

# STATE MANAGEMENT PLAN



## DEPARTMENT OF TRANSPORTATION

### FEDERAL TRANSIT ADMINISTRATION PROGRAMS

Revision 4-Updated November 9, 2018

## **ACCESSIBLE FORMATS**

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# 1 Introduction

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The purpose of this State Management Plan (SMP) is to outline the State of Alabama’s procedures for the effective administration of the Federal Transit Administration (FTA) programs at 49 U.S.C. Sections (§), 5310 (Enhanced Mobility for Seniors and Individuals with Disabilities Program), 5311 (Formula Grants for Rural Areas Program), 5311 (b)(3) (Rural Transportation Assistance Program), and 5339 (Bus and Bus Facilities Program).

The SMP provides public information on the State’s administration of FTA programs and serves as the basic reference document used in FTA oversight. This document describes the State’s mission, goals, objectives, policies, and administrative guidelines. The SMP provides information to subrecipients regarding state and federal program requirements.

Even when not stated, “as amended” in the SMP when referring to Federal Transit Administration Circulars, Federal regulations or law, or Federal guidance, the most recent version of the document will apply. FTA guidance on the new transportation reauthorization, the Fixing America’s Surface Transportation (FAST) Act, signed into law on December 4, 2015, was still being released when this State Management Plan update was prepared. The FAST Act changes will require minor updates to the SMP as FTA provides further guidance.

This document amends the State Management Plan currently on file with the Federal Transit Administration. The State Management Plan is updated regularly as federal information and/or state processes in administering the federal transit grants are updated or amended. The SMP is submitted to FTA for approval in an electronic format. After FTA approves the SMP, copies of the final SMP document will be made available to transit agencies and stakeholders. The approved SMP shall also be posted as Final on the ALDOT website on the Transit Section page at: <https://www.dot.state.al.us/tpmpweb/mp/transit.html>.

Stakeholders may, in writing, comment on the proposed SMP, as well as at any given time on the Final FTA approved SMP.

Information about the Transit Section of the Local Transportation Bureau may be found by logging onto our website at <https://www.dot.state.al.us/tpmpweb/mp/transit.html> or by contacting the Alabama Department of Transportation (ALDOT) Local Transportation Bureau at:

Alabama Department of Transportation  
Local Transportation Bureau; Transit Section  
1409 Coliseum Boulevard  
Montgomery, AL 36110  
Phone: (334) 353-6400 / Fax: (334) 353-6451

## 2 Transit Program Goal and Objectives

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### GOAL

The Alabama Transit Program has the following goal:

To enhance the quality of life for Alabama’s citizens by providing passenger transportation service, where desirable and feasible, and to facilitate greater access to needed goods and services. Elements considered in assessing feasibility include funding availability, population density, minimum population, and significant demographic issues (the number of elderly persons and persons with disabilities, unemployment rate, personal income, and distance to services).

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### OBJECTIVES

The Alabama Transit Program has the following objectives:

- ◆ Continue and expand current public transportation services
- ◆ Develop county-wide/regional coordinated transportation systems
- ◆ Provide public transit services for the transportation disadvantaged
- ◆ Assist transit providers in meeting Federal and State mandates
- ◆ Develop funding for transit programs
- ◆ Integrate transit with other transportation modes including aviation, rail, ferry, and bicycle and pedestrian projects

# 3 State Management Plan: Summary of Updates

**\*\*\*This chapter is reserved for revisions to the FTA-approved State Management Plan.\*\*\***

State Management Plan: The State Management Plan dated June 23, 2016 was approved by FTA on July 7, 2016.

State Management Plan: Revision 4 (**November 9, 2018**)

Chapter	Chapter Title	Topic	Notes
Throughout Document		Local Transportation Bureau Transit Section	Updated address to "1409 Coliseum Boulevard, Montgomery, AL 36110".
Chapter 11	Asset Management	Vehicle Disposition Policy (Section 11.7)	Updated this Policy to allow transit providers to retain maximum allowable proceeds from vehicle sales as per current FTA guidance.

State Management Plan: Revision 3 (**July 11, 2018**)

Chapter	Chapter Title	Topic	Notes
Chapter 10	Procurement	Purchasing Thresholds (Section 10.7)	Updated Micro-Purchase Threshold to \$10,000 and Small Purchases (based on the Simplified Acquisition Threshold) to more than \$10,000 and less than \$250,000.

State Management Plan: Revision 2 (**January 16, 2018**)

Chapter	Chapter Title	Topic	Notes
Throughout Document		Bureau Name	Updated Transportation Planning and Modal Programs Bureau to Local Transportation Bureau
Throughout Document		Hyperlinks	Updated Hyperlinks to Current
Chapter 4	Program Information	Section 4.2. Long Range Planning	Updated SWTP and STIP information

State Management Plan: Revision 1 (**March 14, 2017**)

Chapter	Chapter Title	Topic	Notes
Throughout Document		New ALDOT Transit Web Links	Updated Hyperlinks to Current
Throughout Document		Section 5310 Subrecipients are Now Eligible for Section 5339 Funding	Revised pages referencing Section 5339 to show that Section 5310 subrecipients are now eligible for Section 5339 funding
Chapter 14	Project Reporting, Monitoring, and On-Site Reviews	Project Monitoring	Updated pages to reference specific checklists that are used

# 4 Program Information

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## 4.1 Roles and Responsibilities

### 4.1.1 Federal Transit Administration (FTA)

The FTA Headquarters Office is responsible for providing overall policy and program guidance, apportioning funds annually to the states, developing and implementing financial management procedures, initiating and managing program support activities, and conducting national program reviews and evaluations.

The FTA Regional offices have day-to-day responsibility for administration of public transit programs. Regional office activities include: reviewing and approving state grant applications; obligating funds; managing grants; overseeing the state's implementation of the annual programs, including revisions to the program of projects; receiving state certifications; reviewing and approving State Management Plans; providing technical assistance and advice to the states as needed; and performing state management reviews every three years, or as circumstances warrant. ALDOT falls under the FTA Region IV office located in Atlanta, Georgia.

### 4.1.2 Alabama Department of Transportation (ALDOT)

The Governor has designated the Alabama Department of Transportation (ALDOT) as the administrator of all FTA programs affecting rural and small urban areas.

There are several bureaus/divisions within ALDOT that provide support for the State transit program including, but limited to, the following: Director's Office, Accounting, Legal, Office Engineer, Research and Development, Motor Pool, Internal and External Audit, Computer Services, Data Processing, and Compliance and Business Opportunities Bureau.

ALDOT's Transit Section of the Local Transportation Bureau has primary responsibility for the following:

- Developing and implementing public transportation programs throughout the state
- Ensuring adherence to federal program guidelines by all subrecipients through periodic monitoring and oversight
- Notifying eligible and/or potential locally eligible entities of the availability of funding
- Developing project selection criteria

- Soliciting applications
- Conducting the competitive selection process
- Ensuring fair and equitable distribution of program funds throughout the State
- Reviewing and selecting projects for approval
- Forwarding the annual program of projects and grant applications to FTA
- Certifying eligibility of applicants and project activities
- Certifying that the projects selected were derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that includes representatives of public, private, non-profit, and human services transportation providers that encourages participation by the general public
- Ensuring the maximum feasible coordination of transit resources
- Ensuring a process whereby private and public transit operators are provided an opportunity to participate to the maximum extent feasible
- Providing technical assistance to rural and small urban area transit operators
- Monitoring local project activity
- Overseeing project audits and closeouts
- Directly administering special projects
- Filing federal reports
- Expending funds for the support of intercity bus transportation to the extent required by law
- Documenting the State's procedures in a State Management Plan

ALDOT shares a partnership role with local governments and their representatives committed to operating public transportation programs. As administrator of FTA funds, ALDOT assumes responsibility for the organization and management of these programs. ALDOT functions as a conduit for funds and financial programming. ALDOT also responds to information requests by the Federal funding agency (FTA) and to the State Legislature.

#### **4.1.3**     [Applicants](#)

Applicants must be willing to adhere to federal and state requirements and provide the necessary documents to meet FTA reporting requirements upon request by the State.



Applicants must ensure that proposed projects are derived from a regionally developed coordinated public transit-human service transportation plan for the Section 5310 funds. A local public or nonprofit agency may elect to operate the system by contract with a third party operator (TPO). Under a TPO, the local agency has full contract responsibility and fiscal accountability. The public agency is accountable for all financial matters and for compliance with Federal and State program requirements. These requirements are outlined in the following documents (as updated or amended):

- FTA Circular 9030.1 (series), Urbanized Area Formula Program
- FTA Circular 9040.1 (series), Formula Grants for Rural Areas
- FTA Circular 9070.1 (series), Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program
- FTA Circular 4220.1 (series), Third Party Contracting Guidance
- FTA Circular 5010.1 (series), Grant Management Requirements
- FTA Circular 4710.1, Americans with Disabilities Act
- Annual Federal Certifications and Assurances
- ALDOT Terms and Conditions
- Request for Payment Instruction Handbook
- Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Super Circular)

#### **4.1.4**     Consultation of Local Officials

The rural planning process in Alabama allows for direct participation and involvement of non-metropolitan local officials through the Councils of Governments (COGs) in developing regional transportation plans and priorities. This process is separate and discrete from the public involvement process.

Each COG is charged with maintaining a regional transportation advisory committee with representatives from local government, elected officials, transportation providers, and special interest groups. The transportation advisory committee plays an important role in identifying, analyzing, and prioritizing transportation needs and goals for the region. As a result of the transportation advisory committees, COG boards and local governments/elected officials are directly consulted and given an opportunity to identify transportation needs. The transportation advisory committees are encouraged to meet at least bi-annually or as needed to review project status, evaluate proposed modifications to

the TIP/STIP, update long-range plan and funding priorities, comment on rural functional classification changes, receive input on the rural work programs, and coordinate special studies.

#### **4.1.5** Councils of Governments (COGs)

Rural communities that are not a part of the urbanized areas of MPOs are included in the Councils of Governments (COGs). COGs provide a planning process, reviewed periodically by ALDOT, to ensure that federal and state regulations and guidelines for transportation planning in rural areas are met. Among their many duties, each COG is responsible for providing a public forum and serving as an advisory board to review funding applications from local agencies within their region and prioritizing projects for ALDOT review and concurrence. Projects approved by ALDOT are included in the State Transportation Improvement Plan (STIP) as applicable.

Information about the Councils of Governments may be found by logging on the website of the Alabama Association of Regional Councils at <http://www.alarc.org>. The contact information for all of the Councils of Governments in Alabama is shown in Table 1.

**Table 1**  
**Alabama Association of Regional Councils (AARC)**

<http://www.alarc.org>

<p><b>Region 1: NACOLG</b> Northwest Alabama Council of Local Governments P. O. Box 2603 Muscle Shoals, AL 35662 (256) 389-0500 <a href="http://www.nacolg.org/">http://www.nacolg.org/</a> Counties: Colbert, Franklin, Lauderdale, Marion, and Winston</p>	<p><b>Region 2: WARC</b> West Alabama Regional Commission 4200 Highway 69 North, Suite 1 P.O. Box 509 Northport, AL 35476 (205) 333-2990 <a href="http://warc.info/">http://warc.info/</a> Counties: Bibb, Fayette, Greene, Hale, Lamar, Pickens, and Tuscaloosa</p>
<p><b>Region 3: RPCGB</b> Regional Planning Commission of Greater Birmingham Two North Twentieth 2 Twentieth Street N., Suite 1200 Birmingham, AL 35203 (205) 251-8139 <a href="http://www.rpcgb.org/">http://www.rpcgb.org/</a> Counties: Blount, Chilton, Jefferson, Shelby, St. Clair, and Walker</p>	<p><b>Region 4: EARPDC</b> East Alabama Regional Planning and Development Commission P.O. Box 2186 Anniston, AL 36202 (256) 237-6741 <a href="http://www.earpdc.org/">http://www.earpdc.org/</a> Counties: Calhoun, Chambers, Cherokee, Clay, Cleburne, Tallapoosa, Coosa, Etowah, Randolph, and Talladega</p>

<p><b>Region 5: SCADC</b>  South Central Alabama Development Commission  5900 Carmichael Place  Montgomery, AL 36117  (334) 244-6903  <a href="http://scadc.net/">http://scadc.net/</a>  Counties: Bullock, Butler, Crenshaw, Lowndes, Macon, and Pike</p>	<p><b>Region 6: ATRC</b>  Alabama-Tombigbee Regional Commission  107 Broad Street  Camden, AL 36726  (334) 682-4234  <a href="http://www.atrcregion6.com/">http://www.atrcregion6.com/</a>  Counties: Choctaw, Clarke, Conecuh, Dallas, Marengo, Monroe, Perry, Sumter, Washington, and Wilcox</p>
<p><b>Region 7: SEARP&amp;DC</b>  Southeast Alabama Regional Planning and Development Commission  P. O. Box 1406  Dothan, AL 36302  (334) 794-4093  <a href="http://www.searpc.org/">http://www.searpc.org/</a>  Counties: Barbour, Coffee, Covington, Dale, Geneva, Henry, and Houston</p>	<p><b>Region 8: SARPC</b>  South Alabama Regional Planning Commission  P. O. Box 1665  Mobile, AL 36633  (251) 433-6541  <a href="http://sarpc.org/">http://sarpc.org/</a>  Counties: Mobile, Baldwin, and Escambia</p>
<p><b>Region 9: CARPDC</b>  Central Alabama Regional Planning and Development Commission  430 South Court Street  Montgomery, AL 36104  (334) 262-4300  <a href="http://carpdc.com/">http://carpdc.com/</a>  Counties: Autauga, Elmore, and Montgomery</p>	<p><b>Region 10: LRCOG</b>  Lee-Russell Council of Governments  2207 Gateway Drive  Opelika, AL 36801  (334) 749-5264  <a href="http://www.lrcog.com/">http://www.lrcog.com/</a>  Counties: Lee and Russell</p>
<p><b>Region 11: NARCOC</b>  North-Central Alabama Regional Council of Governments  P. O. Box C  Decatur, AL 35602  (256) 355-4515  <a href="http://www.narcog.org/">http://www.narcog.org/</a>  Counties: Cullman, Lawrence, and Morgan</p>	<p><b>Region 12: TARGOG</b>  Top of Alabama Regional Council of Governments  5075 Research Drive NW  Huntsville, AL 35805  (256) 830-0818  <a href="http://tarcog.us/">http://tarcog.us/</a>  Counties: DeKalb, Jackson, Limestone, Madison, and Marshall</p>

#### 4.1.6 Metropolitan Planning Organizations (MPOs)

United States Code 134, Title 23, requires that a Metropolitan Planning Organization (MPO) be designated in urbanized areas with a population of 50,000 or more persons.

The Metropolitan Planning Organization (MPO) is a transportation policy-making organization made up of urbanized area representatives from local governments and governmental transportation authorities. MPOs were created to ensure that

existing and future expenditures for transportation projects and programs were based on a comprehensive, cooperative, and continuing (3-C) planning process. The MPO's 3-C transportation planning process results in plans, programs, and projects that consider all transportation modes and support metropolitan, community, economic development, and social goals.

MPOs establish a local forum for transportation decision making; evaluate transportation alternatives; develop and update a long-range transportation plan; develop a short-range Transportation Improvement Program (TIP); and develop a one-year plan called a Unified Planning Work Program (UPWP).

One important priority is to get the public involved in the transportation process. To accomplish this, MPOs do special outreach and notification to low-income and minority populations.

Each MPO develops an areawide Transportation Improvement Program (TIP), a short-term planning document which identifies and describes local highway, public transportation, bicycle and pedestrian, and other modal projects. The TIP projects are then incorporated into the State Transportation Improvement Program (STIP).

Projects proposed within the MPO's current planning/study area boundaries, which may include areas expected to become urbanized within 20 years, must also be included in the MPO's TIP.

ALDOT staff coordinates with the MPOs during project development. Each MPO provides the necessary technical review of the proposed projects before final approval by ALDOT.

Individual TIPs are available for each Metropolitan Planning Organization and can be accessed at the following link:

<http://cpmsapps.dot.state.al.us/OfficeEngineer/Home/MpoListing>

There are 12 Metropolitan Planning Organizations (MPOs) in Alabama plus one from Georgia handling the Columbus, GA- Phenix City, AL area and one from Florida handling the Pensacola, FL-Lillian, AL area. Contact information for each MPO is provided in Table 2 (on the next two pages).

**Table 2**

**Metropolitan Planning Organizations (MPOs)**

<http://cpmsapps.dot.state.al.us/OfficeEngineer/Home/MpoListing>

<p><b>Auburn-Opelika MPO</b> Lee-Russell Council of Governments 2207 Gateway Drive Opelika, AL 36801 (334) 749-5264 <a href="http://www.lrcog.com/">http://www.lrcog.com/</a></p>	<p><b>Birmingham MPO</b> Regional Planning Commission of Greater Birmingham 2 Twentieth Street N., Suite 1200 Birmingham, AL 35203 (205) 251-8139 <a href="http://www.rpcgb.org/">http://www.rpcgb.org/</a></p>
<p><b>Calhoun MPO (Anniston)</b> East Alabama Regional Planning and Development Commission P.O. Box 2186 Anniston, AL 36202 (256) 237-6741 <a href="http://www.earpdc.org/">http://www.earpdc.org/</a></p>	<p><b>Columbus-Phenix City MPO (GDOT jurisdiction)</b> Government Annex Building, 2nd Floor 420 10th Street Columbus, Georgia 31902 (706) 653-4421 <a href="https://www.columbusga.org/Planning/">https://www.columbusga.org/Planning/</a></p>
<p><b>Decatur MPO</b> City of Decatur / Decatur Area MPO P.O. Box 488 Decatur, AL 35602 (256) 341-4716 <a href="https://www.decaturalabamausa.com/departments/metropolitan-planning-organization/">https://www.decaturalabamausa.com/departments/metropolitan-planning-organization/</a></p>	<p><b>Dothan MPO</b> City of Dothan P.O. Box 2128 Dothan, AL 36302 (334) 615-4414 <a href="http://www.dothan.org/index.aspx?nid=267">http://www.dothan.org/index.aspx?nid=267</a></p>
<p><b>Eastern Shore MPO</b> Baldwin County Satellite Courthouse 1100 Fairhope Ave Fairhope, AL 36532 (251) 990-4640 <a href="http://easternshorempo.org/">http://easternshorempo.org/</a></p>	<p><b>Gadsden/Etowah MPO</b> City of Gadsden 1689 Chestnut Street Gadsden, AL 35901 (256) 549-4519 <a href="http://www.gadsdenmpo.com/">http://www.gadsdenmpo.com/</a></p>
<p><b>Florida-Alabama TPO (FDOT jurisdiction)</b> West Florida Regional Planning Council P. O. Box 11399 Pensacola, FL 32524 <a href="http://www.wfrpc.org/programs/fl-al-tpo">http://www.wfrpc.org/programs/fl-al-tpo</a></p>	<p><b>Huntsville MPO</b> City of Huntsville Planning Department ATTN: Huntsville Area Transportation Study P. O. Box 308 Huntsville, AL 35804 (256) 427-5100 <a href="http://www.huntsvillempo.org/">http://www.huntsvillempo.org/</a></p>

<p><b>Mobile MPO</b>  South Alabama Regional Planning Commission  P. O. Box 1665  Mobile, AL 36633  (251) 433-6541  <a href="https://mobilempo.org/">https://mobilempo.org/</a></p>	<p><b>Montgomery MPO</b>  City of Montgomery  Department of Planning  25 Washington Avenue  Montgomery, AL 36104  (334) 625-2712  <a href="http://montgomerympo.org/">http://montgomerympo.org/</a></p>
<p><b>Shoals MPO</b>  Northwest Alabama Council of Local Governments  P. O. Box 2603  Muscle Shoals, AL 35662  (256) 389-0500  <a href="http://www.nacolg.org/planning-transportation/transportation-planning/">http://www.nacolg.org/planning-transportation/transportation-planning/</a></p>	<p><b>Tuscaloosa MPO</b>  West Alabama Regional Commission  4200 Highway 69 North, Suite 1  P.O. Box 509  Northport, AL 35476  (205) 333-2990  <a href="http://warc.info/transportation-planning/tuscaloosa-area-mpo/">http://warc.info/transportation-planning/tuscaloosa-area-mpo/</a></p>
<p><i>(Note: Website links accurate as of 1/10/2018)</i></p>	

## 4.2 Long Range Planning

### 4.2.1 Statewide Transportation Plan (SWTP)

The Alabama Statewide Transportation Plan (SWTP) presents a long range multimodal assessment of the state’s transportation program. Long range transportation plans have been part of the Alabama Department of Transportation’s process for many years. Federal regulations guide development of the SWTP and require that it address transportation needs for a minimum of 20 years into the future.

The SWTP addresses all modes of transportation for which ALDOT has direct responsibility or participates cooperatively to support other local and state government agencies (including transit, road and bridge projects, bicycle and pedestrian systems, freight transportation systems, and aviation).

The SWTP is coordinated with urban and rural areas of the state, and conforms to federal regulatory requirements.

Transportation planning supports the economic vitality of the state by increasing available options and enhancing the integration and connectivity of the transportation system, across and between modes, for people and freight. Transportation planning is more than merely listing highway and transit capital investments. It requires developing strategies for operating, managing, maintaining, and financing the area's transportation system to advance the area's long-term goals. An efficient transportation system can improve the

economy, shape development patterns, and influence quality of life and the natural environment. The Alabama Department of Transportation (ALDOT) Local Transportation Bureau provides direct support to state, regional, and local agencies in transportation planning. The transportation planning process is a cooperative effort between ALDOT, Metropolitan Planning Organizations (MPOs), Councils of Governments (COGs), elected officials, and transit providers.

The present Alabama Statewide Transportation Plan Update (SWTP) presents long range multimodal assessments to the plan horizon year of 2040. The Plan's base year was 2010. The Final Report for the SWTP was prepared and disseminated under contract to the ALDOT Bureau of Office Engineer in July 2017 as part of a federal requirement and can be found at: [https://www.dot.state.al.us/tpmpweb/mp/pdf/FINAL\\_SWTP\\_FinalReport\\_7-24-17\\_rev.pdf](https://www.dot.state.al.us/tpmpweb/mp/pdf/FINAL_SWTP_FinalReport_7-24-17_rev.pdf)

#### **4.2.2**     Statewide Transportation Improvement Plan (STIP)

ALDOT develops a Statewide Transportation Improvement Program covering all areas of the State. The STIP is a comprehensive report listing the various types of projects in which work activity is planned within the next five years. The report details the funding of each project and the work phase for each project in the appropriate year. Projects may be listed as project level information, more aggregated program level information, statewide level of effort, or metropolitan area projects.

The STIP is a product of the transportation planning process. The local MPO provides the Transportation Improvement Program (TIP) component of the STIP, which includes local public transportation projects. The final product becomes a project scheduling and funding document. The STIP projects are identified through various transportation management systems and planning processes involving Metropolitan Planning Organizations (MPOs), Councils of Governments (COGs), other state and transportation agencies, and the public. ALDOT allocates resources to those projects assigned the highest priority through these planning and programming processes.

The STIP public transportation projects are based on appropriated or estimated FTA program funding allocations. Programs include FTA Formula Programs such as: Enhanced Mobility for Seniors and Individuals with Disabilities Program (49 USC 5310), Formula Grants for Rural Areas Program (49 USC 5311), Rural Transportation Assistance Program, (49 USC 5311(b)(3)), Statewide Administration (49 USC 5310 and 5311), State Planning and Research (49 USC 5304), Metropolitan Planning (49 USC 5303), Urbanized Area Formula Program (49 USC 5307), and various Discretionary Funding Programs as announced by FTA.

The present STIP comprises the fiscal years 2017-2021. It was produced and printed by the ALDOT Bureau of Office Engineer as part of a federal requirement and can be found at: <http://cpmsapps.dot.state.al.us/OfficeEngineer/Plan/StipMain>.



# 5 Overview of Transit Programs

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## 5.1 Section 5307: Urbanized Area Formula Grants

This program makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance in urbanized areas and for transportation planning. An urbanized area (UZA) is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

Eligible purposes include financing capital and planning projects, job access and reverse commute projects, associated transit improvements, and certain operating costs, as described in **FTA C 9030.1 (series), Urbanized Area Formula Program**.

For urbanized areas with a population of 200,000 or more, “large urban”, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the Governor of each state for distribution. “Small urban” areas are defined as UZAs having a population of at least 50,000 but less than 200,000.

## 5.2 Section 5310: Enhanced Mobility of Seniors and Individuals with Disabilities Program

The 5310 program is intended to assist private or designated public nonprofit agencies in meeting the transportation needs of older adults and people with disabilities. The Public Transit Section, through the Section 5310 program, provides funds to nonprofit entities, public bodies/governmental authorities approved by the state to coordinate transportation services for older adults and people with disabilities, or public bodies/governmental authorities which certify to the Governor that no nonprofit entity or association is readily available in an area to provide the service.

The goal of the Section 5310 program is to improve mobility for older adults and people with disabilities throughout the state and to enhance coordination of federally assisted programs and services in order to encourage the most efficient use of federal resources and achieve the national goal of improved mobility of older adults and people with disabilities. In Alabama both private and public nonprofit agencies are required to coordinate transportation services with agencies that provide transportation services to the general public.

The Section 5310 program was a competitive selection process under the SAFETEA-LU legislation, but ALDOT has the discretion to select projects under the FAST Act and MAP-21 legislation non-competitively. All projects funded with Section 5310 must be derived from a locally developed coordinated public transit-human services transportation plan. Funds are awarded for eligible projects statewide.

ALDOT is the designated recipient of Section 5310 funds for the Huntsville Urbanized Area, although the Huntsville Urbanized Area is considered a large urbanized area. A separate grant application was developed and submitted exclusively for this area to ensure that its 5310 funds are expended on projects only in the Huntsville Urbanized Area. This is the only large urbanized area for which ALDOT administers Section 5310 funds.

Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) merged New Freedom activities (formerly Section 5317: New Freedom Initiative) with the Section 5310 Program. The consolidated program aims to continue support for non-profit providers of transportation, and it will continue to make available funds for public transportation services that exceed the requirements of the Americans with Disabilities Act, as previously provided under the New Freedom program. ALDOT will continue to sub-allocate unexpended New Freedom funds authorized under SAFETEA-LU for eligible projects until they are exhausted.

### 5.3 Section 5311: Non-Urbanized (Rural) Area Program

The 5311 program is intended to provide financial assistance for the support of public transportation services in areas outside of an urbanized area of less than 50,000 in population.

The 5311 funds can be used to support transit planning activities, transit operations, and the purchase of capital equipment or facilities to aid in the provision of transit services in rural and small urban areas. The 5311 funds are also used for program administration and state-level administration. Federal regulation requires that a specified percentage of these funds be reserved each year to support an Intercity Bus Program, unless the Governor of a state certifies that intercity bus needs in the state are being met.

Through the Section 5311 Program, the ALDOT Local Transportation Bureau provides capital, planning, operating, and administrative assistance to public transportation projects in nonurbanized (rural) areas. The program goals are designed to:

- Assist in meeting the transportation needs of transit-dependent people by enhancing access to health care, shopping, education, employment, public services, and recreation
- Assist in the maintenance, development, improvement and use of public transportation systems
- Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in rural areas through the coordination of programs and services
- Assist in the development and support of intercity bus transportation
- Provide for the participation of private transportation providers in rural transportation to the maximum extent feasible

#### 5.4 Section 5311(b)(3): Rural Transportation Assistance Program (RTAP)

Section 5311(b) (3) authorizes the Secretary of Transportation “to make grants and contracts for transportation research, technical assistance, and training and related support services in non-urbanized areas.” This program is commonly known as the “Rural Transit Assistance Program”. The Rural Transit Assistance Program (RTAP) provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the specific needs of transit operators in rural areas. RTAP has both state and national program components.

The State program provides an annual allocation to each state for development and implementation of training and technical assistance programs in conjunction with the State’s administration of the Section 5311 formula assistance program. The national program provides for the development of information and materials for use by local operators and state-level administrators and supports research and technical assistance projects of national interest.

The objectives of RTAP are:

- To promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources
- To foster the development of state and local capacity by addressing the training and technical assistance needs of the rural/small urban transportation community

- To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials
- To facilitate peer-to-peer self-help through the development of local networks of transit professionals

Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help. This program is 100% federally funded.

## 5.5 Section 5311(c): Public Transportation on Indian Reservations

Title 49 U.S.C. 5311(c) authorizes the Public Transportation on Indian Reservations (Tribal Transit) Program, which allocates funds by both statutory formula and through a competitive discretionary program. FTA consulted with Tribal recipients and stakeholders to implement these program requirements. FTA apportions the available formula funds for grants to Indian tribes for purposes eligible under Section 5311, including capital, operating, planning, job access and reverse commute projects, and administrative costs. For the discretionary allocations, specific project eligibility will be announced in the Notice of Funding Availability (NOFA) that solicits proposals.

States will continue to have a responsibility to include Indian tribes in the announcement of Section 5311 funds apportioned to the State. The Poarch Band of Creek Indians of Alabama (formerly the Creek Nation East of the Mississippi) is the only Federally-recognized Indian tribe in Alabama.

## 5.6 ADTAP Section 5311(c) (2): Appalachian Development Public Transportation Assistance Formula Program

Section 5311(c) (2) authorizes and provides funding for a new Appalachian Development Public Transportation Assistance Program (ADTAP). This program is funded through a takedown under the Section 5311 program to provide additional funding to states in the Appalachian region of the United States. The Appalachian Development Public Transportation Assistance Program (ADTAP) enhances existing transportation service and creates new services in order to decrease isolation within the region.

The formula is established based on Section 9.5(b) of the Appalachian Regional Commission Code (subtitle 40). Funds may be used for public transportation activities consistent with the

formula grants for rural areas program. Thirty-seven (37) of Alabama's 67 counties are eligible for ADTAP funds. Counties within Alabama that are eligible for ADTAP program funds include: Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

States that are eligible for ADTAP may use amounts that cannot be used for operating expenses for a highway project if the governor approves the use in writing after appropriate notice and an opportunity for comment and appeal are provided to affected public transportation providers (and the governor has determined that the local transit needs are being addressed). FTA must also review the request for fund transfer. Given the large number of Appalachian counties in Alabama, ADTAP funds will be used for public transportation.

## 5.7 Section 5311(f): Intercity Bus

The national objectives of the Intercity Bus program (Section 5311(f)) are:

- To support connections between non-urbanized areas and the larger regional or national system of intercity bus service
- To support services to meet the intercity travel needs of non-urban residents
- To support the infrastructure of intercity bus network through planning and marketing assistance and capital investment in facilities

Section 5311(f) requires each state to spend 15 percent of its annual Section 5311 apportionment "to carry out a program to develop and support intercity bus transportation," unless the Governor certifies that "the intercity bus service needs of the state are being met adequately." Additionally, Section 5311(f) requires a State to consult with intercity bus providers before the Governor makes this certification. The requirement to spend at least 15 percent applies only to the amount of FTA's annual apportionment of Section 5311 funds to the State; it does not apply to any funds that ALDOT subsequently transfers to its Section 5311 program from another program.

