

NORTH CAROLINA  
Department of Transportation



State Management Plan  
for  
Title 49 U.S.C. Sections 5310, 5311, 5316 and 5317

Public Transportation Division  
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Raleigh, NC 27699-1550

October 2014

## ACCESSIBLE FORMATS

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# PURPOSE, USE AND BACKGROUND

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The State Management Plan (SMP) is the document that describes the State's policies and procedures for administering Federal Transit Administration Sections 5310, 5311, 5316 and 5317 programs.

The SMP is intended to facilitate both state management and FTA oversight by documenting the State's procedures and policies for administering the Sections 5310, 5311, 5316 and 5317 Programs in a single reference. This document includes the State's objectives, policies, procedures, and administrative requirements, in a form that is readily accessible to potential subrecipients, State staff, FTA, and the public. The State Management Plan's primary purposes are to serve as the basis for FTA state level management reviews of the program and to provide public information on the approved and compliant administrative processes to specified program administration. The Public Transportation Division (PTD) staff uses the SMP internally as a program guide for local project applicants.

NCDOT uses the SMP as a management tool for the above programs and to that end transit system managers, directors and others involved in the administration of the grant are expected to use this manual as their first source reference.

The proper and consistent use of this guide should serve to:

- Ensure compliance with federal and state regulations.
- Provide administrative and programmatic guidance to grantees.
- Facilitate the accomplishment of federal and state goals.

This document amends the February 2012 State Management Plan (SMP) currently on file with the Federal Transit Administration (FTA). The state's procedures and policies for administering the 49 U.S.C. §5310 (Section 5310), 49 U.S.C. §5311 (Section 5311), 49 U.S.C. §5316 (Section 5316), and 49 U.S.C. §5317 (Section 5317) programs are presented within this SMP.

On July 6, 2012, President Obama signed into law Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) which went into effect on October 1, 2012. The program changes in this legislation involved major changes to how the FTA and the states administer funds covered under this SMP. Major changes included a repeal of the Section 5316 (JARC - Job Access and Reverse Commute) and Section 5317 (New Freedom) programs along with the establishment of an enhanced Section 5310 program that serves as a single formula program to support mobility of seniors and persons with disabilities. The New Freedom program elements were merged into the new enhanced Section 5310 program while many of the provisions of the JARC program were merged into the Section 5311 program (for rural areas) and the Section 5307 program (for urban areas).

Since that time, the FTA has issued a new circular (C 9070.1G) with guidance on the administration of the transit program for seniors and persons with disabilities under 49 U.S.C. 5310 and a proposed circular (C 9040.1G) for the rural transit program under 49 U.S.C 5311. This SMP revision notes new provisions of MAP-21— elements contained in the legislation itself

– but as of the update of this SMP, final S.5311 circular has not been issued. Because the state’s final appropriations under JARC/New Freedoms do not expire until federal FY2015, NCDOT/PTD will continue to administer federal S.5316, 5317 and 5311 funds that were appropriated under SAFETEA-LU using the prior law and circulars. During this transition (as of the writing of this SMP), PTD has Section 5311 projects funded under both SAFETEA-LU and MAP-21. To minimize confusion in this SMP, notations that apply only to the programs under MAP-21 are shown in italics.

In urbanized areas with populations less than 200,000 and in rural areas, the State is the designated recipient for receipt and administration of funding under the old JARC and New Freedom programs. For these areas, the Governor designated the North Carolina Department of Transportation (NCDOT) to be responsible for administering the JARC and New Freedom programs. In urbanized areas over 200,000 in population, the Governor, in conjunction with responsible local officials, designates the recipient.

Prior to MAP-21, the State was the designated recipient for receipt and administration of Section 5310 funding in all areas—large urban areas, small urban and nonurban areas. While this will be changing under MAP-21 (the state will no longer be the designated recipient in large urban areas), PTD continues to administer carry-over S.5310 funds statewide, including the large urban areas, until all those funds are expended.

Since PTD is still administering funds under the JARC and New Freedom Programs (the state’s final appropriation of JARC and New Freedom funds will not expire until September 30, 2014 and the state will have one final FY2015 call for JARC and New Freedom projects), and guidance in the revised S.5311 circulars is still pending, this SMP continues to include policies and procedures for all four programs. The SMP will be appropriately revised after all JARC and New Freedom Program funds are appropriated and the revised Section 5310 and Section 5311 guidance from FTA is finalized.

### **New Appalachian Development Public Transportation Program (ADTAP)**

MAP-21 created a new program under Section 5311 that will be administered by NCDOT/PTD – the Appalachian Development Public Transportation Assistance Program (ADTAP). Under this program, FTA allocates funds to designated states (including North Carolina) to deliver safe, reliable public transportation services to rural areas in the Appalachian Region. FTA intends to coordinate with the Appalachian Regional Commission (ARC) on this program and expects that ADTAP will enhance existing transportation services and create new services in order to decrease isolation within the region. Funds were available beginning in Federal FY13.

Purpose/Objective: The objective of the Appalachian funding is to deliver safe, reliable, public transportation services to the rural areas in the Appalachian region. The ADTAP will enhance existing transportation service and create new services in order to decrease isolation within the Appalachian region.

List of eligible counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey

List of eligible projects: Capital - All expenses covered under 5311 Non-Urbanized Area Rural Program Formula Capital Budget; excluding items covered in the Strategic Transportation Investment (STI) - expansion vehicles, facilities, and fixed guide-way; and Operating Budgets - All expenses covered under 5311 Non-Urbanized Area Rural Program Formula Operating  
List the funding apportionment:

<b><u>Project Type</u></b>	<b><u>Federal Match</u></b>	<b><u>Local Match</u></b>
<b>Operating Projects</b>	50%	50%
<b>Capital Projects</b>	80%	20%

**Weighted Competitive Selection Process:**

Applications will be evaluated based on criteria such as statement of need, project planning and implementation. Program effectiveness and evaluation, organization preparedness and technical capacity, project budget and grants management.

- Evaluation Criteria - (1) enhance the access of people in non-urbanized areas to health care, shopping, education, employment, public services and recreation; (2) assist in the maintenance, development, improvement and use of public transportation systems in non-urbanized areas; (3) encourage and facilitate the most efficient use of all transportation funds used to provide passenger transportation in non-urbanized areas through the coordination of programs and services; (4) assist in the development and support of intercity bus transportation; (5) provide for the participation of private transportation providers in non-urbanized transportation; (6) to provide and enhance public transportation to the Tribal Transit Program on Indian reservations/tribal lands and to provide transit services to serve tribal communities; (7) to provide technical assistance to include project planning, program and management development, public transportation coordination activities, and research to promote effective delivery of public transportation in rural areas of the designated Appalachian region, and (8) to enhance and improve access to jobs through employment-related transportation services for welfare recipients and eligible low-income individuals; this includes transportation of residents from urbanized and rural areas to suburban employment opportunities.

**Timeline Schedule: same as 5311 Rural Area Formula Grants**

ADTAP funds are available for the fiscal year in which they are apportioned plus two additional years. North Carolina may use up to 10 percent of its ADTAP program funds to administer the program and provide technical assistance to subrecipients (100% of this can be federal dollars – no non-federal match is required). States requesting ADTAP funds must comply with the planning requirements in Section 5303 and Section 5305 and projects proposed for ADTAP funds must be included in the Statewide Transportation Improvement Program (STIP).

PTD has designed a State ADTAP program. The ADTAP program elements will be updated in the SMP when the new proposed Section Circular (FTA C.9040.1G) is final. The legislation includes the following provisions:

- Relationship to Regular Section 5311 - ADTAP funds may be combined with regular Section 5311 grant applications as long as the State can account for the use of the ADTAP funds in their Program of Projects. FTA expects that, in order to maximize Section 5311 funding to the states, the states should use ADTAP funds as the funding for services in the Appalachian region – Section 5311 funds should be used to address needs not covered by the ADTAP allocation.
- Eligible Recipients and Subrecipients - The state will be the FTA recipient. Eligible subrecipients include local governmental authorities, non-profit organizations, Tribes, and operators of public transportation (includes private-for profit if they provide public transportation.)

