site visits are conducted for drug and alcohol at least every other year. The 5310 program determines grantees' site visits based on compliance, funding, input from mobility managers and other factors that indicate the need. Additional site visits may be scheduled as needed.

Subrecipient Non-Compliance

Program Managers work with subrecipients to ensure compliance. The first contact to address non-compliance is usually an email or phone call. Following a site visit or desk audit or when subrecipients are non-compliant with program requirements, grantees receive a letter or email outlining the requirement to change and a timeline to make the change and report back. ADOT works with subrecipients to ensure compliance with the least amount of impact to the program. Subrecipients not in compliance may be subject to additional reporting requirements and oversight, withholding of reimbursements, cancelation of their grant awards, and / or the requirement to reimburse funds to ADOT / FTA in addition to any legal reporting required by FTA such as to law enforcement depending upon the severity and the response to the request for compliance as well as FTA requirements and State and Federal law.

Section 5310

Monthly or Quarterly reimbursement requests are submitted for project expenses and are reviewed by the program manager to ensure continued eligibility before the reimbursement is paid. Performance reports are submitted at least quarterly. Subrecipient reporting requirements and monitoring processes are detailed in ADOT's Coordinated Mobility Program (Section 5310) Grant Guidebook.

Section 5311

Participants in the Section 5311 program report to ADOT on a variety of items, including ridership, expenses and revenues, vehicle insurance, vehicle maintenance costs, vehicle lien status and drug and alcohol testing procedures. ADOT also informally monitors progress being made toward service coordination and how well Transit Advisory Committees are functioning. Subrecipients are closely monitored and contact is made frequently with each Subrecipient. Section 5311 participants receive regular technical assistance and training. Each monthly invoice includes the revenues and expenditures as well as ridership and other reporting information. Each Section 5311 grantee is assigned to a program manager who regularly provides oversight and outreach to resolve concerns and ensure compliance with all program requirements. [ADOT's Section 5311 Grant Guidebook](#) details current reporting requirements and monitoring processes for grantees.

Continuing Control of FTA-Funded Facilities and Assets

ADOT tracks assets via the Egrants application and also through the ADOT Transit Asset Management Plan (TAMs). When facilities are acquired, built, or improved through Section 5311 funding, ADOT ensures satisfactory continuing control of the capital facility through the site visit process. ADOT requires a facility maintenance plan be in place and ensures that the agencies continue to maintain their facilities. ADOT maintains liens on all FTA-funded vehicles for the Section 5310 and 5311 programs as outlined in each guidebook.

In Good Standing

It is the policy of MPD to administer state and federal grants in compliance with all appropriate federal and state regulations and use best practices in the management of public funds and public accounting. All subrecipients are expected to maintain a “good standing” status to continue to receive grant funds. Criteria for maintaining “good standing” status are described in ADOT’s Guidebooks and RTAP Guidelines

Reporting and Record Retention Requirements

There are a number of required routine reports, including fiscal, performance, and vehicle status. There are also special purpose reports, such as for the National Transit Database, which are associated with specific types of funds, and unique program measures for several of the programs. The special purpose reports are detailed in the individual program guidebooks.

Record Retention

ADOT records, pertinent to grants, are retained by the division for a period of five years or as required by the grant and outlined in the State’s Record Retention Policy. If any litigation, claim or audit starts before the expiration of the five-year period or as required by the record retention policy, ADOT extends the retention period until all litigation, claim, or audit findings have been resolved. All records are readily available to authorized representatives of the State of Arizona, the U.S. Department of Transportation, and the Comptroller General of the United States.

ADOT Responsibilities

- Maintain records sufficient to manage the programs and report to the FTA, including the annual program of projects status reports and financial status reports.
- Report annually as required to National Transit Database (NTD), Drug and Alcohol MIS.
- Maintain grant reports a minimum of five years after project completion.
- Require subrecipients to maintain reports and to report, as required.

Reporting and record retention requirements and responsibilities for subrecipients are included in the grant guidebooks. Additional resources regarding program reporting for all grant programs are available at the [ADOT Transit website](#).

III. FTA Section 5305: Metropolitan and Statewide Planning Programs

Section 5305d, Metropolitan Transportation Planning Program

Section 5305d also known as Section 5303 Metropolitan planning funds provide financial assistance to states and local public bodies to support planning in Metropolitan areas. There are currently eight MPOs in the State of Arizona: Central Yavapai Metropolitan Planning Organization (CYMPO), Flagstaff Metropolitan Planning Organization (FMPO), Lake Havasu Metropolitan Planning Organization (LHMPO), Maricopa Association of Governments (MAG), Pima Association of Governments (PAG), Sun Corridor Metropolitan Planning Organization (SCMPO), Sierra Vista Metropolitan Planning Organization (SVMPO), and Yuma Metropolitan Planning Organization (YMPO).

This program provides financial assistance, through the states, to MPOs to support the costs of preparing long-range transportation plans and financially feasible transit improvement projects. Planning assistance is used to conduct balanced and comprehensive intermodal transportation planning and technical studies for the movement of people and goods in the metropolitan areas.

The State allocates the funds to the MPOs based on a FTA-approved formula developed by the State in cooperation with the MPOs. The formula considers population and related factors.

Transit Planning funds are assigned 80% to MPO's and 20% to statewide planning. The 5305 program has a character d for MPO pass through funding and an e to designate the statewide portion. Upon apportionment by FTA, ADOT notifies the MPO's within the time limit identified by FTA in order for them to include the funds in their work program. FTA / FHWA and ADOT all approve the MPO work programs. The transit projects are then submitted in a grant to FTA. Each Section 5305 recipient submits for reimbursement on a monthly or quarterly basis. MPD's oversight function ensures that MPO expenditures are tied to specific study projects identified in their overall work plan. The statewide 5305 planning funds may be distributed through an application process and must also follow their contracts.

Section 5305 projects may be managed directly by ADOT, MPO or COG, or by the local government agency requesting funding. ADOT staff participates on advisory committee meetings, playing an active role in project guidance. For directly managed projects, ADOT is responsible for procurement of (consultant-related) services. When funds are passed through to a local entity, ADOT provides support for the procurement process, to assure it meets Federal guidelines. ADOT MPD monitors the expenses for planning projects on a monthly or quarterly basis. Each Section 5305 subrecipient contract outlines the requirements of the program which grantees must follow.

Section 5305e, Statewide Transportation Planning Program

The State has a responsibility to plan statewide for Transit. Section 5305e funds, also known as 5304, support public transportation planning and research. Examples of program funded projects and support include: statewide planning and technical

assistance; new system development and demonstration projects for eligible non-urbanized communities (including regional rural to urban connector systems); planning and technical assistance related to ADOT's Planning Assistance for Rural Areas (PARA); and program administration.

This chapter incorporates federal guidance for Metropolitan and Statewide Planning programs as set forth in [FTA Circular 8100.1C, Program Guidance for Metropolitan Planning and State Planning and Research Program Grants](#).

A. Eligible Subrecipients

Section 5303 funds are to be administered by MPOs and may be re-granted to local public bodies and agencies by the MPO or used internally for planning efforts.

Section 5304 funds are administered by the State for specific planning projects primarily in rural areas and in planning throughout the state. ADOT uses these funds to support public agencies, COGs, MPOs, and tribal governments in completing transit planning. ADOT may award these funds to plan on their behalf for transit throughout the state.

B. Project Selection Criteria and Method of Distributing Funds

For Section 5303 urbanized planning grants, MPD requests Unified Work Programs (UWP's) from the MPOs. ADOT then reviews, comments, and requests any needed changes with the intent of finalizing the Section 5303 UWP each year.

Section 5311 applicants may request planning funds at the time of their Section 5311 application. The State may use 5311 or 5305e funds for these planning activities. Section 5304 funds are prioritized first for rural transit planning. A separate planning application is available through E-Grants and will also be used to award Section 5304 funds to MPO / COG's. ADOT may also fund planning studies requested as part of the PARA program when transit is the primary purpose of the study. ADOT may fund Section 5304 funds upon request when funds have not been fully allocated through the application processes. The NOFA outlines the project selection criteria.

For Section 5304, MPD completes a UPWP based on on-going projects and local agency priorities solicited from the COGs. This is packaged together with the Section 5303 portion of the grant for submission to FTA as a unified Program of Projects.

C. Subrecipient Responsibilities for 5304 funding

ADOT subrecipients are required to do the following:

- Develop a scope for each planning project and submit it to ADOT prior to procurement;
- Provide local match funding; and
- Participate in the management of the project, once funded.

- Consider intercity bus and other required stakeholders as outlined by the Transit agreements.

MPO or COG leads must also:

- Add the project to their Work Program and submit confirmation to ADOT Transit
- Comply with all FTA and program requirements
- Manage and procure, where needed, the appropriate planning activity
- Invite ADOT staff to serve on the Technical Advisory Committee (TAC) and notify ADOT of all public outreach activities.
- Provide ADOT with monthly / quarterly progress reports which should be submitted with the invoice unless an invoice is not submitted during the timeframe.

D. Reporting Requirements

ADOT submits annual planning milestone reports to FTA, NTD reports, and other reports as required by FTA.

IV. FTA Section 5310: Coordinated Mobility Program

Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities Program

Section 5310 funds projects providing transportation services to persons who are elderly (age 60 and over) and persons with disabilities for whom mass transportation services are unavailable, insufficient, or inappropriate. Eligible projects provide capital assistance and mobility management to agencies providing specialized transportation to the elderly and people with disabilities. These agencies are generally private non-profit agencies. However local government units, including Tribal governments and related community agencies, have strong participation in the Program as well. Funds may also be used to provide public transportation projects that exceed the requirements of the ADA, improve access to fixed-route transit service, and decrease reliance on paratransit services. This program is available to agencies statewide, through an application process managed on ADOT's behalf by the MPOs in urbanized areas and COGs in rural areas.

In previous years, ADOT managed three grant programs as part of the Coordinated Mobility Programs, to include the Section 5316 and the Section 5317 programs. New federal requirements under the current federal transportation law, MAP-21, repealed both of these grant programs and these grant funds for operating projects are no longer available.

A. PROGRAM GOALS AND OBJECTIVES

The overall goal of the Section 5310 program is to improve mobility for seniors and persons with disabilities by removing barriers to transportation services and expanding available mobility options. These populations have transportation needs which are often not met by conventional automobile or public transportation, and may require specialized assistance in order to access services, employment, and medical care.

All Section 5310 projects must provide service to elderly persons (60 years and over) and/or persons with disabilities of all ages. Agencies may transport a broader range of clientele, but the services funded through this program must be foremost for individuals who are elderly or have disabilities.

B. COORDINATION

Arizona's public transit programs are required to coordinate and cooperate with other programs operating or planning to establish transportation systems in their service areas. ADOT coordinates the public transit programs through MPOs and COGs and the annual application processes for Section 5310 funds. In addition, state transportation program requirements call for local agencies, particularly those submitting applications, to provide reasonable notice to transportation providers (including private for profit, private nonprofit, and public agencies) regarding proposed and/or changes in their transit services. In Pima and Maricopa counties, the MPO conducts the notifications.

Regional Transportation Coordination

All projects funded under the Coordinated Mobility Program must be included in a locally developed, coordinated public transit-human services transportation planning process. New applicants, as well as existing subrecipients, are required to participate in activities related to their region's coordination plan even if they are not applying for grant assistance for a particular year and as long as they have a vehicle(s) on lien, or other grant assistance, that is still active. In addition, subrecipients are encouraged to continue to participate regardless of their status, i.e., even when they are inactive as an ADOT subrecipient or their vehicles are past their useful life, but still providing the same or similar special needs transportation (or are partners with others that provide this service for them). The regional transportation coordination plans are not intended just for ADOT subrecipients, but are for *all* public and human service transportation agencies and their partners, including private-for-profit providers.

Subrecipients must participate in local and/or regional efforts to coordinate services in an effort to make the best use of transportation resources in Arizona. A full discussion of required coordination activities is provided in [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

C. ELIGIBLE SUBRECIPIENTS

Eligibility for Section 5310 funds is limited primarily to private non-profit organizations. Public and private agencies are eligible in certain circumstances. Funding is available under "traditional" Section 5310 (capital and mobility management) and "other" Section 5310 (operating). See the [Section 5310 Grant Guidebook](#) for full eligibility requirements, including certification of eligibility and technical capacity for managing the existing or proposed Section 5310 project.

D. ROLES AND RESPONSIBILITIES

Subrecipient roles and responsibilities for the Section 5310 Coordinated Mobility Program include coordination of transportation services, asset management, safety and training, reporting, and financial management. The [Guidebook](#) defines the roles and responsibilities of subrecipients, subrecipient performance, vehicle maintenance, and reporting requirements.

E. LOCAL FUNDING REQUIREMENTS

ADOT uses two types of Section 5310 funding to support eligible projects: Section 5310 Formula funds and Section 5310 STBG funds. Formula funds can be used for all eligible Section 5310 project in both rural and urbanized areas of the state. STBG funds can be used for capital equipment and mobility management projects only in the rural areas of the state. Local match varies depending upon the type of funds used. The [Guidebook](#) provides complete information regarding eligible sources for local matching funds (including cash and in-kind).