Section 5311 (f) funds can be used for "planning and marketing of intercity bus transportation; capital grants for intercity bus shelters; intermodal facilities; operating grants through purchase transportation agreements; user-side subsidies; demonstration projects; and coordination of rural connections between small transit operations and intercity bus carriers."

Federal regulations provide that “coordination of rural connections between small transit operations and intercity bus carriers” may include providing a service that acts as a feeder to intercity bus service. The feeder service can be either fixed route or demand responsive service. Eligible costs can include weekends and extended hours of service in order to connect with scheduled intercity service.

The statutory provision for certification by the Governor implies a statewide assessment of intercity bus service currently available and of any existing needs. In 2007, ALDOT entered into an agreement with the University of Alabama’s University Transportation Center for Alabama (UTCA) to conduct a study to evaluate the intercity bus industry in Alabama so that recommendations concerning “Governor’s certification” of Section 5311 (f) rural transit funds could be made. The results of the (UTCA) study (completed in 2009) were that the intercity bus needs in the state of Alabama were not being adequately met.

As a result of the 2007 study, ALDOT began appropriating 15% of the Section 5311 funds for 5311 (f) activities. A follow-up study conducted by UTCA, the Alabama Intercity Bus Service Study 2014, documented the importance of continued 5311(f) funding for intercity bus services in Alabama. An electronic copy of the Alabama Intercity Bus Service Study 2014 is available via the link:

<https://www.dot.state.al.us/tpmpweb/mp/IntercityBus.html>

## 5.8 Section 5316:

### Job Access and Reverse Commute Program

The Job Access and Reverse Commute (JARC) Program has been consolidated into the Rural Formula Program (Section 5311) and the Urbanized Area Formula Program (Section 5307). As a result of the passage of MAP-21, activities formerly listed as eligible under the JARC Program will now be listed in the expanded list of eligible activities under Sections 5311 and 5307. ALDOT will continue to suballocate unexpended JARC funds authorized under SAFETEA-LU for eligible projects until they are exhausted.

## 5.9 Section 5317: New Freedom Program

The New Freedom Program has been consolidated into the Enhanced Mobility for Seniors and Individuals with Disabilities Formula Program (Section 5310) as a result of the passage of MAP-21. The consolidated program aims to continue support for non-profit providers of transportation, and it will continue to make available funds for public transportation services that exceed the requirements of the Americans with Disabilities Act, as previously provided under the New Freedom program. ALDOT will continue to suballocate unexpended New Freedom funds authorized under SAFETEA-LU for eligible projects until they are exhausted.

## 5.10 Section 5339: Bus and Bus Facilities Grant Program

This Capital Investment Program, formerly known as the Section 5309 Discretionary Grant Program, has been replaced by the Bus and Bus Facilities Program and is now authorized under the provisions set forth in Fixing America's Surface Transportation Act (FAST Act), signed into law by President Obama on December 4, 2015. The FAST Act also sets forth a new program, the Bus and Bus Facilities Discretionary Grants (5339(b)). Additional details on the FAST Act's changes to Section 5339 are expected to be released in the coming months.

Guidance for the Section 5339 program can be found under **FTA Circular 5100.1**. The Secretary of Transportation (DOT) may make grants to assist states and local governmental authorities in financing capital projects such as bus and bus facilities, fixed guideway modernization, new fixed guideway systems, and development of corridors to support new fixed guideway systems.

The goal of the Section 5339 program is to provide funds to invest in capital equipment and facilities to allow for efficient and improved public transportation services. For bus and bus related facilities, the program provides for extraordinary capital needs that require resources in excess of funds supplied by formula funding or to advance important special emphasis initiatives. For all program-funded projects, FTA expects recipient agencies to maintain sufficient funding resources to ensure the recapitalization and operation of the overall transit system.

*Note: Section 5339 program funds are available to 5310 subrecipients, 5311 subrecipients, and operators of small urban transit systems (Section 5307).*

## 5.11 Coordination Planning

FAST Act, like previous authorizations MAP-21 and SAFETEA-LU, requires projects under Section 5310 to be derived from a locally developed, coordinated public transit-human services transportation plan for all FTA programs for underserved populations which includes the Enhanced Mobility for Seniors and Individuals with Disabilities (Section 5310) Program. The provisions of SAFETEA-LU and MAP-21 aim to improve transportation services for persons with disabilities, older Americans, and individuals with lower incomes. The provisions ensure that communities coordinate transportation resources provided through multiple Federal programs.

In urbanized areas with populations of less than 200,000 and in rural areas, the State is the designated recipient for receipt and administration of funding under the Section 5310 program. For these areas, the Governor has designated the Alabama Department of

Transportation (ALDOT) to be responsible for administering the program, and has officially notified FTA's Region 4 office in writing of this designation. In urbanized areas of 200,000 and more in population (except for the City of Huntsville), the Governor, in conjunction with responsible local officials, designates the recipient. Large urbanized areas of 200,000 and more in population include Birmingham, Huntsville, Lillian, AL / Pensacola, FL, Mobile, Montgomery, and Phenix City, AL / Columbus, GA. ALDOT is the designated recipient of Section 5310 funds for the Huntsville Urbanized Area. Through a regional coordinated planning effort (discussed in **Chapter 8** of this plan), ALDOT has implemented a uniform application and selection process for the Section 5310 program.

The Alabama Department of Transportation (ALDOT) considers coordination to be the most important element in the success of programs funded through FTA Sections 5310, 5311, and 5339. One element of State-level coordination involves the annual development and distribution of Section 5310, 5311, and 5339 grant information. ALDOT accomplishes this task primarily with the assistance of the state's Metropolitan Planning Organizations (MPOs) and Councils of Governments (COGs).

The application competitive selection process is separate from, but coordinated with, the planning process. As the lead agency for the coordination of public transportation, ALDOT supports and encourages coordination among public transportation organizations, non-profit transportation providers, and public organizations that need transportation in order for clients to access jobs, services, and education. Subrecipients must demonstrate coordination efforts in their grant applications. Coordinated transportation increases efficiency and effectiveness of the services being provided.

Improving transportation coordination is important in Alabama communities because limited resources and a growing transportation demand exist simultaneously. ALDOT staff will continue to work with various entities in communities around the State to research and develop unique and practical ways to coordinate transportation resources to meet the needs of residents.

## 5.12 State and Local Roles in Program Administration

It is the goal of ALDOT, through its Transit Section, to maximize the benefits received through the Section 5310 and 5311 programs by facilitating mobility to business, commercial, educational, and other activities in support of local economic progress and development. To this end, the Transit Section has integrated the administration of these programs as much as possible to streamline its oversight functions, while remaining committed to the separate goals established for each program by Congress.



ALDOT shares a partnership role with local governments (or their representatives) committed to operating rural public transportation programs. As administrator of the funds, ALDOT assumes responsibility for the management of these programs. In this capacity, ALDOT functions as a conduit for funds and financial programming. ALDOT develops criteria for application approval, notifies eligible local recipients of the availability of program funds, reviews and selects applicants for funding, ensures compliance with federal requirements, and monitors project activity.

## 5.13 Goals and Objectives

### 5.13.1 Alabama Vision Statement for Transit

Public transit, connecting people and places through multiple-passenger, land or water-based means, will contribute to the state's continued economic growth through a dedicated and sound investment approach as a viable mobility option accessible to all Alabama residents and visitors.

#### 5.13.1.1 Economic growth

- Recognize and promote public transit as a key component of economic development initiatives, such as linking workers to jobs, supporting tourism, and accommodating the growth of Alabama as a retirement destination through public / private partnership.
- Enhance the image of public transit through a comprehensive and continuing marketing / education program that illustrates the benefits of quality transit services

#### 5.13.1.2 Sound investment approach

- Ensure stewardship of public transit investments through a defined oversight program
- Make public transit reasonable and affordable by encouraging more local investment and promoting coordinated land use / transportation planning at the local level
- Utilize an incremental approach to new public transit investments that recognizes funding constraints and the need to maintain existing services

#### 5.13.1.3 Viability of transit

- Provide quality, affordable public transit services using safe, clean, comfortable, reliable, and well-maintained vehicles
- Increase statewide public transit ridership

- Utilize different modes of public transit including bus, rail, vanpool, carpool, ferry, and other appropriate technologies, corresponding to the level of demand

#### 5.13.1.4 Accessibility

- Provide an appropriate level of public transit that supports intermodal connectivity in all counties
- Develop and implement a coordinated interagency human services transportation delivery network

### 5.13.2 Alabama Public Transit Objectives by Program

#### 5.13.2.1 Section 5310: Enhanced Mobility of Seniors and Individuals with Disabilities

- Ensure that older adults and people with disabilities have the same rights as all people to utilize transportation facilities and services
- Make special efforts in the planning and design of transportation facilities and services to assure older adults and people with disabilities the availability of transportation services which they can effectively utilize
- Continue to provide for the special needs of older adults and people with disabilities for which general public transportation services are unavailable, insufficient, or inappropriate

#### 5.13.2.2 Section 5311: Rural Area Formula Program

- Enhance access of people in non-urbanized areas to health care, shopping, education, employment, public services and recreation.
- Assist in the maintenance, development, improvement, and use of public transportation systems in rural areas
- Encourage and facilitate the coordination of programs and services to ensure the most efficient use of all transportation funds for passenger transportation in rural areas
- Provide financial assistance to help carry out national goals related to mobility for all, including seniors, individuals with disabilities, and low-income individuals
- Increase availability of transportation options through investments in intercity bus services
- Assist in the development and support of intercity bus transportation

- Encourage mobility management, employment-related transportation alternatives, joint development practices, and transit-oriented development
- Provide for the participation of private transportation providers in rural public transportation

#### 5.13.2.3 Section 5311 (b) (3): Rural Transportation Assistance Program

- Promote the safe and effective delivery of public transportation in non-urbanized areas through professional development
- Foster the development of state and local capacity of addressing the training and technical assistance needs of the rural/small urban transportation community
- Improve the quality of information and technical assistance available by developing training and technical assistance resource materials
- Facilitate peer-to-peer self-help through the development of local networks of transit professionals
- Support the coordination of public and private specialized human service transportation services

#### 5.13.2.4 Section 5339: Bus and Bus Facilities Formula Program

- Promote safe public transit assets through the timely replacement of assets that have met their useful life
- Promote a safe and secure working environment both for transit employees and riders by providing funding for the construction and renovation of transit facilities
- Maintain a statewide transportation infrastructure, by ensuring that transit assets including facilities are continuously being up-graded to meet current demand.

### 5.14 Consultation and Cooperation with Local Officials

The current rural planning process in Alabama allows non-metropolitan local officials to participate and be involved in developing regional transportation plans and priorities through the Councils of Governments (COGs). This consultation process applies to the Statewide Transportation Plan by including the COGs and other transportation providers as partners in the planning process. This process is separate and discrete from the public involvement process.

Each COG is charged with maintaining a regional transportation advisory committee with representatives from local government, elected officials, public and private transportation providers, and special interest groups. Each transportation advisory committee plays an important role in identifying, analyzing, and prioritizing transportation needs and goals for its region. Through the efforts of the transportation advisory committees and COG Boards, local governments/elected officials and public and private transportation providers are directly consulted and given an opportunity to identify transportation needs. The committees are encouraged to meet at least bi-annually or as needed to review project status, evaluate proposed modifications to the TIP/STIP, update long-range plan and funding priorities, comment on rural functional classification changes, receive input on the rural work programs, and coordinate special studies.

## 5.15 Eligible Subrecipients

To be eligible to receive allocation of Sections 5310, 5311, or 5339 funds from ALDOT, an eligible subrecipient must complete and submit a complete application packet to the Local Transportation Bureau. The complete application packet includes an authorizing resolution from the subrecipient's board and is signed by the Authorized Officials. Additionally, each subrecipient agrees to comply with applicable certifications and assurances annually.

Projects for the ALDOT Section 5339 application to FTA are selected from the applications submitted to ALDOT for Section 5307, Section 5310, and Section 5311 funding consideration; this selection method maximizes the capital activities that can be funded by ALDOT. There is not a separate Section 5339 application.

ALDOT follows the eligibility criteria as stated by the FTA and has no additional restrictions.

### 5.15.1 Section 5310: Enhanced Mobility of Seniors and Individuals with Disabilities

There are three types of applicant organizations eligible to receive funds under Section 5310, which is intended to address the special transportation needs of elderly individuals and people with disabilities, as follows:

- Nonprofit organizations. A nonprofit organization is a corporation or association determined by the United States Secretary of the Treasury to be an organization described by 26 U.S.C. §501 (c) that is exempt from taxation under 26 U.S.C. §501 (a)

- Public bodies/Governmental Authorities that certify to the Governor that no nonprofit corporations or associations are readily available in the proposed area to provide the service
- Public bodies/Governmental Authorities approved by the state to coordinate services for older adults and people with disabilities

Private taxi operators (only if acting as third party contractors for recipients or subrecipients for transit services) can also participate in the Section 5310 program.

Nonprofit applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of the Charter as listed with the Alabama Secretary of State.

Public bodies that certify that no nonprofit corporations or associations are readily available in the area to provide the service must submit documentation. The applicant shall survey the human service agencies in the area (local private non-profits) to ascertain that they cannot provide the service referenced in the application for funding. Documentation shall include letters from local nonprofit organizations stating that they do not provide transportation services in the proposed service area.

Private operators of public transportation are eligible subrecipients. The definition of “public transportation” includes “...shared-ride surface transportation services”... Private taxi companies that provide shared-ride taxi service to the general public on a regular basis are operators of public transportation and therefore, eligible subrecipients. “Shared-ride” means two or more passengers in the same vehicle who are otherwise not traveling together. Similar to general public and ADA demand response service, every trip does not have to be shared-ride in order for a taxi company to be considered a shared-ride operator, but the general nature of the service must include shared rides.

Taxi companies that provide only exclusive-ride service are not eligible subrecipients; however, they may participate in the Section 5310 program as contractors. Exclusive-ride taxi companies may receive Section 5310 funds to purchase accessible taxis under contract with a state, designated recipient, or eligible subrecipient such as a local government or non-profit organization.

### **5.15.2** [Section 5311: Nonurbanized \(Rural\) Areas](#)

State and local public agencies are eligible to receive financial assistance under Section 5311. These agencies are defined as follows:

- **State Agency**—any legally constituted state government agency, department, commission, council, board, bureau, committee, institution, college, regional transit

authority, university, technical school, or government corporation of the State of Alabama.

- **Local Public Agency**—legally constituted political subdivisions of the State such as towns, municipalities, counties, transportation authorities, public corporations, boards, Indian tribes (federally recognized or other Indian tribes), commissions, and other public agencies established under State law.
- **Nonprofit Organization**—a corporation or association determined by the United States Secretary of the Treasury to be an organization described by 26 U.S.C. Section 501(c) which is exempt from taxation under 26 U.S.C. Section 501 or one which has been determined under state law to be nonprofit and for which the designated state agency has received documentation certifying the status of the nonprofit organization. Eligible nonprofit organizations may also serve tribal transportation needs.
- **Indian Tribal Governments**—fewer than 49 U.S.C. 5311, a federally recognized Indian tribe is an eligible direct recipient. If a federally recognized Indian tribe applies and is selected for allocation of Section 5311 funds from the state through the annual application process, ALDOT will notify the selected Indian tribe. The Indian tribe will then determine whether to receive funds as a subrecipient of the state or apply directly to FTA for Section 5311 funds. If the Indian tribe notifies ALDOT of its intent to become a direct recipient, ALDOT will notify FTA by letter of the project(s) and amount of funds allocated to the Indian tribe.

Providers of public transportation in urbanized areas who provide service to rural areas may be eligible recipients. The following guidelines apply:

- Financial assistance is available only for that portion of the service operated in rural areas
- The applicant must be capable of segregating allowable operating and non-operating expenses incurred in providing service to rural areas
- The applicant must be one of the following types of eligible recipients:
  - Transit agencies
  - Local governmental agencies
    - A political subdivision of the State
    - Indian tribal government (both Federally recognized and other tribes)
  - Councils of Governments (for planning/coordination only)

- Non-profit operators of public services
- Private for-profit organizations (as third party contractors for recipients or subrecipients for transit services or intercity bus needs only)

### **5.15.3** [RTAP Section 5311\(b\) \(3\)—Rural Transportation Assistance Program](#)

ALDOT’s Local Transportation Bureau is the designated recipient for RTAP funds. The RTAP program is intended to provide training and technical assistance to subrecipients and public providers in rural areas. Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help. **Please see Chapter 15 for more information on the RTAP Program.**

### **5.15.4** [Section 5311 \(c\)—Public Transportation on Indian Reservations](#)

Commensurate with 49 U.S.C. 5311, a Federally-recognized Indian tribe is an eligible direct recipient. Once the State has notified a Federally-recognized Indian tribe of the selection of its project(s) under the State administered Section 5311 Program and the amount of funds that it will allocate to the tribe from its Section 5311 apportionment, the Indian tribe will then need to decide whether to receive funds as a subrecipient of the State or apply directly to FTA for Section 5311 funds. If the tribe notifies the State of its intent to become a subrecipient, the State will notify FTA by letter of the project(s) and amount of funds that it allocated to the Indian tribe.

As a subrecipient of state-administered Section 5311 funds the Indian tribe must comply with all management requirements of the Section 5311 program as administered by ALDOT. The special terms and conditions that FTA developed for tribes receiving funding under the Tribal Transit Program (Section 5311(c)) are applicable only to that program.

### **5.15.5** [Section 5311 \(f\)—Intercity Bus Program](#)

States and Indian tribes are eligible recipients. Eligible subrecipients are the following: State or local government authorities, nonprofit organizations, and operators of public transportation or intercity bus service that receive funds indirectly through a recipient. ALDOT uses a merit-based selection process to ensure that the private operator is qualified, will provide eligible service, can comply with Federal and State requirements, and is the best,

or only, provider available to offer service at a fair and reasonable cost. ALDOT notifies providers either through direct mail or by advertising in various locations around the State that funds are available for the current year's intercity bus program.

### **5.15.6** Section 5339—Bus and Bus Facilities Program

Private and public transit agencies that are currently receiving financial assistance under Section 5311 or Section 5307 Small Urban program (Urbanized areas with populations of at least 50,000, but less than 200,000) are eligible to receive the state-administered Bus and Bus Facilities Program funds. Section 5310 subrecipients are also eligible for state-administered Bus and Bus Facilities Program funds.

## 5.16 Eligible Services and Service Areas

### **5.16.1** Section 5310—Enhanced Mobility of Seniors and Individuals with Disabilities

The goal of the Section 5310 program is to improve mobility for older adults and people with disabilities. To further this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet these special transportation needs in all areas—urbanized, small urban, and rural. The program requires coordination of federally assisted programs and services in order to make the most efficient use of Federal resources.

An applicant's service area will be defined in the application. During those periods when a vehicle is not needed for specific grant-related purposes, it may be used for services to other older adults and people with disabilities. After the needs of these groups have been addressed, the vehicle may be used for transportation of the general public, on a space available basis, if such use is incidental to the primary purposes of the vehicle and does not interfere with the use of the vehicle by older adults and people with disabilities. Designated coordinating bodies (COGs) and subrecipients are encouraged to coordinate their resources in order to maximize accessibility and availability of transportation services.

ALDOT has designated the 12 regional Councils of Governments to coordinate transportation services in their regions.

At least 55% of program funds must be used on “traditional” capital projects that are:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable



The remaining 45% may be used for the following “non-traditional” projects:

- Public transportation projects that exceed the requirements of the ADA
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit
- Alternatives to public transportation that assist seniors and individuals with disabilities

Transit service providers receiving assistance under Section 5310 may coordinate and assist in providing meal delivery service for homebound people on a regular basis, if the meal delivery services do not conflict with the provision of transit services or result in a reduction of service to transit passengers. The nutrition program is expected to pay the operating costs attributable to meal delivery.

### **5.16.2** [Section 5311—Nonurbanized \(Rural\) Areas](#)

Funds available from the Section 5311 program are dedicated to public transportation projects that serve non-urbanized (rural) areas of the state. Non-urbanized areas are areas with less than 50,000 people.

Public transportation services that are provided with funding support from the program must be open to the general public on a regular and continuing basis. Certain select services are permitted within program funding restrictions as long as they are incidental and do not disrupt the general public service normally provided. However, the cost of these incidental services must be fully allocated and mileage associated with the incidental service must not count towards the useful life of the vehicle.

Under the general service provisions which govern the program:

- An eligible transportation service may include the transportation of residents of the non-urbanized area to or from the nearest urbanized area or areas
- The service is designed for the general public but may be part of a coordinated project designed to maximize the usage of services by transportation disadvantaged persons
- Joint-funded Section 5307 and Section 5311 transportation projects are encouraged provided the level of 5311 funds allocated for service in the area is fair and equitable. This is usually demonstrated in the local subrecipient’s cost allocation plan.

The services provided under the Section 5311 grants shall primarily focus on the non-urbanized areas of Alabama. This does not preclude service into urbanized areas of the state

and/or into neighboring states provided that the passenger resides in Alabama and service originates from or ends in a rural area in Alabama.

Section 5311 subrecipients may include public transportation service into and out of urbanized areas. However, subrecipients are prohibited from providing exclusive services within an urbanized area. Public transportation providers are prohibited from providing public transportation services outside of their designed geographical service areas unless the purpose is to drop off and/or pick up passengers where the trip originated in the provider's service area. Whenever possible, subrecipients will coordinate service in areas where there is shared geographic service destinations.

Transit service providers receiving assistance under Section 5311 may coordinate and assist in providing meal delivery service for homebound people on a regular basis, if the meal delivery services do not conflict with the provision of transit services or result in a reduction of service to transit passengers. The nutrition program is expected to pay the operating costs attributable to meal delivery. Section 5311 capital assistance may not be used to purchase special vehicles used solely for meal delivery or to purchase specialized equipment such as racks or heating or refrigeration units related to meal delivery.

Section 5311 subrecipients are required to comply with all Federal/State requirements imposed by Federal Transit Administration and ALDOT, either through federal/state statute, regulations, executive orders, directive, published policies, or otherwise.

### **5.16.3** [Joint Service Areas](#)

Since the goal of Section 5311 is to enhance the overall mobility of people living in non-urbanized areas, Section 5311 projects may include transportation to and from urbanized areas. In a joint urbanized/non-urbanized project, Section 5311 funds must be used to assist the non-urbanized portion only. In circumstances where an operator is providing services in both urbanized and non-urbanized areas, ALDOT expects the applicant to develop a reasonable basis for allocating operating costs between the Section 5307 (Urbanized Area Formula Funding) and Section 5311 (Rural Area Formula Funding) which is related to the services provided. For example, an operator may choose to allocate 5307 and 5311 funding for a joint urbanized/rural route by identifying the miles or hours traveled in a given geographic area. A subrecipient must develop a cost allocation plan that segregates service activities. This plan must be submitted to the Local Transportation Bureau for review and approval.

This procedure would also be applied to joint capital projects. Vehicles purchased under either program may be used in any part of a combined urbanized and rural service area, but

capital replacement policies should ensure that program funds are used appropriately.

#### **5.16.4** Section 5339 – Bus and Bus Facilities Formula Program

ALDOT’s Transit Section is responsible for administering both the Section 5339 funds apportioned to Small Urbanized Areas (i.e., areas with more than 50,000 and less than 200,000 population) and the non-urbanized and rural areas. Section 5339 program funds are allocated to existing public transit providers and the area they service determines whether they receive small urban funds or rural funds under this program.

#### **5.16.5** Project Duration

Subrecipient agreements are based on specific grants and grant years and typically start on October 1<sup>st</sup> with a September 30<sup>th</sup> end date. The agreement may be for one, two, or three years, and can be extended up to two additional years if necessary. New subrecipient programs may be considered for mid-year start-up and funding on a case-by-case basis depending on the availability of federal funds.

### 5.17 Eligible Assistance Categories

#### **5.17.1** Section 5310

Funds for the Section 5310 program are available for capital expenses to support the provision of transportation services to meet the special needs of older adults and people with disabilities.

Applicants will not be considered if the primary need is for a vehicle to transport clients whose total transportation costs, including capital, are supported through other governmental funds. The applicant must certify that a requested vehicle will be available for use by other (non-client) persons who are elderly or have disabilities when the vehicle is not needed by the applicant for special needs clients.

At least 55% of program funds must be used on “traditional” capital projects that are:

- Public transportation projects planned, designed and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate or unavailable

The remaining 45% may be used for the following “non-traditional” projects:

- Public transportation projects that exceed the requirements of the ADA

- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit
- Alternatives to public transportation that assist seniors and individuals with disabilities

Eligible project costs are defined in **FTA Circular 9070.1 (series)**, however, the regulations permit ALDOT to further define those costs, which include, but are not limited to:

#### 5.17.1.1 State Administration

Up to 10 percent of the State’s total fiscal year apportionment is used to fund ALDOT’s program administration costs for Section 5310 including administration, planning and technical assistance. Program administration costs are funded at 100 percent Federal share.

#### 5.17.1.2 Capital Assistance

- Purchase of Service (POS): Acquisition of transportation services under a contract, lease, or other arrangement
- Vehicles
- Mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a nonprofit agency could receive Section 5310 funding to share services it provides to its own clientele with other individuals with disabilities or elderly individuals and coordinate usage of vehicles with other non-profits. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of services. Mobility management activities may include:
  - The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals
  - Support for short-term management activities to plan and implement coordinated services
  - The support of State and local coordination policy bodies and councils
  - The operation of transportation brokerages to coordinate providers, funding agencies, and customers

- The provision of coordination services, including employer-oriented Transportation Management Organizations' and Human Service Organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers
- The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs
- Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of Geographic Information Systems (GIS) mapping, Global Positioning System technology, coordinated vehicle scheduling, dispatching and monitoring technologies as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a "stand alone" capital expense).

ALDOT does not provide state funds for matching assistance under the Section 5310 program. Local participation for capital acquisition will, at a minimum, be 20% of the cost.

### **5.17.2** [Section 5311](#)

The ALDOT shall make funds available for capital, planning, operating and administrative assistance to projects in non-urbanized (rural) areas. Eligible existing JARC activities will be considered on a case-by-case basis during the annual application process. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from ALDOT.

Eligible project costs under the Section 5311 Program shall be determined in accordance with OMB Super Circular 2 CFR 200, **FTA Circular 9040.1 (series)** and guidance issued by ALDOT. Project expenditures shall be categorized as capital, planning, operating, or administrative expenses.

ALDOT assistance under Section 5311 is dependent on the availability of funds and match within a given allocation cycle and follows the allowable activities and match requirements as stated by FTA. ALDOT's funding priority is to ensure that operational funds are made available for subrecipients in order to prevent interruption of local service. Capital requests

are considered on a case-by-case basis each fiscal year based on analysis and completion of a needs assessment by the Public Transit Section and is in conjunction with the bus and bus facilities asset management assessment and plan. Final approval for allocation of funding rests with ALDOT.

### **5.17.3** [Section 5339](#)

Only capital expenses are eligible under the Bus and Bus Facilities (Section 5339) Program at a federal participation rate of 80% to include the acquisition, construction, and improvement of public transit equipment and facilities.

The federal participation rate increases to 85% for vehicles or facilities related to compliance with ADA and the Clean Air Act.

Eligible capital expenses include:

- Buses, vans, or other paratransit vehicles
- Radios and communications equipment
- Passenger shelters, bus stop signs, and similar passenger amenities
- Wheelchair lifts, ramps, restraints and related vehicle modifications
- Computer hardware/software
- Vehicle rehabilitation where candidate vehicles meet the extended useful life and rehabilitation cost limits established by ALDOT
- Construction or rehabilitation of transit facilities including design, engineering, and land acquisition
- Construction of or improvements to park-and-ride lots where such facilities are utilized for public transportation or ridesharing modes that provide some form of public transportation

## **5.18 State Administration, Planning, and Technical Assistance**

A maximum of ten percent (10%) of the Section 5311 funds apportioned to the State of Alabama can be used for state program administration, planning, and technical assistance. State program administration is 100% federally funded and is used to support ALDOT personnel directly involved with Section 5311 program management and administration.

### **5.18.1** Capital Expenses

Capital expenses include the acquisition, construction, and improvement of public transit equipment and facilities needed for an efficient and coordinated public transportation system. The federal share of eligible capital expenses is 80% of the capital cost. The federal share of eligible non-ADA capital expenses is 80% of the capital cost and 85% participation for a vehicle or facility related purchase to be in compliance with ADA. Eligible capital expenses include, but are not limited to, the following:

- Buses, vans, or other paratransit vehicles
- Radios and communications equipment
- Passenger shelters, bus stop signs, park and ride lots, and similar passenger amenities
- Wheelchair lifts, ramps, restraints, and related vehicle modifications
- Operational support such as computer hardware/software
- Maintenance and/or service vehicles
- Vehicle rehabilitation where candidate vehicles meet the extended useful life and rehabilitation cost limits established by ALDOT
- Preventive maintenance - Defined as all maintenance costs related to vehicles and non-vehicles (if not otherwise classified and expended under Operations). Specifically, it is defined as all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner.
- Construction or rehabilitation of transit facilities including design, engineering, and land acquisition
- Construction of or improvements to park-and-ride lots where such facilities are served by public transportation or ridesharing modes that are a form of public transportation
- Purchase of used equipment with the prior approval of ALDOT. The project must substantiate that the proposed purchase price represents fair market value and that the equipment is in sound working condition so the project can anticipate a reasonable period of remaining useful life and meet the requirements of the Americans with Disabilities Act.
- Facilities to provide access for bicycles to public transportation facilities or equipment for transporting bicycles on public transportation vehicles

- Lease of equipment or facilities when leasing is more cost effective than purchase (when lease of equipment or facilities is treated as a capital expense the state will establish criteria for determining cost effectiveness, including non-economic factors such as management efficiency, availability of equipment, and staffing capabilities borrowing on guidelines stipulated in 49 CFR Part 639).
- Facilities to provide access for bicycles to mass transit facilities or equipment for transporting bicycles on mass transit vehicles
- The capital cost of contracting

### **5.18.2** Operating Expenses

Operating expenses are costs directly related to system operation. Eligible operating expenses include, but are not limited to, the following:

- Fuel and oil
- Replacement tires
- Salaries and fringes of drivers, mechanics, dispatchers, or other personnel performing job duties supporting the system's overall operation
- Vehicle licenses and fees

### **5.18.3** Net Operating Expenses

Net operating expenses are those expenses remaining after operating revenues are subtracted from eligible operating expenses. At a minimum, operating revenues include farebox revenues. Farebox revenues include fares paid by riders who are later reimbursed by a human service agency or other user subsidy arrangement. The federal share of net operating expenses is 50 percent (50%).

### **5.18.4** Operations Deficits and Farebox Recovery

Federal funds may be applied to system operations deficits subject to the availability of funds. Federal participation allows up to 50% of the eligible net operating deficit (gross eligible operating expenses less revenue). Agencies may choose either a ten percent (10%) or twenty percent (20%) farebox recovery ratio; the recovery ratio is specified in the grant application. Farebox revenues must be subtracted from operating expenses before the fifty percent (50%) match can be applied. Contract revenues (non-DOT) or portions thereof may be used to accomplish the 10 percent or 20 percent farebox recovery requirement. The remaining contract revenues may be used as local match.