**NCDOT/PTD Grant Management Tools**

On a general note, PTD employs a number of (electronic) grants management tools that are referenced in the SMP, namely:

PTD Grants Management Tool – currently Partner Connect. This web-based tool allows PTD to communicate effectively with its subrecipients. It is used by subrecipients to 1) upload grant applications, 2) submit claims (requests for reimbursements), 3) submit change requests, and 4) record DME/MBE payments. PTD uses the tool to 1) transmit award documents/agreements to subrecipients, 2) process payments, and 3) monitor subrecipient activity.

- Inventory Control and Maintenance Recordkeeping Database - currently Trapeze Enterprise Asset Management (EAM) (formerly AssetWorks). The database includes a listing (by subrecipient) of the vehicles and other assets, maintenance records, and safety data. PTD and the subrecipients have access to the software and PTD accesses the database to review and monitor the inventory control and maintenance records of subrecipients. Inventory control is crucial in identifying the myriad of resources distributed throughout the state. It is an issue directly related to project management and is especially relevant to increased fleet acquisition and spare ratios. In capital equipment requests, replacement versus expansion plays an integral role in the decision-making process
- Statewide Vehicle List - maintained by PTD (parallel to the Inventory Control and Maintenance Recordkeeping database).
- OpStats and VUD – NCDOT/PTD requires subrecipients to report performance data and vehicle utilization data (quarterly) to the OpStats database. PTD uses this information to determine grant eligibility and to make decisions concerning future grant awards.
- ROAP Reports– PTD requires subrecipients under the state-funded Rural Operating Assistance Program (ROAP) program to report statistics on ridership and contract rates.

# GOALS & OBJECTIVES

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The Public Transportation Division (PTD) vision supports the mission of the North Carolina Department of Transportation's (NCDOT) which is: Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity.

The PTD has a two-part vision that parallels the vision adopted by the Department. The first is a “system vision” that describes the system of services that constitute public transportation across the State and the desired characteristics of that system. The second part is an “internal vision” that describes how the PTD is expected to function in support of the system vision.

## Division Goals

- To promote awareness of Transit options for all North Carolinians
- To foster and encourage coordination and consolidation of transit services
- To promote a positive public transportation travel experience
- To support NCDOT and Federal Transit Administration goals and objectives
- To comply with federal and state rules and regulations
- To be recognized nationally as an innovator in the public transportation arena.

## System Vision

The system of public transportation services in North Carolina will provide a model for 21<sup>st</sup> century transit by:

- Providing at a statewide level safe, affordable transportation choices
- Providing a positive travel experience by promoting reliable, seamless service delivery
- Planning and operating in partnership with communities, local, regional, State and Federal agencies and private entities.

## Internal Vision

The Public Transportation Division will support and promote continuous improvement of public transportation across the state by:

- Operating in an open, professional, collaborative manner with its core clients as well as other public and private partners at all levels
- Maintaining technical competencies
- Making fiscally responsible decisions related to the disbursement and use of funds
- Educating and advocating for sufficient funding to address the needs of those having unmet or unserved public transportation needs.

The Public Transportation Division demonstrates its commitment to its vision and the accomplishment of its goals and objectives through its involvement and participation in the development of the required rural public transportation planning document referred to as the Community Transportation Service Plan (CTSP). Future funding allocations may be directly tied to the results of these performance and effectiveness measures. PTD staff participates in focus groups, statewide and local planning activities, serves on technical advisory committees, coordinates planning studies, and related activities to advance the cause and commitment of the merits and benefits of public transportation to the quality of life of North Carolina citizens, its environment, and economy.

Rural elected officials are involved in the local service planning process through the active participation on the local system Transportation Advisory Boards, Governing Bodies, and the policy boards for Regional Authorities.

# ROLES & RESPONSIBILITIES

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## 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 review and evaluation.

## Federal Transit Administration Regional Office

The FTA Regional offices have the day-to-day responsibility for administration of the program. Regional office activities include: reviewing and approving state grant applications; obligating funds; managing grants; overseeing the state's implementation of the annual program, 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. The NCDOT falls under the FTA Region IV office located in Atlanta, Georgia.

## North Carolina Department of Transportation (NCDOT)

The Governor, pursuant to the provisions of 49 USC § 5303/5304, 5310, 5311, 5316, and 5317, has designated NCDOT as administrator and recipient of these funds. The Governor has designated NCDOT as the administrators of the Job Access and Reverse Commute and New Freedom Initiatives programs for the rural and small urban areas effective April 28, 2008. NCDOT has the legal authority to enter into contractual agreements with private, nonprofit and public entities for capital, administrative, operations, planning and technical assistance projects on behalf of the State. This authority was established through legislative action as set forth below:

Article 2B of Chapter 136 of the North Carolina General Statutes designated the Department of Transportation as the agency of the State of North Carolina responsible for administering all federal and/or State programs relating to public transportation, and granted the department authority to do all things required under applicable federal and/or State legislation to administer properly the public transportation programs within the State of North Carolina.

The PTD shall have principal responsibility and authority for the administration of the state managed portions of the programs.

Section	Program	FTA Circular (current as of the date of SMP)
5310	Enhanced Enhanced Mobility of Seniors and Individuals with	<u>9070.1G</u>
5311	Other Than Urbanized Area Formula Program	<u>9040.1G</u>
5311(b)(3)	Rural Transit Assistance Programs	<u>9040.1G</u>
5311 (f)	Intercity Bus Service	<u>9040.1G</u>
5303/5304	Metropolitan and Statewide Transportation Planning Programs	<u>8100.1C</u>
5316	Job Access and Reverse Commute Program	<u>9050.1</u>
5317	New Freedom Initiative	<u>9045.1</u>

### Public Transportation Division

The Public Transportation Division (PTD) within the NCDOT shall administer the programs in accordance with the guidance published by the Federal Transit Administration in the above FTA Circulars and in accordance with existing Federal and State regulations pertaining to the administration of Federal grants by the North Carolina Department of Transportation.

PTD's responsibilities include, but may not be limited to, the following:

- Announcing the availability of funds
- Notifying eligible local recipients of the availability of the program
- Soliciting and reviewing project applications
- Recommending projects for approval by the NC Board of Transportation
- Establishing and conducting a statewide competitive selection process
- Developing project selection criteria
- Certifying the eligibility of project applicants and project activities
- Assuring compliance with applicable rules and regulations
- Monitoring local projects
- Ensuring timely project implementation, proper program audit and close-out
- Ensuring adherence to federal program guidelines by all recipients
- Ensuring the maximum feasible coordination of transit resources at both the State and local levels
- Ensuring a process whereby transportation providers/private for profit are provided an opportunity to participate to the maximum extent feasible; and
- Working with state and local stakeholders to increase the awareness of public transportation in North Carolina.

The Public Transportation Division provides technical assistance in the areas of planning and project development, project management, and transit management. Such assistance includes the following issues and programs:

- Grant applications preparation
- Human service agencies coordination at the state or local levels
- Private sector transportation providers- planning and service delivery
- Project implementation – the establishment of new rural general public transportation service(s)
- Third party contracting - Request for Proposal (RFP) development and review
- Facility Planning, Design and Construction - procedural matters
- Project monitoring and evaluation
- Employee development/training
- Marketing, communication and media training
- System operations and management
- Fiscal matters (invoicing, accounting, procurement)
- Federal compliance workshops held at various locations throughout the state and at the annual conference
- Subcontracts with NC State University

In addition:

- Mobility Development Specialists (MDSs) conduct site visits (twice a year or more). During these visits the MDSs monitor subrecipient grants documents, financial management files and compliance with federal and state regulations.
- In addition to monitoring during site visits, the MDSs also provide on-going oversight of subrecipient programs and grant activities through the PTD grant workflow software - Partner Connect.
- PTD staff function as Project Managers on special projects including managing consultant contractual services.
- PTD participates in the annual Statewide Bus and Van Roadeo, in conjunction with the North Carolina Public Transportation Association (NCPTA), at their annual transit conference.
- PTD in conjunction with ITRE sponsors training opportunities for transit system personnel.
- PTD conducts an annual conference which includes informational workshops.
- PTD enhanced the rate-setting model to make it more user friendly to transit systems.
- PTD offers new transit director training.
- PTD has updated its website to include more technical guidance.
- PTD prioritizes service expansion projects and improvements for consideration of state and federal funding assistance.
- PTD prioritizes vehicle, facility and fixed guideway expansion projects (using the STI process).