F. ELIGIBLE ASSISTANCE CATEGORIES

Section 5310 funding is available to fund costs for mobility management activities, the purchase of capital equipment (e.g., vehicles and dispatch software), and operations for transportation services that address the mobility needs of seniors and individuals with disabilities. A full description of eligible regions, activities, and projects is provided in the [Guidebook](#).

G. PROJECT SELECTION CRITERIA AND PROGRAM OF PROJECTS

ADOT works closely with regional transportation planning agencies to advertise, review and award grant applications under the Coordinated Mobility Programs. In rural areas of Arizona these agencies are Council of Governments (COG). Metropolitan Planning Organizations (MPOs) satisfy this role in the urbanized areas. To apply for the 5310 program, applications are submitted through Egrants. The COG/MPO determines the needs defined in the regional Human Service Transportation Coordination Plan and makes a list of projects by priority.

ADOT receives from the COG/MPO a prioritized list of projects from their coordination plans, reviews potential awards within a statewide context, and finalizes an application to the FTA. ADOT conducts a review of fund distribution per region based on population, defined coordination needs, and previous distributions prior to the awards to ensure that funds will be distributed equitably and fairly.

State priorities for the selection of projects under Section 5310 are detailed in the Notice of funding and the Guidebook which also provides comprehensive project selection and evaluation information, including project threshold and evaluation criteria and ADOT's award and appeal processes.

H. REIMBURSEMENTS

All payments made under the Section 5310 program are on a cost reimbursement basis, up to the authorized amounts described in the subrecipient's contract with ADOT. Reimbursement to subrecipients requires submission of information in a uniform format specified by ADOT MPD, with full description and information required to verify the billing. Only expenses incurred during the contract period can be reimbursed. ADOT is transitioning the 5310 program to reimbursement through the Egrants system. Complete information regarding the transfer of funds to Section 5310 subrecipients can be found in the [Guidebook](#).

I. STATE ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE

State Administration and Technical Assistance

ADOT is the state agency designated by the Governor to administer FTA's grant programs. ADOT receives a formula allocation of funds annually, a portion of which is

used to administer the programs. ADOT's general responsibilities for grant program administration include:

- Establish and document the State's procedures in the State Management Plan.
- Effectively manage FTA funds, and complete all FTA reports.
- Develop project selection procedures in accordance with FTA requirements, and manage annual grant application processes.
- Provide program information and technical assistance to local and regional government agencies and transit providers for project development, implementation, and operation.
- Monitor all grant recipients through project completion, overseeing projects by audits and site visits, and monitoring project close out.
- Encourage and facilitate the most efficient use of all federal funds to provide passenger transportation through the coordination of programs and services.
- Coordinate vehicle purchases through competitive bid.
- Coordinate FTA programs administered by ADOT.
- Assist in the development and support of intercity bus transportation.
- Facilitate coordination between ADOT subrecipients and other local transportation providers.
- Stay apprised of federal regulations by attending state, national, and FTA-sponsored conferences.

MPD staff, COG/MPO liaisons, and consultants provide technical assistance to potential applicants and subrecipients receiving Section 5310 funds to assist with activities such as project planning and preparation of applications, project management and improvement, and compliance with federal requirements. Quarterly mobility manager meetings are held to support coordination and training. Each grant manager documents requests for technical assistance and provides follow-up with the requesting subrecipient.

Training is an extremely important part of any transit program. Participation in ADOT-sponsored training workshops is part of the grant application review process. An effective training program must include driver training to ensure passenger safety, staff training to ensure that clients are handled in an efficient, firm, yet sensitive manner, and client training in terms of how to use the system.

The Rural Transit Assistance Program (RTAP) is designed to provide an enhanced level of training and technical assistance to Section 5310 and 5311 transit providers. RTAP is a nationwide technical assistance program that focuses on training issues. RTAP funding is allocated to ADOT for the development of training materials and courses. Current RTAP services include a resource library, a training scholarship program, networking meetings, conference attendance, and technical assistance.

The annual Section 5310 and 5311 program workshops provide clarity and instruction on application procedures and program requirements. Additionally, COG/MPO provides technical assistance to subrecipients to understand application and program requirements.

ADOT offers a mandatory training program for Section 5311 programs that provides training for drivers, managers, dispatchers, and maintenance staff. The training for the Section 5311 program is also available for the Section 5310 program. 5310 subrecipients are required to train to proficiency in the key areas as mandated by FTA. However, they are allowed to meet their training with greater flexibility recognizing the constraints and varieties of programs that participate in the program.

ADOT provides an annual conference, workshops, and on-going train-the-trainer program. ADOT also attends regional coordination meetings when available. Training is provided as requested by subrecipients and ongoing by ADOT. Additionally, webinars are provided to support specific technical training periodically as well as one-on-one technical assistance as needed.

Planning Regionally

ADOT is responsible to assist regions in the development and maintenance of transit plans that identify the overall public and specialized transit needs in the region and the level of service required to meet these needs. This information is incorporated into the Transit Element of the State Transportation Improvement Program (STIP).

ADOT has coordinated the preparation of the transit plans for each of the applicable rural Council of Governments' planning areas within the State. The plans provide a "road map" to address the transportation needs and coordination of public transportation and specialized transportation services for the elderly and persons with disabilities in the regions. In addition, they are oriented to achieve the most efficient and effective management of the funding programs for public transportation. These plans include an assessment of local transit needs, achievable coordination and consolidation opportunities, and a significant public involvement process.

ADOT Planning and Support to Subrecipients

MPD assists local entities in developing specific transit plans. These plans are designed to evaluate and plan for new transit services in a community, to update and re-assess the direction of an existing transit program, to address changing conditions (such as community growth or new or changing employment locations), or to address the need for new regional service connections. Transit systems change as communities change. As a result, MPD requires subrecipients to do regular planning. Existing subrecipients are expected to do routine planning as part of the management of their systems. ADOT coordinates with subrecipients relative to specific planning needs.

J. PRIVATE SECTOR PARTICIPATION

Private for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of projects to the maximum extent feasible. Further guidance is provided in provided in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

K. CIVIL RIGHTS

Subrecipients must demonstrate that they understand and have met all of the civil rights requirements as a condition of receipt of funding. The requirements listed in the following sections address FTA only. Additional and/or different requirements may apply for FHWA and FAA funded projects.

All recipients of FTA assistance are responsible for compliance with all Civil Rights requirements applicable to transit related projects, including 49 U.S. 5332 (Nondiscrimination), Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, Disadvantaged Business Enterprise (DBE) program requirements, and DOT policy guidance concerning recipient's responsibilities to Limited English Proficient (LEP) persons ([FTA Circular 5010.1E, Grant Management Requirements](#), pg. II.8).

The FTA's complete civil rights requirements for Section 5310 are provided in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#). Recipients also must include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties. Recipients and subrecipients are required to have internal agency written policies in place to address compliance with these requirements.

Subrecipients must comply with current Title VI, DBE, EEO, LEP and ADA regulation requirements, as identified in the respective assurances enclosed in the application/contract package. Failure by the subrecipient to carry out the terms of Title VI, DBE, EEO, LEP, and ADA programs will be treated as a violation of the Grant Agreement. See also **Section XIV, Title VI**, and **Section XV, Equal Employment Opportunity**, for further discussion of civil rights policies and requirements.

L. MAINTENANCE

ADOT requires subrecipients to maintain vehicles at an optimal level through its annual vehicle inspection program. All vehicles purchased with Coordinated Mobility Program grant funds must be regularly maintained and serviced in order to provide safe operations. Subrecipients must document routine maintenance and maintain all aspects of the vehicle in accordance with the manufacturer's recommended maintenance standards.

M. SECTION 504 AND ADA COMPLIANCE

All ADOT recipients of vehicles and other FTA grant assistance must comply with the [Americans with Disabilities Act of 1990](#), as amended and the FTA circular [Americans with Disabilities Act Guidance C4710.1](#). The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. In addition, any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired. Recipients can stay apprised of ongoing ADA requirements by visiting the following website and subscribing to the online ADA newsletter published by the FTA at:

<http://www.fta.dot.gov/civilrights/12325.html>. Additional details regarding ADA compliance with the Coordinated Mobility Program can be found in the [Guidebook](#).

N. PROGRAM MEASURES

The FTA identified specific and separate performance goals for “traditional” and “other” Section 5310 projects under the Government Performance Results Act. These indicators fulfill the FTA’s obligations under this act. Reporting requirements include a report to ADOT and must describe progress relative to the key reporting areas. Reporting is completed using an ADOT provided template, as documented in Appendix D. Complete program measure requirements are provided in Chapter II of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

O. OTHER FTA PROVISIONS

ADOT incorporates federal guidance regarding FTA-required provisions in its management of federal grant programs. Specific federal guidance is incorporated into each section below.

Certificates and Assurances

All local and state applicants must comply with the various Federal requirements. The FTA certificates and assurances must be signed by an authorized public official prior to execution of the grant application and annually.

Local applicants are also required to submit an opinion of counsel indicating the statutory authority of the applicant to apply for and receive a Federal grant, along with a resolution of the applicant’s governing body to authorize the applicant to file the application and assurances, and to execute a grant agreement with the FTA.

ADOT MPD, when submitting State grant applications to FTA, is also required to execute certifications and assurances both on behalf of the State and with respect to local applicants. ADOT annually agrees to comply with all requirements of the [Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements](#).

Labor Protection

[Section 13 of the Urban Mass Transportation Act of 1964](#), as amended (49 USC 533(b)), specifies that as a condition to any financial assistance, fair and equitable arrangements be made to protect the interests of employees of transit providers, who may be affected by the project receiving such assistance. However, in 1974, the Secretary of Transportation determined that it was not “necessary or appropriate” to apply the conditions of Section 5333(b) to Section 5310 subrecipients. This guidance is presented in Chapter IV of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

Environmental Protection

FTA's environmental impact regulation requires different levels of analysis and documentation for the various types of projects funded through its programs. The vehicles, radio and computer equipment and other related equipment items routinely purchased under the Section 5310 program are considered categorical exclusions from FTA's requirements to prepare environmental documentation.

Subrecipients of Section 5310 programs must submit declarations of environmental assessments for approval by FTA through their respective application process, as necessary. Specific requirements are detailed in Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#).

Lobbying

Recipients of federal grants from any source exceeding \$100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering programs certify to FTA and subrecipients certify to the State. State agencies and subrecipients must also impose lobbying restrictions on their third-party contractors and must obtain certifications. The restrictions are outlined Chapter VIII of [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#) and referenced in Section III, Part I, of ADOT's Section 5310 Grant Guidance.

Currently, subrecipients certify to ADOT through the grant agreements and the annual [certifications and assurances](#). Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying. Activities such as submitting grant applications, status inquiries, and professional and technical services are not lobbying and do not need to be disclosed. Efforts to influence Federal officials about specific grants and contracts or to ask Congressional representatives for support of a particular application or bid must be disclosed. Also, lobbying restrictions do not apply to activities that might influence policy issues.

Debarment and Suspension

To prevent fraud, waste, and abuse in federal transactions, persons or entities that, by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participation in FTA-assisted programs.

ADOT will not enter into any third-party contract or agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. Subrecipients must check [Sam.gov](#) prior to procurements.

Subrecipients receiving more than \$25,000 through a project from ADOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual [certifications and assurances](#).

V. FTA Section 5311: Formula Grants for Rural Areas

Section 5311, Rural Public Transportation Program

Section 5311 formula funding supports mass transportation projects serving the general public in rural areas. Section 5311 funds may be used to support transit capital, administrative, operating, intercity, planning, and mobility management expenses. Rural and urban clusters include everything outside of areas defined as urbanized (greater than 50,000 population) by the US Census.

Generally, counties represented by COGs in Arizona meet this definition of rural. Counties represented by MPOs are predominantly urban as certified by the US Census Bureau. However, census-defined urbanized areas are usually not coterminous with county borders so the rural portions of Maricopa, Pima, Yuma, and Coconino counties may be eligible for funding from the Section 5311 Program. While Section 5311 funding is limited to projects serving non-urbanized area transportation needs, projects may include transportation to and from urbanized areas for riders who live in non-urbanized areas. Application for Section 5311 funds is through an application process managed by ADOT MPD. The Section 5311 Program also funds the Intercity Bus Program: Section 5311(f) and the Rural Technical Assistance Program: Section 5311(b) (3).

Surface Transportation Block Grant (STBG)

The Surface Transportation Block Grant Program (STBG) provides flexible funding that may be used by States and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. ADOT's State Transportation Board makes a portion of STBG funding available for use in funding transit programs statewide. ADOT manages the funding from the State Transportation Board requesting the flex funding per population to each area for a portion of the funds. The remaining funds are allocated to augment the Section 5310 and 5311 programs, and are awarded to the Section 5310 and Section 5311 applicants demonstrating a need for additional capital assistance (e.g., facilities, vehicles or other equipment). The emphasis for ADOT's portion of this funding allocation is designed to meet the needs for rural and specialized transportation.