### **5.18.5** Income from Contracts with Human Service Agencies

Income from transportation service contracts with human service agencies **utilizing DOT funds** may not be used to reduce the net project cost or to provide local match under Section 5311 operating assistance.

### **5.18.6** Administrative Expenses

Administrative expenses are non-operating expenses, which are funded up to 80% federal share subject to the availability of Federal funds. Eligible administrative costs may include, but are not limited to:

- Salaries and fringe benefits of the project director, secretary, bookkeeper, or other personnel performing job duties of an administrative nature
- Office supplies and materials
- Facilities and equipment rental (not lease-purchase)
- Vehicle insurance
- Marketing to include the cost of paid advertisements (newspaper ads, radio and TV spots, etc.) and/or the services of a professional marketing firm. Marketing may also include the cost of printing/reproduction associated with in-house marketing.
- Promotional Items (cost of items used in the promotion or advertising of the transportation system including, but not limited to, pens, pencils, notepads, stickers, lapel pins, etc. The item should include the system name and/or logo.
- Professional services such as legal and accounting assistance
- Interest on short-term loans to finance project administration or operating costs, with the prior approval of ALDOT, due to a delay in the Federal apportionment of Section 5311 funds or where there are delays in ALDOT's execution of the respective subrecipient's project agreements
- Indirect cost expenses may be eligible for reimbursement if a cost allocation methodology has been established and approved by the appropriate authority and/or ALDOT
- Administrative costs for promoting and coordinating ridesharing may be eligible if the activity is part of a coordinated public transportation program. ALDOT will limit the amount of Section 5311 funds an applicant applies toward administrative costs if ALDOT determines those costs to be excessive in relation to the service being proposed.

### **5.18.7** Job Access and Reverse Commute Projects

MAP-21 created a new eligible project category for “job access and reverse commute projects” under Section 5311. This category includes all types of projects that were formerly eligible under the Section 5316 Job Access and Reverse Commute (JARC) Program. Examples of eligible projects are listed below. There is no requirement or limit to the amount of Section 5311 funds that can be used for these projects.

A job access and reverse commute project is defined as:

“a transportation project to finance the planning, capital and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.”

Requests by eligible subrecipients for Section 5311 program funds to support JARC activities as administered by ALDOT will be considered on a case-by-case basis. In order for a job access and reverse commute proposal to be considered, projects must document that they meet the following requirements:

- Existing Services. Eligible job access and reverse commute projects must provide for the maintenance of eligible job access and reverse commute services. Recipients may not reclassify existing public transportation services that have not received funding under the former Section 5316 program as job access and reverse commute services in order to qualify for operating assistance. In order to be eligible as a job access and reverse commute project, a proposed project must qualify as a “maintenance project” as follows:
  - (a) Maintenance Projects: “Maintenance of transportation services” means projects that continue and maintain job access and reverse commute projects and services that received funding under the former Section 5316 program.
- Existing Reverse Commute Projects. Reverse commute projects are a category of job access and reverse commute projects that provide transportation services from urbanized and rural areas to suburban employment locations. Generally, these services increase the capacity of public transportation services operating in the reverse direction of existing peak services. Reverse commute projects may only qualify as job access and reverse commute projects under Section 5311 if they meet all other

requirements, including having been designed to transport welfare recipients and eligible low-income individuals to and from jobs and employment related activities.

### **5.18.8** Section 5311(f)—Intercity Bus

Assistance under Section 5311(f) must support intercity bus service in rural areas. Section 5311(f) specifies eligible intercity bus activities to include “planning and marketing for intercity bus transportation, capital grants for intercity bus shelters, joint-use stops and depots, operating grants through purchase-of-service agreements, user-side subsidies and demonstration projects, and coordination of rural connections between small public transportation operations and intercity bus carriers.”

## 5.19 Ineligible Costs

OMB Super Circular 2 CFR 200 defines items that are ineligible for reimbursement under all federal grant programs. Some of the items deemed ineligible are:

- Entertainment expenses
- Fines and penalties
- Interest expenses on loans (not previously approved by ALDOT)

Additionally, the following transit-related expenses are ineligible for Section 5311 assistance:

- Depreciation accrued by public agencies on facilities or equipment purchased with federal funds (federal share only)
- Indirect transit-related functions or activities of local public governing bodies performed as a normal or direct aspect of public administration (e.g., expenses of a city council in considering transit matters)
- Contributions to a capital reserve account
- Expenses associated with the provision of charter services, thus warranting the maintenance of a separate account for charter expenses and income. (Profit derived from charter services may be used as part of the local matching share as long as the proper procedures have been followed).

## 5.20 Federal/State/Local Participation Ratio

The Federal Transit Administration provides federal funds through annual apportionments to ALDOT for capital, operating, planning, and administration activities. No state funds are provided for these programs. The subrecipients are responsible for providing the local match for capital, operating, administration, and planning as applicable.

Below are the federal, state, and local matching ratios for the Sections 5310, 5311, and 5339 programs.

### 5.20.1 [Capital](#)

	Section 5310	Section 5310 ADA/CAA	Section 5311	Section 5311 ADA/CAA	Section 5339	Section 5339 ADA/CAA
<b>Federal</b>	80%	80%	80%	80%	80%	80%
<b>State</b>	0%	0%	0%	0%	0%	0%
<b>Local</b>	20%	20%	20%	20%	20%	20%

ALDOT does not currently use the 85% federal share / 15% local share for the incremental cost of equipment required by the Americans with Disabilities Act (ADA) or Clean Air Act (CAA) that is referenced in **FTA Circular 9040.1 (series)**. For ALDOT administered grants, the federal share for vehicle-related equipment and/or facilities required by the Americans with Disabilities Act (ADA) or the Clean Air Act (CAA) is 80%. ALDOT allows a Federal share of 90 percent for those capital projects used to provide access for bicycles to transit facilities, or to install racks or other equipment for transporting bicycles on transit vehicles. ALDOT does not use the sliding scale rates referenced in **FTA Circular 9040.1 (series)**.

### 5.20.2 [Operating](#)

	Section 5310	Section 5311	Section 5339
<b>Federal</b>	N/A	50%	N/A
<b>State</b>	N/A	0%	N/A
<b>Local</b>	N/A	50%	N/A

Alabama does not currently allow Section 5310 operating costs. ALDOT does not use the sliding scale rates referenced in **FTA Circular 9040.1 (series)**.

### 5.20.3 [Administration](#)

	Section 5310	Section 5311	Section 5339
<b>Federal</b>	N/A	80%	N/A
<b>State</b>	N/A	0%	N/A
<b>Local</b>	N/A	20%	N/A

## 5.20.4 Planning

	Section 5310	Section 5311	Section 5339
<b>Federal</b>	N/A	80%	N/A
<b>State</b>	N/A	0%	N/A
<b>Local</b>	N/A	20%	N/A

## 5.21 Local Share and Local Funding Requirements

FAST Act and MAP-21 continue to provide funding to support services tailored to meet the needs of transit operators. Only eligible expenses based on the Office of Management and Budget (OMB) Uniform Guidance Subpart E – Cost Principles (previously OMB Circulars A-87 and A-122), as allowed by the ALDOT Transit Section administered programs, are used in determining project costs.

Applicants must provide evidence of possessing the necessary fiscal and managerial capability to implement and manage the proposed project. ALDOT provides federal program funds and subrecipients must provide local funds as match as identified in the contract. Subrecipients must comply with all of the requirements contained in the ALDOT Transportation Planning and Modal Programs Bureau Announcement/Application package under which service proposals and funding requests are submitted.

## 5.22 Eligible Local Match

A subrecipient cannot use FTA funds as match for Section 5310, Section 5311, or Section 5339 programs. Even though funds are made available to the transit provider through a service agreement with a State or local social service agency or private social service organization, FTA funds may not be used as match because they are derived from a DOT program. **FTA Circular 9040.1 (series)** provides more information on Sources of Local Match.

Local match includes local appropriations, service contracts, dedicated tax revenues, private donations, and net income generated from advertising, concessions, and incidental charter service.

Administrative and capital assistance category match participation is based on gross expenses less any applicable refunds, insurance proceeds, vendor discounts, etc. while operational category match participation is based on net project cost (gross project costs less applicable contra expenses) in calculating federal and local share percentages.

In-kind contributions (donations of equipment, supplies, property, and/or services that are beneficial and used by the applicant) must have a documented cash value. ALDOT reserves the right to reject or disallow in-kind contributions as local share if the estimated cash value cannot be determined independently.

Examples of non-Federal sources that may be used for part or all local share include:

- Local government appropriation for cash
- Dedicated tax revenues
- Cash contributions from other public or private sources (excluding funds derived from purchase of service contracts)
- Unrestricted Federal funds such as Title 3B of the Older Americans Act
- Net income from incidental charter service, advertising, and concessions
- Non-DOT funds through a service agreement with a State, local, or a private social service agency

Income from contracts to provide social service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for Section 5311, operating assistance. In either case, the cost of providing the contract service is included in the total project cost.

The following definitions apply in determining sources of local match:

- **Cash**—may include local appropriations, dedicated tax revenues, or profit generated from eligible charter services
- **Cash Equivalent**—means a contribution/donation of some portion of the acquisition, construction, or improvement of public transportation facilities or equipment. Examples of such contributions would include the donation of land on which a public transportation facility was to be constructed. Such non-cash sources of local match are eligible only when the value is formally documented in accordance with 49 CFR Part 18.
- **Unrestricted Federal Funds** (including Title XIX)—these funds authorized by a federal agency (e.g., Health and Human Services) can be used as local match for Section 5310 or Section 5311. Project applicants are responsible for identifying unrestricted funds because of their accountability by the other federal agencies involved. Subrecipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the subrecipient for the

purposes of the project. **The Federal Lands Highway Program (cited in 49 U.S.C. 5311(g)(3)) is the only DOT funds that can be used as local match for transit projects**

- **Other Federal Funds**—Specific program information for other types of federal funding is available at <https://www.transit.dot.gov/>.
- **Donations, Volunteers, In-Kind**—these funds are eligible as part of the “cash” share of the local match. Such non-cash sources of local match are eligible only if the value of each is formally documented and supported in accordance with 49 CFR Part 18.
- **Purchase of Service Agreement**—considered any agreement or contract between a transit service provider and a social service agency or organization (state, local, or private), whereby the social service organization purchases service for its clients at a price and according to terms specified in the agreement. Income from service contracts utilizing non-DOT funds to provide human service transportation may be used as farebox revenue (see “Net Operating Expense” and “Operations Deficits” in this chapter).

In times of reduced Federal funding, the State may ask for a higher local match from the applicant. At any time, the applicant may offer a larger local match to increase the purchasing power of the Federal funds. This may occur when the applicant requests more vehicles than the State is willing to fund, and in essence receives two vehicles for the price of one (50% or less Federal capital funds and 50% or more local match).

### **5.22.1** Contra-Expenses

Contra-expenses are revenue items that directly offset transit expenses and, therefore, are eliminated from the expenses eligible for assistance. Some examples of contra-expenses are farebox revenues, interest income earned on working capital, cash discounts and refunds that directly offset accrued expenses, and insurance claims and reimbursements that directly offset accrued liabilities.

### **5.22.2** Use of Other Federal Funds

Local match may be derived from other federal programs that are eligible to be expended for transportation, other than funds from DOT programs. To be eligible for local match for FTA funds, the other federal funds must be used for activities included in the total net project cost of the project. Expenditure of other federal funds for transportation outside of the scope of the project cannot be applied as a credit for local match in the project. Specific program information for other types of federal funding is available from the FTA Coordinating Council on Access and Mobility (CCAM) website at <https://www.transit.dot.gov/ccam/>.

Some Non-DOT federal programs supporting transportation are:

- **U.S. Department of Agriculture**
  - Food and Nutrition Service
- **U.S. Department of Education**
  - Office of Elementary and Secondary Education
  - Office of Innovation and Improvement
  - Office of Special Education and Rehabilitative Services
- **U.S. Department of the Interior**
  - Bureau of Indian Affairs
- **U.S. Department of Health and Human Services**
  - Health Resources and Services Administration
  - Centers for Medicare and Medicaid Services
  - Administration on Aging
  - Substance Abuse and Mental Health Services
  - Administration for Children and Families
- **U.S. Department of Labor**
  - Employment Standards Administration
  - Veterans' Employment and Training Service
  - Employment and Training Administration
- **U.S. Department of Veterans Affairs**
  - Veterans Benefits Administration
  - Veterans Health Administration



# 6 Project Selection Criteria

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## 6.1 Background

All project applications will be evaluated to determine the extent to which the proposed project meets overall program goals and objectives of the state and the application criteria set forth by the Alabama Department of Transportation.

Rural communities that are not a part of the urbanized areas of MPOs are included under the jurisdiction of Councils of Governments (COGs). Consistent with MAP-21 requirements for regional coordination of various federally funded transportation programs, the Alabama Department of Transportation (ALDOT) has designated each of the 12 Councils of Governments (COGs) as the lead regional agencies responsible for coordinating transportation planning.

Based on the amount of funds appropriated for each program, ALDOT determines the total number of applications to be funded. Applications are reviewed by transit staff to ensure applications are complete and all eligibility requirements are met. Upon completion of the application evaluation and selection process, grant award/approval letters are sent to successful applicants after FTA approval of grant award. Agreements are then entered into with successful agencies. Once the agreement is approved, the agency becomes a subrecipient of ALDOT.

Unsuccessful applicants are provided notification. This notification outlines reasons why the application was not approved that will aid in the development of future applications for assistance.

Projects approved by ALDOT are included in the local Transportation Improvement Program (TIP) as applicable and become part of ALDOT's submission to FTA as the State Transportation Improvement Plan (STIP).

A final list of selected projects for the Sections 5310, 5311, and 5339 programs is published on ALDOT's website.

## 6.2 Criteria for Section 5310

Projects will be awarded through a statewide competitive selection process for Section 5310. ALDOT, as the designated recipient, is responsible for developing and implementing the competitive selection process in order to provide for fair and equitable distribution of funds.

ALDOT is the designated recipient of Section 5310 funds for the Huntsville Urbanized Area, although the Huntsville Urbanized Area is considered a large urbanized area. A separate grant application was developed and submitted exclusively for this area to ensure that its 5310 funds are expended on projects only in the Huntsville Urbanized Area. This is the only large urbanized area for which ALDOT administers Section 5310 funds.

### **6.2.1**     Funding Criteria for Section 5310

The Section 5310 capital grant program provides funding for meeting the transportation needs of elderly individuals and individuals with disabilities. The Section 5310 funds provide financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals and individuals with disabilities throughout the state of Alabama.

ALDOT will administer a statewide call for applications under the Section 5310 program for all areas, with applications submitted to the COGs. At a minimum, ALDOT publicly advertises the availability of funds to potential applicants by letter or email and through a publication having general circulation across the state. A packet containing instructions for completing the application and needed forms is mailed or emailed to all interested private non-profit agencies and qualified public bodies that provide transportation services for seniors and individuals with disabilities in urban, small urban, rural areas, and Indian reservations. ALDOT offers assistance to agencies requesting help with completing the application. Applicants must offer an opportunity for a public hearing.

Federal transit law, as amended by SAFETEA-LU and continued with MAP-21, requires that projects funded under the Section 5310 program be derived from a locally developed, coordinated public transit-human services transportation plan (“coordinated plan”). Successful applicants are subject to a one-year sit-out rule in order that funding may be distributed equitably. The completed application is due to ALDOT within six weeks of dissemination or as stated in the grant application.

Each project selected for Section 5310 funding consideration will be derived from a locally developed, coordinated public transit-human services transportation plan in compliance with the statutory requirements. Projects must be developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public. Each project application will be evaluated to determine the extent to which the proposed project meets overall program goals, objectives, and application criteria set forth by ALDOT. The respective Council of

Governments (COG) certifies that agencies are involved in the planning process and forwards grant applications to ALDOT, increasing coordination activities.

ALDOT will ensure that the distribution of funds is fair and must verify project eligibility prior to submitting a formal grant application to FTA. It is the responsibility of ALDOT to maintain appropriate oversight of all projects.

At a minimum, the selection criteria will ensure that projects:

- Correlate with regional coordination plan implementation strategies
- Address gaps in current service provisions for targeted communities
- Make use of available resources and leverage resources to the greatest extent possible
- Facilitate coordination across public-private, inter-agency, and geographic boundaries
- Coordinate with other Federal and/or state programs

All projects under the Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310) will be rated and prioritized by the respective Council of Governments (COG). The Transit Section will ensure that the process is consistent and complies with ALDOT guidelines. Once the prioritized list is received from the respective COGs, the Transit Section will begin the review process.

A committee comprised of ALDOT staff will review, score, and rank the project applications for the Section 5310 program. The ratings assigned by each member of the Selection Committee are averaged and ranked using a point system. ALDOT has developed a menu of selection criteria to be used uniformly by ALDOT staff.

Upon completion of the process and selection of projects, these projects are incorporated into the State's annual application to the FTA.

The following documentation is required:

- Application Cover Page
- Application Checklist
- Vehicle Inventory Form/Request Form/Funding Request Form
- Scope of services to be provided
- Managerial and Technical capabilities
- Letter of Confirmation for Local Match and Operating Expenses

- Authorizing Resolution from appropriate governing agency
- Public Hearing Requirements: newspaper affidavit, announcements, list of attendees, and minutes
- Audit Report for the most recent fiscal year
- Copy of Articles of Incorporation and Bylaws
- Copy of Federal Identification Number Letter
- Insurance carrier, amounts of coverage, and premium rate if applicable
- Certification of vehicle maintenance plan and checklist of vehicle maintenance for program vehicles
- Certifications and Assurances for FTA assistance
- Section 5310 Annual Report for existing subrecipients
- Standard Assurances
- Civil Rights
- Documentation of Involvement in Coordinated Planning Process and Letter of Endorsement by the Council of Local Governments
- Public Agency Certification (*only applicable to governmental or public agencies*)
- Application Certification that all statutory and program requirements have been met

### **6.2.2**     Project Selection and Evaluation Criteria

All projects under the Elderly Individuals and Individuals with Disabilities Program (Section 5310) will be rated and prioritized by a panel of Local Transportation Bureau staff. Specific criteria will be published in the annual application for funding.

## **6.3**     **Criteria for Section 5311**

At a minimum, ALDOT publicly advertises the availability of funds to potential applicants by letter or email (5311 applicants tend to be consistent over time) and through a publication having general circulation across the state.

Section 5311 applicants that are in an MPO study area are required to notify the MPO of their intention to apply for funds. They should request a letter of support from the MPO to forward along with their formal application to ALDOT for funding. Proposed projects within

an MPO study area must be included in that MPO's local TIP. Once the project is approved by ALDOT, it will be included in the next revision of the STIP.

Continuing Section 5311 subrecipients complete a grant application and must demonstrate that they are eligible to continue to receive funding. However, because Section 5311 funds are used primarily for operations and the funds are critical to maintaining continuous services, ALDOT generally considers Section 5311 subrecipients eligible for funding from year to year, unless the annual application, ALDOT on-site review, or other circumstances demonstrate that a subrecipient is no longer eligible. These circumstances include, but are not limited to, a subrecipient's transition from Section 5311 to Section 5307 funds, elimination of general public service, or determination by ALDOT that a subrecipient no longer meets state or federal requirements for receiving grant funds.

### **6.3.1** Project Selection and Evaluation Criteria

Section 5311 applicants must submit a complete Section 5311 application to ALDOT. Section 5311 applications are reviewed by transit staff to ensure applications are complete and all eligibility requirements are met. Applicants must meet the following conditions:

- Submit a completed application to ALDOT
- Meet ALDOT eligibility criteria as stated in **Chapter 5** of this Plan
- Execute contract between the applicant and ALDOT

The complete application will consist of the following:

- Current data sheet
- Application Letter
- Designated Agency Letter, if applicable
- Current System/Project Description
  - General description of service area including delineated boundaries
    - ▶ Service Area Population
    - ▶ Service Area Square Miles
    - ▶ System Start-up Date
    - ▶ Brief History of System
    - ▶ Mission Statement
    - ▶ Current Year Goals and Objectives

- General description of applicant and subcontractors and copy of organizational chart
- General description of proposed transportation service
  - ▶ Specific route information and highlighted map (8" x 11") of service area
  - ▶ General description of proposed services to be provided outside of service area and support documentation
  - ▶ Hours and days of operation
  - ▶ Number of project vehicles in operation
  - ▶ Number of back-up vehicles
- Eligible users of service
  - ▶ Service changes from previous year
  - ▶ Planned changes for next year
- Current fare structure
  - ▶ Description of fare eligibility process and support documentation, if applicable
  - ▶ Date of last fare increase
  - ▶ Planned fare increases
  - ▶ Operating recovery ratio
- Copy of system brochure
- Description of efforts to market or promote system
- Description of method of implementing and announcing services changes and fare increases
- Description of coordination efforts
  - ▶ Directory of local transportation steering committee
  - ▶ Schedule of transportation steering committee meetings
- System Safety, Security and Emergency Preparedness Plan Update
- Capital Equipment
  - Vehicle Inventory Form
  - Fleet Replacement Form

- Vehicle Profile Sheet
- Non-expendable Equipment Form
- Project Budget Worksheet
  - Budget
  - Source of Budget Funds Worksheet
  - Local Match Documentation
- Cost Allocation
  - Chart of Accounts
  - Cost Allocation Matrix
- Public Participation Process
  - Copy of notice as published in the newspaper
  - Notarized statement verifying publication
  - Summary of transcript of the public hearing signed by an official of the transit system
- Complaint Procedure
  - Copy of written procedures addressing complaints within and without the organization
- Civil Rights
- Authorizing Resolution

The Section 5311 funds are available for reimbursement of expenditures incurred in providing public transportation services in non-urbanized (rural) areas.

The Alabama Department of Transportation must follow the stated regulations and procedures in **FTA Circular 9040.1 (series)** to remain eligible for funding, but may add additional requirements as it administers the FTA Section 5311 program. Projects are selected based on the application submitted to the Alabama Department of Transportation. Completed applications must reach ALDOT by the date specified in the application. Subject to availability or other specified date, funds will be allocated by October 1<sup>st</sup> of the same year for a three-year period ending September 30 of the third year unless ALDOT states otherwise.

## 6.4 Criteria for Section 5339

Projects that are eligible for funding under the Bus and Bus Facilities Program (Section 5339) are selected based on identified needs determined after assessing physical condition, analyzing vehicle utilization, and considering useful life standards for replacement. Projects must be in accordance with **FTA Circular 5100.1 (as amended)** regarding asset management. *Note: Section 5339 program funds are available to 5310 subrecipients, 5311 subrecipients, and operators of small urban transit systems (Section 5307).*

## 6.5 Method of Distributing Funds

### 6.5.1 Section 5311

ALDOT shall make funds available for capital, planning, operating, and administrative assistance to projects in non-urbanized (rural) areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from ALDOT.

Approved subrecipients have funds disbursed on a reimbursement basis. Invoices are submitted to ALDOT on a monthly basis at a minimum (but not less than quarterly) for Section 5311 approved expenses. Capital expenses are reimbursed to the subrecipient at approved federal share once the capital has been received by the subrecipient and inspected by the Transit Section's asset manager.

Eligible project costs under the Section 5311 Program shall be based on the Code of Federal Regulations (CFR), also referred to as Uniform Guidance, Subpart E-Cost Principles; Section 200.400-200.475, (as amended) and guidance issued by ALDOT. Project expenditures shall be categorized as capital, operating, planning/technical assistance, or administrative expenses.

### 6.5.2 State Administration and Technical Assistance (Sections 5310 and 5311)

Each program allows a percentage of the apportioned funds to be used by the state to administer the program for costs including administration, planning, and technical assistance. The amounts allowed for state administration of each program are:

- Section 5310 - up to 10%
- Section 5311 - up to 10%



FTA allows all or a portion of the administrative funds for 5310 and 5311 to be combined to support activities (such as coordinated planning) that are common to both programs. ALDOT may combine program administration funds into one administrative account, so long as the use is associated with administering Section 5310 and 5311 programs.

### **6.5.3** [Project Funds](#)

All projects considered for funding shall be included in a state program of projects, submitted annually to FTA, and provide a “fair and equitable” distribution of funds within the state, including Indian reservations. Maximum feasible coordination with transportation services assisted by other federal sources must be evidenced through the annual evaluation process.

### **6.5.4** [Funding Guidelines](#)

Funding guidelines for each program are based on regional demographics and developed based on a formula that mirrors FTA’s allocation formula to states. The demographics are based on the most recently approved decennial Census data, and the guidelines will be used on an annual basis as federal apportionments are published.

### **6.5.5** [Section 5310](#)

Section 5310 funding guidelines are based on an equal weighted average of the elderly/disabled populations within a region as percentages of the state’s overall elderly/disabled population.

ALDOT selects a cross population representative of the community that will receive the funding to ensure equity and eliminate any perceived or real bias or discrimination in the selection process. ALDOT also assists potential subrecipients in applying for funding, including efforts that would serve the minority and low-income population.

### **6.5.6** [Section 5311](#)

FTA requires each state to develop and implement a fair and equitable distribution system for allocating federal Section 5311 funds. ALDOT uses an allocation formula for Section 5311. The Alabama Department of Transportation provides Section 5311 federal funding to subrecipients based upon the following, but not limited to: funding requests, need, historical expenditures, expansion of transit services, and financial matching ability of the subrecipients. The evaluation and assessment of need is based on ridership and population served. ALDOT funding awards shall not exceed the available federal apportionment amounts.

As circumstances warrant or if apportionment amounts are significantly reduced, ALDOT shall utilize a distribution formula that is based on the state’s rural population. Each county’s rural population ratio relative to the state’s rural population as designated by the Census Bureau (latest decennial Census) is multiplied by the total amount of funds available for project authorization. The formula is:

$$\text{County apportionment} = \text{Alabama apportionment} \times \frac{\text{County non-urbanized population}}{\text{AL non-urbanized population}}$$

Although the current funding formula does not explicitly consider Title VI requirements in allocating funds, the Transit Section recognizes the need to address the Title VI regulation as it relates to funding. ALDOT selects a cross population representative of the community that will receive the funding to ensure equity and eliminate any perceived or real bias or discrimination in the selection process. ALDOT also assists potential subrecipients in applying for funding, including efforts that would serve the minority and low-income population.

Rural Transportation Assistance Program (RTAP) funds are used to address needed Title VI regulations such as outreach, training, public participation, and developing Limited English Proficiency (LEP) complaint and investigation policies.

#### **6.5.7**     De-obligated Funds

Funds that are de-obligated from an approved program of projects remain available to ALDOT and subrecipients (upon approval of ALDOT) for re-obligation during the period that the funds were originally available to ALDOT. ALDOT reallocates funds to an approved program of project the next fiscal year.

#### **6.5.8**     Reallocation of Section 5310 Funds

Allocation of de-obligated project funds is limited to the availability of funds. Any Section 5310 funding remaining at the end of a contract cycle without an approved contract extension will be rolled over as part of the statewide total for Section 5310 in the following year and made available for allocation.

#### **6.5.9**     Reallocation of Section 5311 Funds

At the end of the contract period, unless a contract is extended, a close-out procedure is followed that returns de-obligated Section 5311 funding to an active 5311 grant. These funds may then be re-allocated for other eligible 5311 projects provided grant funds are not due to lapse before a new contract period can be completed.

## 6.6 Transfer of Federal Funds

### 6.6.1 Transfer of Section 5307 (Small Urbanized) Funds

Small urbanized areas submit applications annually for their designated FTA funds. In the event they opt not to use their funds for eligible projects within the urbanized areas and in the period for which those federal funds are made available, ALDOT shall then have the option of transferring and obligating such funds for eligible projects in other urbanized or non-urbanized areas in the State in accordance with FTA regulations and procedures.

ALDOT may transfer an amount of the State's Section 5307 apportionment for urbanized areas of under 200,000 population or to supplement funds apportioned to the State under Section 5311.

ALDOT is required to notify the FTA Regional Administrator of each transfer of Section 5307 funds. See the [Notification of Transfers \(Section 6.6.7\)](#) procedure outlined later in this chapter for additional information.

### 6.6.2 Transfer of 5307 Small Urban to 5311 and/or 5307 Large Urban

If Section 5307 funds are transferred to supplement ALDOT's Section 5311 apportionment, these funds are treated as additional Section 5311 funding and all the requirements of Section 5311 apply. Two conditions follow the Section 5307 funds when they are transferred to Section 5311:

- The period of availability of the transferred funds remains that of the Section 5307 apportionment
- ALDOT may use any funds transferred from its Section 5307 program for planning activities, at the Federal share for capital projects

The transfer of Section 5307 funds to Section 5311 does not increase the amount of Section 5311 funds that ALDOT may use for state administration, planning, and technical assistance with no local share. Nor does a transfer increase the amount of set-aside for the intercity bus program.

### 6.6.3 Transfer of 5310 to 5311

ALDOT does not transfer Section 5310 funds outside of the Section 5310 program.

#### **6.6.4** Transfer of Section 5311 to 5307

ALDOT may transfer an amount of the State's Section 5311 apportionment to supplement the Section 5307 funds. Transferred Section 5311 funds cannot be used for large urbanized areas with populations of 200,000 or over. Transferred funds are subject to any limitations applicable to the original apportionment of the funds, not of the receiving program.

#### **6.6.5** Transfer of 5339 Funds

ALDOT does not transfer Section 5339 funds outside of the Section 5339 program. ALDOT's Section 5339 program funds are available to 5310 subrecipients, 5311 subrecipients, and operators of small urban transit systems (Section 5307). No Section 5339 funds will be transferred within the program from small urban to large urban (if at some point ALDOT provides funding to any large urban 5307 providers).

#### **6.6.6** Transfer to Other FTA Programs for Grant Consolidation

ALDOT may transfer funds apportioned under the former Sections 5316 or 5317 for rural or small urbanized areas to apportionments under Section 5311(c) or 5307, or both, as a "consolidated grant" with FTA. The purpose of the transfer provision is not to supplement the resources available under the Section 5311 or Section 5307 apportionments. Transfer to Section 5311 or Section 5307 is not required. Transferred funds must be used for previously eligible JARC and New Freedom activities. A State may make the transfer only after consulting with local officials and publicly owned operators of public transportation. The period of availability for the transferred funds is not changed by the transfer. **ALDOT will not participate in FTA grant consolidation.**

#### **6.6.7** Notification of Transfers

ALDOT must notify the FTA regional administrator of its intent to have funds transferred so that FTA can initiate the transfer. The notification must include:

- A statement by ALDOT that responsible local officials and operators have been consulted prior to the transfer
- The program, project description, and amount of funds to be transferred
- Fiscal year in which the funds were apportioned
- Program section(s) transferring to
- ALDOT contact information

## **6.6.8** Transfer of Federal Highway Administration (FHWA) Flexible Funds

Flexible funds are certain legislatively specified funds that may be used either for transit or highway purposes. Local planning organizations (MPOs or COGs) or ALDOT may elect to transfer Surface Transportation Block Grant Program (STBG) funds, Congestion Mitigation and Air Quality (CMAQ) funds, and certain other flexible funds, from FHWA to FTA to use for transit projects. ALDOT, in cooperation with affected local officials, may select projects in rural areas and urban areas (excluding projects on the National Highway System (NHS) and projects funded with Bridge and Interstate Maintenance Funds).