## Local Level

Local applicants are responsible for complying with program guidelines as defined in their contractual obligations to PTD and as outlined in the State of North Carolina application for funding. Local subrecipient responsibilities include, but may not be limited to, the following:

- Provide transportation services.
- Work with human service agencies, workforce centers, education facilities, and employers to identify, coordinate, and provide transportation needs.
- Comply with established due dates from the department.
- Work with the MPO and/or NCDOT to fulfill TIP/STIP requirements.
- Work with Rural Planning Organizations (RPOs) on the development of mobility options within the region.
- Apply for federal and/or state funds available through NCDOT.
- Comply with all terms in the grant agreement, applicable state and federal regulations, and reporting requirements.
- Return excess funds, misspent funds or unallowable costs incurred as determined by the terms and conditions in the grant agreement.
- Dispose of facilities/equipment purchased with federal/state funds per NCDOT's written instructions.
- Supply additional information as requested.

A local public or nonprofit agency subrecipient may elect to operate the transit system by contract with a third party operator (TPO). Under a TPO, the local agency has full contract responsibility and fiscal accountability. The subrecipient 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 9040.1G](#), Nonurbanized Area Formula Program;
- [FTA Circular 9045.1](#), New Freedom Program;
- [FTA Circular 9050.1](#), Job Access and Reverse Commute Program;
- [FTA Circular 9070.1G](#), Enhanced Enhanced Mobility of Seniors and Individuals with Disabilities Program;
- [FTA Circular 4220.1F](#), Third Party Contracting;
- [FTA Circular 5010.1D](#), Grants Management;
- FTA Circular 4702.1B, Civil Rights / Title VI;
- FTA Circular C 4710.1, Americans with Disabilities Act (proposed rule);
- [Federal Certifications and Assurances](#);

- Grants Management Resources for States, Local Governments & Indian Tribes:
  - 49 CFR 18 - Grants Management Common Rule
  - OMB A-87 - Cost Principles, Relocated to 2 CFR 225
  - OMB A-102 - Administrative Requirements
  - OMB A-133 - Audit Requirements
  - 2 CFR 180 & 2 CFR 1200 – Non-procurement Suspension & Debarment
  - 49 CFR 32 – Drug-Free Workplace Act
  - 49 CFR 20 – New Restrictions on Lobbying
  
- Grants Management Resources for Nonprofit Agencies:
  - 49 CFR 19 - Grants Management Common Rule
  - OMB A-122 - Cost Principles, Relocated to 2 CFR 230
  - OMB A-110 - Administrative Requirements, Relocated to 2 CFR 215
  - OMB A-133 - Audit Requirements
  - 2 CFR 180 & 2 CFR 1200 – Non-procurement Suspension & Debarment
  - 49 CFR 32 - Drug-Free Workplace Act
  - 49 CFR 20 - New Restrictions on Lobbying
  
- Grants Management Resources for Educational Institutions (even if part of a State or local government):
  - 49 CFR 19 - Grants Management Common Rule
  - OMB A-21 - Cost Principles, Relocated to 2 CFR 220
  - OMB A-110 - Administrative Requirements, Relocated to 2 CFR 215
  - OMB A-133 - Audit Requirements
  - 2 CFR 180 & 2 CFR 1200 – Non-procurement Suspension & Debarment
  - 49 CFR 32 - Drug-Free Workplace Act
  - 49 CFR 20 - New Restrictions on Lobbying
  
- NCDOT Terms and Conditions (distributed with the state-local project agreement).

# LONG-RANGE PLANNING PROCESS

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## NCDOT from Policy to Projects 2040 Plan – North Carolina Statewide Long Range Transportation Plan

The 2040 Plan is a blueprint that sets investment and policy priorities for North Carolina's evolving transportation system over the next thirty years. It is a policy-based document that identifies transportation needs, estimated revenue to fund those needs, and investment strategies and policies supporting them. The plan focuses on the policies and programs needed to enhance safety, improve mobility, and reduce congestion for all transportation modes.

The 2040 Plan is the long-range planning element of NCDOT's Policy to Projects planning process which is designed to provide continuity to NCDOT's program delivery. Drawing from technical analysis, partner and stakeholder collaboration, and public involvement, it presents study findings and recommendations that will guide NCDOT's investment priorities and improve its program delivery and sustainability efforts through improved policy and program efforts. The 2040 Plan builds off ongoing efforts within the Department to provide: greater transparency, improved efficiency and sustainability, funding flexibility, and increased emphasis on freight movement.

The North Carolina Board of Transportation has reaffirmed its program delivery goals while updating NCDOT's mission to read: Connecting people and places safely and efficiently, with accountability and environmental sensitivity to enhance the economic health and well-being of North Carolina. With this updated mission in mind, six Guiding Principles helped guide development of the plan:

- Maximize economic opportunity
- Maintain transparency
- Improve modal systems
- Promote long-term viability of environmental systems
- Recognize the growing diversity and mobility needs
- Provide for the security of NC's residents and its economy

# COORDINATION

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## State-level Coordination

The successful coordination of human service and public transportation has remained a primary focus of the North Carolina Department of Transportation Public Transportation Division (NCDOT-PTD) for the past thirty years.

Years of meaningful communication and collaboration on human service transportation issues between the Department of Transportation (DOT) and the Department of Health and Human Services (DHHS) lead to North Carolina long being recognized as having one of the finest coordinated transportation systems in the country.

Consistent with the NCDOT mission of connecting people and places in North Carolina -safely and efficiently, with accountability and environmental sensitivity, the rural general public and human service transportation systems strive to provide mobility to North Carolina citizens in rural areas to improve their access to jobs, medical and human services, educational and training opportunities, and social activities through coordinated, safe, effective and efficient public transportation systems.

Currently, there are 99 urban and rural public transportation systems located in NC, covering all 100 counties. Human service transportation services are available in all 100 counties.

## Designated Single Applicant for Section 5311

North Carolina's coordinated approach to service delivery currently allows a single application within each designated service area, Section 5311 funding is only provided to a single subrecipient within each geographical area. While the NCDOT administered Sections 5310, 5316 and 5317 programs require a competitive selection process, the department encourages applicants to these programs to partner with the Section 5311 and Section 5307 providers to utilize their technical capacity and familiarity with federal and state program rules and regulations. (Under MAP-21, PTD will continue to require a competitive process under the new enhanced Section 5310 program.) The transit system's service area for rural operations was established by the governing body in the initial Transportation Development Plan (TDP) for the service area and approved by the NCDOT. The TDP has evolved into a Community Transportation Service Plan (CTSP) (once referred to as a Community Transportation Improvement Plan). The application package for the State's Community Transportation Program (that encompasses the Section 5311 Program) is issued annually through the Partner Connect grants management system to the designated applicants across the State. This approach minimizes the duplication of transit services by providers statewide.

The North Carolina Department of Transportation is not a direct provider of transit services; however, the State may utilize federal and state funds to provide transit service through a third party operator.

## Coordination Planning

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) stipulated that, starting in Fiscal Year 2007, projects funded through Section 5316, Section 5317, and Section 5310 be derived from a locally developed, coordinated public transit–human services transportation plan. SAFETEA-LU guidance issued by the Federal Transit Administration (FTA) described the plan as a “unified, comprehensive strategy for public transportation service delivery that identifies the transportation needs of individuals with disabilities, older adults, and individuals with limited income, laying out strategies for meeting these needs, and prioritizing services.” The provisions of SAFETEA-LU aimed 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.