A. PROGRAM GOALS AND OBJECTIVES

The Section 5311 Program provides funds for public transportation and intercity bus projects serving rural areas. Nationally, it is recognized that many people living in rural communities do not have access to an automobile and need transportation in order to access employment, education, health care, shopping, and recreation. ADOT is committed to assisting local communities in building effective transit services through a combination of technical support, training, and funding.

Program goals include:

- Assist in the development and improvement of public transportation services.

- Support the development of a statewide multi-modal transportation system that is economically efficient and environmentally sound.
- Ensure accessibility to the maximum extent possible.
- Encourages coordination of services to facilitate the most efficient use of Federal, State and local resources.
- Promote the orderly, efficient, and economical operation of regional, intercity, and rural transit systems.
- Distribute the funds fairly and equitably to all areas of the state.
- Assure rural transportation providers have financial stability that limits interruptions in established services.
- Develop strategies to diminish duplication of services and enhance coordination to maximize available funding.

B. ROLES AND RESPONSIBILITIES

[ADOT's Section 5311 Grant Guidebook](#) defines the roles and responsibilities of subrecipients with respect to the Section 5311 program. Key responsibilities for subrecipients include managing the local transit system, financial management, involving local stakeholders, planning, public and private sector involvement, marketing, safety, reporting and recordkeeping.

Consistent with industry standards, ADOT expects subrecipients to provide an effective training program. These requirements are outlined in [ADOT's Section 5311 Grant Guidebook](#) and include training as required by the Americans with Disabilities Act (ADA), FTA, and ADOT.

Subrecipient project management, monitoring, and reporting requirements are also detailed in [ADOT's Section 5311 Grant Guidebook](#).

C. COORDINATION

It is a stated goal of Arizona's public transit program that all recipients of FTA grants coordinate and cooperate with other programs operating or planning to establish transportation systems in their service areas.

ADOT coordinates the application processes for Section 5311 funds. Applicants for FTA transportation programs must coordinate their proposed service plans at the local level. ADOT strongly encourages regional transit programs. In addition, state transportation program requirements call for local agencies, particularly those submitting applications, to provide reasonable notice to transportation providers (including private for profit, private nonprofit, and public agencies) regarding proposed and/or changes in their transit services. Subrecipient coordination requirements can be found in [ADOT's Section 5311 Grant Guidebook](#).

D. ELIGIBLE SUBRECIPIENTS

Eligible subrecipients for the Section 5311 Program include local public bodies and agencies (e.g., counties and municipalities), Tribal governments and related Tribal communities, private non-profit agencies, private for-profit agencies (intercity bus), and

operators of public transportation services. Subrecipients must provide general public transit and fit the criteria for rural service and intercity service outside census-defined urbanized areas. All Section 5311 subrecipients are eligible for RTAP funding. ADOT further outlines eligibility in the [Section 5311 Grant Guidebook](#).

E. ELIGIBLE SERVICES AND SERVICE AREAS

The transportation services funded under Section 5311 must be open to the general public and marketed to the general public. Projects or portions of projects which exclude certain groups of the general public, or are intended to benefit a specific group to the exclusion of others, are not eligible for funding. Providers of special needs transportation (e.g., elderly or disabled clients) are eligible to apply if they open their transportation services to the general public.

The 5311 funded public transportation service must be within a rural area and for the benefit of rural communities. Routes that operate into an urban area must have either origin or destination in a rural community and be for the benefit of a rural community. Intercity bus routes may begin and end in urban areas, but must demonstrate significant ridership and benefits for rural residents to be eligible for 5311f funding.

F. ELIGIBLE ASSISTANCE CATEGORIES

The Section 5311 program will reimburse eligible capital, administration, operating, intercity, and planning expenses directly attributed to system operations. Indirect cost plans must be approved by the cognizant federal agency or an indirect cost plan can be submitted for ADOT review prior to expenditure and follow current ADOT / FTA policy. Eligible expenses are determined at time of award and confirmed at time of reimbursement. Eligible project expenses and revenue categories are detailed in [ADOT's Section 5311 Grant Guidebook](#).

G. LOCAL SHARE

A local match is required for all FTA-funded programs except for RTAP. The local match is not listed in the State Management Plan, as per FTA it is on a sliding scale. The FTA allows a greater federal share on some projects, particularly in areas with large areas of tribal or public lands. Additional detail regarding the local match sliding scale is provided in [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

ADOT determines local match within the allowable scale, annually, as application requests and funding allows. Local match ratios and definitions are outlined in [ADOT's Section 5311 Grant Guidebook](#). Part II also details examples of federal and non-federal sources for local match funds as well as guidelines for in-kind contributions.

H. PROJECT SELECTION CRITERIA AND PROGRAM OF PROJECTS

[ADOT's Section 5311 Grant Guidebook](#) describes in detail the project selection for Section 5311 grants, including evaluation criteria, the review process, and the appeals

process. ADOT staff provides information to project applicants through outreach to cities, regional government agencies, and other interested parties.

If funds from a program are available after an award cycle, ADOT can consider funding previously identified alternate approved projects as well as special requests from subrecipients. ADOT maintains a Program of Projects in the Egrants system, but also provides updated lists to the TrAMS system.

I. INTERCITY BUS TRANSPORTATION

Each state is required to spend fifteen percent of its annual Section 5311 apportionment “to carry out a program to develop and support intercity bus transportation.” Arizona exceeds the 15% apportionment to support operating costs of intercity services in Arizona. ADOT supports intercity bus routes when the benefit is for rural residents. Many of the rural transit services in Arizona provide intercity feeder routes; these are considered for funding along with other Section 5311 services. ADOT coordinates and facilitates interlining between intercity programs where possible. Outreach to private intercity operators is part of the Section 5311 intercity program. Further discussion of intercity bus programs in Arizona is included within [ADOT’s Section 5311 Grant Guidance](#). Complete federal program guidance can be found in Chapter VIII of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

J. FUNDS TRANSFERS

Method of Distributing Funds to Subrecipients

All operating and administrative payments made under the Section 5311 program are on a cost reimbursement basis, up to the authorized amounts described in the subrecipient’s contract with ADOT. Reimbursement to subrecipients requires submission of information in a uniform format specified by ADOT MPD, with full description and information required to verify the billing. Only expenses incurred during the contract period can be reimbursed. The 5311 program currently uses Egrants for reimbursements. An alternative Billing option is available should this be off-line for any reason.

Invoices for reimbursement of operating and non-operating expenses are submitted to ADOT MPD on a monthly basis. Section 5311 projects are distributed on a cost reimbursement basis, with the subrecipient responsible for the procurement and purchase directly with the exception of planning, some capital such as vehicles, and ADOT-provided technical assistance contracts.

Unspent Remaining Program Funds

Any Section 5311 funds remaining at the end of a contract cycle, without an approved contract extension, will be rolled over as part of the statewide total for the specific grant in the following year and made available for allocation. ADOT deobligates the federal grants when reasonable effort to expend the funds has been made. FTA guidelines recommend deobligation when less than 5% of the grant remains.

Transfer of Federal Funds

ADOT must notify the FTA Regional Administrator of its intent to have funds transferred in order for FTA to initiate the transfer. When FHWA program funds are transferred to FTA-sponsored programs, they are transferred to either the Section 5311 or the Section 5310 program. For transfer of STBG funds, ADOT notifies both the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) and request that FHWA transfer the funds. The State may also transfer funds from its apportionment to FTA when requested such as required by [FTA's Circular 9040.1G](#) for Federally Recognized Tribes.

K. STATE ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE

ADOT is the State agency designated by the Governor to administer FTA's grant programs. ADOT receives a formula allocation of funds annually, a portion of which is used to administer the programs. ADOT's administrative roles and responsibilities under the Section 5311 program are detailed in Part IV of its [Section 5311 Grant Guidebook](#).

Technical Assistance

See Section 5310-Technical Assistance

Planning Regionally

ADOT is responsible to assist regions in the development and maintenance of transit plans that identify the overall public and specialized transit needs in the region and the level of service required to meet these needs. This information is incorporated into the Transit Element of the State Transportation Improvement Program (STIP).

ADOT has coordinated the preparation of the transit plans for each of the applicable rural Council of Governments' planning areas within the State. The plans provide a "road map" to address the transportation needs and coordination of public transportation and specialized transportation services for the elderly and persons with disabilities in the regions. In addition, they are oriented to achieve the most efficient and effective management of the funding programs for public transportation. These plans include an assessment of local and intercity transit needs, achievable coordination and consolidation opportunities, and a significant [public involvement process](#). Ad-hoc Technical Advisory Committees have been established in each of the four areas. These committees provide additional opportunities to network with social service agencies (and others) involved with provision of human service programs which have transportation-related components.

ADOT Planning and Support to Subrecipients

ADOT provides two types of planning assistance. First, MPD provides assistance through its Planning Assistance for Rural Areas (PARA) program. Second, MPD assists local entities in developing specific transit plans. These plans are designed to evaluate and plan for new transit services in a community, to update and re-assess the direction of an existing transit program, to address changing conditions (such as community

growth or new or changing employment locations), or to address the need for new regional service connections. Transit systems change as communities change. As a result, MPD requires subrecipients to do regular planning. Existing subrecipients are expected to do routine planning as part of the management of their systems. ADOT coordinates with subrecipients relative to specific planning needs.

L. RTAP

The Rural Transit Assistance Program (RTAP) is intended to be a broad and flexible program of training, technical assistance, research, and other support services for non-urbanized area transit. ADOT receives an annual allocation to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Program. The funds are used to sponsor annual training conferences and provide scholarships for eligible transit providers in the Section 5310 and Section 5311 programs. Additional information regarding ADOT's RTAP program, including ADOT's [RTAP Guidelines](#), is available online. The RTAP program is also discussed in Chapter IX of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

M. PRIVATE SECTOR PARTICIPATION

Private-for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of projects to the maximum extent feasible. A more detailed discussion of private sector participation can be found in Part IV of [ADOT's Section 5311 Grant Guidance](#).

N. CIVIL RIGHTS

Subrecipients must demonstrate that they understand and have met all of the civil rights requirements as a condition of receipt of funding. The requirements listed in the following sections address FTA only. Additional and/or different requirements may apply for FHWA and FAA funded projects.

All recipients of FTA assistance are responsible for compliance with all Civil Rights requirements applicable to transit related projects, including 49 U.S. 5332 (Nondiscrimination), Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO), Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, Disadvantaged Business Enterprise (DBE) program requirements, and DOT policy guidance concerning recipient's responsibilities to Limited English Proficient (LEP) persons (FTA Circular 5010.1E pg. II.8).

The FTA's civil rights requirements are provided in the appropriate program circular and [4702.1B Title VI](#), and [4702.1A ADA circulars](#). Recipients also must include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties. Recipients and subrecipients are required to have internal agency written policies in place to address compliance with these requirements.

Subrecipients must comply with current Title VI, DBE, EEO, LEP and ADA regulation requirements, as identified in the respective assurances enclosed in the

application/contract package. Failure by the subrecipient to carry out the terms of Title VI, DBE, EEO, LEP, and ADA programs will be treated as a violation of the Grant Agreement. See also **Section XIV, Title VI**, and **Section XV, Equal Employment Opportunity** for further discussion of civil rights policies and requirements.

O. MAINTENANCE

All Section 5311 subrecipients are required to plan for and document vehicle and facilities maintenance. Vehicle Maintenance Plans and policies are submitted with the Section 5311 applications. Maintenance plans, preventive maintenance logs, vehicle inspection forms, and maintenance records are examined as part of ADOT's comprehensive site visits. Maintenance costs are examined for reasonableness and maintenance activities for compliance with the manufacturer's recommended maintenance standards. Subrecipients are required to provide training in vehicle maintenance reporting procedures. These requirements are detailed in Part IV of [ADOT's Section 5311 Grant Guidebook](#).

CHARTER RULE

See **Section XII, Charter Bus/School Bus Regulations**, for a discussion of the Charter Rule with respect to Section 5311. Additional guidance is also provided in Part IV of [ADOT's Section 5311 Grant Guidebook](#).

P. SECTION 504 AND ADA COMPLIANCE

All ADOT recipients of vehicles and other FTA grant assistance must comply with the [Americans with Disabilities Act of 1990](#), as amended. The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. In addition, any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired. Recipients can stay apprised of ongoing ADA requirements by visiting the following website and subscribing to the online ADA newsletter published by the FTA at: <http://www.fta.dot.gov/civilrights/12325.html>.

Service Provisions: The ADA requires of transportation providers a number of specific service provisions to be in place and operational. ADOT requires all facility construction/rehabilitation to be in compliance with ADA standards. A review of proposed facilities blueprints is considered for ADA requirements. Submission of ADA policies is required with the applications. ADA complaints are reported to ADOT for review. ADA training is required for every driver, dispatcher, and transit personnel who interact with the public. ADOT provides regular ADA training through the required driver training, as well as at the workshops and conferences for transit management. During site reviews of program subrecipients, ADOT staff interviews subrecipients regarding the status of the ADA transportation service provisions set forth in [49 CFR 37.165](#).