When FHWA program funds are transferred to FTA-sponsored programs, they are transferred to one of the following three programs:

- Urbanized Area Formula Program (Section 5307)
- Non-urbanized (Rural) Area Formula Program (Section 5311 program)
- Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310 program)

If CMAQ or STBG flexible funds are transferred to Section 5307, 5310, or 5311, those funds are treated as additional program funding and all the requirements of the receiving program apply. Flex transfers to Section 5311 do not increase the amount the State must spend for intercity bus service. The period of availability of flexible funds transferred to Section 5311 is three years. Opportunities for transfer of FHWA funds to FTA-sponsored programs will be considered by ALDOT on a case-by-case basis. Opportunities can be identified at the local level or through the ALDOT. Considerations for transfer take place by the ALDOT Bureau of Office Engineer and the ALDOT Local Transportation Bureau. For transfer of flexible CMAQ or STBG funds to state administered Section 5307, 5310, or 5311 programs, ALDOT must notify both the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) and request that FHWA transfer the funds. Request for transfer of flexible funds will include the following:

- A statement by ALDOT that responsible local officials and operators have been consulted prior to the transfer
- The program and amount of funds to be transferred
- Fiscal year in which funds were apportioned
- Program section(s) transferring to
- Anticipated use (project scope) of transferred funds

- ALDOT contact information

Interagency transfer of funds may be administered by FHWA or may be transferred to FTA for transit projects eligible for CMAQ or STBG (formerly STP) funds under 23 USC 149(b) or 23 USC 133(b) respectively.

### **6.6.9** [Surface Transportation Block Grant Program \(STBG\)](#) [\[Formerly Surface Transportation Program \(STP\)\]](#)

FAST Act converted the Surface Transportation Program (or STP) into the Surface Transportation Block Grant Program (STBG). The primary purpose of STBG funds is for construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways and bridges including construction or reconstruction necessary to accommodate other transportation modes.

#### **6.6.9.1** [STBG Eligible Transit Activities](#)

STBG eligible transit activities are: capital costs of transit projects that are eligible under 49 USC 53, including vehicles and facilities, publicly or privately owned, that are used to provide intercity bus service; carpool projects and fringe and corridor parking facilities; transit safety infrastructure improvements and programs; transit research, development and technology transfer; surface transportation planning programs; or public transportation management systems under 23 USC 303.

### **6.6.10** [Intercity Bus Program](#)

Pursuant to Subsection 5311(f)(2) of 49 United States Code, FTA requires that each State use 15% of its annual Section 5311 formula apportionment to support intercity bus (ICB) service unless the Governor certifies that the intercity bus needs of the state are adequately met. Given ongoing changes in the intercity bus industry, with some elimination of routes and rural stops, FTA encourages states to consult with intercity bus operators and communities affected by loss of service when evaluating intercity bus needs of the state. Reauthorization modified Section 5311(f) by requiring further consultation with “affected intercity bus service providers” before the Governor’s certification.

In 2007, ALDOT entered into an agreement with the University of Alabama’s University Transportation Center for Alabama (UTCA) to conduct a study to evaluate the intercity bus industry in Alabama. The results of the (UTCA) study (completed in 2009) were that the intercity bus needs in the state of Alabama were not being adequately met.

As a result of the 2007 study, ALDOT began appropriating the full 15% of the annual Section 5311 funds to be set aside for 5311(f) activities. Intercity bus activities began in FY-2011 using FTA apportionments from 2008 forward.

To date, ALDOT has funded both capital and operating needs for intercity bus services. The operating subsidy has been particularly valuable because it allows smaller transit operators to apply for funding. Informal meetings of current 5311(f) providers (consultations) are held at the ALDOT Transit Services office from time to time to discuss in-kind match and any current topics of interest. The call for 5311(f) applications is separate from, but similar to, the 5311 call for applications with newspaper advertising and the opportunity for public participation. A separate 5311(f) application is used. Because several intercity bus routes are currently established, applicants will apply to: 1) continue existing service with no changes, 2) expand service by adding new service area or route or other service enhancement (assumes continuation of existing service), or 3) start new service. Funding is for approximately two years. Any local in-kind match from Greyhound for the unsubsidized segment of intercity bus service that connects with the 5311(f) route(s) is validated by a letter from Greyhound that is in compliance with federal requirements for the Section 5311(f) Intercity Bus Program.

There are significant capital infrastructure needs that should be addressed to maintain an efficient and effective intercity bus network. Vehicles for the operation of both fixed route and feeder intercity bus services will continue to be needed. Vehicle-related equipment such as wheelchair lifts, security cameras, and intelligent transportation systems (ITS) for coordinated information and scheduling are examples of equipment that could enhance the passenger's experience and perception of service reliability.

A follow-up study conducted by UTCA, the Alabama Intercity Bus Service Study 2014, documented the importance of continued 5311(f) funding for intercity bus services in Alabama. As required by FTA, ALDOT will update the plan at least every four years in order to document activity, assess intercity bus needs, and remain in compliance with federal requirements associated with the Section 5311(f), Intercity Bus Program.

At this time, ALDOT does not anticipate transferring any of the 15% Section 5311 annual apportionment set aside for intercity bus (ICB) service to another program.

# 7 Annual Program of Projects Development and Approval Process

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ALDOT has simplified the application process. Application packages are now available in electronic format via the internet. Because most subrecipients have access to the internet, the distribution of application packages has greatly improved.

ALDOT utilizes all of its program funds under the appropriate programs. However, during the project development stage, ALDOT staff shall identify all other program funds that have not been obligated. If these funds are substantial, a transfer spending plan shall be submitted to FTA's regional office for approval after consulting with the subrecipients to determine whether or not they are able to use their funds allocated by FTA. If approved, ALDOT shall implement the transfer, identify eligible subrecipients, update the STIP, and adjust the State's FTA grant Program of Projects (POP).

## 7.1 Grant Application Summary

ALDOT makes an annual program announcement for all programs, usually in the spring, but this depends on the timetable for the publication of the apportionment in the Federal Register. At that time, grant applications are solicited from eligible subrecipients. The program period of performance is based on the Federal Fiscal Year (October 1–September 30). The announcements provide information on available funds and solicit applications from eligible subrecipients. The review of all applications will begin after receipt, usually in June after the application closing date. Once application review is complete, subrecipient allocations are made based on the FTA announced availability of program funds to the State for the given fiscal year.

The STIP page is then updated and released for public comment. Once the public comment period is complete, the Transit Section initiates a grant application with FTA which includes the development of a Program of Projects (POP). The annual program of projects shall serve as the basis for the State's annual application for funds to the Federal Transit Administration (FTA).

The Program of Projects section of each FTA application is developed using the project descriptions found in the Subrecipient Applications. The program of projects shall identify each local subrecipient approved to receive funds for the fiscal year, include a brief project description, describe the funding level (federal and non-federal), and list the amount of funds identified for state administrative expenses, RTAP, and intercity bus as applicable.



ALDOT certifies annually that it will comply with federal regulations and other federally regulated issues, using the FTA Certifications and Assurances for the grant year. The certifications must be completed within 90 days of being published in the Federal Register.

An ALDOT application to FTA, for each funding type, is compiled based on the ALDOT subrecipient applications received by ALDOT. Each grant is identified by the federal fiscal year, October 1 to September 30, for which the funds are allocated. ALDOT applies for federal transit funds during the third and fourth quarters of the fiscal year (unless special circumstances warrant an earlier grant submission) and submits applications to FTA based on deadline dates established annually by FTA.

All applications are submitted electronically using FTA's Transit Award Management System (TrAMS), which replaced the Transportation Electronic Award and Management System (TEAM). After FTA application review, ALDOT is notified whether the application has been accepted, and if not, what needs to be corrected or what additional information items are required for acceptance.

The ALDOT application to FTA can include two (2) categories in the program of projects:

- Projects in **Category A** will include those applicants certified as having met all the statutory and administrative requirements necessary for project approval.
- Projects in **Category B** will include those projects, which ALDOT intends to fund during that fiscal year, that have not yet met all the statutory and administrative requirements of the respective Programs.

ALDOT routinely strives to allocate all available funds under Category A.

## 7.2 Program of Projects Details (by Section)

### 7.2.1 Section 5310 Program of Projects

The Program of Projects (POP) for Section 5310 identifies each subrecipient and indicates whether it is a governmental authority, non-profit agency, or private provider of transportation services. The Program of Projects also identifies any subrecipients that are Indian tribal governments or tribal transit agencies (including both Federally-recognized and other tribal governments) as applicable. In addition, the program of projects includes a brief description of each project, lists the counties served, describes any tribal transportation needs served by the project, and identifies Congressional districts. The total project cost, the federal share, and the state administration cost are also included in the program of projects.

### **7.2.2** Section 5311 Program of Projects

The Section 5311 Program of Projects lists the selected subrecipients by county(ies), indicates the total number of subrecipients, briefly describes each subrecipient's program, and indicates the total and federal share of the program's costs. Tribal agencies that are subrecipients or that will receive the benefits of public transportation are noted in the Program of Projects. The Appalachian Development Public Transportation Assistance Program (ADTAP) subrecipients are also noted. Subrecipients providing intercity service are grouped together under Intercity Bus Transportation. The RTAP program is listed as a separate line item in the program of projects. The RTAP Program of Projects lists the following activities to be undertaken by the ALDOT and the amount of funds allocated to each activity: training, technical assistance, research, and related support.

### **7.2.3** Section 5339 Program of Projects

Projects for the Section 5339 Program of Projects (POP) are selected from the applications submitted to ALDOT for Section 5307, Section 5310, and Section 5311 funding consideration; this selection method maximizes the capital activities that can be funded by ALDOT. There is not a separate Section 5339 application. The Section 5339 Program of Projects lists the selected subrecipients by county(ies), indicates the total number of subrecipients, briefly describes each subrecipient's program, and indicates the total and federal share of the program's costs. Tribal agencies that are subrecipients or that will receive the benefits of public transportation are noted in the Program of Projects.

## **7.3 Statewide Announcement (Notice of the Availability of Funds)**

The statewide announcements for Sections 5310, 5311, and 5339 (see Section 7.2.3 for additional information on 5339 funding) are widely disseminated through various methods, to include:

- Email notifications to existing public transportation providers
- County government administrators
- Alabama regional councils of government (COGs) for region wide distribution to interested agencies including private sector transportation providers and Native American Tribes
- Metropolitan planning organizations (MPOs)
- Other local planning agencies

- Other interested agencies and operators of public transportation service
- Internet via the ALDOT website

## 7.4 Public Hearing Requirements

A public hearing or public participation is required prior to a subrecipient submitting an application to the ALDOT Transit Section regardless of the program. There is a second level of public comment when the project has been identified and has received ALDOT approval. This comment period allows the public to make statements regarding the proposed project.

The public hearing requirement in 49 U.S.C. 5323 was amended for capital projects in MAP-21. The law associates more clearly the public involvement and hearing requirements for capital projects with the environmental review required by the National Environmental Policy Act (NEPA) and its implementing regulations. It also broadens the requirement to apply to all capital projects (as defined in 49 U.S.C. 5302). Under 49 U.S.C. Section 5323 as amended, any application for a project that will “substantially affect a community or the public transportation service of a community” shall include a certification to the effect that the applicant has:

- Provided an adequate opportunity for public review and comment on the project
- Provided notice and held a public hearing on the project if the project affects significant economic, social, or environmental interests
- Considered the economic, social, and environmental effects of the project
- Found that the project is consistent with official plans for developing the community

Title 49 U.S.C. 5323 as amended, further states, “Notice of hearings under this subsection shall include a concise description of the proposed project; and shall be published in a newspaper of general circulation in the geographic area the project will serve.”

The applicant must provide an adequate opportunity for public review and comment on a capital project, and after providing notice, must hold a public hearing on the project if the project affects significant economic, social, or environmental interests. These requirements will be satisfied through compliance with the NEPA requirements for a public scoping process, public review and comment on NEPA documents, and a public hearing on every draft environmental impact statement (EIS).

A public hearing on environmental assessments (EAs) that have a high probability of being elevated to EISs is also required, ensuring that the applicant has complied with the public hearing requirement and inclusion in the environmental record for the project.

**Section 5323(b) must be read in concert with Section 5324(b) as amended**, which states that FTA must review the public comments and hearing transcript to ascertain that an adequate opportunity to present views was given to all parties having a significant economic, social, or environmental interest in the project and that FTA must make a written finding to this effect.

ALDOT requires all applicants applying for federal funding to comply with public hearing requirements.

## 7.5 Public Notification

At a minimum, ALDOT publicly advertises the availability of funds to potential applicants by letter, email, through the ALDOT website (Transit Section page), and/or through a publication having general circulation across the state.

At the conclusion of the application cycle, ALDOT publishes a list of selected projects on the ALDOT website, Transit Section page.

## 7.6 Application Review and Approval Schedule

The State's annual announcements shall provide a schedule of dates for application submittals and review by ALDOT staff, and the State's submission of the respective program of projects to FTA for review and approval.

The general application review and approval schedule for allocation of available federal funds is as follows:

- May-June: Receipt of all grant applications
- June-July: Grant applications reviewed by ALDOT; review/panel meetings held as required; request for 15-day public comment published
- July: Submission of State's new and amended applications to FTA for review and approval
- August-September: Contract Preparation and Release

Note: This schedule is general in nature and may be modified based on the availability of federal funds.

## 7.7 FTA Approval; Subrecipient Contracts Executed

Upon approval by FTA of the State's program of projects, and after FTA and ALDOT have entered into an agreement, the Local Transportation Bureau staff

will transmit, under the cover letter of project authorization, a copy of approved grant agreement(s) for execution by the subrecipient. Each agreement shall contain:

- The approved project budget
- The detailed scope of services to be performed in accordance with the budget
- Required federal and state contract provisions and regulations (Terms and Conditions)

The subrecipient should review and execute the agreement and return it to the ALDOT Local Transportation Bureau within 30 days. The ALDOT Local Transportation Bureau will then sign all copies of the contract and forward an executed contract to the subrecipient.

## 7.8 Certifications and Assurances

ALDOT must annually assure FTA that the State and all subrecipients meet all requirements necessary to be able to receive federal FTA funds.

Each fiscal year (on or about October 1), FTA publishes the required certifications and assurances in the *Federal Register* and updates the certifications and assurances in the TrAMS electronic grant-making system. This notice indicates which certifications and assurances apply to all grantees and subrecipients.

Subrecipients submit the appropriate original signature certifications and assurances each fiscal year for all programs for which they will be funded. Subrecipients should use the most recent version of certifications provided by ALDOT during the annual application process. No subrecipient contracts will be authorized until the required signed certifications and assurances have been reviewed by ALDOT.

## 7.9 Period of Performance

The period of performance for contracts will be based on the State's Fiscal Year of October 1– September 30. The agreement may be for one, two, or three years and can be extended up to two additional years if necessary. Period of performance is stated within the executed grant agreement between ALDOT and the subrecipient. Grant agreement extension requests must be submitted in writing (with justification) to the Transit Section for consideration and will be considered on a case-by-case basis. (*For specific guidelines, see the subheading Contract Changes in Chapter 9*).

ALDOT may establish different periods of performance for projects that are programmed for funding but have not yet met all the statutory or administrative requirements of the programs (Category B) pursuant to applicable FTA Circulars.

Private sector providers under direct contracts to ALDOT shall have the period of performance for operating expenditures in conformance with the audit period set by the Alabama Public Service Commission.

### **7.9.1**     Capital Projects

The performance period for all capital projects shall commence on October 1 of the award year (based on the state fiscal year). The period of performance is generally for a period of 12 months for completion of the respective capital project(s). Extension of capital project performance periods will be considered on a case-by-case basis. Subrecipients must submit a written request for extension to the Transit Section. The request must indicate the project contract number; capital project description; justification for request for extension of performance period; and anticipated date of completion. *(See also the Contract Changes subheading in Chapter 9.)*

## 7.10 Period of Availability of FTA Funds

FTA expects projects to be completed within a reasonable, specified time. Section 5310 and 5311 programs of projects should be implemented within two to three years of grant approval. The state may seek exceptions for implementation from the Atlanta regional office for proposed projects that may exceed two years or three years, depending upon the program type. FTA may terminate and close out grants not implemented within two or three years and de-obligate the funds.

When developing a program of projects for each year, the State reviews available funds in existing grants before applying for new funds. This can minimize the length of time a grant is open and the number of open grants.

FTA funds are available to the State during the period of availability of the funds. Therefore, the State need not apply for all of its funds during the year of apportionment. The period of availability of funds for selected programs is as follows:

- Section 5310: Year of apportionment plus 2
- Section 5311: Year of apportionment plus 2

## 7.11 FTA Grant Revision (Program of Projects)

ALDOT may revise an approved program of projects without constituting a change in scope which would require the de-obligation and re-obligation of funds. The scope of the grant is the approved program of projects in its entirety. The addition of Federal funds to the

approved program of projects is a change in the scope of the approved program of projects and requires an amendment of the grant agreement.

For changes that affect the budget line items in the grant budget, ALDOT will notify FTA by setting up a budget revision in the Transit Award Management System (TrAMS). For those changes that only affect the Program of Projects (POP) the ALDOT will attach a new program of projects to the “project management milestones” section and then notify FTA, via e-mail, that it has attached the new Program of Projects. In addition, ALDOT should also notify FTA of changes to the program of projects when they submit their annual program status report.

### 7.12 ALDOT Update to Program of Projects

The most recently updated program of projects submitted by ALDOT to FTA in its annual program status report or in the course of making revisions will be considered the approved program of projects. Only the addition of Federal funds or a change in the scope of the approved program of projects requires amendment of the grant agreement.

# 8 Locally Developed, Coordinated Public Transit and Human Services Transportation Plan

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## 8.1 State Program Coordination

Coordination is the efficient and effective use of transportation resources for getting people to important destinations such as jobs and medical appointments. Coordination means working with transit providers, human service agencies, private institutions, businesses, volunteers, and political leaders to broaden transportation options by way of modes, routes, and providers. Coordination ensures the connectivity between options.

MAP-21 requires the establishment of a “locally developed, coordinated public transit-human services transportation plan” for all Federal Transit Administration (FTA) programs for underserved populations, e.g., for seniors and individuals with disabilities. Projects serving these populations must be derived from a locally coordinated plan. The provisions of MAP-21 aim to improve transportation services for persons with disabilities, older Americans, and individuals with lower incomes. The provisions ensure that communities coordinate transportation resources provided through multiple Federal programs.

The Alabama Department of Transportation (ALDOT) considers coordination to be the most important element for the success of Section 5310 and Section 5311. To this end, ALDOT joined forces with the Alabama Association of Regional Councils (AARC) to assist with the coordination plans which are required by the Section 5310 program. The coordination plans are required to have all stakeholders involved including representatives of public, private, and non-profit transportation and human services providers and participation by members of the public. Stakeholders must also include individuals with disabilities and seniors utilizing transportation services. Under the agreement, AARC worked in the local areas to identify the appropriate stakeholders within a specific region and conducted the public outreach process. The schedules, agendas, and process strategies were coordinated with the Statewide Transit Plan development process that was concurrently underway where possible to avoid duplication in effort. AARC prepared and delivered to the State 12 regional human service coordinated plans covering the non-urbanized areas of all 67 counties of Alabama in accordance with the SAFETEA-LU and later MAP-21 legislation. The coordination plans are updated every 2 to 4 years or as warranted by ALDOT.



The agreement with AARC included the following tasks:

- Develop convenient stakeholder groups in each region
  - Assess transportation needs for individuals with disabilities, older adults, and persons with limited incomes
- Gather human service data and information (common origins, common destinations and existing transportation services)
  - Inventory available services to identify areas of redundant service and gaps in service
- Identify unmet transportation needs
  - Recommend strategies to address the identified gaps in service
- Develop transportation alternative solutions
  - Identify coordination actions to eliminate or reduce duplication in services and strategies to encourage more efficient utilization of resources
  - Prioritize implementation strategies

One element of state-level coordination involves the annual development and distribution of Section 5310 and 5311 grant information. ALDOT accomplishes this task primarily through the assistance of the state’s Metropolitan Planning Organizations (MPOs) and Councils of Local Governments (COGs). These agencies provide input in determining project scope, program guidelines, and level of funding.

As the lead agency for the coordination of public transportation, ALDOT supports coordination among public transportation organizations, private non-profit transportation providers, and public organizations that need transportation in order for clients to access jobs, services, and education. Coordinated transportation increases the efficiency and effectiveness of the local transportation services.

### **8.1.1**     [Designated Coordination Body](#)

The Alabama Department of Transportation (ALDOT) has designated each of the 12 Councils of Local Governments (COGs) as Designated Coordinating Bodies for coordination of the various federally funded transportation programs. The COGs act as the primary point of contact for development and implementation of coordination plans.

Role of Designated Coordination Bodies (Councils of Governments):

- Distribute announcement packages

- Certify applicant's involvement in the coordinated planning process
- Act as a liaison between ALDOT and applicants in their region

Projects will be awarded through a statewide competitive process. The ALDOT Transportation Planning and Modal Programs Bureau is responsible for the development and implementation of the competitive selection process.

## 8.2 Human Services Transportation Coordination

### 8.2.1 Coordination Plan Development

ALDOT and a committee of Council of Local Governments (COG) representatives has developed 12 regional coordinated plans that meet the requirements of MAP-21 as it relates to the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) Program and other associated human service agency projects. The horizon for the coordinated plans will follow that of the local long-range transportation plans.

While at a minimum, the FTA formula program for Section 5310 must be derived from a coordinated plan, the coordinated plans incorporate activities offered under other programs sponsored by Federal, State and local agencies. Other programs include FTA's Section 5307 and 5311 programs, as well as Temporary Assistance for Needy Families (TANF), Workforce Innovation and Opportunity Act (WIOA), Vocational Rehabilitation, Medicaid, Community Action (CAP), Independent Living Centers, and Agency on Aging (AoA) programs.

The coordinated plan format is the same across all 12 regions of the state, while development and content are specific to the needs and issues of each COG. The development of the coordinated plans is not meant to replace the efforts currently underway in specific areas of the state, but in many cases can be used to document and, where necessary, expand those efforts in a consistent format. The coordinated plans are developed to address intra- and inter-regional needs and issues in a manner that allows the COGs, concurrent with regional Long Range Transportation Plan (LRTP) updates, to update the regional coordinated plans locally. Further, the coordinated plans are developed in a manner that allows the COGs to adapt and expand the plans to incorporate programs and initiatives specific to their regions, while maintaining the uniform format and compliance with Federal law and guidance.

Plans are programmed for review and update every four years from the date of publication.

## **8.2.2** Coordinated Plan Content

While Federal law does not define an acceptable plan, at a minimum the plan will:

- Assess and document transportation needs in each region for individuals with disabilities, older adults, and persons with limited incomes
- Inventory available services in each region and identify areas of redundancy and gaps in service
- Identify and document restrictions on eligibility for funding
- Identify and document short- and long-range strategies in each region to address the identified gaps in service, including mobility management strategies
- Identify and document technological resources currently available and appropriate for coordination of transportation services
- Identify and document coordination actions in each region to eliminate or reduce duplication in services and strategies for more efficient utilization of resources
- Document and prioritize implementation strategies to increase coordination of transportation services in each region

ALDOT supports a uniform application and selection process under the Section 5310 program for all COGs. To further this effort, ALDOT defined selection criteria that can be used uniformly across the 12 regions, and documented the basis for the selected criteria. At a minimum, the selection criteria will:

- Correlate with regional plan implementation strategies
- Address gaps in current service provisions for targeted communities
- Make use of available resources and leverage resources to the extent possible
- Facilitate coordination across public-private, inter-agency, and geographic boundaries
- Coordinate with other Federal and/or state programs.

Specific selection criteria for each program are described in each annual application for funding.

The coordinated plans have been developed through a process that includes representatives of public, private and non-profit transportation, and human service providers. ALDOT through an agreement with AARC has clearly documented the stakeholder involvement and public outreach conducted as a part of this effort. Under the agreement, AARC worked in the local areas to identify the appropriate stakeholders within a specific region and to conduct

the public outreach process. The schedules, agendas, and process strategies were coordinated with the Statewide Transit Plan development process that was concurrently underway where possible to avoid duplication in effort.

# 9 Project Financial Management

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As the primary recipient of FTA funds and as the State agency designated to administer such funds for public transit activities in Alabama, ALDOT will manage the fiscal elements of these programs in accordance with its existing procedures based on FTA guidelines and other applicable state and federal regulations.

## 9.1 Project Identification

All projects included in the annual Program of Projects (POP) shall be assigned a project number (per contract) through ALDOT's Comprehensive Project Management System (CPMS) for identification.

## 9.2 Pre-Award Requirements

Upon initial approval of an applicant for inclusion in the Program of Projects, the ALDOT Transit Section shall ensure the subrecipient:

- Has the financial capability to perform the services required and that the accounting system is adequate and capable of segregating, accumulating, and maintaining costs of the project and/or contract and documenting necessary facts that might be needed in program audits
- Establishes adequate internal controls to ensure that project costs are reasonable, allocable and allowable under the project, that transactions are properly recorded, inventory procedures account for capital assets purchased with ALDOT administered funds, and that documentation of project management and oversight results in preparation of required audits
- Establishes a proper record retention policy to ensure that documents will be maintained for a three-year period. *For more information, refer to the Record Retention section later in this chapter.*

FTA allows ALDOT to incur cost under pre-award authority for formula programs prior to grant awards with some restrictions.

## 9.3 Subrecipient Grant Agreements

When an applicant has completed the program procedures and becomes a subrecipient, the subrecipient must enter into an agreement with ALDOT stating the terms and conditions of the grant. The agreements are based on specific grants and grant years. The agreement may be for one, two, or three years and can be extended up to two additional years if necessary. A standardized grant agreement is prepared by the Transit Section and sent to the subrecipient for execution. Upon receipt of the executed agreement, the agreement is channeled through ALDOT for final processing. A copy of the signed agreement with a cover letter is sent to each subrecipient.

In Alabama, the same FTA regulations and policies affecting ALDOT are passed through to the subrecipients as applicable. ALDOT certifies to FTA, and the subrecipients certify to ALDOT, that they will comply with all applicable provisions of Federal, State, and local laws, regulations and FTA directives in the grant agreement. ALDOT maintains separate files on each FTA project, and this information is available to FTA at any time. The subrecipients are required by ALDOT to keep separate files for each transit project and to make them available during monitoring visits or other times as necessary.

## 9.4 Establishment of Project Accounts

### 9.4.1 Standards for Accounting

ALDOT maintains a financial management system of financial reporting, accounting records, internal controls, and budget controls subject to standards specified in the state laws enforced by the state auditor and the Alabama Department of Finance (Comptroller's Office). All systems and procedures for financial management are in compliance with **2 CFR Part 200**, the Uniform Administrative Requirements: Cost Principles and Audit Requirements for Federal Awards.

All subrecipients are required to establish and maintain an accounting system to which all transportation-related costs and revenues are properly recorded so that cost and revenues are clearly identified, easily traced, and substantially documented. The fully allocated cost of the public transit program must be clearly identified regardless of the operational nature of the agency serving as the designated transit system.

ALDOT and the subrecipient are both responsible for documenting and supporting all costs charged to the project and revenue earned. Supporting documentation shall detail the nature and propriety of the charges. Examples of adequate documentation include, but are not limited to:

- Time records, authorized pay rates, checks and direct deposit documents for payroll
- Vendor invoices, contracts for AP cash disbursements
- Procurement documents, contracts, subrecipient billings for AR cash receipts
- Cash receipts, cash disbursement, bank statements for bank reconciliations
- Vendor invoices, purchase orders, and checks for fixed assets

## 9.5 Program Income

ALDOT defines program income as gross income earned by a subrecipient that is generated directly by an activity supported in whole or in part with Federal funds or earned only as the result of the grant award. Only the portion of income recorded is considered program income and is subject to ALDOT’s Transit Section oversight.

Program income includes, but is not limited to, income from:

- Fees for services provided to a third-party entity
- Rental fees for the use of real or personal property acquired under federally-funded projects

Program income does not include:

- Interest earned on advances of Federal funds
- Rebates, credits, discounts, etc., and interest earned on any of these items except as otherwise provided in the awarding agency regulations, award terms and conditions
- Proceeds from the sale of real property, other capital assets, and supplies/materials inventory

Program income guidance:

- Must be retained in accordance with ALDOT contracts and other associated terms and conditions and used for allowable capital or operating expenses
- Must be used to reduce total allowable cost to net costs on which the Federal share is determined. Subrecipients must use program income funds to defray eligible program costs before requesting reimbursement for ALDOT administered funds. Program income must not be used to reduce subrecipients’ local share.
- May be used to meet cost sharing or matching requirements for non-FTA transit programs, when authorized by ALDOT. The amount of the Federal award remains the same.

- If authorized by the ALDOT Transit Section, costs associated with the generation of program income may be deducted from gross income provided these costs have not been charged to the award.
- Must be accounted for in the subrecipients' accounting system for income earned. The accounting system must be able to identify the purpose for which program income was used.

Proceeds from the sale of property shall be handled in accordance with ALDOT disposal procedures (see **Chapter 11**), the subrecipient's property standards, and generally accepted accounting principles.

## 9.6 In-Kind

The goal of the Transit Section is to manage and administer in-kind in a manner that ensures program compliance in accordance with federal and state laws, regulations, statutes, and industry standards. In-kind represents goods and services donated to the subrecipient's agency that represent the monetary value in which ALDOT resources would have been expended to acquire the goods or services to accomplish program objectives.

## 9.7 Cost Allocation Plans

Title 2 CFR 200 Subpart E-Cost Principles establishes Federal guidelines identifying costs that can be reimbursed using Federal funds. According to these guidelines, an approved Cost Allocation Plan (CAP) and/or Indirect Cost Rate (ICR) is required when requesting reimbursement for indirect costs using Federal funds.

### 9.7.1 Definitions

#### 9.7.1.1 Allocation

Allocation is the process of assigning a cost, or a group of costs, to one or more cost objectives. It must be reasonable proportionate to the benefit provided or other equitable relationship. The process may entail assigning a cost directly to a final cost objective or through one or more intermediate cost objectives.

#### 9.7.1.2 Cognizant Agency for Indirect Cost

The cognizant agency is the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals on behalf of all Federal agencies. The cognizant agency is the Federal or authorized agency which provides the most Federal funds to the subrecipient.



Indirect cost plans approved by cognizant agencies are required of all subrecipients whose budgets include indirect cost line items. In instances in which cognizant agency approval is not available, subrecipients are required to develop an indirect cost rate proposal annually and to maintain the proposal and related supporting documentation for audit.