While MAP-21 retains the coordinated planning provisions of SAFETEA-LU it also eliminates the JARC and New Freedom as standalone programs. The Section 5310 and New Freedom Programs are consolidated into a single program under the new enhanced Section 5310 program, Grants for the Enhanced Enhanced Mobility of Seniors and Individuals with Disabilities, which provides for a mix of capital and operating funding for projects. Thus, under MAP-21, the only funding program with coordinated planning requirements will be the Section 5310 program. However, until all JARC and New Freedom funds are expended, the coordinated planning requirements of SAFETEA-LU remain in effect for these programs.

### MAP-21 Planning Requirements - Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310)

The only funding program with coordinated planning requirements under MAP-21 is the enhanced Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310).

While, as noted above, FTA has not yet issued final guidance concerning administration of the new consolidated Section 5310 Program, the legislation itself provides three requirements for recipients. These requirements would apply to PTD in distributing any Section 5310 funds for which it might serve as designated recipient under MAP-21:

1. Projects selected must be “included in a locally developed, coordinated public transit-human services transportation plan”;
2. The coordinated plan must have been “developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human service providers, and other members of the public”; and
3. “To the maximum extent feasible, the services funded ... will be coordinated with transportation services assisted by other Federal departments and agencies,” including recipients of grants from the Department of Health and Human Services.

## Strategic Transportation Investment (STI)

North Carolina has established a formal process (required in legislation) to prioritize transportation capital projects that expand the state’s transportation network. This process includes the prioritization of how NCDOT allocates state funds to local public transportation capital expansion projects funded under programs included in this SMP. Governor McCrory and the N.C. Department of Transportation are committed to improving the quality of life for citizens in North Carolina. Together, we want to find more efficient ways to better connect all North Carolinians - to jobs, health care, education and recreational experiences. The Strategic Transportation Investments bill (HB817), which was signed into law on June 26, 2013, will help make that possible by better leveraging existing funds to enhance the state’s infrastructure, providing greater opportunity for economic growth.

### Strategic Mobility Formula

Strategic Transportation Investments – also known as the Strategic Mobility Formula – is a new way to fund and prioritize transportation projects to ensure they provide the maximum benefit to our state. It allows NCDOT to use its existing revenues more efficiently to fund more investments that improve North Carolina’s transportation infrastructure, create jobs and help boost the economy.

### How does it work?

The Strategic Mobility Formula is driven by data and local input. All modes compete for funding. The proposed formula breaks down projects into three categories: statewide, regional and division level.

#### Statewide Level

Projects of statewide significance will receive 40% of the available revenue, totaling \$6 billion over 10 years. The project selection process will be 100% data-driven, meaning the department will base its decisions on hard facts such as crash statistics and traffic volumes. Factors such as economic competitiveness and freight movement will be taken into consideration to help support and enhance logistics and economic development opportunities throughout the state.

#### Regional Level

Projects of regional significance will receive 30% of the available revenue, equaling \$4.5 billion over a decade based on regional population. Projects on this level compete within specific regions made up of two NCDOT Transportation Divisions.

NCDOT will select applicable projects for funding using two weighted factors. Data will comprise 70% of the decision-making process and local rankings by area planning organizations and the NCDOT Transportation Divisions will round out the remaining 30% at this level.

#### Division Level

Projects that address local concerns such as safety, congestion and connectivity will receive 30% of the available revenue, or \$4.5 billion, shared equally over NCDOT’s 14 Transportation Divisions. The department will choose projects based 50% on data and 50% on local rankings.

## Statewide Transportation Improvement Program (STIP)

The State's Sections 5310, 5311, 5316 and 5317 funding is included in the Statewide Public Transportation section of the STIP that is submitted to the federal funding agencies annually. The urban areas will need to incorporate program funding in its Metropolitan Transportation Improvement Program (MTIP) although NCDOT is the designated applicant agency by the Governor. Funding to these areas will be excluded from the Statewide Public Transportation section.

In the 2012-2018 STIP, the State's Sections 5310, 5311, 5316 and 5317 funding is listed by sub recipient and provides details of the capital activity, mobility management, and operating assistance as approved by the NCDOT Board of Transportation (BOT). Modifications are made to the STIP projections as funding decisions are made after the annual grant selection and approval is finalized. Funding for: administration, technical assistance and oversight of the 5310, 5311, 5316 (nonurban and small urban) and 5317 (nonurban and small urban) programs, remains in the Statewide Public Transportation section of the STIP. All changes to the approved STIP must be endorsed by FTA Region IV after receiving NCDOT BOT approval. All projects that provide service in urban areas must also be incorporated into the Metropolitan Transportation Improvement Program (MTIP). Projects not within metropolitan planning boundaries are required only to be in the STIP.

It should be noted that there is a separate competitive selection and grant award process for urban Enhanced Mobility of Seniors and Individuals with Disabilities Program section 5310, urban section 5316 (JARC) and urban section 5317 (New Freedom) projects that are managed by Metropolitan Planning Organizations (MPOs). After each competitive grant selection and award period, the MPO must formally request a STIP modification, which in-turn requires NCDOT BOT approval and FTA Region IV endorsement.

## Subrecipient Planning Requirements

PTD requires subrecipients being funded under the Section 5311 program have a transportation plan. To this end, PTD assists subrecipients in the development of Community Transportation Service Plans (CTSP). Refer to Appendix 1 for a guide to development of CTSPs.

# OVERVIEW OF TRANSIT PROGRAMS

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

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

State policy recognizes the importance of coordinated transportation planning and delivery through the use of existing Section 5311 subrecipients. The entities have been identified by the local governing body (county or municipality) as the lead provider of public transportation services within an identified service area. These organizations are eligible to apply for Section 5310 funding in addition to public transit operators in urbanized areas, Area Agencies on Aging and operated by Councils of Governments, administrative agencies for Rural Planning Organizations, and local aging programs. Any nonprofit organization can also apply for Section 5310. All applicants must meet the minimum guidelines identified in the grant application.

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 elderly persons and persons with disabilities. In North Carolina both private and nonprofit agencies are encouraged to coordinate transportation services with agencies that provide transportation services to the general public.

Special efforts shall be made in the planning and design of transportation facilities and services to assure elderly persons and persons with disabilities the availability of transportation which they can effectively utilize. Section 5310 funds shall continue to provide for the special needs of elderly persons and persons with disabilities for which transportation services are unavailable, insufficient or inappropriate.

Federal financial assistance under the Section 5310 program is limited to participation in the cost of capital equipment (rolling stock), cost for purchase of transportation service contract(s), mobility management, and state-level administrative costs to administer the program as further identified in the Section 5310 part of the SMP. Funds can be used for the purchase of vehicles and related capital equipment. North Carolina was one of seven states identified under SAFETEA-LU that could use up to one-third of the annual allocation for operating assistance related to provision of service to the elderly and persons with disabilities.

MAP-21 includes substantial changes to the Section 5310 program including the repeal of the JARC and New Freedom programs and the merging of the New Freedom program into Section 5310. While FTA has not yet issued its final guidance on how the Section 5310 program will be administered, there are a number of changes included in the legislation itself. These changes affect funds:

- Activities eligible under New Freedom are now eligible under Section 5310.
- At least 55 percent of the state's Section 5310 funds must be used for "traditional" capital Section 5310 projects outlined above.
- Section 5310 funds are apportioned among large urban (60%), small urban (20%) and rural areas (20%). NCDOT continues to administer Section 5310 funds in large urban areas through FY2015 or until all funds are expended in large urban areas. Once MAP-21 is fully implemented, the state will be the designated recipient for small urban and rural areas only.

Under MAP-21, up to 45 percent of the state's Section 5310 funds may be used for nontraditional public transportation projects such as 1) projects to provide services exceeding ADA minimum requirements, 2) improvements to improve access to fixed routes by persons with disabilities, and 3) projects to provide alternatives to public transportation that assist seniors or persons with disabilities.