Recipients should undertake all reasonable means to provide for the needs of sight and hearing-impaired individuals in their communication within their facilities. Braille-etched signs and other forms of written communication as well as telephone devices for the

hearing impaired are some examples of facility improvements which are covered under the ADA.

If a subrecipient is operating fixed-route transit, unless it is an exempt service such as intercity or commuter, the subrecipient must have a complementary paratransit plan which describes how it will meet the ADA Complementary Paratransit requirements. The Civil Rights Office and Transit Staff provide support for meeting ADA requirements and work to ensure that grantees' policies and practices meet the ADA requirements.

Q. NTD REPORTING

The National Transit Database (NTD) is the system through which the FTA collects uniform data needed by the Secretary of Transportation to administer department programs. Mandatory reporting, due to FTA each year, requires ADOT to report for each Section 5311 transit agency. Each subrecipient must provide information on annual revenue, expenses, operations, fleet size, service miles, and ridership or as requested. This information must be reported per mode that the agency offers. **The State reporting period is July 1 through June 30** and subrecipients must submit their data to ADOT each year. As the Section 5311 recipient, ADOT compiles the rural data and submits to the NTD. Direct recipients of FTA funds including small urban programs running 5311 rural routes and tribal transit recipients report into NTD directly with ADOT coordinating information for reporting

Additional information is provided in Part IV of ADOT's Section 5311 Grant Guidance as well as FTA Circulars [C 2710.1A](#) (Sampling Procedures for Obtaining Fixed-Route Bus Operating Data) and [C 2710.2A](#) (Sampling Procedures for Obtaining Demand Response Bus System Operating Data). The NTD Rule ([49 CFR Part 630](#)) is also hereby referenced as a key guidance document.

R. OTHER FTA PROVISIONS

ADOT incorporates federal guidance regarding FTA-required provisions in its management of federal grant programs. Specific federal guidance is incorporated into each section below.

Certificates and Assurances

All local and State applicants must comply with the various Federal requirements. These certificates and assurances, which are required to be signed by an authorized public official, are part of the grant funding application submitted to the ADOT Multimodal Planning Division. If a local application is approved, these assurances become a part of the subrecipient project contract.

ADOT MPD, when submitting State grant applications to FTA, is also required to execute certifications and assurances both on behalf of the State and with respect to local applicants. ADOT annually agrees to comply with all requirements of the [Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements](#).

Safety and Security

Safety has always been a priority for the Federal Transit Administration (FTA). The FTA has made it clear that all transit systems in the Section 5311 program must identify their role in their respective communities by being ready to respond to a crisis; be it man-made or natural disaster. Additional details about ADOT's role in State Safety Oversight are available online via at <http://azdot.gov/planning/TransitProgramsandGrants/safety-oversight>.

Labor Protection

[Section 13 of the Urban Mass Transportation Act of 1964](#), as amended, specifies that as a condition to any financial assistance, fair and equitable arrangements be made to protect the interests of employees of transit providers, who may be affected by the project receiving such assistance.

Applicants must provide the required labor protection information. On an annual basis ADOT is required to certify to the Department of Labor that Section 5311 recipients are in compliance with the terms and conditions of the Special Section 13(c) Warranty.

Environmental Protection

FTA's environmental impact regulation requires different levels of analysis and documentation for the various types of projects funded through its programs. The great majority of projects and activities funded through the Section 5311 program do not normally involve significant environmental impacts. Such projects are termed "categorical exclusions" in FTA's procedures because they are types of projects that have been categorically excluded from the requirement to prepare an environmental document.

Subrecipients of Section 5311 programs must submit declarations of environmental assessments for approval by FTA through their respective application process, as necessary. Specific requirements are detailed in Chapter XI of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

Lobbying

Recipients of federal grants, from any source, exceeding \$100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering programs certify to FTA and subrecipients certify to the State. State agencies and subrecipients must also impose lobbying restrictions on their third-party contractors and must obtain certifications. The restrictions are outlined in Chapter XI of [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#).

Currently, subrecipients certify to ADOT through the grant agreements and the annual [certifications and assurances](#). Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying. Activities such as submitting grant applications, status inquiries, and professional and technical services are not lobbying and do not need to be disclosed. Efforts to influence Federal officials about specific grants and contracts or to ask Congressional representatives for support of a particular application or bid must be disclosed. Also, lobbying restrictions do not apply to activities that might influence policy issues.

Debarment and Suspension

To prevent fraud, waste, and abuse in federal transactions, persons or entities that, by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participation in FTA-assisted programs.

ADOT will not enter into any third-party contract or agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. Subrecipients must check Sam.gov prior to procurements.

Subrecipients receiving more than \$25,000 through a project from ADOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual [certifications and assurances](#).

VI. FTA Section 5339: Bus and Bus Facilities

Sections 5339 and 5307

Under MAP-21, Section 5339, Bus and Bus Facilities Program, funds are available through the ADOT competitive pool process to fund capital projects. ADOT administers the state's Section 5339 program, where small urban-designated UZAs are considered eligible and for the statewide portion, 5311 rural programs may also be eligible for capital projects. Section 5307 funds (Urbanized area funds) unclaimed by small urbanized areas which do not have transit programs are included in the pool of funds and are distributed with the Section 5339 funds during and application process. Those funds awarded to urbanize areas and the Section 5339 grant funds are managed by FTA Direct Recipients within the urbanized areas. Section 5339 grantees awarded to rural 5311 program that are not direct recipients would follow the guidance as outlined in the ADOT grant agreement and are overseen by ADOT as subrecipients. Additional information is available on ADOT's [website](#).

Program Goals and Objectives

The 5307 and 5339 program provides funding for capital transit projects in the Small Urban and Rural Transit Services. ADOT MPD also administers the Bus and Bus Facilities program (49 U.S.C. 5339) to provide capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

Roles and Responsibilities

Direct Recipients who are awarded FTA funds will:

- Be notified of their award and given a transfer letter to include with their TRAMS application.
- Apply for funds awarded by ADOT through TRAMS in conjunction with application for basic funding allocation (or via amendment if previously applied).
- Be required to comply with all Federal program requirements.
- 5311 programs who are awarded Statewide funding 5339 will be awarded those funds in coordination with the 5311 program contracts and follow those responsibilities.
- Transit agencies and MPO's must coordinate within their boundaries. This sharing of data and coordination with the State is to ensure better planning and performance.

Eligible Subrecipients

Transit Systems operating within small urban-designated UZAs are considered eligible for 5307 unspent funds, 5339 small urban and statewide funds and must be direct recipients or designated recipients. For the 5339 statewide portion, 5311 rural programs may also be eligible for capital projects.

Local Share and Local funding requirements

Local share and local funding requirements follow the FTA requirements for the associated projects. Generally transit capital is awarded at 80/20, but local match follows FTA requirements.

Project Selection Criteria and Method of Distributing funds

5307 funds not to be obligated and pulled into the funding pool as well as the 5339 program funds are applied through the Egrants application. At this time, the program prioritizes capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Applicants are allowed up to three projects per recipient.

Evaluation Criterion:

- State of Good Repair
- Project Readiness
- Financial Readiness
- Agency performance measures
- Demonstrated good standing with FTA
- Stakeholder support/ involvement

Program of Projects and Fund Transfers

ADOT notifies awardees via emailed letter. Direct recipients apply for the funding directly with FTA. ADOT provides a fund transfer letter. Should ADOT award funding to 5311 programs that are not under a designated or direct recipient, ADOT would apply for the funds directly. As this is a limited process, this will follow the 5311 process for the Program of Projects (POP) and approval process.

Civil Rights, Section 504 and ADA Reporting

Grantees must follow all Civil Rights requirements. Those that are direct FTA recipients are under their oversight. 5311 program recipients will follow the Civil Rights requirements in their 5311 contract and following the ADOT program requirements.

Grantees must follow all ADA requirements. Those that are direct FTA recipients are under their oversight. 5311 program recipients will follow the ADA requirements in their 5311 contract and following the ADOT program requirements.

Program Management, Maintenance, and Compliance

The 5339 program application process is available to those agencies that are eligible as listed in the NOFA. The 5339 direct recipients are under the FTA. Those 5311 program grantees which are not direct recipients follow the program as outlined in the contract. Oversight is completed by FTA contractors in most instances. ADOT otherwise provides oversight as listed in the 5311 program. Grantees must follow all maintenance requirements. Those that are direct FTA recipients are under their oversight. 5311 program recipients will follow the maintenance requirements in their 5311 contract and following the ADOT program requirements.

VII. Grant Administration

A. FUNDING

The ADOT Transit Programs receive funding from the Federal Transit Agency formula program and through STBG flex funding. The FTA formula programs include 5305 planning, 5307 / 5339 formula allocations, 5310 formula and 5311 formula as well as SSO 5329 formula. The Section 5311 Program also funds the Intercity Bus Program: Section 5311(f) and the Rural Technical Assistance Program: Section 5311(b)(3).

Surface Transportation Block Grant (STBG)

The Surface Transportation Block Grant Program (STBG) provides flexible funding that may be used by States and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. ADOT's State Transportation Board makes a portion of STBG funding available for use in funding transit programs statewide. ADOT manages the funding from the State Transportation Board requesting the flex funding per population to each area for a portion of the funds. The remaining funds are allocated to augment the Section 5310 and 5311 programs, and are awarded to the Section 5310 and Section 5311 applicants demonstrating a need for additional capital assistance (e.g., facilities, vehicles or other equipment). The emphasis for ADOT's portion of this funding allocation is designed to meet the needs for rural and specialized transportation.

B. REPORTING

When subrecipients submit required monthly reimbursement requests, project information is taken from their report and compiled. This detail is used to create progress reports for entry into TrAMS.

The Program of Projects is developed using the program application requests for a first draft. Once the eligible subrecipients receiving funds have been identified as well as the amounts they are receiving, the Program of Projects is revised to reflect the costs.

All programs are required to report at least yearly in TrAMS. This is coordinated by transit staff to ensure all reports are entered in a timely manner. The exceptions are quarterly financial reporting for construction projects and when using Section 5329 and 5339 funds.

C. GRANT ADMINISTRATION

Before awarding a subrecipient a grant for a new project, an evaluation matrix/scoring is applied for both new applications and ongoing projects. Past financial capacity/performance is reviewed and taken into consideration. The regional coordination plans prioritize the 5310 projects applied for and determine if an existing project should remain or a new one should take its place. Subrecipients' budgets and capital requests are reviewed prior to awarding of new funds. This ensures that duplicate requests are not being entered in the Program of Projects for the current grant request.

After the review panel meets to determine a ranking of projects, Program Managers make the initial assignment to grants with the Transit Manager reviewing the awards prior to approval. Other ADOT staff may also participate in reviewing and approving these projects prior to finalizing the awards.

As part of the development of the annual Program of Projects, the State looks at available funds in existing grants before applying for new funds. Old grant funds are reviewed to determine what funding can be utilized first, prior to obligation of newer funds. Grant status (including open dates, expected closing dates, and any delays) is coordinated with the grant close-out team.

D. AGENCY CAPACITY

The Transit Programs and Grants unit is overseen by a group manager. The Transit Group Manager reports to the Division Director of the ADOT Multimodal Division. Program managers oversee the FTA funded programs including Transit Planning (5305) Coordinated Mobility (5310), Rural Transit Assistance Program (RTAP) which is part of the Rural Public Transportation Program (5311), Light Rail Safety Oversight (5329), Bus and Bus Facilities Infrastructure Investment Program (5339), and Grant Administration. Additional staff includes planners, management analysts, and other staff as needed.

Within the ADOT MPD, the Administration Unit provides accounting and contract support to FTA programs. The ADOT team partnering with MPD includes the Financial Management Support (FMS) Group provides financial support, pays the invoices, and draws funds from ECHO, the FTA payment software. The ADOT Civil Rights Office and Business Engagement and Compliance Office (BECO) provides support for our Civil Rights and Disadvantaged Business Enterprise (DBE) functions including DBE, Title VI, ADA, LEP and other civil rights reporting and oversight functions. The Equipment Services (EQS) and Procurement offices provide asset management and procurement assistance. ADOT Human Resources supports personnel recruitment/retention. District offices inspect construction projects and assist in technical areas. Individual COGs and MPOs provide technical assistance to grantees as well as outreach support. They also manage many transit planning projects.

There are ten Full-Time Equivalent (FTEs) assigned to the Transit Programs and Grants Group. Additional administrative staff in the Multimodal Planning Division and Financial Management Services (4.5 FTE) work on the transit programs, including a staff accountant, a contract administrator, and other staff assigned in support roles. ADOT also utilizes contractors to assist in meeting its FTA obligations to administer grant programs.

VIII. Project Management

A. TECHNICAL OVERSIGHT OF CAPITAL PROJECTS

ADOT provides technical oversight as required based upon financial and project need. For significant construction projects, ADOT coordinates with district offices to provide oversight on construction projects. ADOT also contracts with a consultant to provide project management oversight when needed, especially on larger projects.