#### 9.7.1.3 Direct Cost

Direct cost is an allowable cost that can be identified specifically with an award, project, service, or other activity of an organization such as vehicle and equipment purchases. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect cost. Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards.

#### 9.7.1.4 Indirect Cost

Indirect costs are allowable costs incurred that cannot be specifically identified with a particular award, project, service, or other activity of an organization such as building maintenance and administration costs. It may include the direct cost of a minor amount but must be consistently applied to all cost objectives. Indirect costs are interchangeable with common or joint costs.

#### 9.7.1.5 Cost Allocation Plan Proposal

The documentation identifying, accumulating, and allocating or developing billing rates based on the allowable cost of services provided.

#### 9.7.1.6 Cost Allocation Plan/Indirect Cost Rate

The purpose of the cost allocation plan is to ensure that the services provided are necessary and the costs incurred are reasonable and allowable. The CAP and ICR are designed to ensure that the subrecipients' individual programs bear a fair share of authorized costs associated with the Federal transit programs.

Subrecipients can incur direct and indirect costs on a FTA project. ALDOT allows reimbursement of indirect costs for public transit subrecipients. Subrecipients are responsible for submitting CAP proposals and IC proposals to their cognizant agency to review and approve. Subrecipients are to submit updated CAPs according to their cognizant agency guidance. All subrecipients requesting indirect costs in their ALDOT Transit Section administered budgets are required to provide CAPs and/or indirect cost information approved by their cognizant agency. In instances in which cognizant agency approval is not available, subrecipients are required to develop an indirect cost rate proposal annually and to maintain the proposal and related supporting documentation for audit.

### 9.7.1.7 Direct Cost Allocation Methodology

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If the cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

ALDOT requires subrecipients to develop a methodology for allocating direct costs to programs when cost is shared between like programs. (Example: Vehicle costs are shared between rural public transit, urban public transit, and Medicaid programs). The subrecipients' methodology or basis used for allocating direct costs common to all benefiting programs should provide for an equitable distribution of costs based on benefits received by each program.

## 9.8 Travel and Training

Travel and training not provided for or requested for reimbursement under RTAP funds may be included in other Transit Section-administered programs. Subrecipients must comply with ALDOT travel requirements identified under RTAP – see **Chapter 15**.

## 9.9 Requests for Payment

Before a subrecipient may begin requesting funds, a fully executed agreement must exist between the subrecipient organization and ALDOT. A subrecipient must also have on file with ALDOT a signature authorization Form that designates the individual(s) who have authority to sign invoices on behalf of the subrecipient.

A subrecipient shall submit invoices on forms and in a manner prescribed by ALDOT. *See the "Project Invoicing" Section of **Chapter 14** for more information.*

## 9.10 Contract Changes

During the course of the contract it may become necessary to make changes to the project in the form of administrative amendments, contract revisions, or contract amendments. Contract changes (amendments and revisions) must be submitted on the Budget Adjustment Form with a justification for contract revisions. All contract amendments require ALDOT approval.

Budget changes must comply with salary and fringe contract percentage limitations and the administrative category limitation of 40% of total program budget. Once the original

budget has been approved, ALDOT may not allow an increase in salary and/or fringe benefits expenses.

For budget changes to be effective, except for revisions requiring ALDOT concurrence, a modified contract must be fully executed before changes are reflected on Form F-25-Request for Payment Invoice Form.

### **9.10.1** Administrative Amendment (Contract Extension, etc.)

An administrative amendment is a change in a grant agreement normally initiated by ALDOT's Transit Section. It is used to modify or clarify certain terms, conditions, or provisions under the contract. It may be used to modify a contract to comply with changes required by ALDOT, to change or extend the contract period (year), to change the type of funds obligated for a grant agreement, or to reflect a change in the subrecipient's name. An administrative amendment cannot be used to change the scope, amount of funding, or purpose of a contract.

### **9.10.2** Contract Amendment

A contract amendment is a change in the scope or purpose of a contract or the federal and/or state participation. A contract amendment requires Transit Section approval before the contract budget change can be reflected on Form F-25 documents. A detailed justification must be submitted with the form. A contract amendment is used for the following purposes:

- Addition/deletion of budget line items in an approved contract
- Any scope change that will alter the original intent of the contract
- Changes that will affect contract category funding amounts and/or matching ratios of the contract
- Changes in the number of units, size, or physical characteristics of items to be purchased or constructed
- A change that ALDOT concludes is significant to include, but is not limited to, route reductions, material or personnel changes etc.
- Contract (Budget) Revision

### **9.10.3** Contract (Budget) Revision

A contract budget revision is appropriate if the purpose, scope, total category amount, and total contract amount remains consistent with the applicable approved contract

and contract budget. Contract revisions must be reported on Form F-25 documents. A detailed justification must be submitted with the form when Transit Section approval is required.

The following applies to contract revisions that require Transit Section approval:

- Transfers are within a budget category from one budget category's active (approved budget) line item to another contract budget category active line item
- The line item change must be a **change of 30% or greater**. For example, transferring funds from a contract approved administrative miscellaneous expense to a contract approved travel expense when the change represents a 10% change in an approved line item.
- There are no increases made to salaries and/or fringe benefit line item expenses

The following applies to contract revisions that may be made without Transit Section prior approval but do require Transit Section concurrence:

- Transfers are within a budget category from an active contract budget line item to another active contract budget line item.
- The line item increase/decrease must be **less than a 30% change**
- There are no increases made to salaries and/or fringe benefit line item expenses

#### **9.10.4** [Revisions](#)

ALDOT encourages subrecipients to have a sound financial management system to allow for the completion and review of budget(s) to avoid unnecessary use of budget changes. Budget changes (revisions) may be considered on a case-by-case basis.

#### **9.10.5** [Budget Change Process](#)

- 1) Subrecipients must submit a request that includes a justification to ALDOT along with the latest approved budget with a mark-up of the requested changes and "Revised" within a reasonable time frame prior to the anticipated change date. The bottom line cannot change. The change must be initiated by an authorized representative of the subrecipient.
- 2) ALDOT will respond to the subrecipient in writing concerning the status of the request (approved, denied, or needs to be modified). The program manager will work with the subrecipient on any requested changes that need to be modified so that they can be approved.

- 3) After approval, a copy of the request, the Revised Budget, and other supporting documents will be maintained in the contract file.

## 9.11 Closeout Procedures

### 9.11.1 Grant Agreement Closeout

The Alabama Department of Transportation's Transit Section enters into yearly transit grants with the Federal Transit Administration (FTA). These grants are applied for, managed, and monitored electronically through an FTA grant making system. ALDOT is expected to close out grants in a timely manner. In order to accomplish grant closeout, ALDOT's Transit Section must do the following:

- Submit quarterly/yearly federal financial reports and milestone progress reports
- Update the program of projects as needed
- Expend funds as outlined in the grant

Once all funds have been expended and/or projects are complete, ALDOT's Transit Section must follow the close out process in FTA's electronic grant system. ALDOT submits a final federal financial report and a milestone progress report. Any leftover funds are de-obligated. The Transit Section then notifies FTA that there are pending closeouts in the system.

### 9.11.2 Contract Closeout

The Alabama Department of Transportation has the right to unilaterally initiate contract closeout in cases where approved funds have been substantially disbursed or the subrecipient has done little to complete activities as approved in the contract. In every case, ALDOT will notify subrecipients by letter that the grant agreement has been closed out. This letter states that the project is complete and no further charges will apply to that grant agreement.

Upon completion of a project, the subrecipient is to submit to ALDOT's Transit Section within 30 days after the contract ending date the items outlined below:

- A final Request for Payment invoice to request payment for any remaining eligible expenses, if appropriate
- A check made payable to the Alabama Department of Transportation for over requested funds
- Copies of any technical studies or other documents produced as a result of the contract, if not already submitted

- Any other reports required as a condition of the contract

## 9.12 Audits

ALDOT has established uniform standards to provide guidance in obtaining and reviewing financial statement audits in compliance with ALDOT's Transit Section requirements.

These standards are applicable to all subrecipients expending ALDOT-administered state and federal funds.

### 9.12.1 Types of Audits

The following audit report requirements are applicable:

- Subrecipients expending \$750,000 or more in federal assistance in the subrecipient's fiscal year must submit a single audit to ALDOT
- Subrecipients receiving less than \$750,000 are required to conduct a financial audit on an annual basis. This audit and all findings must be submitted to ALDOT on a yearly basis. ALDOT requires the subrecipient to bring to their attention any audit findings relevant to their use of FTA funds.

### 9.12.2 Audit Documents to Be Submitted

Subrecipients are required to submit an audit to ALDOT within nine months of the end of the subrecipient's fiscal year. The following documents are required to be submitted with the audit:

- A copy of the audit report
- Other required documents. For example, if the audit indicates the auditor reported issues to management, then the management letter must be submitted
- Subrecipient responses to findings and/or management letter issues

### 9.12.3 Audit Review Process

ALDOT requires each subrecipient to bring to its attention any audit findings relevant to its use of FTA funds.

ALDOT's External Audit Division assists in reviewing subrecipient audits. If findings or serious questions concerning financial management are raised, External Audit may request an internal audit of subrecipient files including all supporting documentations. The Audit Division or transit staff could request a special audit of subrecipients' operations.

## 9.13 Other Issues

ALDOT will take appropriate action if a subrecipient fails to:

- Submit the required report and documentation before the due date
- Obtain an extension from the Transit Section to submit audit documents to the Transit Section after the required submission date
- Respond to the Transit Section review
- Conduct an audit in accordance with audit requirements for cases of continued inability or unwillingness

ALDOT will take appropriate action to include, but not be limited to, measures outlined in 2 CFR Part 200 (as amended) such as:

- Withholding processing request for reimbursement or withholding payment until deficiency is adequately addressed
- Disallowing costs associated with deficiency
- Initiating suspension or debarment proceedings
- Withholding further contracts
- Other actions permissible by law

In remedying recipient non-compliance, ALDOT will provide correspondence explaining reasons for the action and that non-compliance may be considered in future award decisions. See **Chapter 14 (Compliance)** for further information on disciplinary action.

## 9.14 Record Retention

ALDOT requires the subrecipient to retain financial records, supporting documents, and other records pertinent to an ALDOT contract in compliance with the Transit Section's record retention requirements unless subrecipient policy is stricter. Subrecipients must retain documentation for three (3) years:

- After payment of final billing or completion of the project, whichever occurs last
- From the time litigation, claims and audit findings have been resolved, if such action was started before expiration of the 3 year period
- Three years from the date of assets disposal

For indirect cost rate proposals, cost allocation plans documentation must be retained for three years:

- If plans are submitted for negotiations, the record retention period for the plans and supporting documents starts on the date such documents are submitted and includes supporting documents
- If plans are not submitted for negotiation, the record retention period starts at the end of the fiscal year covered by the proposal, plan, and other documentation



# 10 Procurement

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## 10.1 Procurement

ALDOT and all subrecipients must comply with **FTA Circular 4220.1 (series)** as applicable when procuring goods and services. At a minimum ALDOT must comply with five specific Federal requirements contained in the most current **FTA Circular 4220.1 (series)**. These include the following: (1) for rolling stock, a five year limitation on contract period of performance; (2) a requirement for full and open competition; (3) a prohibition against geographic preferences; (4) the use of Brooks Act procedures for procurement of architectural and engineering services if the State has not adopted a statute governing procurement of such services; and (5) inclusion in contracts of all Federal clauses required by Federal statutes and Executive Orders and their implementing regulations. These clauses are identified in specific Federal regulations cited in FTA's Master Agreement incorporated by reference into the grant agreement. Additional technical assistance for third party contracting is available in FTA's "Best Practices Procurement Manual," which can be found online at <https://www.transit.dot.gov/funding/procurement/best-practices-procurement-manual>.

When procuring property, supplies, equipment, or services under an FTA grant, ALDOT follows, and requires its subrecipients to follow, the following procedures:

- Use a written procurement procedure that reflects applicable State and local laws and regulations, and conforms to applicable Federal law
- Maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders
- Assure FTA/ALDOT that ethical conduct is maintained by adhering to the following requirements:
  - Maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts
  - Ensure the officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subrecipients

- Verify a written policy exists that includes procedures for identifying and preventing real and apparent organizational conflicts of interests
- Provide for a review of proposed procurement to avoid purchase of unnecessary or duplicate equipment.
- Make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Considerations should be: contractor integrity, compliance with public policy, past performance, and financial and technical resources.
- Maintain records sufficient to detail the completed procurement including the method of procurement, contract type, contractor selection or rejection, and the basis for the contract price.
- Conduct procurement in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals. (The use of federal funds in procurements does not allow for in-State preferences.)
- ALDOT maintains written procedures to handle and resolve protests relating to their procurement, and shall, in all instances upon FTA request, disclose information regarding a protest to FTA. The subrecipient is also required to maintain written procedures for handling and resolving protests relating to procurement, and to notify ALDOT of any such protests.

## 10.2 Competition

All procurement transactions are conducted in a manner providing full and open competition when procuring goods or services. ALDOT and its subrecipients do not:

- Place unreasonable requirements on firms in order for them to qualify to do business
- Require unnecessary experience and excessive bonding
- Use noncompetitive pricing practices between firms or between affiliated companies
- Give noncompetitive awards to professionals and other consultants that are on retainer contracts
- Specify “brand name” products instead of allowing “an equal” product to be offered

## 10.3 Buy America Provisions / Pre-Award and Post-Delivery Audits / New Model Bus Testing

### **10.3.1** Buy America

The Buy America regulation states that no FTA funds may be used to purchase vehicles unless all steel, iron, and manufactured products used in building the vehicle are produced in the United States. In addition, components used in the vehicle that are produced in the United States must cost more than 60 percent of all components used in the vehicle, and final assembly must take place in the United States.

ALDOT is required, prior to awarding the bid for any rolling stock, to certify that a pre-procurement audit has been conducted to verify that the bid proposed for acceptance appears to comply with the Buy America Requirements and with appropriate Federal Motor Vehicle Safety Standards (FMVSS).

A manufacturer or supplier of steel, iron, or manufactured goods may be permitted to correct, after bid opening, an incomplete certification or a certification of noncompliance under certain circumstances if submission of the incorrect certification was the result of an inadvertent or clerical error.

### **10.3.2** Pre-Award and Post-Delivery Review

Procurements for vehicles, other than unmodified vans, must be audited in accordance with FTA regulations, "Pre-Award and Post-Delivery audits of Rolling Stock Purchases," 49 CFR Part 663. ALDOT conducts pre-award and post-delivery reviews to assure compliance with bid specifications, Buy America certifications, purchaser certifications, and Federal Motor Vehicle Safety Standards certifications. ALDOT ensures that bidders (vendors) abide by the pre-award, post-delivery regulations and conducts pre-award audits of the bid specifications and pre-award Buy America audits of all bidders wishing to sell transit vehicles to the State.

ALDOT encloses with all bids a packet of information explaining the FTA regulations and requirements. The bidder must submit a signed Buy America Certification with a list of proposed components, subcomponents, and final assembly information; a signed Bus Testing Certification; Federal Motor Vehicle Safety Standard (FMVSS) certification; lower-tier FMVSS Certification, Debarment and Suspension, Lobbying Certification and Certification on Experience.

When the vehicles are delivered, ALDOT conducts a Post-delivery audit for Buy America and Federal Motor Vehicle Safety Standards. ALDOT ensures that Buy America regulations are

still being met and that the vendor has furnished the required Federal Motor Vehicle Safety Standards certification. If the vehicles do not meet Buy America and/or Federal Motor Vehicle Safety Standards, the vehicles are rejected.

When picking up vehicles from ALDOT, the subrecipient must certify that the vehicles have been inspected and comply with the procurement specifications, as well as with the Buy America and with FMVSS provisions.

ALDOT's responsibilities with respect to vehicle procurement include developing vehicle specifications, performing in-plant inspections of vehicles when required, and conducting the post-delivery determination that the delivered vehicles meet the bid specifications and are free from defects. ALDOT visually inspects all delivered vehicles. If ALDOT finds any defects or vehicles missing specified equipment, ALDOT works with the vendor to ensure the correction of any and all defects before they are delivered to the subrecipients.

When ALDOT undertakes a consolidated State procurement on behalf of several subrecipients of FTA funds, the requirement for a resident inspector at the manufacturing site depends upon the number of buses in a subrecipient's order. That is, for example, although ALDOT may order 30 vehicles, if no subrecipient expects to receive 20 or more of the vehicles (10 or more for a large urbanized area subrecipient), ALDOT is not required to place an inspector on site. If 20 or more vehicles are ordered for a single subrecipient an on-site inspector is required; the on-site inspector may be provided by either the State or the subrecipient. In addition, if the on-site inspector is used on one subrecipient's order, then this meets the on-site inspection requirement for ALDOT's procurement even though there are other subrecipient orders of 20 or more vehicles. The cost of such an inspection exercise is considered an eligible project cost.

When purchasing buses tested by the Altoona Bus Research and Testing Center, ALDOT must obtain a copy of the test report.

The ALDOT Local Transportation Bureau Vehicle Coordinator shall perform a post-delivery review and inspection on all vehicle procurements, after delivery and prior to acceptance of the subrecipients. The subrecipients will also inspect the vehicles prior to taking possession of vehicles.

### **10.3.3** [New Model Bus Testing](#)

Any new bus model must be tested at the FTA-sponsored test facility in Altoona, Pennsylvania, before FTA funds can be expended to facilitate purchase (49 CFR Part 665). This requirement applies to all buses and modified vans. It does not apply to unmodified

vans, including vans with raised roofs or lifts installed in strict conformance with the original equipment manufacturer modification guidelines. A new model is defined as one that has not been used in mass transportation services in the United States before October 1, 1988, or that has been used in such service but which, after September 30, 1988, is being produced with a major change in configuration or components. If a bidder proposes a vehicle requiring New Model Bus Testing, the bidder must ensure that the manufacturer has complied with the testing requirement by enclosing a copy of the bus testing report from the Altoona Bus Testing Center with the bid proposal. ALDOT will not expend any FTA funds for a new model bus, until it has obtained the New Model Bus Testing report from the bidder.

### **10.3.4** [Vehicle and Equipment Procurement](#)

#### **10.3.4.1** [Vehicle Procurement](#)

The purchase of FTA funded vehicles starts with the subrecipient applications or vehicle needs projection forms indicating quantities, sizes, and types of vehicles needed and planned use. ALDOT facilitates the placement of all vehicle orders. ALDOT, in coordination with State Purchasing Division, facilitates the advertisement and mails a Request for Bid (RFB) to all registered vehicle vendors. This RFB includes a packet describing the FTA procurement regulations, and the specific information regarding vehicles being ordered for the State Transit Program. The bids are opened on a specific date and time, and the qualified low bidder(s) is/are awarded the contracts. The State Purchasing Division assures ALDOT the accepted bid meets pre-award requirements. ALDOT assures that the vehicles proposed meet the requested vehicle specifications. Once the contract is awarded by the State, the selected vendor(s) are authorized to proceed with the manufacturing of vehicles. If more than 20 buses are ordered from one vendor, either ALDOT or its subrecipients will have a representative visit the manufacturer of the buses during the construction of ALDOT's buses. If ALDOT is pleased with the service provided by the vendor, the vendor can continue to provide vehicles for two (2) additional years. After the vendor has been selected, ALDOT prepares a Purchase Order for each vehicle or group of like vehicles. The Purchase Order is forwarded to the vendor. ALDOT will not issue Purchase Orders for vehicles until the subrecipients provide the required 20% match for each vehicle (*please refer to **Chapter 5, section 20** for information on match ratios for ADA/CAA equipment included on the vehicle*). Vehicles are delivered to ALDOT in Montgomery, Alabama. ALDOT orders all new vehicles for the subrecipients. The subrecipients are not allowed to purchase new vehicles directly with Sections 5310, 5311, and 5339 funds unless approved by ALDOT.

#### 10.3.4.2 Equipment Procurement

Subrecipients desiring to purchase equipment such as computers, printers, fax machines or other needed equipment, must notify ALDOT of the proposed purchase through a capital request process, receive written approval from ALDOT to purchase the equipment, and use an ALDOT approved purchasing process that includes the collection of at least three bids. If this procedure is not followed, the subrecipients will not be reimbursed for the equipment.

**Reimbursement for capital items will not be made until all required documentation is submitted to ALDOT Local Transportation Bureau and has been reviewed and approved by Transit Section staff.**

#### 10.4 “Piggy-backing”

ALDOT does not allow subrecipients to “piggyback” on procurement contracts for other states. ALDOT will not allow piggybacking on contract awards made under Sections 5307, 5310, 5311, or 5339.

#### 10.5 Restrictions on Lobbying

Federal financial assistance may not be used to influence or attempt to influence any member of the U.S. Congress and/or the Alabama State Legislature, or an officer or employee of the U.S. Congress and/or Alabama State Legislature in the making of any Federal contracts, grants, or cooperative agreements. Federal funds may not be used for lobbying congressional representatives or senators indirectly, such as by contributing to a lobbying organization or funding a grass-roots campaign to influence legislators (31 USC Section 1352). General advocacy for transit and providing information to legislators about the services a subrecipient provides in the community are not prohibited, nor is using non-Federal funds for lobbying, so long as the required disclosures are made.

The ALDOT, subrecipients, and third-party contractors awarded FTA assistance exceeding \$100,000 sign a “Restrictions on Lobbying” certification and, if applicable, disclose the expenditure of non-Federal funds for lobbying purposes. ALDOT signs the Lobbying Certification as part of the annual certification and assurances to FTA. The FTA subrecipients (receiving over \$100,000) provide a signed Lobbying Certification during the application and/or agreement process. The signed Certifications are retained in the subrecipient project files. In addition, signed Lobbying Certifications are obtained from the vendor during ALDOT’s procurement process.

If the State, subrecipients, contractors, or subcontractors use non-Federal funds for lobbying activities, the disclosures must be made and filed on a Standard Form LLL and submitted to FTA from ALDOT.

Updates to Standard Form LLL are required for each calendar quarter in which any event occurs that requires disclosure, or that materially affects the accuracy of the information contained in any disclosure form previously filed by a recipient.

The following events may require an update to the Standard Form LLL:

- A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a “covered federal action”
- A change in the person(s) attempting to influence such action
- A change in the officer(s), employee(s), or member(s) contacted to attempt to influence such action

## 10.6 Debarment and Suspension

The purpose of the Debarment and Suspension certification required from ALDOT as the primary recipient of federal funds, and the second tier certification required of the subrecipients receiving over \$10,000, is to ensure that federal funds are not given to anyone who has been debarred, suspended, or is ineligible or voluntarily excluded from participation in federally assisted transactions.

ALDOT certifies to FTA in the grant applications, and the subrecipients certify to ALDOT in their grant applications, that debarment and suspension compliance will be met, and the necessary reports provided to the FTA and ALDOT. In addition, signed debarment and suspension certifications are obtained from vendors during ALDOT’s procurement process.

Subrecipients agree to the Debarment and Suspension certification as part of the agreement with ALDOT. The signed agreements are retained in the subrecipient files.

FTA requires both participants in third party contracts of any tier and sub-agreements of any tier to assure the status of persons participating therein.

The awarding party must verify that the person or entity is not excluded or disqualified by one of the following methods:

- Checking the Excluded Parties List System (EPLS) available at the System for Award Management (SAM): <https://www.sam.gov> [strongly recommended by FTA]
- Collecting a certification from the prospective awardee

- Adding a clause or condition to the third party contract or sub-agreement with that awardee

In addition, the subrecipient and awardees participating in lower tier transactions are required to extend these requirements to their awardees.

The prospective awardee in turn must notify the subrecipient or third party contractor (person at the next higher tier) if it knows whether or not it or any of its principals is presently excluded or disqualified under these regulations.

## 10.7 Methods of Procurement

### **10.7.1** Micro-Purchases (\$10,000 or less)

Although micro-purchases may be made without obtaining competitive quotations in instances in which the price paid is determined to be fair and reasonable, ALDOT requires price quotes for all purchases of \$10,000 or less. Every effort is made to ensure full and open competition and to avoid restricting competition in federally supported procurement transactions.

### **10.7.2** Small Purchases (more than \$10,000 and less than \$250,000)

Small purchase procedures require that price or rate quotations be obtained from an adequate number of qualified sources (at least two). ALDOT reviews all solicitation documents to insure that procurements exceeding micro-purchase thresholds are properly federalized. Prior ALDOT approval is required for all procurements exceeding micro-purchase thresholds. The solicitations and quotations may be either oral or written and must be documented.

### **10.7.3** Sealed Bids/Invitation for Bid (IFB)

Bids are publicly solicited and the award is made to the lowest (best price), responsive (meets all specifications), and responsible (is qualified to perform the work) bidder. ALDOT's bid threshold has been established by State Law at \$15,000. ALDOT requires a formal solicitation for all procurements meeting and exceeding the Alabama Bid Law's threshold.

### **10.7.4** Competitive Proposals/Request for Proposals (RFP)

Competitive Proposals/RFPs are publicly solicited from an adequate number of sources and the award is made to the firm whose offer is most advantageous, with price and other factors



considered. Evaluation factors are identified and the relative importance that each has towards the award is clearly indicated.

#### **10.7.5** Sole Source

Sole source procurement is not permissible unless there is only a single supplier. The following are examples of circumstances which could necessitate sole source procurement:

- Where the compatibility of equipment, accessories, or parts is the paramount consideration
- Where a sole supplier's item is needed for trial use or testing
- Upgrade to proprietary software or hardware
- Where the item is one of a kind

The determination as to whether a procurement shall be made as a sole source shall be made by the ALDOT Transit Section. The letter requesting sole source (with supporting documentation) shall be prepared and submitted to the program manager for review and concurrence.

#### **10.7.6** Emergency

Purchases of this nature can be made only if a condition is present that creates a threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions. The Engineer of the Local Transportation Bureau shall make the determination.

Note: If there is an emergency after normal working hours, the highest-level employee who is directly involved in the emergency shall seek as much competition as is practical to alleviate the emergency. The Transit Section of the Local Transportation Bureau shall be contacted the next business day.

#### **10.7.7** Procurement PRO

Procurement PRO is an internet procurement tool designed to guide recipients of federal assistance through the federal procurement process. Subrecipients are encouraged to use ProcurementPro to assist with the procurement process. More information is available at <http://nationalrtap.org/supportcenter/PRO-Apps/ProcurementPRO>

## 10.8 Bid Protests/Appeals

The subrecipient is responsible for settling disputes resulting from any procurement action.

Under limited circumstances, a bidder may protest to the ALDOT Local Transportation Bureau pursuant to a vendor's award of a contract.

ALDOT's Local Transportation Bureau's role in a bid protest shall be limited to the conditions set forth in **FTA Circular 4220.1 (series)**.

# 11 Asset Management

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## 11.1 Background

Capital management is an important aspect of public transit since it affects the safety, marketability, and financial integrity of the transit system. Transit is dependent on its capital equipment to accomplish its mission. All property purchased with federal dollars is the responsibility of the transit system. The transit system retains title to all property excluding vehicles, providing the property is used for public transportation. Subrecipients of federal dollars administered by ALDOT are required to certify that any property purchased with federal funds is used for public transportation services within the subrecipient's service area or in other areas described in the grant application for the useful life of the equipment or facility.

All property acquired using federal funds shall be used and disposed of in accordance with the applicable FTA program circular, **FTA Circular 5010.1 (series)** and 49 CFR 18.

Titles to all property purchased with federal funds shall be vested in the name of the subrecipient with ALDOT as the first and only lien holder. The ALDOT Local Transportation Bureau holds the original titles for vehicle purchases.

The subrecipient shall have the requisite fiscal capability to carry out the project and be responsible for maintaining required insurance coverage (ALDOT must be placed as loss payee on respective policies), property records, conducting physical inventories, implementing adequate property control systems, and maintaining the equipment in proper working condition. Documentation must be available upon request.

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

## 11.2 Project Property Management

### 11.2.1 Inventory

Any capital equipment purchased with federal funds administered by ALDOT and valued at \$3,000 or more and within the useful life must be inventoried with ALDOT, with information updated at least every three years, at a minimum. Any equipment purchased with federal funds and within useful life must be reported to ALDOT on the requisite inventory data collection form provided to subrecipients at least annually and provided to the Local Transportation Bureau during the yearly grant application process. Vehicles within the useful life and with a current value of less than \$3,000 must also be included on the inventory.

All vehicles and equipment shall be assigned an identification number to allow the items to be traced easily. Subrecipients will include the identification number on the Property Inventory Form. Once an item is assigned a number, it retains that unique number throughout its life. An inventory number should not be reused. Equipment purchased as an integral part of the vehicle does not need to be separately inventoried. For example, a lift or destination sign that is purchased as part of a vehicle does not need to be inventoried.

An annual inventory update for equipment and real property is required from all transit systems on items with a current market value of \$3,000 and over. Subrecipients are provided a standardized inventory form from ALDOT that includes information such as:

- Description, to include vehicle make, model, and year, and equipment make and model
- Vehicle Identification Number (VIN) or equipment serial number; building's physical address for real property
- Grant number (for example, 5310, 5311, 5339)
- Acquisition date
- Cost
- Percentage of Federal participation in the cost
- Title holder
- Location, condition (new, excellent, good, fair, or poor) and use
- Any disposition data (including the date of disposal and sale price, or, where applicable, the method used to determine its fair market value)

Generally, the inventory update is submitted to ALDOT with the agency's annual application.

Capital items purchased with ALDOT administered funds are to be depreciated using the straight-line method of depreciation over the useful life of an asset in accordance with generally accepted accounting principles. Subrecipients must use ALDOT Transit Section useful life standards for certain assets, as identified below. Depreciation expense is not an allowable reimbursable cost if the fixed asset was purchased, in part or in whole, with federal funds.

Once every three years the Local Transportation Bureau, Transit Section, staff reconciles the subrecipient inventory report during on-site visits. Any differences must be investigated by the subrecipient in cooperation with the ALDOT Transit Section to determine the cause of the difference.

## 11.3 Useful Life and Replacement Standards

### **11.3.1** Useful Life, Utilization, and Maintenance Standards

ALDOT establishes minimum useful life standards to ensure that vehicles and other equipment are maintained for transit use for their normal service lives and to ensure that the vehicles and equipment purchased are necessary for public transit service. If ALDOT determines that a transit system is failing to use or maintain any equipment item properly, the Transit Section office will notify the transit system and may withhold further federal assistance. Further federal assistance may be withheld until adequate measures are taken to correct the inadequate use or maintenance of the equipment. In some instances, ALDOT may ask that the equipment be offered for transfer to another transit system or that the federal share of the item purchased be returned to ALDOT.

### **11.3.2** Useful Life of Rolling Stock

Useful life of rolling stock begins on the date the vehicle is placed into revenue service and continues as long as the vehicle is in service. Incidental service mileage does not count towards the minimum useful life. ALDOT allows vehicles to be replaced once a vehicle has met the mileage standard, at a minimum, if funds are available:

TYPE OF VEHICLE	AGE OF VEHICLE	MILEAGE
Van (5 – 15 passenger) (Standard, raised-roof, modified)	4 years	100,000 miles
Small Bus (16 – 21 passenger) (Cutaway Type)	5 years	150,000 miles
Small Bus (24-27 passenger) (Body-in-chassis)	7 years	200,000 miles
Full Size Bus (28+ passengers) (Transit coaches)	10 years	300,000 miles

### **11.3.3** Utilization Standards for Computers and Office Equipment

Computers, copiers, and other office equipment are eligible items for capital funding to the extent that they are used for support of the subrecipient’s public transit program. Formula funds may be available for this purpose based on local programming.