The State's Section 5310 annual allocation is included in the State Transportation Improvement Program (STIP). Each selected project is identified with the individual subrecipient and the State administration funds are listed.

All projects funded with Section 5310 must be derived from a locally developed coordinated public transit-human service transportation plan.

### Section 5311 – Nonurbanized Area Formula Program

The 5311 program is intended to provide financial assistance for the support of public transportation services, which are open to the general public on an equal basis (defined as regular and continuing) in areas outside of an urbanized area of less than 50,000 population.

The 5311 funds can be used for the costs of transit planning activities, transit operations and purchase of capital equipment or facilities to aid in provision of transit services in rural and small urban areas, as well as provide funds for state-level administration. Federal regulation requires that fifteen percent 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 substantially being met.

Through the Section 5311 Program, the NCDOT provides administrative, operating and capital assistance to public transportation projects in nonurbanized (rural) areas. Section 5311 service may be targeted to the general public who are transportation disadvantaged, including elderly persons and persons with disabilities. However, the service may not be restricted; it must be available and promoted to the general public. Coordinated human service transportation that primarily serves elderly people and people with disabilities, but that is not restricted from carrying other members of the public, is open to the general public if it is advertised as public transportation service. The program goals are designed to:

- Assist in meeting the transportation needs of transit-dependent people in nonurbanized areas and to enhance access to health care, shopping, education, employment, public services, and recreation;
- Assist in the maintenance, development, improvement and use of public transportation systems

in nonurbanized areas;

- Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in nonurbanized areas through the coordination of programs and services;
- Assist in the development and support of intercity bus transportation; and
- Provide for the participation of private transportation providers in nonurbanized transportation.

While the final FTA updated guidance for the Section 5311 program is not yet available, the legislation itself includes the following provisions:

- New Appalachian Development Transportation Assistance Program – this program is a take-down under the Section 5311 program to provide additional funding to states in the Appalachian region (including North Carolina). The guidance on this program has not yet been issued but, as the designated recipient for statewide funds under Section 5311, NCDOT/PTD will be responsible for administering the program for the state.
- As a result of merging the JARC program into Section 5311 and Section 5307, projects eligible under JARC are now eligible under Section 5311 (including job access and reverse commute projects).

PTD will continue to manage FTA Section 5311 grant funds as before under the old circular/guidelines.

### RTAP Section 5311(b) (3) - Rural Transit Assistance Program

Section 5311(b)(3) authorizes the Secretary “to make grants and contracts for transportation research, technical assistance, training and related support services in nonurbanized areas.” 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 nonurbanized 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 nonurbanized areas and to make more efficient use of public and private resources;
- To foster the development of state and local capacity for 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; and
- 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.

### Section 5311 Program Formula Funds – Public Transportation on the Eastern Band of the Cherokee Indians Reservation in North Carolina

Currently, under SAFETEA-LU, FTA has the authority to directly allocate and administer funds to all federally recognized Indian tribes under Section 5311 Formula Program funds. There also remains the option for any federally recognized tribe to elect to be a subrecipient of the state(s) wherein the tribe is geographically located. The Eastern Band of the Cherokee Indians in North Carolina has elected to remain a subrecipient of Section 5311 Program Formula funds from North Carolina instead of exercising the tribe's option to become a direct recipient of Section 5311 Program Formula funds from the FTA. Therefore, the Public Transportation Division- NCDOT will continue to annually provide Section 5311 Program Formula funds, guidance and oversight to the Eastern Band of the Cherokee Indians. The Eastern Band of the Cherokee Indians is the only federally recognized tribe in North Carolina. Furthermore, the Eastern Band of the Cherokee Indians is geographically located within a federally recognized tribal boundary area, i.e. the Qualla Boundary consisting of partial tracts of Haywood, Jackson, Swain, Graham and Cherokee Counties in North Carolina.

## Section 5311(f) - Intercity Bus Program

Section 5311(f) requires each state to use at least 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." The State must consult with intercity bus providers before the Governor makes this certification. The required percentage applies only to the amount of FTA's annual apportionment of Section 5311 funds to the state, not to any funds the state subsequently transfers to its nonurbanized area formula program from another program.

The statutory provision for certification by the Governor implies a statewide assessment of intercity bus service currently available and of any existing needs. NCDOT conducts a statewide assessment and consultation process of intercity mobility needs every three years at a minimum. Decisions regarding certification are made in response to the needs assessment and consultation process.

A number of private intercity bus firms within North Carolina are providing intercity bus transportation in the state under this program.

## Section 5316 – Job Access and Reverse Commute Program

The purpose of the JARC Program is to provide financial assistance for projects benefiting low-income individuals to access work and work-related opportunities and to transport residents of urbanized areas and nonurbanized areas, regardless of income, to suburban employment opportunities. NCDOT is the designated recipient of an annual apportionment by formula from FTA for the Section 5316 program in the small urban and nonurbanized areas of the state.

All projects funded with Section 5316 funds must be derived from a locally developed coordinated public transit-human service transportation plan.

Under MAP-21, this program is merged into the Section 5311 and Section 5307 programs. Until all Section 5316 funds are expended, PTD will continue to administer those funds under the prior law/circular.

## Section 5317 – New Freedom Initiative

The New Freedom Program provides financial assistance for projects that support new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA) of 1990. FTA defines new service as service not in place as of August 10, 2005. NCDOT is the designated recipient for an annual apportionment by formula from FTA for Section 5317 programs in the small urban (populations greater than 50,000 and less than 200,000) and nonurbanized areas of the state.

All projects funded with Section 5317 must be derived from a locally developed coordinated public transit-human service transportation plan.

Under MAP-21, this program is merged into the new enhanced S.5310 program. Until all Section 5317 funds are expended, PTD will continue to administer those funds under the prior law/circular.

### Coordination Planning

As outlined in the section on Coordinated Planning, SAFETEA-LU stipulated that projects funded through Section 5316, Section 5317, Section 5310 be derived from a locally developed, coordinated public transit–human services transportation plan. While MAP-21 retains the coordinated planning provisions of SAFETEA-LU it also eliminates the JARC and New Freedom as standalone programs. The Section 5310 and New Freedom Programs are consolidated into a single program under the new enhanced Section 5310 program, Grants for the Enhanced Enhanced Mobility of Seniors and Individuals with Disabilities, which provides for a mix of capital and operating funding for projects. Thus, under MAP-21, the only funding program with coordinated planning requirements will be the Section 5310 program. However, until all JARC and New Freedom funds are expended, the coordinated planning requirements of SAFETEA-LU remain in effect for these programs.

# SECTION 5311– NONURBANIZED AREA FORMULA PROGRAM

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## Eligible Subrecipients

As the locally designated single applicant, State, local public agencies and nonprofit organizations, and Indian Tribes 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 authorities, university, technical school or Government Corporation of the State of North Carolina Government.
- Local Public Agency - Any legally constituted political subdivision of the State such as towns, municipalities, counties, transportation authorities, public corporations, boards, Indian tribe (federally recognized or other Indian tribes) commissions and other public agencies established under State law.
- Private Nonprofit Organization - 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) 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. Nonprofit applicants must be recognized under Section 501(c)(3) of the Internal Revenue Code and submit a copy of the certificate from the IRS.
- Indian Tribal Governments – Under 49 U.S.C. 5311, a federally recognized Indian tribe is an eligible direct recipient. Should a federally recognized Indian tribe apply and be selected for allocation of Section 5311 funds from the state through the annual application process, NCDOT would notify the selected Indian tribe. The Indian tribe will 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 NCDOT of its intent to become a direct recipient, NCDOT will notify FTA by letter of the project(s) and amount of funds allocated to the Indian tribe. Eastern Band of Cherokee Indians, the only federally recognized tribe in North Carolina, has elected to remain a subrecipient of Section 5311 program formula funds.
- Private for-profit Organizations – As third party contractors or as subrecipients if the organization operates public transportation or intercity bus services.