ADOT maintains a list of all FTA funded vehicles. Subrecipients procuring their own vehicles must follow procurement requirements as outlined in the grant agreements. Program Managers work closely with subrecipients to ensure that the procurements meet federal requirements.

B. FORCE ACCOUNT ACTIVITIES

Force Account activities refer to capital project work done with an in-house work force. ADOT does not typically rely on its own work force for the delivery of capital projects. Subrecipients are required to notify ADOT if they are using their own workforce to complete capital projects in excess of \$1,000,000 at which point the subrecipient must develop and share with ADOT a force account plan. This plan will be submitted to FTA prior to incurring costs. When the agency is a direct recipient, ADOT defers to FTA for oversight.

IX. Financial Management and Financial Capacity

A. SPECIALTY REVIEWS

ADOT is audited annually with transit selected periodically for special oversight. ADOT Transit participated in a year-long intensive review of its processes using the LEAN program to improve internal financial processes.

B. FINANCIAL MANAGEMENT

ADOT Roles and Responsibilities

ADOT is responsible for the development of a Five-Year Work Program for each of the federal funding programs it administers. The Five-Year Work Program is a lineup of projects that is revised annually. The current version of the Five-Year Work Program is available online in the [Transportation Programming](#) section of the ADOT website.

ADOT MPD, in conjunction with the Fiscal Operations Group of ADOT, also maintains a system of accounting and internal controls to assure an accurate and timely cash flow to local projects.

Uniform financial reporting is required of all FTA projects with separate project codes established for each grant. The project codes are established per State of Arizona standard accounting and record keeping procedures immediately upon notification of grant approval.

ADOT MPD and the Fiscal Operations Group perform financial reconciliation monthly. The FTA monthly report is used to reconcile between TrAMS and the AFIS financial system. Reconciliation is also completed at grant close-out. Any discrepancies are researched and resolved.

ADOT requests federal fund reimbursement payments through the Electronic Clearing House Operation (ECHO) system. The department follows the Department of Treasury regulations 31 CFR Part 205 and FTA Guidelines for Disbursements (as detailed in the [FTA ECHO-Web User Manual](#)). Draw forms are prepared in coordination with reimbursements. Multiple reimbursements are compiled to prepare an ECHO draw. At least two reviewers conduct preparation and approval for ECHO draw. ECHO draw-downs are completed regularly.

ADOT submits annual Financial Status Reports on all open grants as required by FTA. Closure of the federal grant occurs after the projects are complete and after less than 5% of federal funds are remaining in the grant.

All subrecipient reimbursement requests are submitted through E-Grants or MPDinvoice@azdot.gov. Subrecipients are provided reimbursement training for each process. ADOT reviews subrecipients' revenues and expenditures, verifies funds used for match, and makes payments to subrecipients on a reimbursement basis. ADOT reviews subrecipients' financial procedures during site visits and recommends corrective action if necessary.

ADOT's financial records are supported by appropriate documentation. All FTA reimbursements are coded by General Ledger in the financial system. All documentation is maintained during the life of the grant.

Included in the application process, ADOT reviews each project for the following:

- Determine that the subrecipient's accounting system is adequate and capable of segregating, accumulating, and maintaining allocable and allowable costs as they apply to the project, and/or contract, and to document necessary facts that might be needed in past audits;
- Establish procedures or issue any necessary specific instructions to the project that would help prevent any future misunderstanding;
- Establish that proposed costs are reasonable and in line with those that the subrecipient is currently incurring;
- Establish that the subrecipient has the financial capability to perform the services required;
- Determine that the applicant has an inventory procedure to assure that equipment purchased with federal and/or state funds can be accounted for at any time (documentation of the inventories should be on file at all times);
- Assure that the applicant can comply with the provisions of Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ;
- Review grant projects for compliance with statutory and program guidance;
- Review documentation supporting project expenditures for eligibility and ensure program match requirements are met;
- Review invoices, when appropriate to the grant award, from subrecipient and reimburse subrecipient within 30 days after receipt and approval of invoices, in a total amount not to exceed the approved invoiced costs of the grant award; and
- Communicate with the subrecipient and FTA as necessary to facilitate program compliance and procedural efficiency.

ADOT's FMS division reviews subrecipient audits to identify findings and assure those findings are resolved. FMS prepares statements that are reviewed and followed up by administration, finance, and transit staff. These statements are then retained by FMS. Project managers work directly with subrecipients to resolve any findings.

Subrecipient Roles and Responsibilities

Subrecipients receiving funds from MPD must manage their projects to conform to the most stringent of applicable state or federal laws, rules, and other requirements. Subrecipients are required to conform to Office of Management and Budget regulations.

Subrecipients must:

- Administer the grant from award to closeout;
- Develop internal policies and systems to ensure effective management of awards and compliance with grant requirements;
- Establish strong internal controls for accounting and compliance with grant terms and conditions;

- Demonstrate that funds are expended for eligible and allocable activities;
- Track receipts, disbursements, assets, liabilities, and balances;
- Track and report program income;
- Ensure that the organization has a financial management system and any other systems that are appropriate to implement the project;
- Establish a budget of the costs required to perform the program/project and a method for monitoring actual costs against the budget;
- Submit payment of grant required match and administration fees upon receipt of executed contract for ADOT funded capital purchases; and
- Review documentation supporting project expenditures for eligibility and ensure program match requirements are met.

To be allowable for reimbursement from state and federal grants, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of the project;
- Be an eligible expense;
- Be treated consistently. A cost may not be assigned to the grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a grant as an indirect cost;
- Be determined in accordance with generally accepted accounting principles;
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period;
- Be the net of all applicable credits; and
- Be adequately documented to include a system generated financial summary, or Excel spreadsheet accompanied by appropriate backup documentation (i.e. invoices, payroll, etc.), disclosing an expense amount that matches the invoice amount.

Indirect cost eligibility. Indirect costs charged to Section 5310 and 5311 program grants must meet all criteria for eligible project expenses as set forth in the Grant Guidebooks and subrecipient agreements.

Internal controls. Internal controls are the responsibility of the subrecipient agency. Internal control procedures for subrecipients will reflect the culture and size of the agency. Smaller agencies may have less formal structure, but will emphasize integrity and communication. Smaller agencies may rely on compensating controls due to low numbers of employees. Internal controls are defined as reliability of financial reporting and compliance with applicable rules and laws. There are generally five elements of internal control: control environment, risk assessment, control activities, information and communication, and monitoring.

Internal control procedures should address the following: cash management, fixed assets, procurement, accounts payable, payroll, overhead, budget controls, grants management, project management and information technology.

C. FINANCIAL CAPACITY

ADOT ensures subrecipients have the financial management systems to carry out the programs and receive and disburse Federal funds at the time of application. Financial capacity requirements are described in the application and verified at the time of the site visit. ADOT requires subrecipients submit system-generated back-up documentation with all reimbursement requests. This documentation is reviewed and approved by MPD Finance for [2 CFR Part 225](#) compliance. Program Managers and staff review and approve for compliance with grant and scope of work. ADOT Financial Management Services process reimbursements to subrecipients.

D. AUDITS/REVIEWS

Audit Requirements

State agencies are responsible for ensuring that audits are performed pursuant to the requirements of the Super Circular 2 Code of Federal Regulations (CFR) Part 200 (Subparts A – F) incorporating the most current Compliance Supplement); resolving audit findings; and bringing problems to FTA's attention. FTA does not require an annual financial audit of a subrecipient when assistance is provided solely in the form of capital equipment procured directly by the State.

However, as recipients of federal funds and/or state assistance, ADOT's programs are subject to an audit and in any given year ADOT or federal auditors may choose to review financial records of subrecipients. These actions are designed to ensure tighter budget-process control, asset inventory management and enhanced ADOT-FTA reporting capability.

A financial audit is required of subrecipients each year an agency expends over \$750,000 in federal financial assistance.

The ADOT FMS reaches out to subrecipients who have reached the annual threshold and are required to have a single audit conducted. If the amount of FTA funds granted to a particular subrecipient does not trigger the requirement for an audit, the State may still request a review.

X. Procurement

A. ADOT PROCUREMENT

Procurement procedures used by ADOT MPD and its subrecipients comply with applicable State law and Federal requirements contained in [FTA Circular 4220.1F, Third Party Contracting Guidance](#) and FTA Master Agreement. Every year, ADOT MPD ensures the most recent federal clauses and certifications from FTA are included in every solicitation and contract. Procurements are competed per the Arizona Procurement Code and ADOT Procurement Processes.

[A.R.S. §§41-2533 and 2534](#) outline rigorous guidelines to ensure open competition. Solicitations are required to be advertised for at least 14 days and registered vendors on the State's procurement website are electronically notified. Policy and checklists are followed to ensure the procurement process is completed accurately.

Micro-purchases follow the FTA guidelines that must justify their method of purchase and put it into the file. Small purchases cannot exceed the threshold outlined in the Arizona Procurement Code currently at \$100,000, and must be awarded to a small business when practicable; justification must be provided if not awarded to a small business (§41-2535). Purchases expected to exceed \$100,000 are sourced competitively in accordance with ARS §§41-2533 and 2534.

Transit group uses task assignment based on-call contracts awarded according to the guidelines above. Task assignments are sent to the most qualified vendors within a section or at a minimum 3 vendors. We reserve the right to distribute to a single vendor when necessary for business. The task assignment responses are reviewed and evaluated for each task assignment issued. Fair and reasonable pricing is initially based on the not to exceed rates in the master on-call contract. Final price is negotiated prior to purchase order. Purchase orders establish the notice to proceed.

Every proposal received goes through a responsiveness determination. ADOT's procurement office ensures awards go to responsible and responsive contractors. Requirements are established in the state's Procurement Code. Prior to contract award, ADOT Procurement checks the System for Award Management (SAM) to verify subrecipient or contractors are not suspended or disbarred.

All change orders for scope of work and task assignments go through a cardinal change review. Federally Impermissible scope changes are not allowed. Permissible changes require sole source justification. Subrecipients administering FTA-funded projects are monitored through site visits.

B. SUBRECIPIENT PROCUREMENT

The State may handle procurements for transit subrecipients at the option of ADOT. Subrecipients may also use ADOA active contracts by cooperative agreements or as awarded in the master contract, as long as the FTA language is incorporated into the contract. If permitted by the contract, ADOT may allow subrecipients to procure using the ADOT on-call

contract to ensure compliance with federal requirements. ADOT encourages subrecipients to use RTAP's Procurement Pro tool when structuring their own procurement.

MPO / COG subrecipient agencies and at times other eligible subrecipients are responsible for procuring planning services and related eligible items. ADOT leads the vehicle procurement process for Section 5310 and the majority of Section 5311 funded vehicles. For rolling stock procurements and those that exceed the small dollar threshold, subrecipients must have solicitation documents reviewed for basic compliance by the ADOT Transit Program Manager ahead of solicitation. Oversight of small purchases is done either through advanced review of solicitation or through sampling of procurement files at time of site visit. The subrecipient is responsible for assuring compliance.

Applicable clauses regarding FTA-funded procurements are listed in subrecipients' Special Terms and Conditions. Subrecipient agreements are based on a template and are all identical and contain these clauses in the exhibit.

Pursuant to 2 CFR Part 200 subrecipients will follow the federal procurement guidelines, unless they have adopted the state procurement code, or their own local procurement procedures are more restrictive than the federal requirements. When subrecipients' procurements are conducted locally, they must also follow the program procurement requirements.

Applicants who procure equipment on their own must comply with all steps associated with major capital procurements, including, but not limited to, selecting an appropriate method of solicitation, advertisement, conducting a federally approved bidding process, contracting, and obtaining appropriate federal Buy America, Bus Testing, Lobbying and Debarment certifications. Prior to contract award, Subrecipients are required to check the System for Award Management (SAM) to verify Subrecipients or contractors are not suspended or disbarred.

C. ROLLING STOCK

Rolling Stock procurements are performed in accordance with the State Procurement Code. ADOT works with ADOA regarding specifications and federal compliance. Buy American and other required federal terms and conditions are included in the solicitation. Only those vendors that have certified for Buy America and FTA certs and assurances are eligible to have purchase orders issued using Federal Transit funds. Once ADOA Procurement awards vehicle contracts, MPD staff can determine what vendors will best meet grant needs.

Before a purchase order is placed, the vendor is required to provide Buy America documentation for content and assembly or waiver, and FMVSS. ADOT program managers complete the pre-award certification and checklist. At the time of delivery, equipment services checks the vehicle meets the specifications as ordered. Based on equipment services acceptance, the program manager completes the post award checklist and certification. All pre-award and post-delivery certifications are held by MPD staff.

When subrecipients procure vehicles, they are required to submit a checklist and certification which includes the Buy America requirements. Buy America certification is obtained from vendors during both pre-award and post-delivery audits.