Subrecipients that may be multi-purpose agencies (cities, Councils of Local Governments, etc.) must either affirm that the equipment will be dedicated to public transit use or prepare a cost allocation proposal (plan). Such a proposal must either show what percentage use of the proposed equipment will be dedicated to transit or show the transit percentage of use of an overall multiple equipment package. (Example: Transit might buy a network printer used by others, but in return have free use of a color copier funded by another program.) Computers must be capable of interfacing with ALDOT’s computers, and they must be used for transportation matters at least seventy-five percent (75%) of the time.

## 11.4 Other Standards

### 11.4.1 Utilization, Spare Ratio, and Rotation Standards

ALDOT encourages full utilization of all vehicles within each subrecipient's fleet throughout the vehicle useful life, especially vehicles purchased with funds administered by ALDOT. Once a vehicle has reached the useful life threshold, it may be considered a backup or spare vehicle upon review and approval by ALDOT. The recommended minimum spare ratio for a subrecipient fleet operating 50 or more revenue vehicles should not exceed 20% of the number of vehicles operated in maximum service. To ensure that all vehicles receive maximum utilization, ALDOT suggests rotating vehicles within the service area or between service areas, or from lightly traveled routes to heavily traveled routes. Any system failing to use its primary fleet (excluding backup vehicles) may be denied replacement or rehabilitation funds until:

- The utilization standard is met, or
- The Local Transportation Bureau's Transit Section Manager approves a "case-by-case" waiver. (A waiver will only be available after ALDOT has reviewed the written justification and is satisfied that all measures have been taken to meet the utilization standard.)

Other assets must also meet their minimum useful life criteria. Other assets include, but are not limited to: buildings, computers, furniture and fixtures, radios, and fareboxes.

### 11.4.2 Out of Service Vehicles

If a vehicle is out of service more than 30 days, transit providers must provide written notification to the appropriate ALDOT program manager. For the period of time the vehicle is out of service, the transit provider must ensure that accounting stops the depreciation so the out of service time does not count towards the minimum useful life.

If emergency situations arise due to a vehicle being out of service for several months and the subrecipient does not have a spare vehicle, a transit system may request authorization from the ALDOT Transit Section to lease a vehicle short term in order to maintain needed service levels within a service area. ALDOT's Local Transportation Bureau must provide written approval prior to the subrecipient executing a lease agreement. Copies of lease agreements must be forwarded to the appropriate Transit Section program manager for placement in the ALDOT grant agreement file. Payment of invoices resulting from a lease agreement that did not receive Transit Section prior approval will require the subrecipient

to refund the payment to ALDOT using funds that are not administered by ALDOT's Transit Section.

### **11.4.3** [Vehicle Rehabilitation](#)

Rehabilitation is an eligible capital expense category. ALDOT has the discretion to approve or deny requests for rehabilitation. The subrecipient must submit a written request for rehabilitation to the program manager. Along with the request, the subrecipient must submit a cost-benefit analysis that supports rehabilitation as well as two (2) vendor quotes. If a vehicle is rehabilitated with ALDOT Transit Section administered funds, the useful life must be adjusted to reflect the new replacement threshold.

## **11.5** [Incidental Uses \(Vehicles and Real Property\)](#)

ALDOT encourages the incidental use of ALDOT funded capital assets to raise additional revenues for the transit system. Incidental use must be compatible with the original purpose of the contract or project. The subrecipient must obtain Transit Section prior approval by submitting the request for incidental use with a justification. Justification for incidental use of ALDOT Transit Section funded capital assets should be based primarily on a proposed use that benefits public transportation. The Transit Section may allow incidental use of assets if the following conditions are met:

- The proposed use does not interfere with the public transit services for which it was originally obtained
- The proposed use does not exceed 20 percent of the total use of an asset
- The proposed use does not interfere with continuing control over the asset

Proceeds from incidental use must reflect, at a minimum, appraised fair market values and will be reported on Form F-25 to reduce gross operating expenses.

### **11.5.1** [Charter Service](#)

Capital assets purchased with ALDOT Transit Section administered funds may be used for charter service under certain conditions if the exception conditions are met. **Chapter 13** provides more information on Charter Service.

### **11.5.2** [Meal Delivery for Homebound Individuals](#)

Capital assets purchased with ALDOT Transit Section administered funds may be used for meal delivery service for homebound individuals if the delivery services do not conflict with providing public transportation service or reduce service to the general public. ALDOT



expects the nutrition program to pay the operating costs attributable to meal delivery. Federal capital assistance cannot be used to purchase special vehicles used solely for meal delivery or to purchase specialized equipment such as racks or heating or refrigeration units related to meal delivery.

### **11.5.3** Contracted Services

Capital assets purchased with funds administered by the ALDOT Transit Section may be used to provide contracted services. Services must not replace or minimize the subrecipient's primary mission of providing public transportation service to the general public. ALDOT funded vehicles that still have useful life and have not been released by the Transit Section must be used to provide transportation services within the subrecipient's designated service area and are applicable to contracted services. Transportation within the designated service area includes transportation of an individual from the designated service area to a facility or location outside of the service area as well as the return trip. A transit provider is allowed to pick up an individual outside of its service area if it is part of a coordinated trip to a designated location.

The subrecipient should ensure that contracted rates for the transportation service cover all anticipated expenses to include, but not be limited to, maintenance of vehicles and any administrative overhead. Therefore, transit providers must ensure that all transportation expenses associated with providing the service are allocated to contracts in a method that is based on benefits received. *See Chapter 9 for more information on cost allocation plans.*

## **11.6 Project Property Use Agreements**

ALDOT encourages transit systems to retain direct control of their project property. Therefore, ALDOT discourages placing vehicle(s), equipment, or real property under the control of other agencies and reserves the right to approve or disapprove all vehicle/equipment/property use agreements that involve items purchased with federal dollars. The transit system remains responsible to ALDOT and FTA for compliance with all state and federal rules and regulations. The Transit Section must be notified of the location of the vehicle or equipment.

### **11.6.1** Asset Use Agreement

All capital assets purchased with ALDOT Transit Section-administered funds must be in direct control of the subrecipient. The Transit Section reserves the right to approve or disapprove all use agreements that involve items purchased with ALDOT Transit Section-administered federal funds.

The subrecipient must provide justification that the best use of an asset should include usage under a use agreement. If the justification is accepted, the subrecipient must address the following issues, at a minimum, with the subcontractor before the use agreement is signed:

- Drivers of the transit system or drivers from another agency may drive the vehicles as long as insurance coverage is adequate for the use(s)
- The vehicle use agreement must state who is responsible for such items as insurance, maintenance, drivers, emergencies, backups, etc.
- The vehicles must be operated as open to the general public without discrimination
- Incidental service ridership and revenue miles must be reported as such, separate from the service open to the general public
- Driver licensing requirements
- Drug and alcohol testing requirements

The Transit Section must be notified of the location of the assets while in use by another agency. The subrecipient remains responsible to ALDOT and FTA for compliance with all state and federal rules and regulations.

## 11.7 Disposition of Assets

Managing the disposition of assets purchased with ALDOT Transit Section-administered funds is part of ALDOT's Transit Section subrecipient management and oversight responsibilities. The ALDOT Transit Section has established uniform standards for disposal of assets and the release of vehicles purchased with ALDOT administered funds. ALDOT reserves the right to conduct a vehicle analysis on a fleet when the request for disposition involves vehicles. Asset transfers and dispositions due to accidents must also comply with asset disposal requirements. Direct recipients of FTA funds must comply with FTA disposal requirements.

Transit systems are required to dispose of capital assets purchased, in part or in whole, with ALDOT administered federal funds that are no longer needed for the purpose for which they were acquired. Disposition could include the transfer of, sale of, and/or replacement of assets. This could include assets that are no longer used to capacity due to loss of contracts, service reductions, changes in the nature of services, or dissatisfaction with asset performance.

### 11.7.1.1 Disposal Procedures

The Alabama Department of Transportation (ALDOT), as prime grantee of federal transportation funds for the State, is responsible for maintaining an accurate inventory of all capital equipment purchased, at least in part, with federal funds. The following procedures provide direction and consistency regarding the disposition of project vehicles and equipment.

- Subrecipient Sends Disposition Request Letter: The local subrecipient must submit a letter (on subrecipient letterhead) to ALDOT requesting permission to dispose of the particular vehicles(s) or equipment. For vehicles, the letter must include a description (e.g., standard van, 15 passenger), complete vehicle identification number, make and model, current mileage reading, statement on whether the vehicle will be replaced, condition of vehicle, federal program that provided vehicle funding, federal funding ratio (usually 80/20), and statement on whether the vehicle has exceeded the useful life threshold for age. Letters requesting disposal of equipment will provide similar information (except for mileage); any subrecipient with questions about content of the equipment disposal letter should contact the ALDOT Transit Section for guidance.
- ALDOT Sends Approval Letter: A letter from ALDOT to the local subrecipient granting approval to dispose of the vehicle/equipment will be sent to the local subrecipient. The subrecipient must receive a letter from ALDOT granting approval prior to vehicles being disposed of or transferred.
- Subrecipient Submits *Disposition of Project Equipment Form*: The subrecipient has 45 days from the date of the ALDOT approval letter to dispose of the vehicle/equipment and return the required ALDOT forms and federal share payment (if any). Upon completion of all disposition procedures, the local subrecipient shall submit to ALDOT a completed *Disposition of Project Equipment Form*, a copy of all bids or quotes, and a check made out to the Alabama Department of Transportation for the federal share of the sale price (if any). After the vehicle or equipment is sold or disposed of, it should be removed from the inventory list.

Disposition of the project property should occur after the vehicle or equipment has reached its useful life expectancy as determined by federal and ALDOT standards or is no longer needed for its originally intended purpose. Exceptions to this basic rule will be made when documentation indicates the vehicle or equipment is requiring excessive maintenance to remain operable.

Handicapped accessible vehicles scheduled for disposal require documentation indicating that other vehicles in the fleet or in the area are available to transport persons with disabilities. There are no exceptions to this rule.

Vehicles or equipment shall be disposed of at the current fair market value. The fair market value of a vehicle is determined by one (1) of the following methods:

- Subrecipient may obtain at least three (3) appraisals of the vehicle's worth in writing from licensed automobile dealers (highest appraisal is the fair market value)
- Subrecipient may advertise in the local paper or other medium and request bids (highest bid is the fair market value)
- Subrecipient may use a local licensed automobile auction to dispose of the vehicle (highest bid is the fair market value)

Whichever manner the subrecipient chooses to use for disposal determines the fair market value and must be fully documented using the ALDOT *Vehicle Quote/Bid Sheet*.

For each vehicle valued at less than \$5,000.00 and past the useful life threshold, the subrecipient will retain all proceeds. The proceeds may be used to reduce the costs associated with the purchase of new transit vehicles or for operating expenses, as determined to be in the best interest of the transit provider. Additionally, the *Disposition of Project Equipment Form* should be completed and submitted to ALDOT with supporting documentation as soon as the sale is complete.

For each vehicle valued at more than \$5,000.00 and past the useful life threshold, the subrecipient may subtract a handling fee of \$500.00 or ten percent (10%) of the proceeds, whichever is less, with the federal share of the balance to be submitted to ALDOT. Additionally, the *Disposition of Project Equipment Form* should be completed and submitted to ALDOT along with payment and all supporting documentation as soon as the sale is complete.

The subrecipient will forward to the ALDOT Transit Section a copy of the back portion of the title that shows the Assignment of Title by Registered Owner. This will serve as ALDOT's assurance that the vehicle has been removed from public transportation service.

#### 11.7.1.2 Repayment of Federal Share

As noted above, when any FTA funded equipment is disposed of, the federal interest must be submitted to ALDOT unless the equipment is valued at less than \$5,000.00.

### 11.7.1.3 Vehicle Titles

The title to all property purchased pursuant to an FTA grant award shall be maintained by ALDOT until the useful life of the property has been met, the property has been adequately disposed, and no further federal interest exists.

### 11.7.1.4 Vehicle Title Release After Useful Life Has Been Met

In the event that a transit subrecipient wishes to keep a vehicle that has exceeded the useful life threshold to use for non-transit use, the subrecipient will write a letter to ALDOT listing the VIN number and other particulars and requesting permission to retain the vehicle. If approved, ALDOT will send the subrecipient an approval letter and will include the vehicle title. ALDOT will also release the lien. The subrecipient will submit the *Disposition of Project Equipment Form*, remove the vehicle from their inventory, and remove the public transportation lettering.

### 11.7.1.5 Vehicle or Equipment Transfer

In the case of a transfer of vehicles or equipment to another transportation program, no handling fee may be collected; however, fair market value must be established. The subrecipient to which the vehicle or equipment is being transferred shall, in effect, buy out the original subrecipient's local interest. The process for vehicle transfer is described in this section. Letters requesting disposal of equipment will provide similar information (except for mileage); any subrecipient with questions about letters requesting equipment disposal should contact the ALDOT Transit Section for guidance.

Vehicles of any value within the useful life threshold, as determined by ALDOT and FTA guidelines, shall be returned to ALDOT who will facilitate the reassignment to other transit providers. Written requests by subrecipients to transfer vehicles purchased with FTA funds to eligible agencies must include a description of the vehicles, and list reasons for the transfer. Reasons to transfer vehicles may include the coordination of several local services into one community-wide service or the vehicles do not meet the needs of the provider's current system. The transfer request letter to ALDOT must include the following information for each vehicle: complete vehicle identification number, make and model, current mileage reading, condition of vehicle, federal program that provided vehicle funding, and federal funding ratio (usually 80/20). ALDOT reviews the request and authorizes or denies the transfer in writing to the requesting party.

If the transfer is approved, ALDOT will solicit valuations of the specific vehicle from bus manufacturers and assign the fair market value based on the highest quote received. ALDOT will then send an email to other potentially interested subrecipients with the VIN number and vehicle description and including a picture. The price is set at fair market value.

Interested subrecipients will respond by mail or email. The receiving subrecipient will be selected based on the following criteria: 1) first come, first served, 2) need for the vehicle, and 3) good reporting history to ALDOT.

Both subrecipients (the transferring subrecipient and the receiving subrecipient) will meet in Montgomery to execute the transfer of the vehicle(s). The receiving subrecipient will reimburse the transferring subrecipient for the local interest (usually 20% of determined fair market value) and do any work related to retitling the vehicle. The receiving subrecipient will apply for a new title on which ALDOT must be shown as the first lien holder, and add the vehicle to their inventory.

## 11.8 Insurance Settlements

When a vehicle funded through ALDOT has been in an accident and totaled, or can no longer be used as a safe public transit vehicle, ALDOT must be notified at once. A copy of the official accident report, insurance information and a letter stating damages and the amount of the proposed settlement to the transit system should be sent to ALDOT. No handling fee may be deducted.

Vehicles damaged in an accident, but not totaled out, must be repaired to the point where they are mechanically sound, safe, and in presentable condition.

## 11.9 Equipment Maintenance Standards and Policies

Subrecipients who purchase capital assets with ALDOT Transit Section-administered funds are required to certify that capital assets purchased under the project shall be used for the provision of public transportation services within the subrecipient's service area or other areas as described in the grant application. Capital assets shall be used for the life of the asset in compliance with the property management standards.

The titles to all property purchased pursuant to a federal award from ALDOT to a subrecipient shall be maintained by ALDOT until the useful life of the property has been met and no federal interest exists.

Subrecipients are required to certify that any property, equipment, or facility purchased under the project will be maintained for its full useful life. Maintenance must be in compliance with the property management standards of 49 C.F.R. 18.31 through 18.33.

ALDOT shall require all subrecipients of FTA funded property to submit a system comprehensive maintenance plan that will include at a minimum the procedure for maintaining vehicles and ADA accessibility features.

Subrecipients shall allow ALDOT access to facilities and records to monitor maintenance performance, as ALDOT deems necessary. ALDOT shall perform regular, unannounced maintenance inspections of vehicles and equipment. ALDOT shall be permitted to view and copy any vehicle maintenance records, inspect vehicles and equipment, and request subrecipient personnel to drive vehicles as may be deemed necessary to evaluate the condition of vehicles and equipment.

### **11.9.1** General Maintenance

Subrecipients shall maintain an up-to-date vehicle file for each vehicle containing, at a minimum, the following information:

- Make of vehicle
- Model of vehicle
- Vehicle Identification or Serial number/Fleet number
- License number
- Funding Information (Federal and/or State)
- Contract/Grant Number
- Date received
- Date placed in service
- Rebuilds and major component replacements
- Vehicle repairs
- Preventative Maintenance Inspection Reports
- Daily vehicle condition reports
- Work orders

### **11.9.2** Preventative Maintenance Schedule

The subrecipient shall insure that all vehicles under its control, and all required accessories on the vehicles, are regularly checked and inspected, maintained, and lubricated to ensure that they are in safe and operating condition. The subrecipient shall have a means of indicating the types on inspection, maintenance, and lubrication operation to be performed on each vehicle and the date or mileage that these operations are due.

Vehicles are to be maintained in accordance with OEM (original equipment manufacturer)

guidelines and warranty requirements as stated in the OEM's owner's manual. Facilities must comply with all applicable state and federal regulations.

### 11.9.2.1 "Late" and "Missed" Preventative Maintenance Inspections

The subrecipient shall maintain stated intervals between inspections and between regular inspections. Should the grantee's PM schedule consist of a 3,000 mile (3K) inspection, 6K inspection, 12K inspection and 24K inspection; distance between one 6K and the next consecutive 6K constitutes the distance between "REGULAR" inspections.

Any PM inspection completed more than 500 miles past the PM mileage interval is considered "LATE".

Any PM inspections completed more than 1,000 miles past its "REGULAR" PM mileage interval is considered "MISSED".

MISSED" PM's should be immediately corrected.

### 11.9.3 Equipment Maintenance Standards

All components of the vehicle bodies, installed equipment, and all mechanical, electrical, fluid, air, and/or hydraulic systems shall be maintained in a safe and fully functional condition. Subrecipients shall insure, at a minimum, that:

- All wheelchair lift-related equipment shall be inspected, serviced, and lubricated at intervals necessary to insure that the wheelchair lifts are fully operational whenever the vehicle is used in revenue service.
- Brake inspections and adjustments shall be performed at intervals that ensure the safe and efficient operation of the braking system.
- All components of the vehicle bodies and frames shall be maintained in a safe, sound, and undamaged condition at all times. Damage (including body damage, glass, and all vehicle components) shall be repaired in a professional manner within three weeks (21 calendar days) of occurrences.
- All mechanical, electrical, fluid, air, and/or hydraulic systems shall be maintained in a safe and fully functional condition, as designed, at all times.
- The interior passenger compartment shall be free of exhaust fumes from the engine, engine compartment, and exhaust system from the vehicle.



- The heating, ventilation, and air conditioning (HVAC) system shall be maintained and used to insure that the passenger compartment temperature is comfortably maintained under all climatic conditions at all times on all in-service runs. Subrecipients shall maintain the vehicle A/C system in an operable condition throughout the entire year.
- Seats shall be maintained in proper operating condition at all times. All rips, tears, cuts, gum, graffiti, and other damage shall be cleaned or repaired in a professional manner immediately upon discovery. Seat covers which are worn or cannot be professionally repaired shall be replaced by the subrecipient using materials identical in design and color as those materials being replaced.
- An on-going spare parts inventory is established and maintained sufficient to permit peak hour vehicle requirements to be met at all times.
- If an accessible feature is disabled, there are specific thresholds for repair that must be met:
  - In areas of 50,000 or more in population (urbanized), an accessible feature is required to be repaired within three (3) days.
  - In areas of less than 50,000 in population (non-urbanized), an accessible feature is required to be repaired within five (5) days.
- All emergency equipment shall be maintained in proper working condition according to all applicable state and federal regulations.

#### **11.9.4** Out of Service

A vehicle shall be designated as unfit for revenue service (considered Out of Service) if, upon inspection, any of the following conditions are found:

- Brakes out of adjustment
- Loose steering components
- Wheelchair Lift and related equipment not functioning properly
- Air conditioning unable to maintain a temperature 20 degrees Fahrenheit lower than ambient or 72 degrees Fahrenheit
- Heating or Defroster inoperative
- "MISSED" Preventative Maintenance Inspection
- Tires with a tread depth of less than 2/32

- Failure to clean each vehicle
- Failure to repair vehicle body damage (interior or exterior) within twenty-one (21) days of the date damage occurred
- Inoperative Emergency Exits, Doors, or Windows
- Inoperative Sensitive Edges on wheelchair lift or exit doors
- Any condition not in compliance with the Americans with Disabilities Act
- Any condition not in compliance with applicable Federal or State Regulations

Any vehicle inspected and found unfit for service will be taken out of service and not returned until all unfit conditions have been corrected.

## 11.10 Facilities Policy

### 11.10.1 Facility Maintenance Standards

Subrecipients must develop a preventive maintenance inspection checklist as a guide to agency daily/monthly facility inspections. Facility inspections should include, at a minimum:

- Elevators and stairwells
- Safety equipment
- HVAC units
- Lighting
- ADA accessibility, as appropriate
- Housekeeping issues such as cleanliness
- Corrections to reported issues

# 12 Construction or Renovation of Facilities

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## 12.1 Background

The construction or renovation of project facilities may be necessary to provide for an efficient and effective coordinated transportation system. Depending on the federal funding source, the costs for construction or renovation of transit facilities, including design, engineering, and land acquisition, are generally eligible capital expenses following the approval of environmental documentation by ALDOT and FTA.

Eligible FTA capital expenses include the acquisition, construction, and improvement of public transit facilities and equipment needed for a safe, efficient and coordinated public transportation system. The normal Federal share of eligible capital is eighty percent (80%) of the capital cost, with the subrecipient providing the remaining twenty percent (20%).

Real property must be acquired, managed, used and disposed of in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (PL 91-646) and 49 CFR Part 24, the implementing regulation. Additional guidance is found in **FTA Circular 5010.1 (series)**.

The objective of the Uniform Act is to ensure equitable treatment of property owners of real property to be acquired for Federal and federally-assisted projects; that people displaced by a federally-supported project be treated fairly, consistently, and equitably; and that acquiring agencies implement the regulations in a manner that is efficient and cost effective. The regulations implementing the Uniform Act are very specific in naming the means to achieve the legislated objectives.

To ensure eligibility for Federal funding, the subrecipient should follow the typical process sequence when acquiring real property for a project:

National Environmental Policy Act (NEPA) Approval → Title Search → Appraisal → Appraisal Review → Just Compensation Determination → ALDOT Concurrence → Offer to Owner → Settlement

## 12.2 Types of Construction

### **12.2.1** New Construction

New construction takes place when a piece of land is purchased and a new transit facility is built on the property.

### **12.2.2** Facility Renovation

Facility renovation is accomplished when purchasing an existing building or updating current offices occupied by the transit provider or used in the provision of public transit.

No pre-planning activity is required for an existing office building unless significant structural improvement is anticipated, such as an addition.

## 12.3 Feasibility Study

The transit provider may retain a consulting firm to determine the most cost effective way to build a desirable facility using an appropriate solicitation process. The study may include comparisons on site location and new construction vs. purchase and renovation. Alternative analysis of other options should also be considered.

At a minimum, the study will analyze current needs and anticipated future needs. The study may also consider site sensitivity and preservation of historical elements where appropriate. Other relevant environmental and material analysis should also be documented and shall become part of the environmental document requiring ALDOT review.

## 12.4 Planning Activities

Planning activities in advance of the construction or renovation of rural public transportation facilities are an eligible Section 5311 expense. These may include, but are not limited to, feasibility studies, alternative site analyses, environmental assessments, environmental impact statements, or other studies necessary as a prerequisite to undertaking the project.

Planning activities may be funded from Section 5311 project funds or, at the discretion of ALDOT, other federal or state funds may be used for planning, if planning activity is an eligible expense under such a program.

Transit providers must satisfy all local requirements such as county and city approval and availability of local matching funds prior to submitting an application for funding.

All environmental issues must be resolved and two appraisals must be completed. Project must also be identified in the Statewide Transportation Improvement Program (STIP) and local TIPs.

## 12.5 Application for FTA Funding

Before ALDOT will make a recommendation for funding allocation using federal funds, the following provisions must be met:

- Public involvement processes must be conducted and documented
- Certifications and Assurances must be signed and current
- Civil rights policies must be current
- Project must be listed in an approved TIP and in the STIP

### 12.5.1 Real Property Acquisition Assurances

The *Assurances for Real Property Acquisition Requirements and Relocation Requirements of Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as Amended*, located at the end of this chapter, must be submitted as part of the application process in order for the application to be considered complete.

## 12.6 Prerequisites for Project Funding

ALDOT will submit the following documents to the Federal Transit Administration (FTA) Region IV office for review and concurrence prior to funding commitment:

- Site selection analysis
- Environmental Assessment as required by NEPA
- Appraisal of property
- Cost Analysis

### 12.6.1 Site Selection

An environmental review is required for new construction or renovation of a building that is purchased. All proposed project sites must be evaluated and assessed to determine impact, if any, on wetlands, streams, high biotic potential, livable communities' considerations, and federally protected threatened or endangered species and their habitats. A consulting firm may be used to determine if there are any environmental issues that need to be addressed prior to construction.

An environmental review must be completed, and FTA's approval received, prior to committing federal funds. Federal funds will not be made available for any facility purchase or construction until the environmental documents are reviewed and approved by FTA.

Environmental issues may need to be addressed if any of the following exist:

- Property is owned by the state or property is located on a national historic site
- Pre-existing environmental issues are present, e.g. if underground tanks and/or wetlands are present

If the property has already been purchased by the transit provider, and an environmental review or study has been completed, these document(s) must be submitted to ALDOT for review and subsequent federal approval.

### **12.6.2** ALDOT Review of Environmental Documentation

ALDOT's review of environmental documentation may take 4 - 6 weeks depending on the complexity of the project. A copy of the survey or plot map and description of the property should be furnished to ALDOT for review. Additional information such as a feasibility study, appraisals, site plan and other relevant information are needed to assist ALDOT with the review.

If the environmental review indicates a "finding of no significant impact" (FONSI), the project will be able to proceed to the next step.

If the review indicates an adverse environmental affect, an environmental study including an "environmental impact statement" (EIS) may be required or an alternative site may be selected. Transit providers must certify all federal and state environmental requirements are met before commencing work on a facility project for activities to be deemed eligible for reimbursement.

## 12.7 Pre-Award Review

At no time will ALDOT fund the acquisition of land for transit facilities not provided for under the scope of an approved grant. All construction or real property acquisition-related activities **over \$10,000** shall require pre-award review and approval by ALDOT before commencing work.

## 12.8 Project Funding

Transit providers may request federal funding assistance for facility projects from ALDOT's Transit Section during the annual application process. Facility projects shall be prioritized

based on availability of funds including local matching funds and projects must be financially feasible. ALDOT will evaluate all facility project requests on an annual basis to determine if the project is financially feasible.

Small renovation projects may be funded in full or in part, if funds are available. FTA oversight requirements will apply to all projects funded in whole or in part with federal funds. ALDOT must receive approval from FTA before committing FTA funds to the project.

Grant agreements and approved budgets must be in place before project commencement, unless pre-award authority was granted.

## 12.9 Construction and Renovation

The Local Transportation Bureau has within its structure a Transportation Enhancement Section which coordinates and oversees a variety of transit construction projects. The Transportation Enhancement Section works closely with ALDOT Regional offices throughout the State during the implementation phases of its construction projects. Transit construction projects will be coordinated with the Transportation Enhancement Section and ALDOT Regional offices in the affected areas of the State to facilitate the administration of transit construction projects in accordance with applicable federal requirements. Oversight activities will include but not be limited to the following:

### 12.9.1 General

- Review RFPs for A&E (Architect and Engineering) if are used
- Require a graphic work program depicting the tasks to be performed and a schedule to illustrate the flow of work
- Recommend use A&E for construction oversight
- Attend progress meetings with consultant
- Review and approve final plans, specifications, bid documents, and cost estimate
- Review tabulation of bids and recommendations for award

### 12.9.2 Construction

- Assign responsibility to subrecipient
- Require subrecipient to appoint a qualified project engineer and/or manager to supervise construction and administer the contract
- Notify ALDOT of pre-construction conference and project meetings

- Require subrecipient to establish a formal procedure for review and approval of change orders
- Review change orders
- Require the documentation of work performed and progress payments
- Require work stoppages and schedule and work order changes to be reported immediately
- Review billings and construction progress report
- Participate in final acceptance

In the State of Alabama, capital projects that involve construction or rehabilitation of transit facilities (bus garages, maintenance facilities, and transit centers) will be funded through FTA Section 5339 Bus and Bus Facilities. This formula program is authorized by the FAST Act (Fixing America’s Surface Transportation Act). The FAST Act re-established a Bus Discretionary Program that allows states to apply for project-specific funding via a competitive process. At no time will ALDOT fund the acquisition of land for transit facilities not provided for under the scope of an approved grant.

### **12.9.3** Disadvantaged Business Enterprise Participation

Certified disadvantaged business enterprises shall be included in any solicitation for construction work. ALDOT may require evidence of good faith effort to attract DBE firms on ALL construction projects. ALDOT may require project specific race-neutral goals. DBE participation reporting will be tracked through the review and payment of invoices.

### **12.9.4** Civil Rights Requirements

It is the responsibility of ALDOT to ensure that subrecipients are in compliance with all civil rights program requirements that apply to ALDOT/FTA assisted projects and activities. The applicable civil rights program areas are: Title VI of the Civil Rights Act of 1964; Equal Employment Opportunity (EEO); and Disadvantaged Business Enterprise (DBE) Program. Depending on the size and scope of the project, a project specific DBE goal may be required to ensure that ALDOT-certified DBEs are given the opportunity to bid on work. Compliance with the Americans with Disabilities Act (ADA) is also required. Monitoring is done by either ALDOT staff or designated representatives of the state.



### **12.9.5** [Labor Protections \(Davis-Bacon Act\)](#)

For FTA programs, 49 U.S.C. 5333(a) applies Davis-Bacon Act prevailing wage requirements. This provision applies only to construction projects. In the event that a project involves construction, Section 5333(a) of the act requires the Secretary of Transportation to take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this act be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

Subrecipients agree to the Davis-Bacon Act as part of the agreement with ALDOT as applicable. The signed agreement is retained in the subrecipient's files.

### **12.9.6** [Leasing of Facilities](#)

Requests from subrecipients to treat the lease of facilities as eligible capital expense items will be considered by ALDOT for approval and acted upon subject to the provision of sufficient documentation to justify lease vs. purchasing benefits. Permission to treat the lease of a facility as a capital expense must be approved in writing by ALDOT. Subrecipients may not proceed with a lease agreement until they receive written approval from ALDOT.