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

- Section 5311 financial assistance is available only for that portion of the service operated in nonurbanized areas;
- The applicant must be capable of segregating allowable operating and non-operating expenses incurred in providing service to nonurbanized areas; and
- The applicant must be one of the following eligible recipients:
  - Transit agencies
  - Local governmental agencies:
    - A political subdivision of the State
    - Indian tribal government (Federally recognized)
    - Regional Authorities created under Articles 25, 26 and 27 of the N.C.G.S 160A
  - Council of Governments (for planning/coordination only)
  - Private nonprofit operators of public services
  - Private for-profit organizations that provide public transportation or intercity bus services can participate as third party contractors to direct recipients or as subrecipients.

North Carolina refers to the network of coordinated public transportation programs as the Community Transportation Program (CTP). These entities provide public transportation to the general public and to clients of human service agencies through contractual arrangements.

### Eligibility Requirements

To be eligible to receive Section 5311 funds, community transportation providers must fulfill the following minimum CTP requirements.

REQUIREMENTS	
1.	Implement an Approved Community Transportation Service Plan (CTSP)
2.	Provide necessary legal, financial & technical capacity to apply for & carry out each project
3.	Meet the Federal & State requirements in the annual certifications & assurances
4.	Implement an approved System Safety Program Plan (SSPP)
5.	Provide local share funds (non-Federal sources, except as permitted)
6.	Demonstrate compliance with Title VI of the Civil Rights Act of 1964
7.	Demonstrate service is not restricted and is available and promoted to the general public
8.	Comply Americans with Disabilities Act of 1990 (ADA)
9.	Maximize feasible coordination with other rural transportation services
10.	Demonstrate public outreach & involvement in planning & applying for program funds
11.	Conduct Public Hearing(s) or follow public meeting laws and public involvement plans and requirements
12.	Demonstrate/document efforts to contract with Disadvantaged Business Enterprises (DBEs)
13.	Implement Drug and alcohol testing program for all safety-sensitive employees
14.	Establish a Transportation Advisory Board that is representative of various target audiences

	in service area
15.	Hold TAB meetings at least quarterly; notify public of meetings; meetings are open to the public
16.	Provide training & conference participation opportunities to subrecipients
17.	Prepare and submit timely reports in format required by PTD (including OPSTATS, ROAP reports, charter activity, NTD, etc.)
18.	Prepared written policies/procedures for personnel, operations, training & accounting activities
19.	Represent transit in locally coordinated planning efforts & MPO/RPO planning activities
20.	Maintain satisfactory continuing control over use of project equipment and facilities

PTD and the grantee will address policy items to assure compliance and update of plans and documents.

Program requirements not identified as eligible for waiver must be fulfilled in order to maintain the rural transportation system's status as a CTP provider and Section 5311 grant recipient.

### Written Policies and/or Procedures

Additionally, systems are required to have the following written policies and procedures:

- Grant management
- Financial management including cash management (need overall financial management procedures as well as transit specific items that might not be in the County/Agency procedure – such as for farebox collection)
- Indirect cost allocation plan, as needed
- Procurement
- Vehicle & Facility (State & Federal funded) Maintenance
- Americans with Disabilities Act (ADA)
- Charter bus
- Public comments on fare increase/service reductions
- School bus
- Drug and alcohol testing program (needs Board approval)
- Advertising policy (needs Board approval)
- Title VI (needs Board approval)
- Continuity of Operations Plans (COOP)
- Systems Safety Program Plan (SSPP)

### Service Area

The services provided under the Section 5311 grants shall primarily focus on the rural and small-urbanized areas of North Carolina. Section 5311 subrecipients may include public transportation service into and out of urbanized areas. However, subrecipients are prohibited from providing exclusive service within an urbanized area. Public transportation providers are prohibited from providing public transportation services outside of their designated

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. This does not preclude service into urbanized areas of the state and/or into neighboring states if the individual resides in North Carolina and service originates from or ends in a rural area in North Carolina. Whenever possible, subrecipients will coordinate service in areas where there is shared geographic service destinations. Operators of interstate services are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations.

The service area for the Section 5311 applicant is defined in the NCDOT and local governing body approved Community Transportation Service Plan (CTSP) area.

## Eligible Services

Funds available from the Section 5311 program are dedicated to public transportation projects that serve nonurbanized areas of the state. Public transportation is surface "transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus or rail transportation." 49 U.S.C. 5302(a)(10).

A rural transit provider may design its Section 5311 funded services to maximize use by members of the general public who are transportation-disadvantaged. Transportation disadvantaged people include elderly people and people with disabilities. Coordinated human service transportation that primarily serves elderly people and people with disabilities, but that is not restricted from carrying other members of the public, is open to the general public if it is advertised as public transportation service.

The NCDOT shall make funds available for administrative, operating and capital assistance to projects in nonurbanized areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive.

For funds under MAP-21, eligible services under Section 5311 are expanded to include projects eligible under the former Section JARC program (Section 5316). These include projects to provide for reverse commute and access to jobs for individuals with lower income.

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. NCDOT expects that the nutrition program will pay the fully allocated cost, including all administrative and 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.

Eligible project costs under the Section 5311 Program shall be determined in accordance with [OMB Circular A-87](#), [OMB Circular A-122](#), [FTA Circular 9040.1G](#) (as amended) and guidance issued by NCDOT. Project expenditures shall be categorized as capital, operating, or administrative expenses.

NCDOT assistance under Section 5311 is dependent on the availability of federal and state funds within a given allocation cycle (July 1 – June 30) and follows the same allowable activities requirements as stated by FTA ([FTA C 9040.1G](#)). NCDOT funding priority is to ensure that administrative and operating funds, where eligible, are made available for public transit systems in order to avoid interruption of local service. Capital requests are considered on a case-by-case basis each fiscal year based on having met the established useful service life criteria analysis and completion of a vehicle utilization data (VUD) analysis by the Public Transportation Division, with the assistance of NC State University's Institute for Transportation Research and Education. Funding recommendation is made by the Public Transportation Division and final approval for allocation of funding rests with the NC Board of Transportation. Priority is given to replacement vehicles and capital required to meet the requirements of ADA and the System Safety Program Plan.

### Administrative Expenses

Administrative expenses are non-operating expenses, which are funded up to 80% federal and 5% state shares subject to the availability of Federal and state funds. The administrative funding is to support and maintain costs associated with the 5311 program administration and management activities. Costs related to human service transportation should be fully allocated to the agency purchasing the service. FTA gives States the option of classifying certain expenses as either operating or non-operating expenses (i.e., project administration). Based on NCDOT policy, eligible administrative costs may include, but are not limited to:

- Salaries and fringe benefits of the project director, secretary and 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;
- Travel;
- Professional services such as legal and accounting assistance;
- Indirect cost expenses may be eligible for reimbursement provided that NCDOT has reviewed the applicable cost allocation/indirect cost plan and approved an indirect cost rate.

State funds allocated by NCDOT to counties and urban transit providers for operating assistance cannot be used to match Section 5311 administrative costs since NCDOT already participates in funding this cost.

### Operating Expenses

Operating expenses are those costs directly related to system operations. At a minimum, States must consider the following items as operating expenses: fuel, oil, drivers' salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses. States may, in their discretion, treat maintenance as either operating or capital expenses for Section 5311 funding purposes. North Carolina has elected to treat maintenance as an operating expense for section 5311 formula program funding.

Based on NCDOT policy, eligible operating expenses include, but are not limited to:

- Fuel and oil;
- Replacement tires;
- Replacement parts that do not meet the criteria for capital items;
- Vehicle maintenance and repairs;
- Salaries and fringes of drivers, mechanics, dispatchers, or other personnel performing job duties supporting the system's overall operation;
- The cost associated with the use of passenger escorts or driver's aides. However, these costs arise most frequently as a result of a mandate in the provision of a contracted service and should therefore be distributed to the contracting agency whenever feasible.