Subrecipient invoicing and procurement processes are provided in [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#) and the 5311 Guidebook. For specialized vehicles and other types of equipment not normally procured by ADOT, Section 5310 subrecipients must qualify for and utilize the procurement requirements outlined in their grant agreement.

When invoicing ADOT for subrecipient procured vehicles, subrecipients must include a copy of the paid vendor invoice, check number or evidence of payment, copy of the insurance, pre-award audit and post-award certification copy of the registration application naming ADOT as lien holder.

XI. Disadvantaged Business Enterprise

A. DBE PROGRAM

ADOT complies with all federal requirements of the DBE Program. ADOT has established and oversee the implemented DBE program

The ADOT's DBE program was approved by FTA. ADOT's FTA DBE Program Plan is available online at <http://azdot.gov/business/business-engagement-and-compliance/disadvantaged-business-enterprise-program>. The program has been uploaded in TrAMS

ADOT's Business Engagement and Compliance Office (BECO) Manager is the state's DBE Liaison Officer (DBELO). This position reports to the ADOT Director.

Information about ADOT's 2015 Disparity Study is also available online at <http://azdot.gov/business/business-engagement-and-compliance/dbe-disparity-study>. A Final DBE Goal is one of the primary products of this study. A consultative process including advertisement and a 45-day public comment period are included in the state's efforts. ADOT FTA programs have consistently met the state's goal.

A small business program has also been developed and submitted in TrAMS. ADOT hosts extensive outreach to DBEs and small businesses. ADOT hosts an annual DBE conference and EXPO and quarterly task force meetings with the DBE community. ADOT also provides training and technical support, industry resources, and other support activities. Information about ADOT's Small Business Concern program is available online at <http://azdot.gov/business/business-engagement-and-compliance/business-registration-and-certification/small-business-concern-%28sbc%29-registration>.

All approved subrecipients for funding that involve contracts with vendors outside of the vehicle procurement ADOT oversees (i.e., Mobility Management, Operations) must either already have adopted ADOT's DBE program or utilize their own FTA approved program.

The subrecipient shall agree to abide by the statements in Paragraph (1) and (2) which follow. These statements shall be included in all subsequent agreements between the subrecipient and any sub-consultant or contractor.

(1) As required by 49 CFR 26.13, the subrecipient shall not discriminate on the basis of race, color, national origin, religion, gender, age or disability in the award and performance of any USDOT assisted contract or in the administration of its DBE program or the requirements of 49 CFR 26. The subrecipient shall take all necessary and reasonable steps under 49 CFR 26 to ensure nondiscrimination in the award and administration of USDOT assisted contracts. The subrecipient's DBE program, as required by 49 CFR 26 and as approved by USDOT, is incorporated by reference in the Planning Funds Agreement between the subrecipient and ADOT.

(2) Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of the Agreement. Upon notification to the subrecipient of its failure to carry out its approved program, the USDOT may impose sanctions as provided for under 49 CFR 26 and may, in appropriate

cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

ADOT and the subrecipient shall prepare and retain all records in accordance with the federal and state requirements, including but not limited to 23 CFR 420 and 49 CFR 18.

B. DBE GOALS AND REPORTS

Local Public Agencies (LPAs) and subrecipients will require prime contractors, consultants, and vendors to maintain records and documents of payments to DBE and non-DBE subcontractors and report in the ADOT LPA DBE system. In accordance with [ARS §35-214](#), records must be maintained for a minimum of five years following FTA closeout of the project. These records should be made available for inspection upon request by any authorized ADOT representative. Subcontractors are required to maintain payment information for any lower-tier subcontractors for the same five-year duration.

For projects receiving federal aid, LPAs and subrecipients are required to collect data on DBE and non-DBE participation and report to ADOT. Contractors, consultants, and vendors performing on federal-aid projects are required to provide monthly reports documenting amounts earned by and paid to all DBEs and non-DBEs. All DBE and non-DBE subcontractors working on federal-aid transportation projects are required to verify receipt of payment. Furthermore, first-tier subcontractors are required to report amounts earned by and paid to all lower-tier DBE and non-DBE subcontractors. Lower-tier subcontractors are required to verify receipt of payment. Contractors, consultants, and vendors should provide the required information for the current month by the fifth day of the following month. The required information must be submitted through the online ADOT LPA DBE and Reporting System.

Additionally, LPAs and subrecipients will submit project data in support of each semiannual and annual submission to ADOT. Subrecipients are required to submit this data through the online ADOT LPA DBE Reporting System. Semiannual report data must be audited by LPAs and subrecipients for accuracy and completeness by May 1 and November 1 of each year. Semiannual reports will be prepared by ADOT and reviewed with LPAs and subrecipients on an as-needed basis.

Reporting language is included in program contracts. Program managers and the BECO office review LPA system entries at least every six months.

ADOT coordinates with the state engineer's office, district engineers' offices, and the BECO office as well as field reports to oversee construction projects. Monitoring of construction projects is closely monitored by ADOT staff. Monitoring for all contracts occurs through ADOT's LPA reporting system and at time of site visit. ADOT is constantly providing outreach and training to ensure understanding of the requirements and improve its reporting. ADOT has a process in place to address complaints regarding DBE firms.

Contract language addresses prompt payment and return of retention as well as prior written consent for changes to DBEs. This monitoring is done throughout the procurement process, ADOT's LPA system, and site visits.

ADOT has a formal Commercially Useful Function process in place for oversight. The majority of the work awarded to DBEs has been prime contracts. Full details regarding ADOT's FTA and

FHWA goals and reporting requirements are included in the [ADOT FHWA DBE Plan](#) and the [ADOT FTA DBE Plan](#).

C. PROCUREMENT

Each Local Public Agency, and subrecipient, must adopt ADOT's DBE program or have an FTA approved DBE program. All LPAs and subrecipients agree to the following:

- Use of solicitation language provided by ADOT defining DBE requirements for all construction, professional services, and procurement contracts;
- Submittal of DBE goal requests using the DBE Goal Request Form, when required;
- Conduct post-award monitoring and reporting using the online ADOT LPA DBE Reporting System;
- Ensure post-award compliance with commercially useful functions; and
- Designate a single point-of-contact for DBE compliance purposes.

Additionally, all LPAs and subrecipients agree to collect the following information for each solicitation for which a DBE contract goal has been established:

- Names and contact information of DBE firms that will participate in the contract;
- Description of the work that each DBE will perform;
- Dollar amount of the participation of each DBE firm participating on the project;
- Written and signed documentation of commitment to use a DBE subcontractor whose participation meets a contract goal;
- Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and

D. CERTIFICATION

ADOT is the lead agency for the state's Unified Certification Program (UCP), along with the Cities of Phoenix and Tucson. The Certification Unit of ADOT's Business Engagement and Compliance Office (BECO) verifies that applicants meet the criteria to be certified as Disadvantaged Business Enterprises under [49 CFR Part 26](#). DBE certification must be updated annually and reviewed every five years.

The state uses the correct application (online only), conducts site visits, obtains annual affidavits to ensure that eligibility requirements continue to be met, complies with interstate certification requirements, and includes NAICS codes in its UCP directory.

XII. Asset Management

All property acquired using federal funds must be utilized and disposed of in accordance with specific ADOT program guidance as well as the following federal guidance (as applicable):

- [FTA Circular 9040.1G, Formula Grants for Rural Areas Program Guidance and Application Instructions](#),
- [FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions](#),
- [FTA Circular 5010.1E \(as amended\), Grant Management Requirements](#), and/or
- [2 CFR §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Title to all property purchased with federal funds must be vested in the name of the subrecipient with ADOT as the first and only lien holder. ADOT MPD retains the title to all rolling stock until the vehicle(s) meets federal useful life requirements and is no longer being used in transit service.

Subrecipients are required to maintain the property at a high level of cleanliness, safety, and mechanical soundness. Each subrecipient must establish a maintenance program that, at a minimum, meets the equipment manufacturer's recommendations. ADOT has the right, and obligation, to review the transit system's maintenance and safety programs and to conduct periodic audits of equipment and facilities funded with state and federal funds administered by ADOT.

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

Asset management procedures are outlined in the program guidebooks and grant agreements, including site visits, lien release, and transfer of vehicles between grantees. ADOT is currently in the process of developing the State's Transit Asset Management (TAM) Plan. The TAM Plan will be completed by October 1, 2018. ADOT's Equipment Services Division (EQS) sends out yearly required maintenance inspection notifications and conducts inspections. Section 5311 vehicles are inspected at time of site visit.

Vehicle Inventory Management

ADOT manages an inventory of vehicle information for all vehicles funded under the Coordinated Mobility Programs. Grant agreement requirements are kept up-to-date via annual reports filed with ADOT by subrecipients, and incorporated into project database files for program management use. This asset management system promotes proper vehicle maintenance and use and identifies problems or issues related to fleet defects or improper vehicle management.

Among other tasks, the fleet system flags agency vehicles that may be due for replacement and/or inspection. The objective of this system is to ascertain the statewide condition of the FTA funded vehicle fleet and help determine what current and future actions are most beneficial to ensure overall fleet service viability.

Driver and Vehicle Licenses

All subrecipients must use drivers that hold a current and valid Arizona Driver's License. The ADOT Motor Vehicle Division requires licensing in keeping with its Commercial Driver's License Program as follows:

Vehicles under 16 passenger capacity, including driver:

- Class D (Operator's) License

Vehicles 16 passenger capacity and over, including driver:

- Class B or C Commercial License with bus/school bus endorsement

ADOT encourages all agencies with vehicles in excess of 16-passenger capacity to have all drivers obtain a Class B or C Commercial License. Drivers who currently have a Chauffeur's License may continue to use such license until it expires. At that time, the appropriate license (as stated above) must be acquired.

Subrecipients are also required to comply with Arizona laws in the licensing of all agency vehicles.

A. TRANSIT ASSET MANAGEMENT

Transit Asset Management is a strategic and systematic approach to managing physical assets. On June 26, 2016 FTA published the Transit Asset Management Final Rule which defined the term state of good repair and established minimum Federal requirements for transit asset management that applies to recipients and subrecipients of chapter 53 funds that own, operate or manage public transportation capital assets. The rule requires public transportation providers to develop and implement transit asset management (TAM) plans. TAM plans must include an asset inventory, condition assessments of inventoried assets, and prioritized list of investments to improve the state of good repair of their capital assets. The final rule also established state of good repair standards and four state of good repair (SGR) performance measures. Transit providers are required to set performance targets for their capital assets based on the SGR measures and report their targets, as well as information related to the condition of their capital assets, to the National Transit Database.

The ADOT Transit Asset Management Plan will be finalized by October 1, 2018 and will provide information related to the SGR performance measures, transit asset inventory, condition assessments of inventoried assets and a prioritized list of investments to improve the state of good repair for all ADOT financed capital assets.

ADOT has proposed the following initial SGR performance measures:

- Equipment – No more than 50% of equipment (including Non-Revenue Vehicles) are past their useful life benchmark.
- Vehicles - No more than 30% of Revenue Vehicles are past their useful life benchmark.
- Facility's and Facility-related equipment – No more than 20% below condition 3 (Adequate) and 0% below condition 2 (Marginal).

ADOT will begin utilizing the above performance measures for all transit assets funded with FFY 19 grant awards.

B. MAINTENANCE

ADOT MPD ensures that subrecipients are aware of and comply with the requirement that vehicles and other equipment purchased with Federal funds are maintained in a good state of repair and cleanliness. Each capital project agreement stipulates that the subrecipient shall maintain all project equipment at a high level of cleanliness, safety, and mechanical soundness. Subrecipients are required to document all vehicle maintenance activities in a format that is readily available and which includes copies of purchase orders, invoices, etc...as evidence that required maintenance has been performed. Maintenance requirements for the programs are outlined in the Grant Guidebooks.

Subrecipients are required to have a maintenance plan and maintenance is followed up at site visits and through review of receipts. Each subrecipient must establish a maintenance program that, at a minimum, meets the manufacturers recommended guidelines. ADOT has the right and obligation to review the subrecipient's maintenance and safety programs and to conduct periodic inspections of equipment and facilities.

ADOT also requires that subrecipients have in place a pre-trip inspection program to ensure that safety and operational standards are consistently met for each system vehicle, and if so equipped, by all vehicle accessibility features, prior to being placed in revenue service. ADOT requires that documented daily inspections are included as part of the file for each vehicle acquired by subrecipients through the Coordinated Mobility programs.

ADA Vehicle Maintenance Guidelines

The Certificate of Compliance with the Manufacturer's Maintenance Schedule, located in the Application/Contract, requires the signing party to abide by, or exceed, all manufacturers' recommendations related to vehicle servicing and other maintenance, including accessibility-related components and equipment. The ADA requires that:

- Public and private entities providing transportation services shall maintain in operative condition those features of facilities and vehicles that are required to make them readily accessible to and usable by, individuals with disabilities. These features include but are not limited to lifts and other means of access to vehicles, securement devices, signage and systems to facilitate communications with persons with impaired vision or hearing.
- Accessibility features must be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, the entity must take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature.
- A system of regular and frequent maintenance checks of lifts is required. If a lift fails to operate when in service, the ADA requires the vehicle be taken out of service before the beginning of the vehicle's next service day. The lift must then be repaired before the vehicle returns to service. If a contract operator is used for ADA-related service, the subrecipient must ensure the contractor notifies the subrecipient immediately of any failure of the lift to operate in service.
- If there is no spare vehicle to take the place of a vehicle with an inoperable lift, the recipient may keep the vehicle in service for no more than five days if it serves an area of 50,000 or less population, or three days if it serves an area of 50,000 or more population.