## **12.10** [Management of Real Property](#)

### **12.10.1** [Property Management](#)

Facilities constructed or renovated with federal funds will remain the property of the subrecipient as long as the facility is used for public transportation purposes. If for any reason the facility is no longer needed for the purposes of public transportation services in the non-urbanized area, the provisions regarding property disposition must be followed. Refer to **FTA Circular 5010.1 (series)** for additional guidance.

### **12.10.2** [Maintenance Requirements](#)

All subrecipients shall submit to ALDOT an effective facilities and equipment maintenance plan that ensures that the federal investment in facilities and buildings is protected adequately. The maintenance plan must include any ADA accessibility features. The maintenance plan should be written and include an organization and assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful service life of facilities and equipment, and a record-keeping system that maintains adequate permanent

records of maintenance and inspection activity for buildings and equipment. ALDOT will ensure compliance through periodic on-site inspection.

Properties purchased or constructed with federal funds, such as land, buildings (i.e., bus barns), and facilities (i.e., passenger shelters and transfer stations) should be maintained free of defects and graffiti to ensure the area is in usable condition and a safe environment. The properties must be used for the purposes described in the application and agreement.

Each subrecipient shall have in place an established system of regular and frequent maintenance checks of ADA equipment sufficient to determine if the equipment is operative. The features of the facilities that are required to make the facilities readily accessible to and usable by individuals with disabilities include, but are not limited to, elevators, signage, and systems to facilitate communications with persons with impaired vision or hearing. Accessibility features shall be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, reasonable steps will be taken to accommodate individuals with disabilities who would otherwise use the feature. At a minimum, ADA equipment should be maintained based on the manufacturer's suggested maintenance guidelines.

Proper maintenance of facilities, machinery, and equipment is the key to protecting the federal investment and prolonging the useful life of the facility. The maintenance plan should include a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment.

### **12.10.3** Restrictive Covenants/Deed of Restrictions

ALDOT requires that land and permanent buildings purchased or improved with federal funds have a restrictive covenant filed with the property deed. The covenant is to protect the federal interest in the property. Because passenger shelters are not permanent buildings, they are exempt from this requirement.

### **12.10.4** Incidental Use of Real Property

Incidental uses of real property which may raise additional revenues for the transit system or, at a reasonable marginal cost, enhance system ridership, are subject to the regulations contained in **FTA Circular 5010.1 (series)**. Incidental uses also require ALDOT and FTA review and approval. The property must continue to be needed and used for an FTA project or program, and the incidental use cannot compromise safety or continuing control over the property. *Please see **Chapter 11, Asset Management**, for more information on incidental use.*

### **12.10.5** Disposition of Real Property

Land, buildings or facilities purchased, improved, constructed or renovated using federal funds may only be used for the originally authorized purpose. Such property shall not be transferred to another party, disposed of, its title encumbered or have other liens or claims imposed, without obtaining the approval of ALDOT pursuant to the procedure below.

When property funded with federal funds is no longer needed for the originally authorized purpose, the subrecipient is required to abide by the provisions of **FTA Circular 5010.1 (series)**. The subrecipient is required to contact the ALDOT Transit Section for disposition instructions. The options are as follows:

- Retain title of the property after compensating the awarding agency (ALDOT)
- Sell the property and compensate the awarding agency (ALDOT)
- Transfer title to the awarding agency (ALDOT) or to a third-party designated or approved by the awarding agency

The fair market value of the property shall be used when property is sold, transferred to another party, or voluntarily converted to a non-transit use by the transit agency. Subrecipients must have a commercial appraisal or other fair market valuation to determine fair market value. ALDOT must review and approve the fair market valuation if a commercial appraisal is not used.

When compensating ALDOT under the procedures identified above, ALDOT receives an amount equal to the fair market value times the percent of federal or state reimbursement as identified in the original subrecipient agreement. The subrecipient retains an amount equal to the fair market value times the percent of match provided as identified in the original subrecipient agreement.

The disposition of property that is involuntarily converted (i.e., acts of God or acts of nature) will be negotiated on a case-by-case basis between ALDOT and the subrecipient.

Subrecipients must reinvest any funds from the sale of the property or insurance proceeds into the transit program. Funds received by ALDOT shall be reinvested into the originating grant.

## 12.11 Subrecipient Responsibilities

- Contact ALDOT for technical assistance regarding any applications for federal or state funding for land or development of permanent structures
- Provide restrictive plans for land, buildings, and facilities to ALDOT
- Keep an inventory of land, buildings, or facilities purchased with federal funds and submit to ALDOT using the *Non-Expendable Equipment Inventory Form*
- Name ALDOT as additional insured for premise insurance
- Contact ALDOT for assistance regarding disposal of land, buildings or facilities acquired with federal funds
- When disposing of property, obtain a commercial appraisal or other fair market valuation, and submit the documentation to ALDOT for approval
- Compensate ALDOT as described above when disposing of property
- Reinvest any proceeds from the sale of the property into the transit program

## 12.12 Requests for Reimbursement

Requests for reimbursement shall be submitted on a monthly basis along with supporting documentation. Form F-25, and an itemized list of activities completed must accompany all reimbursement requests. The Request for Payment must be completed and signed by the subrecipient and include supporting documentation. DBE attainment and good faith efforts will need to be tracked throughout the life of the construction activities. See **Chapter 9, Project Financial Management**, and the **Project Invoicing Section of Chapter 14** for more information on requests for reimbursement.

**ASSURANCES**  
**For**  
**REAL PROPERTY ACQUISITION REQUIREMENTS**  
**And**  
**RELOCATION REQUIREMENTS of TITLE II**  
**of the**  
**Uniform Relocation Assistance and Real Property**  
**Acquisition Policies Act of 1970, as Amended**

The (name of subrecipient) hereby assures that it will comply with Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987, Title IV of the Surface Transportation and Uniform Relocation Act Amendments of 1987, Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987, P.L. 100-17, 101 Stat. 246-256 and the implementing regulations of 49 CFR Part 24.

\_\_\_\_\_  
(Name of Authorized Official)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

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

# 13 Other Important Provisions

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## 13.1 Background

Several laws and administrative requirements apply in common to all federal grant programs and, therefore, are applicable to the Sections 5310, 5311, and 5339 programs as well. Compliance features for several of these requirements have been further defined by the Federal Transit Administration, inclusive of several unique provisions applicable to all FTA grant assistance programs. The applicable laws stated within this section are subject to revision by federal and state law or guidance.

## 13.2 Civil Rights

The following additional provisions are required of the ALDOT and all subrecipients. Subrecipients are responsible for compliance with all civil rights requirements applicable to transit related projects, including the non-discrimination prohibitions of 49 USC 5332 and of Title VI of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity (EEO) requirements; FTA's Disadvantaged Business Enterprise (DBE) program requirements; the Federal protection of persons with disabilities of Section 504 of the Rehabilitation Act of 1973, as amended; and the Americans with Disabilities Act of 1990 (ADA), as amended.

ALDOT certifies to FTA in the annual certifications and assurances submission that civil rights compliance will be met, and the necessary reports provided to the FTA. The subrecipients certify to ALDOT annually that civil rights compliance will be met, and the necessary reports will be submitted to ALDOT.

All recipients must agree to comply, and assure the compliance of each third party contractor at any tier under the Project as applicable. Monitoring is done by either ALDOT staff or designated representatives of the state.

### **13.2.1** Title VI of the Civil Rights Act of 1964

No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

ALDOT passes through FTA funds without regard to race, color, or national origin and assures that no minority populations are being denied the benefits of or excluded from participation in these programs.

As required by **FTA Circular 4702.1 (series)**, ALDOT submits a Title VI Program to the FTA regional office once every three years. All subrecipients must develop a Title VI Program and submit it to ALDOT consistent with reporting timelines established by ALDOT. The following contents will be required for submission as applicable:

- 1) A copy of the notice to the public that the subrecipient complies with Title VI and informs members of the public of the protections against discrimination afforded to them by Title VI.
- 2) A copy of the instructions to the public on how to file a discrimination complaint, including a copy of the complaint form.
- 3) A list of any Title VI investigations, complaints, or lawsuits filed with the subrecipient. This list should include only those investigations, complaints, or lawsuits that pertain to allegations of discrimination on the basis of race, color, and/or national origin in transit-related activities and programs and that pertain to the recipient submitting the report, not necessarily the larger agency or department of which the entity is a part.
- 4) A public participation plan that includes an outreach plan 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.
- 5) A copy of the recipient's plan for providing language assistance for persons with limited English proficiency (plan will be based on the DOT LEP Guidance).
- 6) A table depicting the racial breakdown of the membership of those transit-related non-elected planning boards, advisory councils or committees, or similar bodies, in which the membership is selected by the subrecipient, and a description of efforts made to encourage the participation of minorities on such committees or councils.
- 7) If the subrecipient has constructed a facility, such as a vehicle storage facility, maintenance facility, operation center, etc., the subrecipient shall include a copy of the Title VI equity analysis conducted during the planning stage with regard to the location of the facility.
- 8) Subrecipients that provide fixed route services must provide service standards and meet all applicable requirements in accordance with **FTA Circular 4702.1 (series)**.
- 9) Metropolitan Planning Organizations (MPOs) and States must provide additional Title VI information in accordance with **FTA Circular 4702.1 (series)**.

ALDOT is responsible for complying with federal requirements including demographic profile and maps, analysis of disparate impacts, statewide transportation planning process, pass-through procedures, and procedures to assist subrecipients. ALDOT is responsible for ensuring that subrecipients comply with **FTA Circular 4702.1 (series)** requirements and develop Title VI programs. Subrecipients may choose to adopt the Notice to Rights under Title VI; Complaint procedures; Complaint Form; Public Participation Plan; and LEP Analysis and Language Assistance Plan from ALDOT's Title VI Plan.

ALDOT and its subrecipients will comply with all of the applicable requirements in **FTA Circular 4702.1 (series)**. The Transit Section of ALDOT's Local Transportation Bureau ensures that the requirements and guidelines within **FTA Circular 4702.1 (series)** are implemented and monitored as required. ALDOT conducts compliance reviews triennially to ensure compliance with Title VI requirements.

If the ALDOT receives a construction project that could potentially have an environmental or social impact on the minority communities, an analysis will be conducted and ALDOT will adhere to all environmental requirements and public participation requirements.

ALDOT will submit the following to FTA to meet the program specific requirements of the Title VI program:

- A description of the process ALDOT uses to develop the annual program of projects is submitted to FTA as part of its grant application to ensure fair and equitable distribution of funds to all including Native American tribes
- A description of the ALDOT's efforts to assist agencies in applying for federal funds, to include efforts made to assist minority applicants, and Native American tribes
- A description of the ALDOT's criteria for selecting transit providers to participate in the program, to include subrecipients serving significant minority populations and Indian Reservations
- A record of funding requests received from private non-profit organizations, State, or local governmental authorities, and Indian tribes. The record shall identify those applicants that would use funds to provide assistance to predominantly minority populations and the records shall indicate which applications were rejected and accepted for funding.



### **13.2.2** [Nondiscrimination-49 USC 5332](#)

49 USC 5332 provides that “a person may not be excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance from FTA because of race, color, creed, national origin, sex, or age.” FTA specifies both general requirements and program-specific requirements for Title VI compliance.

ALDOT agrees to comply with nondiscrimination assurances and submit assurances to FTA annually. Subrecipients and all third party contractors at any tier must comply with assurances.

### **13.2.3** [Equal Employment Opportunity \(EEO\)](#)

A11 Section 5310 and 5311 subrecipients are required to submit to ALDOT assurances indicating their compliance with FTA's Equal Employment Opportunity objectives, as detailed in **FTA Circular 4704.1 (series)**.

ALDOT must comply with and assure FTA that all subrecipients are in compliance with FTA's Equal Employment Opportunity (EEO) objectives. ALDOT can require any documentation it deems necessary from subrecipients to ensure that they do not discriminate in employment on the basis of race, color, creed, national origin, sex, age, or disability.

If any subrecipient meets the threshold specified in **FTA Circular 4704.1 (series)** an EEO program documenting the subrecipient's nondiscrimination on the basis of race, color, creed, national origin, sex, age, or disability is required. The Title VI threshold is currently set at 50 or more transit employees (including full-time, part-time and temporary) and receipt of more than \$1,000,000 in capital or operating assistance or more than \$250,000 in planning assistance in the previous Federal fiscal year.

The subrecipient Title VI plans are due to the ALDOT Transit Section. ALDOT will review each Title VI Plan for the following items at a minimum: EEO officer designation, utilization analysis, narrative and statistical assessment of employment practices, and the internal monitoring and reporting system. ALDOT will then forward each subrecipient Title VI plan to the Federal Highway Administration, the designated federal agency to receive EEO program information. Copies will be made available to the FTA upon request.

The ALDOT Local Transportation Bureau Transit Section does not employ 50 or more transit-related employees (to include full-time, part-time and temporary).

## 13.3 Disadvantaged Business Enterprises (DBE)

### 13.3.1 Policy Statement

It is the policy of the Alabama Department of Transportation (ALDOT) to ensure nondiscrimination in the award and administration of federally assisted contracts and to use Disadvantaged Business Enterprises (DBEs) in federally assisted contracting and procurement activities in accordance with the regulations and objectives of 49 CFR Part 26 and State law.

ALDOT has established a DBE program in accordance with regulations and objectives of the United States Department of Transportation (USDOT) found in 49 CFR Part 26. ALDOT will require each transit vehicle manufacturer (TVM), as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurement, to certify that the TVM has complied with the requirements of the TVM's DBE program goal. Alternatively, ALDOT may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

FTA Section 5311 projects/contracts must comply with the U.S. Department of Transportation's regulations on the participation of business concerns owned and controlled by socially and economically disadvantaged individuals. The regulations are outlined in "Participation of DBEs in DOT Programs", (49 CFR, Part 26) which became effective on March 4, 1999 (64 F.R. 5096). **FTA Circular 9040.1 (series)** outlines the USDOT's requirements and delineates the steps that the recipient of public transit funds (ALDOT) and its Section 5311 subrecipients (including the subrecipient's contractors and subcontractors) should take to set goals and meet other requirements for FTA-assisted contracts and procurements.

Section 5311 recipients shall be considered as subrecipients of funds from ALDOT. As such, Section 5311 subrecipients will be required to make every reasonable effort to utilize DBEs in order to contribute to ALDOT's attainment of its overall goal of a minimum DBE participation in the Section 5311 program. The ALDOT Transit Section DBE goal is listed on the ALDOT website and is periodically updated at three-year intervals through ALDOT DBE methodology and goal assignment as per 49 CFR Part 26.

ALDOT through its Human Resources Bureau takes the necessary steps to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. The Transit Section, in cooperation with the Human Resources Bureau, informs all subrecipients of their responsibility to make a reasonable effort to use DBE firms; provides information to subrecipients about the availability of such firms; monitors the

subrecipient contracting activity for DBE compliance; and reports to FTA on contracting activities. ALDOT's small business element for fostering small business participation is included in the DBE program.

ALDOT and ALDOT subrecipients of capital, planning, and/or operating assistance that will have contracting opportunities (excluding transit vehicle purchases) exceeding \$250,000 with those funds in a Federal fiscal year must submit a written DBE program that sets transit goals for DBE participation. In setting a DBE transit goal, the ALDOT Transit Section and its subrecipients will include only the contracting opportunities. DBE goals must be submitted every three years to FTA or as otherwise directed.

The Local Transportation Bureau will work with the Human Resources Bureau to ensure that plans and goals are maintained in order to allow the FTA to review them during a state management review or other compliance review. ALDOT shall review and approve DBE plans and goals based on advice received from ALDOT's Bureau of Human Resources.

### 13.4 Protection of the Environment

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 ALDOT/FTA-funded programs 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 review document. FTA's regulation classifies categorically excluded actions and projects into two groups:

- Those having very limited or no environmental effects at all such as planning and technical studies, preliminary design work, program administration, operating assistance and transit vehicle purchases.
- Those involving more construction and greater potential for off-site impacts, for example new construction or expansion of transit terminals, storage and maintenance garages, office facilities, and parking facilities. These can be built and operated without causing significant impacts if they are sited in areas with compatible land use where the primary access routes are adequate to handle additional transit vehicle traffic.

Vehicles, radio and computer equipment, and other related equipment items routinely purchased under the Section 5310, 5311, and 5339 programs are considered categorical exclusions from FTA's requirements to prepare environmental documentation.

Subrecipients shall submit declarations of environmental assessments for approval by FTA through their respective application process as necessary and/or as requested by ALDOT's Transit Section.

### 13.5 Clean Air Act

The Clean Air Act Amendments of 1990 established many substantive requirements in order to bring air quality regions, which currently violate the National Ambient Air Quality Standards, into attainment by prescribed dates. In Alabama, the "non-attainment" areas for ozone and/or small particulate matter (PM-10) are located in the Birmingham urbanized area in Jefferson and Shelby Counties.

The principal requirement that Section 5310, 5311, and 5339 subrecipients must be aware of is the transportation/air quality conformity review process. In general, transportation plans, programs, and projects must "conform" with approved State (air quality) Implementation Plans before FHWA or FTA can fund them.

Most of the projects typically funded under Sections 5311 and 5339 have been exempted by regulation from the conformity review process, e.g., operating assistance, purchase and rehabilitation of transit vehicles, operating, equipment, and construction of most storage and maintenance facilities. However, air quality could become an issue for certain large facilities, e.g., transit terminals and park-and-ride facilities. A complete list of exempted highway and transit projects is found in 40 CFR 93.126. Section 5311 and 5339 subrecipients planning a construction project should consult with their ALDOT program manager when in question. Larger projects, such as a transit center or park-and-ride facility, may require a detailed air quality analysis in order to determine whether the project would create a violation of a standard or make an existing violation worse.

Other Clean Air Act requirements may apply to Section 5310, 5311, and 5339 subrecipients, for example, a phase-in of more stringent bus emissions standards. ALDOT will relay to subrecipients guidance that is received from the FTA regional office on various provisions of the Clean Air Act related to mobile sources.

### 13.6 Environmental Justice

The purpose of this policy is to provide subrecipients of FTA's financial assistance administered through ALDOT's Transit Section with the guidance to incorporate environmental justice principles into their planned projects and activities.

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, gender, religion, color, national origin, or income with respect to the

development, implementation, and enforcement of environmental laws, regulations, and policies.

All new construction projects seeking ALDOT Transit Section administered funds must include evidence of a documented environmental justice process.

Environmental burdens that may be considered under the umbrella of environmental justice cover many aspects of community life. These burdens can include any environmental pollutant, hazard, or disadvantage that compromises the health of a community or its residents.

## 13.7 Labor Protection

### **13.7.1** Employee Protection Provisions of Section 5333 (b) Special Warranty

ALDOT addresses issues relating to Section 5333 (b) Special Warranty, Labor Protection Provisions, when applications are received from subrecipients for project consideration.

When ALDOT recommends a project for funding, each subrecipient is required to provide a written acceptance of the terms and conditions of the Special Section 5333 (b) Warranty. The written acceptance provides assurance that the subrecipient agrees to be bound by certain portions of the National (Model) Agreement.

Additionally, subrecipients are required to list all (private or public) providers of public transportation in their service area including their labor status on a form provided with the Section 5311 application. The Special Warranty is incorporated by reference in the grant agreement between FTA and ALDOT, and ALDOT and the subrecipients. The subrecipients must post the Special Warranty where affected employees may see it.

All Section 5311 applicants must provide assurance that they are in compliance with the law through the application process.

In 1974, the Secretary of Transportation determined that it was not "necessary or appropriate" to apply the conditions of Section 5333(b) to organizational subrecipients under the Section 5310 program.

## 13.8 Charter Service

FTA grantees 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 as set forth in the charter service regulation at 49 CFR 604.9 (b) applies. Charter

service is an allowable activity on an incidental basis if the applicant successfully completes the charter public notice requirements and no “willing and able” private charter providers are available. Applicants must reference Federal Transit Act, as amended 49 CFR, 604.11(c).

The charter service regulations provide guidance regarding exemptions and exceptions and can be found in 49 CFR Parts 604.2 and 604.6. Exemptions, which are not considered charter service, require no notification to registered Charter providers, record-keeping, quarterly reporting, or other requirements. Exceptions are considered charter service and have administrative, recordkeeping, and reporting requirements. Records for each charter service event must be retained for at least three years.

Incidental use may include meal and parcel delivery, restricted client services, and FTA allowable charters. **All allowable incidental charter service must be fully allocated with no charge to federally funded programs. No mileage, trips, and hours associated with allowable incidental charter shall be represented in the subrecipient’s annual operating statistics.**

ALDOT reviews compliance with charter rules during periodic on-site visits. Historically, ALDOT has neither obtained any information nor reported on any charter services to FTA. If, in the future, a charter service is performed under an allowable exception, the subrecipient must notify the ALDOT Program Manager. For each charter service performed in accordance with an allowable exception, the subrecipient will complete the “Charter Service Reporting Form” at the end of this chapter and email it to the ALDOT Program Manager. ALDOT’s Transit Section will review and coordinate any subrecipient requests for a charter service exception (including all supporting documentation) prior to submission to FTA.

ALDOT will review all complaints of charter service violations in accordance with 49 CFR Part 604. On receiving a written complaint alleging that a violation has occurred, ALDOT shall investigate and determine whether a violation has occurred. The state will look to the subrecipient to remedy any claims against the subrecipient in association with charter service in violation of 49 CFR 604. ALDOT may bar a subrecipient from receiving further funding when a continuing pattern of documented violations occurs.

Section 5310 and 5311 subrecipients are exempt from the FTA charter rule provided the service is for program purposes only. “Program purposes” is defined as transportation that serves the needs of either human service agencies or targeted populations, such as elderly, individuals with disabilities, and low income individuals.

“Program purposes” does not include exclusive service for other groups formed for purposes unrelated to the special needs of these targeted populations. Thus, Section 5310

and 5311 subrecipients who intend to provide charter service that is outside their program purposes must follow the guidelines outlined.

### **13.8.1** Required Reporting of Charter Services

Rural public transit systems doing any charter service under any of the allowable exceptions must file quarterly electronic reports with ALDOT utilizing the *ALDOT Charter Service Reporting Form* (located at the end of this chapter) within 15 days of the end of each quarter, listing each charter service provided and providing the specified detail in those cases where such is required. All such services must also be reported as charters on quarterly and year-end statistics reported as requested or required.

### **13.8.2** Advisory Opinions and Cease and Desist Orders

The advisory opinion sets forth the requirements for requesting an advisory opinion from the FTA's Chief Counsel Office. Any interested party (including a transit system) may, at any time, request an advisory opinion from the Federal Transit Administration (FTA) Office of Chief Counsel on a matter regarding specific factual events using the prescribed format, and the Chief Counsel will give their opinion unless the Chief Council finds that:

- There is insufficient information
- That an opinion is impossible
- That the matter is adequately covered by a previous opinion
- That an opinion would not be in the public interest

Such an opinion represents the policy of FTA, and although it can be revoked or reversed, can be relied upon until such would happen.

The request for an advisory opinion may also include a request to the chief counsel to issue a cease and desist order which is an order to ask the party that is violating the charter rules to refrain from such activities.

Please see the Advisory Opinion & Cease and Desist Request Form at the following link, [https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Cease\\_and\\_Desist\\_Request\\_Form.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Cease_and_Desist_Request_Form.pdf).

### **13.8.3** Complaints, Investigations, and Remedies

Transit systems (or representative) or registered private charter operators (or representative) can file complaints requesting that a registered private charter operator or a qualified human service organization be removed from FTA’s registration website: <https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service/charter-bus-service-registration>.

FTA shall make the determination as to whether someone is removed. Removal can be on the basis of bad faith, fraud, lapse of insurance, lapse of other documentation, or the filing of more than one complaint, which, on its face, does not warrant an investigation or further action by FTA. Removal can be for a period of up to three years.

Registered private charter operators or their representatives can file complaints against transit systems alleged to be violating the charter rule. If upon investigation the allegations are found to be factual the FTA Chief Counsel can, after considering a number of specified factors, do one or more of the following:

- Bar the transit system from receiving future financial assistance from FTA
- Order withholding of a reasonable percentage of available Federal financial assistance
- Pursue suspension or debarment of the transit system, its employees or its contractors

Either party involved in a complaint can appeal the decision of the chief counsel to the FTA administrator. The final decision of the administrator may be subject to judicial review.

## 13.9 School Bus Regulations

### **13.9.1** Non-Exclusive School Transportation

49 USC Section 5323(f) prohibits the use of FTA funds for exclusive school bus transportation for school students and school personnel. The regulation does permit regular service to be modified to accommodate school students along with the general public. Subrecipients may not operate an exclusive school service. School “tripper” service is permitted.

ALDOT signs a school transportation agreement as part of the annual certifications and assurances to FTA, and obtains a signed school bus transportation agreement from each applicant. The signed School Bus Service agreement is retained in the subrecipient files.

### **13.9.2** Tripper Service

The prohibition against the use of buses, facilities, and equipment funded under 49 USC Section 5323(f) shall not apply to tripper services. Tripper service is regularly scheduled mass



transportation service open to the public, but which is designed or modified to accommodate the needs of school students and personnel by using various fare collections or subsidy systems. Buses used in tripper service must be clearly marked as open to the public and may not carry designations such as “school bus” or “school special”. These buses may stop only at a regular service stop. All routes traveled by tripper buses must be within a subrecipient’s or operator’s regular route service as indicated in their published route schedules.

## 13.10 Inter-State Services Using FTA Funds

The service area for a subrecipient of Sections 5310, 5311, or 5339 funding may include destinations across a state line (interstate service). Operators of interstate service “for compensation” are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations. **A USDOT number is required of ALL vehicles involved in interstate service for compensation. A USDOT number can be obtained by filling out forms MCS - 150 and MCS - 150A at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov).**

Receipts of FTA Section 5310, 5311 or 5339 funds qualify as “for compensation.” Generally, if operators are engaged in interstate travel, are “for-compensation,” and operate a vehicle designed or used for nine or more passengers (including the driver), they must comply with FMCSA regulations. This includes ensuring adequate insurance coverage (financial responsibility) for the states traveled within. **Note: Transit carriers operating vehicles designed for fewer than 9 passengers and carrying fewer than 9 people do not need to meet the requirements detailed in this chapter.**

Further information is available and can be accessed through the [National Cooperative Highway Research Program Research Results Digest 311: FMCSA Regulations as They Apply to FTA Section 5310/5311 Providers: a Handbook](#). This information was published in 2006 and, while still meaningful, these requirements apply beyond Section 5310 and 5311 as stated in this plan.

## 13.11 Section 504 and ADA Program Requirements

### 13.11.1 [Section 504 and ADA Requirements](#)

Section 504 of the Rehabilitation Act of 1973, (Section 504), as amended (29 U.S.C. 794), prohibits discrimination on the basis of handicap by recipients of federal financial assistance. The Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 et seq.), affords equal opportunity for employment, transportation, telecommunications, and places of public accommodation for people with disabilities.

Subrecipients must comply with 49 CFR Parts 27, 37, and 38 implementing the ADA and Section 504. These provisions:

- Prohibit discrimination against individuals with disabilities
- Specify accessibility requirements for the design and construction of new transportation facilities
- Require that vehicles acquired be accessible to and usable by individuals with disabilities, including individuals using wheelchairs (with limited exceptions for demand responsive systems providing equivalent service to individuals with disabilities) or a demonstration of inability to obtain an accessible vehicle despite good faith efforts to do so
- Require governmental authorities, including a private non-profit entity “standing in the shoes” of the State as a subrecipient operating fixed route transit, to have complementary paratransit plans on file (effective January 26, 1992)
- Require subrecipients of federal funds to ensure compliance in the areas of employment, public services, public accommodations, telecommunications, and other provisions

Certification is accomplished annually through the funding application packages containing appropriate compliance assurances, and through program site review.

If a Section 5311 subrecipient is operating fixed route transit, the subrecipient must submit an annual paratransit plan to the Transit Section. This is reviewed by the Program Manager during the application process.

ALDOT’s Transit Section must also ensure that all vehicles acquired with Section 5311 and 5339 funds are equipped, maintained, and operated in accordance with 49 CFR Parts 27, 37 and 38 and that service provided does not discriminate against individuals with disabilities.

Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 794, prohibits discrimination on the basis of handicap by recipients of Federal financial assistance. All FTA subrecipients sign an “Assurance of Non-Discrimination on the Basis of Disability” that states they will not discriminate against persons with disabilities while providing transportation service. The transportation service has to meet a significant portion of the actual transportation needs of persons with disabilities within a reasonable time. Alabama defines a person with disabilities as an individual whose impairment prevents or restricts normal mobility, to include vision, hearing, mental, and physical impairments and who may need

special assistance to move. In Alabama, all subrecipients are required to provide services as stated in their application to persons with disabilities, including:

- Each subrecipient's service area must have at least one accessible vehicle that can accommodate persons with disabilities.
- All accessible vehicles and their equipment must be maintained in proper operating conditions.
- A back-up accessible vehicle is available that can accommodate persons with disabilities when an accessible vehicle is out of service. If no back-up accessible vehicle is available, other arrangements have been made to ensure accessible service continues.
- When a subrecipient replaces an accessible vehicle, another accessible vehicle is available in the service area that can accommodate persons with disabilities until delivery of the new accessible vehicle.
- Personnel are trained and supervised so that they operate accessible vehicles and equipment safely and properly.
- Adequate assistance and information concerning accessible transportation services is available to all persons with disabilities.
- Service is provided in a timely manner, and no person with a disability is denied access to mass transportation for the general public if the person with a disability is capable of using that system, even if the subrecipient provides special service to persons with disabilities.

### **13.11.2** [ADA Program Requirements](#)

The Americans with Disabilities Act (ADA) affords equal opportunity for employment, transportation, telecommunications, and access to places of public accommodation for people with disabilities. The ADA refers to only persons with certified disabilities and does not apply to the general elderly population. The federal agency designated to administer the public transportation provisions of ADA is the Federal Transit Administration (FTA). FTA has issued implementation regulations that apply to both public and private transportation providers, even if they do not receive federal funding. These regulations contain provisions for accessible vehicle acquisition, development and implementation of a plan for providing complementary paratransit service, and the prohibition of discrimination on accessible transportation service.

The ADA mandates that complementary paratransit or other special service must be available for individuals whose needs cannot be met by a fixed-route system. The service must be comparable to the level of service offered to individuals without disabilities who use the fixed-route system. Complementary Paratransit service must also be provided to a personal care attendant traveling with an eligible rider, and visitors who have been determined by another public entity to be eligible for such service. If the visitor has been certified as eligible by another entity, they are entitled to complementary paratransit service for up to 21 days; after that time they must qualify through the local public entity for eligibility. Any animal trained to assist a disabled individual must be allowed to accompany that individual during the ride.