Operating assistance is available, subject to fund availability, to small fixed route systems, regional systems, and urban/rural consolidated systems. Funding assistance is limited to operation of rural fixed routes or rural deviated fixed route services; funds are not eligible for demand response. The NCDOT provides a substantial level of state operating assistance that is allocated by formula to all 100 counties in the state to support human service transportation. These funds can be used to provide all or a portion of the required 50% non-federal share of net operating expenses.

### 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 fare-box revenues. Fare-box revenues include fares paid by riders who are later reimbursed by a human service agency. The maximum federal share of net operating expenses is 50 percent (50%).

### Income from Contracts with Human Service Agencies

Income from contracts to provide human 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. A subrecipient cannot use Section 5310 or other FTA funds as match for Section

5311 program funds. Even though funds are made available to the rural transit provider through a service agreement with a human service agency, FTA funds may not be used as match because they are derived from a DOT program.

### 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 and up to 83% participation for a vehicle related purchase to be in compliance with ADA<sup>1</sup>. Under MAP-21, the federal share for vehicles acquired to comply with ADA or the Clean Air Act (CAA) is 85%. The federal share is 90% for vehicle-related equipment and facilities acquired either 1) to comply with CAA or 2) required by ADA (vehicle-related equipment is equipment on or attached to the vehicle). Further the federal share is also 90% for bicycle facility/bike access projects related to public transportation. State funds, subject to appropriations, may be used to provide one half of the non-federal match, up to 10%. Eligible capital expenses include, but are not limited to:

- 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;
- Operational support such as computer hardware/software;
- Advanced technologies, i.e., Automatic Vehicle Locator (AVL), Mobile Data Computers (MDCs)
- Maintenance and/or support vehicles, excluding vehicles used for administrative purposes;
- 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;
- Other durable goods such as spare components or parts (engines, transmissions, etc.) with a unit cost of \$300 or more and a useful service life of more than one year (in-house maintenance facility required);

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<sup>1</sup> Under 49 U.S.C. 5323(i), the Federal share may be 90 percent for vehicle-related equipment or facilities required by ADA or vehicle related equipment or facilities for purposes of complying with or maintaining compliance with the Clean Air Act (CAA), as amended. According to 49 U.S.C. 5323(i), it is only the incremental cost of the equipment required by the ADA or CAA that may be funded at 90 percent, not the entire cost of the vehicle, even if the vehicle is purchased for use in service required by the ADA or CAA. Alternatively, for administrative simplicity FTA allows grantees to compute the Federal share at 83 percent for accessible vehicles. For facilities, FTA will consider the incremental cost of the ADA or CAA equipment on a case-by-case basis.

- Shop equipment;
- Purchase of used equipment with the prior approval of the NCDOT. 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 service life and meet the requirements of the Americans with Disabilities Act.
- Facilities to provide access for bicycles to mass transit facilities or equipment for transporting bicycles on mass transit vehicles;
- The capital cost of contracting.

State funds allocated by NCDOT to counties and urban transit providers for operating assistance cannot be used to match Section 5311 capital costs since NCDOT already participates in funding this cost.

## Facilities

Community Transportation Systems are eligible to request funding for new facilities or improvements/renovations to existing facilities through the CTP. Due to limited funding, in any one application cycle PTD may limit the type of facility projects to be considered for funding. In all cases, federal and/or state funds will be approved for only those facilities that are owned by the applicant and used by the transit system. For all facility projects, except for those involving minor improvements (such as adding security fencing around the existing vehicle storage area) a PTD Facility Needs Assessment & Site Selection study will be required.

## Initiating a Project

### Initiating a Major Project

Major projects are all new construction, purchase and renovation of an existing building for transit use and major improvements/renovations to existing facilities. Examples of major improvements/renovations to existing facilities are adding wings to existing buildings, constructing outbuildings on existing facility sites, and removal or moving of load bearing walls in the existing building

### Major Project Initiation Steps:

1. The applicant, and its transit system director, should initiate discussion of the facility need with their assigned Mobility Specialist well in advance of the CTP application period. The PTD Procurements Section/Administration Services will be included in the discussions to determine if the proposed project has enough merit to be further developed.
2. If the project is determined to proceed, the applicant should submit a letter on its letterhead requesting planning funding along with a brief project proposal description to PTD.

3. The applicant and PTD will then discuss a plan for further development of the project proposal and a Facility Needs Assessment & Site Selection study will be conducted to clearly define the project and its estimated cost.
4. Once the Needs Assessment Study is complete, the system's governing board will need to approve site selection and authorizing request for funding.
5. The applicant submits the project request in the appropriate application cycle as part of its CTP application(s). Note that different phases of a project – land purchase, design, construction - may be included in different CTP application cycles.
6. All project grant awards will be based on funding availability and project evaluation criteria.

#### Initiating a Minor Project

Examples of minor projects are addition of security lighting or fencing around an existing vehicle storage area, small extensions of existing parking areas and replacement of energy inefficient doors and windows.

#### Minor Project Initiation Steps:

1. The applicant submits the project request in the appropriate application cycle as part of its CTP application.
2. All project grant awards will be based on funding availability and project evaluation criteria.

#### Requirements for Existing Facility Improvements/Renovations

For any request to improve/renovate an existing facility, the applicant must provide NCDOT- PTD with a copy of the deed of facility ownership along with the application for facility improvements/renovations.

Existing facility improvements/renovations may be treated as a major project or minor depending on the type and the extent of the facility improvements/renovations proposed by the applicant. Examples of major improvements/renovations to a facility include, but are not limited to, adding wings to existing buildings, constructing outbuildings on existing facility sites, and removal or moving of load bearing walls in the existing building. Major facility improvements/renovations will be treated as New Construction projects and will be subject to the requirements for that type of project (see below). For minor facility improvements/ renovations, PTD may require that detailed information on the requested improvements/ renovations be supplied and a visit to the site be made by PTD staff. Examples of minor improvements/renovations to a facility include, but are not limited to, addition of security lighting or fencing around an existing vehicle storage area, small extensions of existing parking areas and replacement of energy inefficient doors and windows. Generally very minor improvement/renovation requests would not require a site visit or more than a simple description in the application of the facility improvements/renovations to be made. PTD will notify the applicant when more detailed information is required.

Note that Community Transportation Systems are eligible to request safety and security facility improvement assistance through the CTP application to address safety and compliance with federal and state regulations. Facility improvement/repairs funding is available only for a facility owned by the applicant and occupied by the transit system. A copy of the deed of ownership must be provided to the Public Transportation Division (PTD) with the renovation budget request. Safety and security improvements may be recommended during system safety reviews as part of a corrective action. Those improvements recommended will be subject to funding availability and grant cycle constraints.

If an applicant is in doubt about whether facility improvements/renovations are major or minor, the applicant should contact their Mobility Specialist who will provide an answer from the Procurement Section/Administrative Services.

Requirements for New Construction and Major Facility Improvements/Renovations Projects for construction of new transit facilities, purchase and renovations of existing buildings for transit use and some improvements/renovations to existing facilities will be required to follow the New Construction process.

Projects for new facility construction, purchase and renovations of existing buildings for transit use or for some major improvements/renovations to existing facilities are evaluated based on the following criteria:

- Regional consolidation/coordination efforts
- Existing facility condition and utility for future needs
- System growth and expansion efforts
- Transit System operational status and performance
- System administrative and financial capacity
- Local financial support of the transit system
- Local agency support of the transit system (e.g., MOU, etc.)
- Cost vs. benefits derived from facility project (including regional sharing of facility)
- Compliance with Federal/State requirements and regulations

In order to make rational decisions on a facility project type and scope and to ensure that facilities are built or renovated to meet future needs as well as current needs, most projects in this category will go through the following process:

1. Need for facility project is identified and PTD agrees that a project should be developed (see Initiating a Project above).
2. Facility Needs Assessment & Site Selection Study.
3. Environmental work on selected site.
4. Certified land appraisals.

5. Recommended site purchase.
6. Design for facility construction.
7. Construction of facility.
8. Applicant acceptance of the facility.

More detailed information on each of the facility process steps will be provided by the PTD Procurement Section/Administrative Services staff to the applicant.