C. USEFUL LIFE/DISPOSITION

Vehicle Title and Lien: Coordinated Mobility Programs – Section 5310

ADOT conducts vehicle title and registration activities for the subrecipient agency as a part of the ADOT-led procurement process. In order that ADOT may act on behalf of the subrecipient for these transactions, a signed Power of Attorney must be submitted to MPD.

In order to ensure proper use of grant-funded equipment throughout the useful life, ADOT holds a first lien on all equipment in the amount of the federal share of the equipment cost. The lien extends through the useful life of the capital equipment.

Subrecipients are expected to use equipment throughout its useful life or the duration of their contract. When vehicles have reached the end of their useful life, subrecipients are required to submit a lien release request to ADOT. Subrecipients must not sell, discard, transfer, or dispose of equipment without a formal lien release approval from ADOT. ADOT holds the original vehicle title. This enables ADOT to retrieve the vehicle if the agency discontinues operations or fails to fulfill contractual requirements.

Vehicle Title and Lien: Section 5311

ADOT retains a first lien equal to 80 percent (or its share in the purchase price if other than 80 percent) of the fair market value on all capital equipment purchased with Section 5311 funds. Capital equipment is defined as equipment that has a unit value over \$5,000 and is expected to last one year or more. Vehicle liens are retained according to the useful life standards provided in [ADOT's Section 5311 Grant Guidebook](#).

Subrecipients are expected to use equipment throughout its useful life or the duration of their contract. When vehicles have reached the end of their useful life, subrecipients are required to submit a lien release request to ADOT. Subrecipients must not sell, discard, transfer, or dispose of equipment without a formal lien release approval from ADOT. ADOT holds the original vehicle title. This enables ADOT to retrieve the vehicle if the agency discontinues operations or fails to fulfill contractual requirements.

Vehicle and/or Equipment Disposition

When vehicles will be disposed, subrecipients must coordinate with ADOT. FTA requires that the disposal be in the way to either continue in the use of its original purpose such as through a transfer or to be sold for the greatest amount possible. Transfers should be coordinated through ADOT and must be to another agency within the program. Prior to sales, the subrecipient must coordinate with the ADOT contact to follow the current policy as outlined in the guidebook. The revenues from the sale of property must be reinvested in the transit program for the same purpose (for instance, proceeds from a vehicle sold are used for purchasing a replacement vehicle; proceeds from office equipment would go towards purchase of new equipment). ADOT requires that the federal portion of sales be returned to ADOT unless otherwise agreed in advance. When the total sale is less than \$5,000, the federal interest is considered to be satisfied and any remaining funds may be kept by the local agency. Local public agencies may adopt their own rules and procedures for disposing of federally-funded surplus property as long as the disposal or sale is conducted in an open, public process and conforms to FTA's minimum standards.

D. INSURANCE

Section 5310

Recipients are responsible for acquiring and maintaining current, appropriate insurance on their capital equipment. Vehicles and large capital equipment purchases require the recipient to list ADOT as the Certificate Holder, Loss Payee and Additional Insured on its policy.

Vehicle collision and comprehensive insurance, to cover liability and under/uninsured motorists, is required in order to successfully apply for and operate an ADOT-funded vehicle. Fair Market Replacement Value, as well as Collision and Comprehensive insurance, including fire, theft, and vandalism, in an amount not less than the actual purchase price of equipment, is required as detailed in [ADOT's Coordinated Mobility Program \(Section 5310\) Grant Guidebook](#).

The proof of insurance including the insurance endorsements must be submitted to ADOT prior to taking delivery of the vehicle(s). In addition, a current copy of the insurance endorsements must be sent to ADOT on an annual basis while the vehicle is under lien. A breakout of coverage, effective insurance dates and ADOT being listed as Certificate Holder, Additional Insured/Loss Payee and lien holder is then verified by ADOT.

Insurance: Section 5311

All Section 5311 Program participants must maintain adequate property and liability insurance coverage. Subrecipients must also maintain collision and comprehensive coverage for the full fair market value of each vehicle provided under this Program. The current minimum requirement for automobile liability insurance, based on vehicle size, is provided in [ADOT's Section 5311 Grant Guidebook](#).

E. VEHICLE INCIDENT, CASUALTY LOSS, CHANGE IN STATUS REPORTING

Vehicle Incident or Casualty Loss

Subrecipient must report a vehicle incident, accident, or casualty to ADOT MPD staff within the timeframe identified in the program guidance. Vehicles that are damaged, but repairable, must be repaired to the same or better condition prior to the incident. If the vehicle is deemed a total loss, the following documentation must be submitted to the ADOT Program Manager within 10 working days of the incident:

- Vehicle Identification Number (VIN);
- The model year;
- The vehicle make;
- The mileage at the time of the incident;
- Arizona Accident Report or Incident Report forms; and
- Correspondence from the Insurance Company indicating the amount of the settlement of proceeds.

Participants in the Section 5311 program are required to report any accidents that require post-accident testing based on FTA Drug and Alcohol testing criteria to the ADOT Program Manager. Criteria for post-accident testing are provided in [ADOT's Section 5311 Grant Guidebook](#).

Change in Equipment Status or Condition

Any extraordinary change in the status or condition of a vehicle or other capital equipment (to include damage, operational failure, or legal involvement) must be reported to ADOT within five working days, even if satisfactory repair can be made within this period. Items such as flat tires, minor glass and paint scratches, minor "parking-lot dings," other incidental body dents, and regular, non-accident related repair or normal replacement items are not subject to this requirement unless a vehicle is out of service for more than 24 hours.

F. ALLOWED AND PROHIBITED USE OF VEHICLES

Incidental Use—Notice must be provided to ADOT Program Manager of any incidental use of vehicles not related to the regularly scheduled service prior to providing the service.

Meal Delivery—Vehicles and related equipment may not be used **primarily** for the delivery of meals to persons in their homes. Any meal delivery provided may only be incidental to the primary vehicle use of transporting people.

Emergency Transport—The Section 5310 program is not intended to provide emergency medical transport or ambulance service on a regular basis.

G. FACILITIES

Facilities constructed, purchased, renovated or improved utilizing federal funds are the property of the subrecipient for the expected life of the facility or for as long as the facility is used for transportation purposes. FTA's current useful life requirement for facilities is forty years. If for any reason the facility is no longer needed for the purposes of public transportation services in nonurbanized areas, the provisions of State statutes pertaining to the disposition of real property, provisions on facility ownership and use, and the [FTA Circular 5010.1E, Grant Management Guidelines](#), as amended or revised, shall apply.

ADOT conducts inspections every three years of all facilities, whether new construction, renovation or expansion of existing facilities. A reasonable amount of time shall be provided to correct any deficiencies because of the review.

Maintenance plans are required for any FTA-funded facility. They must be reviewed and certified annually through site visits. Transit facilities must be maintained in such a manner as to meet the State of Good Repair (SGR) performance target identified in the ADOT Transit Asset Management Plan.

H. REAL PROPERTY

Per the FTA, all real property is acquired, managed, and used in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, [42 USC §§ 4601-4655](#) and [49 CFR Part 24](#).

XIII. Charter Bus/School Bus Regulations

A. CHARTER SERVICE

FTA and ADOT subrecipients are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies. Incidental use may include meal and parcel delivery, restricted client services, and FTA allowable charters. Charter service is an allowable activity on an incidental basis if the applicant successfully completes the charter public notice requirements and no private charter providers are available. Applicants must reference Federal Transit Act, as amended 49 CFR, 604.11(c).

A full discussion of the FTA's charter requirement, including definitions and exemptions, is included in Part IV of ADOT's Section 5311 Grant Guidebook. The full language of the Federal Transit Act, as amended, is provided in [49 CFR, Part 604](#).

The transit manager is contacted by the subrecipient to request limited charter services. Once approved, the transit manager monitors the service. Monitoring of this requirement is included in reviews. Trip records, contracts, income statements, and marketing materials will be reviewed for any evidence of chartering in the absence of authority to do so. In such cases, the State notifies the subrecipient it is out of compliance and requires timely action. Lack of compliance will result in disciplinary action and a plan of correction, including additional training where warranted.

Any complaints regarding charter service are investigated by transit staff. Once the investigation is complete, an out-of-compliance remedial action is required that emphasizes timely corrective action.

B. SCHOOL BUS REGULATIONS

Under FTA school bus requirements, set out under [49 U.S.C. 5323\(f\)](#) and [49 CFR Part 605](#), recipients may not engage in school bus operations exclusively for the transportation of students. These provisions derive from 49 U.S.C. 5302(a), which authorizes FTA assistance for mass transportation, but specifically exclude school bus service from such Federal assistance.

School bus requirements are incorporated into ADOT's grant programs via the [Section 5311 Grant Guidebook](#) and the [Coordinated Mobility Program](#).

XIV. Americans with Disabilities Act

A. GENERAL

The Americans with Disabilities Act (ADA) is a civil rights law mandating equal opportunity for individuals with disabilities. ADA prohibits a public entity from discriminating against qualified persons with disabilities in access to facilities and services that the public entity provides.

All ADOT subrecipients must comply with the [Americans with Disabilities Act of 1990, as amended](#). The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. For ADOT and its subrecipients, these services, facilities, or activities are related to the planning, design, construction, maintenance and operations of transportation systems. This can include but is not limited to public buildings, public conveyances such as buses or other passenger vehicles, related literature, and other communication pertaining to any of these. Any new construction of public access facilities must have accessible features incorporated to provide accessibility to persons who are mobility-impaired.

B. COMPLAINTS/LAWSUITS

ADOT's complaint process is included in ADOT's PER 2.02 ADA policy. The record of ADA complaints and lawsuits are maintained by ADOT's Civil Rights office for 5 years.

ADOT reviews each subrecipient ADA policies and complaint log at time of application. The State ensures compliance at the time of application and during site visits. Any deficiencies are noted and followed up with to ensure compliance. Subrecipients are required to report ADA complaints to ADOT.

C. BUSES AND VANS

ADOT Procurement

ADOT conducts most of the procurements for Section 5310-funded capital. As such, vehicle types and sizes obtained for the Section 5310 program are usually predetermined by ADOT at the time of application. The types of vehicles typically obtained by ADOT for Section 5310 programs are nine- or 14-passenger cutaways (with lift), minivan with ramp, 12-passenger van with no lift, and minivan with no ramp.

ADOT also procures most of the 5311 vehicles. All 5311 public transit use rolling stock procured using FTA funds are required to be ADA compliant. Support vehicles and supervisor vehicles are exempt from this requirement.

Equivalent Service

Providing wheelchair and other mobility device accessibility to local areas is a high priority. Applications for non-accessible vehicles will only be considered if that type of vehicle best meets the subrecipient's needs and applicants can assure adequate ADA-compliant equivalent service. A full discussion of vehicle accessibility and the provision of equivalent service are

provided in [ADOT's Coordinated Mobility Program](#). 5311 equivalent service must be established if all vehicles in use are not ADA accessible.

ADA Vehicle Maintenance Guidelines

During the course of a subrecipient's participation in the ADOT Section 5310 program, maintenance of a grant-funded vehicle(s) is a critical component of stewardship. The Section 5310 Grant Agreement, which must be agreed to and signed at the time of application, indicates that the signing party will abide by, or exceed, all manufacturers' recommendations related to vehicle servicing and other maintenance, including accessibility-related components and equipment. Vehicle maintenance requirements are detailed in [ADOT's Coordinated Mobility Program Grant Guidebook](#).

D. FACILITIES

When subrecipients construct or modify facilities, ADOT conducts site visits and meetings with contractors and grantees throughout design/construction to ensure compliance with ADA requirements.

E. SUBRECIPIENT OVERSIGHT

ADOT Civil Rights office reviews policies at the time of application. ADOT Transit reviews the training program during the site visit process and ensures that ADA training is provided.

Training provided to-date is collected as part of the application process. ADOT supports PASS training for all grantees through the RTAP program. Additional training is provided on an as-needed basis. All new drivers are required to complete PASS training and continuing drivers recertify every three years. Training classes are offered online and through a Train the Trainer program. ADOT encourages the use of National RTAP training modules including regular training of drivers using the "To the Point" materials.

Grantees submit training plans/curricula at the time of application. ADOT meets with grantees and encourages robust driver training above and beyond the minimum requirements. ADOT verifies training records/schedule at the time of the site visit.

Section 5310 vehicles are inspected by ADOT Equipment Services annually. Section 5311 vehicle and facility maintenance plans are submitted annually at the time of application. Vehicles and facilities are inspected at the time of triennial site visits. ADOT requires a written procedure regarding lift and ramp failures (and provision of alternate transportation) in subrecipients' maintenance plans at the time of the site visit.