ADA regulations apply only to designated public transportation which is transportation provided by a public entity (other than public school transportation) by bus, rail, or other conveyance (other than transportation by aircraft, intercity, or commuter rail transportation) that provides the public with general or special service, including charter service, on a regular and continuing basis. If a public entity contracts with a private transportation provider to operate the “public” system, the private operator must comply with the ADA regulations. Vanpools and airport shuttle systems are required to provide accessible transportation. This may be done by a joint agreement with other shuttle systems, where the agencies share an accessible vehicle. A system is not considered fixed route if the rider must request the service and his request determines the exact route the bus will take. This type of system is called demand-response or dial-a-ride. A route deviation system where the bus travels a specific route but deviates off of that route to pick up individuals is also not considered fixed-route. Subrecipients must certify to ALDOT that they are complying with the provisions of the ADA. The ALDOT ensures that all vehicles acquired with FTA funds are equipped, maintained, and operated in accordance with the regulations, and that service provided does not discriminate against individuals with disabilities.

Subrecipients agree to the ADA certification as part of the agreement with ALDOT. The signed agreements are retained in the subrecipient files.

ALDOT obtains certifications of equivalent services and ADA complementary paratransit plans from public providers as applicable.

During management reviews, ALDOT reviews subrecipients’ procedures to ensure compliance with Section 504 and ADA Program requirements.

Newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

## 13.12 Certifications and Assurances

The annual certifications and assurances are binding legal commitments for ALDOT and for each subrecipient to comply with Federal law and regulations. The certifications and assurances are sent out by the Transit Section to the subrecipients (by email) after publication in the *Federal Register*. The certifications and assurances apply to all FTA programs, including tribal transit grants. *Please refer to **Chapter 7** for additional information on the certifications and assurances.*

## 13.13 Safety

Safety is paramount and inherent in the provision of ALDOT Transit Section's services both at the organizational level as well as to the ultimate customer—the transit passenger.

FTA's authority in the area of transit safety is set forth in Section 5329 Transit Safety & Oversight of the Federal Transit Law. Under Section 5329, FTA may withhold further financial assistance from any grantee that fails to correct any condition that FTA believes "creates a serious hazard of death or injury."

As the designated recipient for federal funds in Alabama, ALDOT is empowered to carry out the authority indicated above.

### **13.13.1** ALDOT's Safety, Security and Emergency Preparedness Plan

Community transportation systems operate in a wide variety of environments including rural, urban and resort areas. Community transit includes fixed route, shared ride, paratransit, and specialized service for the general public, as well as high-risk passengers such as individuals with disabilities, the elderly, and young children.

Safety has always been a priority for public transportation providers, the Alabama Department of Transportation and the Federal Transit Administration. As a result of 9/11 and the transit attacks in Madrid and London, there are heightened concerns for transit security even in rural communities. The destruction wrought by Hurricanes Katrina, Rita, and other acts of nature have renewed our national awareness of the role that public transportation can play as a first responder resource.

All public transit providers have been asked to designate safety, security, and emergency preparedness as a top priority, and to prepare to manage critical incidents for the wide array of the hazards that transit faces.

Critical Incidents could include accidents, natural disasters, sabotage, civil unrest, hazardous materials spills, criminal activity, or acts of terrorism. Regardless of the cause, critical incidents require swift, decisive action to protect life and property. Critical incidents must be stabilized prior to the resumption of regular service or activities. Successful resolution of critical incidents typically requires cooperative efforts by a variety of responding agencies.

To establish the importance of safety, security and emergency preparedness, ALDOT has developed a Safety, Security and Emergency Preparedness Plan (SSEPP). The SSEPP outlines the process by which subrecipients can make informed decisions that are appropriate for their operations, passengers, employees, and communities regarding the development and implementation of a comprehensive security and emergency preparedness program.

The SSEPP will result in ALDOT's subrecipients achieving not only an effective physical security program, but will enhance the transit system associations with the local public safety agencies in their service areas. Improved communication between transit and first responders fosters an awareness of transit resources and capabilities. These open communication channels improve transit's ability to support first responders in managing community-wide emergencies, including accidents and incidents, acts of nature, hazardous materials, criminal activity and terrorism.

The activities documented in the SSEPP focus on establishing responsibilities for safety, security and emergency preparedness. It is important to develop a methodology for documenting and analyzing potential safety, security, and emergency preparedness issues, and develop a management system to track and monitor progress in addressing these issues.

The structure of the SSEPP focuses first on a description of the transit provider's mission and critical assets, and then on identifying threats and vulnerabilities to the transit system and the environment in which they operate. These items are followed by strategies for reducing vulnerabilities, including training on reacting to possible threatening events, and finally, preparing our transit systems to manage incidents in concert with external emergency management organizations and first responders.

### 13.14 Drug and Alcohol Program

*"Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations,"* as implemented by 49 CFR Part 655 (August 2001), as amended, and to be read in conjunction with 49 CFR Part 40, requires all subrecipients receiving Federal Transit Administration funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs to have a drug and alcohol testing program in place for all safety sensitive employees. This requirement applies to Sections 5307, 5311, and 5339 subrecipients.

In addition, the U.S. Department of Transportation has issued 49 CFR Part 40, "*Procedures for Transportation Workplace Drug and Alcohol Testing Programs*," which prescribes testing methods to be followed.

The certification must be signed by the subrecipient's governing board or other authorized individual or body in compliance with the above. Failure to certify compliance with the drug and alcohol rules will result in jeopardizing federal funding from FTA. In addition, an FTA grant recipient is subject to criminal sanctions and fines for false statements or misrepresentation under Section 1001 of Title 18 of the U.S. Code.

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

### **13.14.1** Drug and Alcohol Testing

ALDOT subrecipients of specific Federal Transit Administration (FTA) funding must establish and maintain a Drug and Alcohol Testing Program in accordance with 49 CFR §655, and in consonance with 49 CFR Part 40.

To ensure compliance with FTA Drug and Alcohol Testing Program requirements public transportation providers must:

- Establish an anti-drug use and alcohol misuse program as outlined in 49 CFR § 655.11-12
- Establish an education and training program for all covered employees as outlined in 49 CFR § 655.14
- Establish and provide written notice to every covered employee, of the employer's anti-drug and alcohol misuse program policy, in accordance with 49 CFR § 655.15 -17
- Establish a program that provides testing for prohibited drugs as outlined in 49 CFR § 655.21
- Establish a program that provides testing for alcohol as outlined in 49 CFR § 655.31-35, and in conjunction with 49 CFR Part 40
- Comply with the testing requirements as detailed in 49 CFR § 655.41-62
- Maintain in a secure location, with controlled access, all records of its anti-drug and alcohol misuse program as detailed in 49 CFR § 655.71, and in accordance with records disclosure instructions provided in 49 CFR § 655.73

- Annually ALDOT will prepare, maintain, and electronically complete and submit a Drug and Alcohol Management Information System (DAMIS) Report reflecting the results of its anti-drug and alcohol misuse testing programs performed for the previous calendar year to FTA.

Through a consortium ALDOT ensures subrecipient compliance with FTA mandated Drug and Alcohol Testing Program and the Drug-Free Workplace requirements. The ALDOT has secured a contractor who will:

- Periodically review each transit agency's Drug and Alcohol Program Policy for compliance
- Conduct on-site visits to review all aspects of each transit agency's Drug and Alcohol Program that cannot be accomplished via desktop audit, such as compliance with program management requirements, records maintenance and storage review, ensuring that all applicable Drug and Alcohol Program regulations are readily available, reviewing documentation of employee training, collector compliance with regulations, and reviewing any other program compliance requirements
- Provide technical assistance in all matters pertaining to transit agency Drug and Alcohol Program management as requested, or deemed to be appropriate
- Provide employee/supervisor training, such as "Reasonable Suspicion Referral for Supervisors" and other program related training as available/required
- Monitor transit agency Drug and Alcohol program management activities via accessing and reviewing the Third Party Administrator (TPA) Website
- Ensure that transit providers have the TPA resources available through state contract
- Monitor collection sites for compliance with FTA Drug and Alcohol Testing Program requirements
- Coordinate efforts that would eventually allow individual transit agencies to review their Drug and Alcohol Testing Program activities via accessing the current TPA website

### 13.15 Drug-Free Workplace Act

The Drug-Free Workplace Act of 1988, as amended, and Alabama state law require all subrecipients receiving grants from any state agency to certify that they will maintain a drug-free workplace for all employees and have an anti-drug policy and awareness program.



ALDOT has an established drug-free workplace policy and anti-drug policy and awareness program.

### 13.16 Private Sector Participation

Federal law requires the public to have an opportunity to comment and an opportunity for early and continuing involvement throughout the transportation planning process. Federal law also specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

Under the requirements of 49 U.S.C. 5323(a)(1), States or local governments may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if the subrecipient “provides for the participation of private companies engaged in public transportation to the maximum extent feasible”.

Because of the Alabama Department of Transportation's continued commitment, to the maximum extent feasible, to the involvement of private enterprise in the provision of mass transit services, the following applies: **Applicants must provide reasonable notice to private transportation providers regarding proposed services and opportunities for their participation in such services.**

To ensure that all interested persons, businesses, and agencies have been notified of a subrecipient's intention to provide transportation services and that they have adequate opportunity to comment, the subrecipient must issue a public notice describing its proposed services. This notice invites any interested private operator within the service area to comment or request a public hearing on the proposed services by written notice to the subrecipient. A minimum of 7 days response time is provided.

### 13.17 Commercial Driver's License

Effective April 1, 1992, all drivers of vehicles designed to transport 16 persons or more (including the driver) must have a Commercial Driver's License (CDL). Mechanics that drive the vehicles must also have a CDL.

## Charter Service Reporting Form

Complete and email this form and any additional requested information to ALDOT for any charter performed in accordance with an allowable exception.

Report Due Dates: **JULY 15 (Apr – Jun Service) OCTOBER 15 (Jul – Sep Service)**  
**JANUARY 15 (Oct – Dec Service) APRIL 15 (Jan – Mar Service)**

The reportable allowable exceptions are:

- Exception 604.6 – Government officials on official government business **(GO)**
- Exception 604.7 – Qualified human service organizations (Please note that For Section 5310, 5311, 5316, and 5317 recipients, transportation for program purposes, that is, that serves the needs of either human service agencies or elderly persons, persons with disabilities, or low-income persons, is not considered charter service.) **(QH)**
- Exception 604.8 – Leasing FTA-funded equipment and drivers to private charter operators **(LE)**
- Exception 604.9 – When no registered charter provider responds to notice **(WN)**

Guidance: Title 49 CFR 604 - Source: <https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service/charter-bus-service-regulations>

**Maintain the completed form and supporting documentation (charter service request, email notice, list of registered charter providers receiving email notification) on file for at least three years from the date that the email was sent.**

1. Provider name, address, phone number, and email address:
2. Allowable exception:
3. Name, address, phone number, and email address of government organization, qualified human service agency (receives funds listed in Appendix A of the charter regulation or has registered on the FTA charter website at least 60 days before the charter request), registered charter provider, or group:
4. Date of Charter Request from Third Party:
5. Date and time of service:
6. Date of Email notification to Registered Charter Providers (if applicable):
7. Number of passengers (If providing service under exception 604.6, please note the number of government officials on the trip):
8. Origin and destination (attach Itinerary):
9. Trip miles and hours:
10. Fee/Fare collected:
11. Vehicle number(s) used in charter service:
12. Number of vehicles leased (Exception 604.8 only)\*
13. Types of vehicles leased (Exception 604.8 only)\*

\* For Exception 604.8 – Leasing FTA-funded equipment and drivers to private charter operators, provide documentation presented by the registered charter provider that it is:

- Registered on the FTA charter registration web site
- Owns and operates buses or vans in a charter service business
- Received a request for charter service that exceeds its capacity either of the number of vehicles operated or the number of accessible vehicles
- Has exhausted all of the available vehicles of all registered charter providers in your geographic service area

For Exception 604.10 – Agreement with registered charter providers, provide a copy of the agreement.

# 14 Project Reporting, Monitoring, and On-Site Reviews

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## 14.1 Background

The Federal Transit Administration gives the State, to the extent permitted by law, maximum discretion in designing and managing the Sections 5310, 5311, and 5339 Programs. FTA staff provides overall policy for the respective programs; apportions funds annually to the State; develops and implements financial management procedures; and conducts national program reviews and evaluations.

The FTA defers to the State, where possible, the development of specific program standards, criteria, procedures and policies in order to provide Alabama the flexibility to standardize its management of these federal programs and related state programs.

The ALDOT Section 5339 Program is available to small urban 5307, 5310, and 5311 subrecipients. Therefore, monitoring of 5339 occurs simultaneously with small urban 5307, 5310, and 5311 monitoring.

All Alabama transit grant subrecipients are required to complete and submit periodic forms designed to capture data reflecting key performance and utilization measures.

## 14.2 Project Reporting and Monitoring

ALDOT collects operational data from each of its subrecipients on a quarterly, semi-annually, or annual basis. Data collection includes the number of miles, hours, and trips provided during the reporting period, as well as financial information such as expenses and revenues during the reporting period. These reports identify productivity and cost-effectiveness.

Some reports are filed quarterly and others are filed annually. Subrecipients report on DBE attainment semi-annually. Each Section 5310, 5311, and 5339 subrecipient reports electronically using the ALDOT Transit Reporting System (ATRS). Bus maintenance reports are submitted to ALDOT electronically for the Section 5311 program. Hard copies are permitted for agencies funded through Section 5310.

## 14.2.1 Project Monitoring

A continuous system of checks and balances is built into project monitoring through various means such as subrecipient reports, invoice processing, the generation of supplemental agreements, data collection, and the review of operating performance data. These methods are enhanced through open channels of communication, site visits, and a compliance review process.

The open channels of communication and compliance review process are complementary and intended to provide a qualitative closing the “loop” method by continually ensuring that the subrecipient(s) requirements, as identified in the application and resultant contract, are being met through what ALDOT is providing.

When an issue surfaces, a proactive response is needed. It should include an analysis of the program challenge and alternatives and ultimately yield an appropriate recommendation that strives to be satisfactory to all parties.

ALDOT monitors projects through on-site reviews, equipment inspections, reporting requirements, and other activities as necessary. Subrecipients are required to monitor and report on a variety of items, including ridership, revenues, expenses, vehicle and equipment management, ADA operations requirements, drug and alcohol testing, DBE attainment, and service coordination efforts as applicable.

### 14.2.1.1 Section 5310 Monitoring

All Section 5310 subrecipients are subject to a detailed onsite review, to include Civil Rights requirements, conducted by either ALDOT Staff or designated representatives of the state at least once every three years. Additionally, quarterly management information reports must be uploaded to the ALDOT electronic reporting system (ARTS) by all Section 5310 subrecipients. Finally, an annual report with proper certification is required of all Section 5310 subrecipients recapitulating maintenance performed on vehicles and accessibility equipment. Other oversight/monitoring activities are implemented on case-by-case bases, as necessary.

### 14.2.1.2 Section 5311 Monitoring

All Section 5311 subrecipients are subject to a detailed onsite review, to include Civil Rights requirements, conducted by either ALDOT Staff or designated representatives of the state at least once every three years. ALDOT monitors and oversees Section 5311 subrecipients to ensure that services delivered continue to be eligible and are open and promoted to the

general public through its management performance review process, routine reporting, and the annual grant application process.

### **14.2.2** ALDOT Required Reporting

ALDOT submits to FTA the following reports for Sections 5310, 5311, and 5339:

- Annual Program of Projects Status Reports. By October 31<sup>st</sup> of each year, ALDOT submits to FTA an updated program status report as applicable for each active grant, covering the 12-month period ending September 30. The updated POP reflects project descriptions, changes in projects from one category to another, and adjustments if applicable. The updated POP is attached electronically in TrAMS (Transit Award Management System).
- Milestone Activity Reports. ALDOT submits revised milestone dates quarterly if the estimated completion date for the grant has changed with an explanation as to why the date has changed. Subrecipients assist with providing milestone dates for specific projects.
- Federal Financial Report. ALDOT submits electronically a quarterly Federal Financial Report for each active grant for the reporting period. Reports are prepared using the accrual method of accounting.
- Federal Funding Accountability & Transparency Act of 2006 (FFATA) Reports. ALDOT is required to report all sub-award information exceeding \$25,000 and awarded after October 1, 2010, to the Federal Funding Accountability & Transparency Act Sub-award Reporting System (FFRS) at [www.FSRS.gov](http://www.FSRS.gov) by the end of the month, after the month in which ALDOT makes any sub-award under a grant.
- Disadvantaged Business Enterprise (DBE) Reports. ALDOT submits a DBE program goal once every three years to FTA, and semi-annual reports to FTA twice per year. All subrecipients are required to submit semi-annual reports to ALDOT as applicable. ALDOT and its subrecipients use only race neutral measures. The three-year goal is based on historical DBE attainment and the availability of DBE contracting opportunities. ALDOT's Transit Section prepares and submits a shortfall analysis to FTA if the yearly DBE goal is not met.

### **14.2.3** Section 5310 Required Reporting

ALDOT must follow the stated regulations and procedures in the FTA Circular to remain eligible for funding, but can add additional requirements or priorities as it administers the FTA Section 5310 program in the State. In Alabama, the subrecipient must provide a

Quarterly Report that lists the number of trips provided, the type of trip (elderly, disabled, public) and, where possible, the purpose of the trip (medical, nutritional, recreational, employment, education, shop/personal); and a Maintenance Plan (Manufacturer’s suggested maintenance plan or similar) describing how the subrecipient maintains its program vehicles(s) and accessibility equipment, as applicable.

ALDOT is required to submit to FTA annually program measures for the Section 5310 programs. FTA captures overall program measures to be used with the Government Performance Results Act (GPRA) and the Performance Assessment Rating Tool process for the Office of Management and Budget.

The following indicators are targeted to capture overarching program information as part of the annual report that ALDOT submits to FTA. ALDOT requires the subrecipients to provide the necessary information in order to complete performance measure reports.

The two measures established for the “traditional” Section 5310 program are:

- 1) Gaps in Service Filled. Provision of transportation options that would not otherwise be available for older adults and individuals with disabilities measured in numbers of older adults and individuals with disabilities afforded mobility they would not have without program support.
- 2) Ridership. Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and older adults on Section 5310—supported vehicles and services.

The three measures established for the ALDOT “non-traditional” Section 5310 program, based on **FTA Circular 9070.1 (series)**, are:

- 1) Service Improvements. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities.
- 2) Physical Improvements. Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities.
- 3) Ridership. Actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities.

#### 14.2.4 Section 5311 Required Reporting

Subrecipients must submit a Transportation Management Information Report on a quarterly basis, and submit yearly the following reports: Transportation Vehicle Maintenance and Drug and Alcohol MIS Data collection. The Disadvantaged Business Enterprise (DBE) report is submitted semi-annually.

Section 5311(b)(4) specifies that each Section 5311 recipient shall submit an annual report containing information on capital investment, operations, and service provided under Section 5311. Items to be reported include total annual revenue; sources of revenue; total annual operating costs; total annual capital costs; fleet size and type, and related facilities; revenue vehicle miles; and ridership.

##### 14.2.4.1 The National Transit Database (NTD)

The National Transit Database (NTD) is FTA's primary national database for statistics on the transit industry. Recipients and beneficiaries of FTA's Rural Area Formula Program (49 U.S.C. 5311) grants are required by 49 U.S.C. 5335(a) and (b) to submit data to the NTD as a condition of the award. Some of the information and data that ALDOT collects from subrecipients through its electronic reporting systems will be used to comply with Federally-mandated data reporting of rural transit service activities in the State.

Section 5311(b)(4) specifies that each Section 5311 recipient shall submit an annual report containing information on capital investment, operations, and service provided under Section 5311. Items to be reported include total annual revenue; sources of revenue; total annual operating costs; total annual capital costs; fleet size and type, and related facilities; revenue vehicle miles; and ridership. Safety data are also collected for NTD reporting.

ALDOT is responsible for ensuring that data is collected and compiled from each Section 5311 subrecipient and transportation provider in the State that benefits from the grant. ALDOT uses the subrecipient reporting data to submit rural agency data, on their behalf, to the National Transit Database (NTD).

#### 14.3 Project Invoicing

Approved subrecipients have funds disbursed on a reimbursement basis. The ALDOT transit staff is responsible for processing subrecipient requests for reimbursement for capital, planning, operating and/or project administration costs incurred; and to pay other bills associated with the administration of the State Transit Program. Section 5310, 5311, and 5339 subrecipients submit reimbursement requests to ALDOT. All billings including vehicle

purchases, equipment purchases, capital maintenance requests, RTAP travel reimbursement, and consultant charges are reviewed by Transit staff for accuracy, eligibility and compliance with ALDOT's reimbursement procedures. Billings must contain the same task items and funding per item as approved in their approved budget. If sufficient funds are available and the request is eligible, a voucher payable is prepared for ALDOT's Accounting Division to process. Invoices may not be submitted more frequently than once monthly.

Expenditures made by the subrecipients are reimbursable if they meet all of the following conditions:

- 1) in conformance with the project description and project budget and all other provisions of the subrecipient agreement
- 2) necessary in order to accomplish the project
- 3) reasonable in amount for the goods or services purchased
- 4) reflective of actual net cost
- 5) incurred and are for work performed within the grant year
- 6) supported with invoices and attachments documenting the costs

Invoicing provides ALDOT the opportunity to ensure the quality progression of a project. It also provides an excellent opportunity for the interaction of the various staff members at ALDOT who are involved with a project.

The subrecipient's invoice is first routed to the Local Transportation Bureau Chief. A routing mechanism is then implemented and the invoice is dispatched to the Transit Section staff for review and approval. Invoices for capital equipment are sent through the Local Transportation Bureau Vehicle Coordinator for review before they are recommended for payment.

Primary consideration is given to program compliance in accordance with the scope of the contract in consultation with the Transit Section staff.

In the event an error is located, the Transit Section staff will notify the submitting subrecipient and request a corrected original invoice. The invoice will remain on hold until the discrepancy is cleared.

After review and approval by the Local Transportation Bureau, the invoice is forwarded to the ALDOT Finance and Audits Bureau where it is also reviewed, approved and processed for payment. Once the invoice is processed through the various



review and approval stages in the ALDOT Finance and Audits Bureau, the invoice is submitted to the Alabama Department of Finance for payment.

ALDOT reserves the right to request, at such time and in such manner as it requires, any other project reports to adequately monitor progress or as may be required under federal or state regulations.

Eligible project costs shall be determined in accordance with OMB Super Circular 2 CFR 200, FTA Circulars (as amended), and guidance issued by ALDOT. Project expenditures shall be categorized as capital, planning, operating, or administrative expenses.

## 14.4 Compliance Reviews

### 14.4.1 Monitoring

ALDOT is authorized to monitor all project activities, services, project administration and management practices supported with federal funds, to ensure compliance with federal regulations.

### 14.4.2 Section 5310 Compliance Reviews

All Section 5310 subrecipients are subject to a detailed on-site review conducted by either ALDOT Staff or designated representatives of the state at least once every three years. Additionally, quarterly management information reports must be uploaded to the ALDOT electronic reporting system (ATRS) by all Section 5310 subrecipients. Finally, an annual report with proper certification is required of all Section 5310 subrecipients recapitulating maintenance performed on vehicles and accessibility equipment. Other oversight/monitoring activities are implemented on case-by-case bases, as necessary.

### 14.4.3 Section 5311 Compliance Reviews

Management Performance Reviews assess the management practices and program implementation of the Non-urbanized Area Public Transportation Program (49 USC 5311) to ensure that the program is being administered in accordance with the Federal Transit Administration (FTA) and the Alabama Department of Transportation (ALDOT) requirements. The reviews are performed at least every three years or as circumstances warrant.

ALDOT is authorized to monitor all project activities, services, project administration and management practices supported with federal funds, to ensure compliance with federal regulations. To that regard, ALDOT has developed a Statewide Monitoring Program that uses visual inspection of the subrecipients' site and equipment. The monitoring program verifies

not information about the subrecipients, such as contact name, address and location of the site; records the number, types and condition of vehicles being used in the program; and asks questions about the subrecipients' compliance with federal and State regulations and procedures.

At the time of the visit, any subrecipients found to be out of compliance with federal and State regulations and procedures are notified of such non-compliance and given time to remedy the situation. The subrecipient is cautioned that if the non-compliance issues are not rectified, FTA funding may be jeopardized, and subrecipient vehicle(s) may have to be returned. ALDOT's Management Review document contains Checklists not limited to the areas of Maintenance, Americans with Disabilities Act (ADA), Title VI, and Procurement. The Checklists further verify the subrecipients' responses to the compliance questions.

The following are areas covered by the compliance review:

- Management and organization
- Service planning
- Marketing and public relations
- Fares and contract rates
- Accounting and finance
- Purchasing and procurement
- Personnel and labor relations
- Scheduling transportation
- Safety and training
- Inventory
- Maintenance
- Americans with Disabilities Act compliance
- Drug and alcohol requirements
- Other Federal regulatory compliances

## 14.5 Compliance

As with any program involving public funds, accountability is critical. Failure to respond to ALDOT required corrective action may result in disciplinary action based on Federal

guidance. ALDOT will consider taking appropriate action to include, but not be limited to, measures outlined in 2 CFR Part 200 (as amended) such as:

- Temporarily withholding processing request for reimbursement invoices pending correction of the deficiency
- Considering non-compliance when determining future awards
- Disallowing costs associated with the deficiency(cies)
- Initiating suspension or debarment proceedings
- Considering placing an agency on high risk status
- Other actions permissible by law

In remedying subrecipient non-compliance, ALDOT will provide correspondence explaining the reason for the action(s), the time frame associated with disciplinary action, and what the subrecipient must accomplish before the disciplinary action is removed.

# 15 Technical Assistance and Training

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## 15.1 ALDOT Transit Section Technical Assistance (TA)

It is the goal of the ALDOT Transit Section to maintain an ongoing technical assistance program with all of its subrecipients to ensure compliance with federal and state requirements governing the receipt of Federal Transit Administration (FTA) funds. Transit Section staff provides technical assistance to its subrecipients in the following areas: 1) new subrecipient program overview; 2) program management; 3) financial management; 4) asset management; and 5) planning. ALDOT provides technical assistance to subrecipients, the general public (including minority applicants), and applicants serving minority populations.

The Local Transportation Bureau is comprised of a staff of financial, planning, project management and operational specialists who are available to provide a wide range of technical assistance to local areas upon request. Additionally, the ALDOT Local Transportation Bureau may draw upon other resources within ALDOT (i.e., Director's Office, Legal, Computer Services, Data Processing, Purchasing, Accounting, Internal and External Auditing, Safety, Compliance and Business Opportunities, and Office Engineer) as well as contracted professional services to provide technical and management assistance to assist with the transit programs.

### 15.1.1 Technical Assistance for Subrecipients

A request for TA may originate from a subrecipient or from Transit Section staff. Regardless of how the request was initiated, Transit Section staff must first determine what type of assistance is needed. In most cases, this is done through a conference call but, depending on the complexity of the situation, a one-on-one site-visit may be required. The level of research and preparation for TA is determined by the nature and complexity of the problem but, as a general rule, the following occurs:

- 1) Transit Section staff studies the issue to determine what is needed
- 2) One or more Transit Section staff is scheduled to assist the subrecipient
- 3) Transit Section staff prepares for follow-up with subrecipient
- 4) Preliminary conference call may be conducted between Transit Section staff and subrecipient to further assess the need
- 5) Conference call or on-site visit is scheduled to assist the subrecipient

- 6) Preliminary instructions are provided to the subrecipient to assist with preparing for the TA
- 7) Transit Section staff prepares for TA
- 8) TA takes place
- 9) Transit Section staff prepares a TA report only if a site-visit was provided
- 10) Transit Section staff is advised to follow-up in a few months to make sure matter is corrected
- 11) Subrecipient request for TA is closed

TA is also provided to subrecipients in the form of annual program updates, during the annual contract workshop, and the annual transportation association conference.

### **15.1.2** [ALDOT Technical Assistance Report \(for Site Visits Only\)](#)

The ALDOT Transit Section prepares a report only if an on-site technical assistance visit is performed. (Assistance by telephone or email does not require a written document.) The written assessment report states whether additional TA is needed and if so the specific areas that will need additional follow-up. The level of TA varies based on the size of the agency and the complexity of the problem or problems.

The TA visit may include, but is not limited to, the following items:

- Preparing grant applications
- Involving private sector transportation providers in service delivery
- Review of the contract and budget
- System operations and management
- Developing and evaluating service routes and schedules
- Grant management (invoicing, record keeping and accounting)
- Reporting (financial and progress reports)
- Inspections (vehicle and facility inspections)
- Civil rights
- Procurement and third party contracting
- Developing and providing driver training and preventive maintenance programs
- Public involvement

- Transportation coordination issues
- Disadvantaged Business Enterprises (DBEs)
- Other issues and requests, as may arise

## 15.2 State Rural Transportation Assistance Program (RTAP)

### 15.2.1 Program Goals and Objectives

The main goal of the Alabama RTAP program is to provide training opportunities and technical assistance to the state's rural transit providers in an effort to build capacity, increase operating efficiency and safety, and ensure compliance with various federal regulations. The specific objectives of the RTAP program are to:

- Promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources
- Improve the quality of information and technical assistance available to the rural and small urban subrecipients through conferences, workshops, coalition meetings, and the publication of a transit newsletter
- Facilitate peer-to-peer self-help through the development of the Train-the-Trainer Program
- Support the coordination of public, private, specialized, and human service transportation services

RTAP is intended to be a broad and flexible program of training, technical assistance, research, and other support services for non-urbanized area operators. It provides Federal funding to assist in the design and implementation of training and technical assistance programs tailored to meet the specific needs of non-urbanized transit operators. In Alabama, providers of specialized transportation and urbanized public transit operation are allowed to participate in RTAP sponsored activities, as long as the activities are primarily designed to benefit small urban and rural transit providers.

### 15.2.2 Training Opportunities

Alabama RTAP schedules training throughout the year including, but not limited to, Defensive Driving, First Aid, CPR, Passenger Assistance Training, Customer Service and Drug/Alcohol Testing. ALDOT workshops are conducted yearly to highlight new federal regulations, changes to the State program and other issues of interest.

Technical assistance is offered through ALDOT organized workshops and subrecipients are encouraged to attend non-ALDOT conferences and workshops, both in and out of state, which offer information on transit related issues. Subrecipients wishing to access RTAP funding for non-ALDOT training, workshops, or conferences are required to submit a written request to ALDOT for approval. The written request is reviewed and the subrecipient receives a verbal or written confirmation of funding availability. Upon completion of training, subrecipients are expected to share their new knowledge with other subrecipients.

### **15.2.3** [RTAP Program Manager](#)

The Rural Transit Assistance Program (RTAP) in Alabama is managed and directed by the RTAP program manager, who is located within the Public Transit Section. The RTAP program manager reports directly to the Local Transportation Assistant Bureau Chief. The RTAP program manager is responsible for developing and implementing the program.

### **15.2.4** [Eligible Assistance Categories](#)

Alabama may use RTAP funds to support non-urbanized transit activities in four categories:

- Training (including workshops, conferences, etc.)
- Technical assistance
- Research
- Related support services

### **15.2.5** [Funding](#)

The RTAP program is funded at 100%; therefore, no local match is required.

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