Subrecipients submit their complementary paratransit plans to Transit staff whenever there are changes (at a minimum every three years) for review and to recertify their plans and new applicants submit with their application. ADOT reviews these eligibility determinations, service criteria, service capacity, origin-to-destination service, visitors' service, and no-show policies as part of these plans. Any deviated fixed-route service is also reviewed for compliance with FTA.

XV. Title VI

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin.

Specific citations for FTA provisions for subrecipients include:

- [Title VI of the 1964 Civil Rights Act, Section 601.](#)
- [FTA Circular 4702.1B, Title VI Program Guidelines for FTA Recipients.](#) outlines specific State and subrecipient requirements.

As a condition of receiving federal aid, the U.S. Department of Transportation implementing regulations (23 CFR 200) require A Title VI plan to prevent discrimination in the provision of benefits and services on federally funded transportation programs and activities. The Title VI Program is a system of policies and procedures designed to monitor agency compliance, address complaints, and eliminate discrimination when found to exist.

A. IMPLEMENTATION

ADOT has a FTA approved Title VI plan on file. This plan can be accessed via ADOT's website at <https://www.azdot.gov/business/civil-rights/title-vi-nondiscrimination-program/fta-subrecipient-programs>.

ADOT is required to ensure that all subrecipients receiving federal funds are in compliance with the above regulations. Subrecipients receiving funds or equipment from the Federal government through ADOT are required to submit a Title VI plan. ADOT has developed a Title VI template and reviews all Title VI plans. The following information must be submitted as part of each subrecipient's application and annually thereafter, as long as a federal interest remains in their equipment or program:

General Requirements (Chapter III) FTA Circular 4702.1B

All recipients must submit:

- Title VI Notice to the Public, including a list of locations where the notice is posted
- Title VI Complaint Procedures (i.e., instructions to the public regarding how to file a Title VI discrimination complaint)
- Title VI Complaint Form
- List of transit-related Title VI investigations, complaints, and lawsuits
- Public Participation Plan, including information about outreach methods to engage minority and limited English proficient populations (LEP), as well as a summary of outreach efforts made since the last Title VI Program submission
- Language Assistance Plan for providing language assistance to persons with limited English proficiency (LEP), based on the DOT LEP Guidance
- A table depicting the membership of non-elected committees and councils, the membership of which is selected by the recipient, broken down by race, and a

description of the process the agency uses to encourage the participation of minorities on such committees

- Primary recipients shall include a description of how the agency monitors its subrecipients for compliance with Title VI, and a schedule of subrecipient Title VI Program submissions
- A Title VI equity analysis if the recipient has constructed a facility, such as a vehicle storage facility, maintenance facility, operation center, etc.
- A copy of board meeting minutes, resolution, or other appropriate documentation showing the board of directors or appropriate governing entity or official(s) responsible for policy decisions reviewed and approved the Title VI Program. For State DOT's, the appropriate governing entity is the State's Secretary of Transportation or equivalent. The approval must occur prior to submission to FTA.
- Additional information as specified in chapters IV, V, and VI, depending on whether the recipient is a transit provider, a State, or a planning entity (see below)

Requirements of Transit Providers (Chapter IV)

All Fixed Route Transit Providers must submit:

- All requirements set out in Chapter III (General Requirements)
- Service standards
- Vehicle load for each mode
- Vehicle headway for each mode
- On time performance for each mode
- Service availability for each mode
- Service policies
- Transit Amenities for each mode
- Vehicle Assignment for each mode

Transit Providers that operate 50 or more fixed route vehicles in peak service and are located in an Urbanized Area (UZA) of 200,000 or more people must submit:

- Demographic and service profile maps and charts
- Demographic ridership and travel patterns, collected by surveys
- Results of their monitoring program and report, including evidence that the board or other governing entity or official(s) considered, was aware of the results, and approved the analysis
- A description of the public engagement process for setting the "major service change policy," disparate impact policy, and disproportionate burden policy
- Results of service and/or fare equity analyses conducted since the last Title VI Program submission, including evidence that the board or other governing entity or official(s) considered, was aware of, and approved the results of the analysis

Requirements of MPOs (Chapter VI)

Metropolitan Planning Organizations and other planning entities must submit:

- All requirements set out in Chapter III (General Requirements)
- The requirements set out in Chapter IV (Transit Provider) if the MPO is a provider of fixed route public transportation
- Demographic profile of the metropolitan area
- A description of the procedures by which the mobility needs of minority populations are identified and considered within the planning process
- Demographic maps that show the impacts of the distribution of State and Federal funds in the aggregate for public transportation projects
- Analysis of the MPO's transportation system investments that identifies and addresses any disparate impacts
- Description of the procedures the agency uses to ensure nondiscriminatory pass-through of FTA financial assistance (if requested)
- Description of the procedures the agency uses to provide assistance to potential subrecipients in a nondiscriminatory manner (if requested)

B. OUTREACH

ADOT's Civil Rights Office has conducted and submitted a four factor analysis for applicability to its programs and activities. ADOT's four factor analysis identified the continued provision of language translation services.

ADOT ensures that meaningful access to services, benefits, and information is provided to the public. Language translators are made available when requested. This process is consistent with the agency's approved Title VI program plan.

The agency posts "ADOT's Title VI Notice to the Public" poster at all public accessed buildings, offices, and public events. These notices are printed in English and Spanish.

Each subrecipient also has an approved LEP plan which is reviewed annually to address the needs of the LEP individuals in their communities. All subrecipients post their notices to the public in their vehicles, in their brochures, and online where applicable. They also have them posted in their facilities.

ADOT Section 5310 and 5311 programs hold application workshops throughout the State or as a webinar. Section 5311 applicants hold public hearings when required. Public notification is advertised on ADOT's website. ADOT coordinates with COGs and MPOs to provide advertisement of applications to eligible regional entities. In an effort to expand outreach notice, ADOT may use other outreach opportunities to broaden notice availability.

Technical advisory committees are encouraged to include representatives from minority and human service agencies. Representatives from human service agencies also sit on the coordinating councils. These councils help to determine the needs of the region and how the funds should be used most effectively in the region. These plans are used to set the transit awards (specifically Section 5310 applicants).

C. MONITORING

The State collects and maintains Title VI plans from subrecipients through E-Grants. The plans are uploaded and reviewed as part of the application cycle. Title VI plans are reviewed annually to ensure subrecipients are in compliance with Title VI. This is documented by the Civil Rights Office and in E-Grants. ADOT Civil Rights also attends site visits and reviews application and site visit materials.

Subrecipients submit signed FTA certifications and assurances, and Title VI Implementation plans. On years that subrecipients do not submit an application, ADOT requests that they self-certify compliance with the program and submit their complaint log and any changes to their program. Monitoring also includes MPOs / COGs.

ADOT Transit staff reviews the demographics of the applicants and the distribution of funds for Title VI and environmental justice prior to award of funds. Some of the areas considered include race, limited English proficiency, and income distribution as well as age. Staff then discusses whether there has been a disproportionate distribution to any population and whether the awards should be reconsidered in light of the distribution of funds considering Title VI analysis.

XVI. Equal Employment Opportunity

At this time those ADOT subrecipients that meet the threshold for submission of a formal Equal Employment Opportunity (EEO) Program are direct recipients of FTA funding and are reviewed by FTA. ADOT accepts the reviews of FTA by agreement with FTA, and reviews all other agencies at time of site visit to ensure compliance. ADOT program managers receive and review an agency's triennial update and its compliance plan. Emphasis on the review is to correct triennial finding updates. The compliance plan is approved or returned for further enhancement.

While EEO plans are not required for most subrecipients, ADOT does ensure that subrecipients have EEO policies and comply with EEO requirements. EEO requirements are also included in applications, contracts, and site visits. Subrecipients are required to have EEO language posted in their facilities and made available for all employees, as well as included in all job announcements.

As part of the Certifications and Assurances section of the application, each subrecipient agrees that it will not discriminate against any participant on the grounds of race, color, or national origin. The applicant also agrees to take affirmative action to ensure applicants and employees are treated without regard to their race, color, creed, gender, disability, age, or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. [FTA Circular 4704.1, Equal Employment Opportunity Program Guidelines for FTA Recipients](#), outlines FTA EEO objectives. Copies of this and other FTA circulars are available online or from the ADOT Multimodal Planning Division.

[Title I of the Americans with Disabilities Act](#) also contains specific provisions prohibiting employment discrimination on the basis of disability and requiring employers to make reasonable accommodations for persons with disabilities.

XVII. DFWA/Drug and Alcohol Program

A. DRUG-FREE WORKPLACE ACT POLICY

The federal Drug-Free Workplace Policy is part of the federal government's effort to eliminate the use of illegal and controlled substances from the workplace. The regulations affect all federal government agencies, their contractors and their direct grant recipients and/or subcontractors.

The Arizona Department of Transportation has adopted a Drug & Alcohol-Free Workplace Policy (PER-11.03 Drug and Alcohol-Free Workplace Policy). ADOT requires subrecipients who receive FTA funds to comply with the regulations contained in [49 CFR Part 40](#), procedures for transportation workplace drug testing programs and [49 CFR Part 655](#), Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations. All subrecipients are required to post the Drug-Free Workplace certification in a publicly visible location, and must conduct basic employee orientation regarding the use/abuse of drugs and alcohol in/affecting the workplace.

Safety sensitive functions are defined as those employees who operate revenue vehicles (whether or not in revenue service), operate a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver's License, control the movement or dispatch of the vehicles, and maintain vehicles (unless in the case of the Rural Public Transportation programs 5311, 5307 or 5309 in an area less than 200,000 in population and contracts out such services), security personnel who carry firearms, and supervisors who could perform any of the above responsibilities. ADOT additionally passes on its Drug-Free Workplace policy requirement to subrecipients. In the case of Section 5310, this functions as the subrecipient's primary compliance requirement.

B. Drug and Alcohol Program

ADOT requires all Section 5311 Program recipients to comply with FTA drug and alcohol program standards identified in ADOT guidelines. Program recipients must provide evidence of compliance and remain current in all required training. ADOT provides training, oversight, and compliance monitoring for all program components. Compliance monitoring is done on a biennial basis unless a subrecipient's prior audits warrant yearly follow-up. Management and Reasonable Suspicion Training are done on a triennial basis unless a subrecipient's staffing changes warrant more frequent training.

Policy

At a minimum, transportation operators and their subcontractors must adopt a policy which details the prohibited behaviors, testing requirements, identified sources of assistance for substance abuse problems, and the consequences for refusal to take tests and for positive drug and alcohol results. Policies are reviewed by ADOT consultants and are updated to ensure they are compliant with the latest guidelines and rules defined in 49 CFR Parts 40 and 655.

Employer and Supervisor Education

Transportation operators must have a training program for all employees in "safety sensitive" positions that are compliant with the regulation. Employees must be trained prior to assuming

their duties. The policy must include a community service “hotline” telephone number and the name of a person where employees can obtain assistance. In addition, supervisors who have the responsibility and authority to refer employees for testing under reasonable cause must receive additional training in manifestations and behavioral cues indicative of drug and alcohol use and abuse.

Substance Abuse Testing Program

Each subrecipient manages its own FTA drug and alcohol testing program. ADOT provides technical assistance by providing access to a consultant that specializes in FTA drug and alcohol compliance (Precision Compliance, Inc.). It is a requirement of the contract.

Section 5311 transportation operators must test employees who perform safety sensitive functions for the use of six prohibited drugs (marijuana, cocaine, opiates, phencyclidine/PCP, MDMA/ecstasy, and amphetamines / methamphetamines) as well as for alcohol.

There are potentially six conditions under which testing are mandatory:

- Pre-employment/pre-duty,
- Reasonable Suspicion/Reasonable Cause,
- Post-Accident,
- Random,
- Return-to-Duty, and
- Follow-up.

Return-to-Duty and Follow-Up testing are mandatory if an agency chooses to retain an employee who refuses to test or has a positive drug or alcohol test result.

ADOT, with the assistance of a consultant team, annually reviews the testing statistics from subrecipients by means of the MIS report and uses that document to determine the proper amount of testing is being accomplished. In addition, a site visit is conducted at each subrecipient agency annually to ensure the required testing is completed appropriately. Collection sites are also visited as part of the site visit, with each reviewed for compliance with 49 CFR Part 40. Current service vendor certifications are kept by the subrecipients.

Reporting Procedures

Transportation operators must certify compliance and submit reports to ADOT on an annual basis as per 49 CFR Part 40.

Substance Abuse Compliance Audits

Consistent with FTA’s oversight responsibilities, FTA has initiated a program of transit system audits to assess compliance with Drug and Alcohol Testing requirements (49 CFR [Part 653](#) and [Part 654](#)). A team of FTA experts performs these audits, which are comprehensive in nature, including a review of each agency’s policies, procedures, and record-keeping. ADOT will assist subrecipients in preparing for FTA drug and alcohol audits, if needed.