### Requirements for All Facility Projects

All work associated with a State-funded facility project must follow the procurement guidelines set forth by NCDOT and the laws governing the State of North Carolina. Projects that include Federal funds must follow all applicable Federal guidelines and requirements and adhere to the state guidelines.

Facilities constructed, purchased, renovated or improved utilizing federal and/or state funds shall be the property of the applicant for the expected life of the facility or for as long as the facility is used for transportation purposes. FTA has indicated the current useful service life of a transit facility is forty years. If for any reason the facility is no longer needed for the purposes of public transportation services in nonurbanized areas, the provisions of State statutes pertaining to the disposition of real property, provisions on facility ownership and use, and the Federal Transit Administration Circular 5010.1D, Grant Management Guidelines, as amended or revised, shall apply.

The NCDOT grant contract for the facility projects will include clauses related to the applicant's requirement to maintain the facility in good operating condition and to require a secured interest for the state and federal participation in the project. Additionally, all federal or state-funded facilities are required to have a written facility maintenance plan.

FTA Master Agreement requires:

- Covenant Assuring Nondiscrimination. The Recipient agrees to include a covenant in the title of the real property acquired for the Project to assure nondiscrimination during the useful service life of the Project.
- Recording Title to Real Property. To the extent required by FTA, the Recipient agrees to record the Federal interest in title to real property used in connection with the Project.
- FTA Approval of Changes in Real Property Ownership. The Recipient agrees that it will not dispose of, modify the use of, or change the terms of the real property title or any other interest in the site and facilities used in the Project without permission and instructions from FTA.

## Service Provisions

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 service 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 nonurbanized 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; and
- 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. The NCDOT shall use a formula for distribution of eligible costs between the two programs for all affected subrecipients.

Section 5311 subrecipients are required to comply with all Federal/State requirements imposed by Federal Transit Administration and NCDOT, either through federal/state statute, regulations, executive orders, directives, published policies or otherwise, through a state-local agreement. The agreement must be fully executed prior to reimbursement for eligible project costs.

## Service Design

The community transportation system will identify and offer multiple service designs. Service designs may include, but are not limited to:

- Subscription
- Demand Response or "Dial-a-Ride"
- Fixed Route (with complementary paratransit services)
- Deviated Fixed Route
- Point Deviation
- Brokerage
- Other appropriate service designs and/or mixes of service designs
- Feeder services to passenger rail, inter-city bus services or urban transit systems are viable service designs and should be explored thoroughly for opportunities to coordinate with operators of these services.

When appropriate, a brokerage service design will be employed. The brokerage service design may also be modified to serve as a “consolidated broker” or “mobility manager” by thoroughly utilizing the community’s transportation resources, including:

- The system’s fleet
- Private operators
- Volunteers
- Vanpools/carpools
- Private, nonprofit organizations (such as churches, civic organizations, and others)

### Planning Requirements: Coordination

A NCDOT approved, Governing Board adopted, and locally implemented Community Transportation Service Plan (CTSP) is encouraged to access Section 5311 funds. The NCDOT funds may include more than one applicant agency per service area if needed to achieve a consolidation or regionalization of combined transit services. The plan defines the unmet transportation needs of the general public and human service agencies within a defined service area and recommends strategies for meeting the needs.

The PTD and the Board of County Commissioners, or authority board for public authorities, or City Council for city-operated transit systems, must approve significant updates in the plan. Significant updates will be determined by such factors including, but not limited to, major changes in how service is provided, designation of a new lead transportation agency/provider for the service area, or a substantial shift in the level of service provided. The PTD will coordinate with the governing body and the community transportation system advisory board regarding the comprehensive update of community transportation service plans to allow public transportation needs to be addressed within the service area or on a regional basis. NCDOT has conducted a study to determine the feasibility of establishing regional transportation systems and subsequent plans will consider the recommendations that resulted from the study.

### Public Hearing Requirement

As part of the CTP application, a public hearing must be held in front of the applicant’s governing body. The applicant must publish one public notice in a newspaper(s) having general circulation in the project’s proposed service area. It is recommended that the Public Hearing Notice provide a minimum of seven (7) calendar days’ notice and a maximum of fourteen (14) calendar days’ notice between the time that the Public Hearing Notice is published in the newspaper and the actual public hearing date. In accordance with the NCDOT, limited English Proficiency (LEP) guidance, 70 FR740847, (Dec 14, 2005), a public notice will also be published in Spanish in counties that have 1,000 or 5% of their population that speaks Spanish at home, or that speaks English less than well. A list of counties that meet this requirement will be provided in the application package. Applicants in the identified counties must publish a hearing notice in English and Spanish. The applicant MUST publish a public hearing notice in English and the second most widely used (spoken/read) language in the transit system’s service

area, for most, but not all areas this will be Spanish. PTD does not include a Spanish version of the public notice in the application package. Applicants should have the public notice translated locally to ensure that the notice is accurately translated.

The applicant MUST hold a public hearing on the proposed project to allow members of the community the opportunity to comment on transportation needs and the grant application. During the hearing the public should EXPLICITLY BE ASKED if they wish to comment on the proposed funding. The public hearing will be held before the governing board.

- Board of County Commissioners - county applicants
- Board of Directors - non-profit applicants
- Authority Board of Directors or Executive Board - public transportation authorities
- City/Town Council – municipalities
- Eastern Band of the Cherokee Indians Tribal Council-tribal applicant

The Clerk/Secretary to the Board must complete, sign and certify the Public Hearing Record form. Either indicate that NO public comments were made or public comments were made and enter the estimated date for board approval of meeting minutes.

The Community Transportation Grant application requires a detailed description of public hearing outreach efforts by the applicant to inform the public (including minority, women, elderly, disabled, limited English proficiency (LEP), and low income individuals) about the public hearing and opportunity to comment on the application.

#### Hearing Documentation

- If comments are received at the public hearing, a copy of those comments and the response or action taken in response to those comments must be documented and submitted with the grant application.
- If no comments are received at the public hearing the applicant must submit documentation indicating that no comments were received from the public.
- Funding amounts in your public hearing notice should be based on the anticipated maximum scope of each funding category, as appropriate.

#### **Public Comment on Fare Increase and Service Reduction**

To facilitate improved customer service and to minimize customer complaints, each system must have a policy that addresses public comment on fare increase and service reduction.

This is required to keep the transit system's passengers from being potentially disadvantaged when a fare increase or major service reduction is necessary to manage cost and/or to improve operational efficiencies. A major service reduction must be defined in the policy. In the event of any fare increase or a major service reduction, the transit system must issue a public notice at least 30 days prior to the effective date of such changes. This notice will be provided to the

general public and to persons and/or organizations that contract transit services with the transit system.

The public will be provided an opportunity to make comments on the proposed change at a public hearing conducted before the duly authorized governing body at least 30 days prior to the transit system notifying the public of the change. The transit system is required to consider all public comments before making a final decision regarding the fare increase or service reduction. The system is required to notify the public at least 30 day prior change execution.

## Project Selection and Fund Distribution

### Project Selection

The state's approach to service delivery allows the local public governing body within each county to designate a single applicant for 5311 funding who will coordinate public transportation services with area human service agency transportation needs within the county. The local public governing board may designate a municipality or other political subdivision of the state; public agencies and instrumentalities of one or more municipalities or Indian Tribes or groups as the coordinated transportation provider. The local public governing board may designate a municipality, county, Indian Tribe, private non-profit, public authority or other public agency as the coordinated transportation provider. Almost all 100 counties within the state in addition to the Qualla Boundary Indian Reservation are served by a coordinated transportation system. An approved Community Transportation Service Plan is a prerequisite for funding. The plan defines the service area, describes the types and level of service, addresses vehicle needs and provides recommendations for a service design that meets the transportation needs of the public including the elderly, disabled, minorities, Limited English Proficiency populations and low income persons in the service area. The 5311 funding requests are derived from the cost of implementing the service design and delivery of the services recommended in the Community Transportation Service Plan.

The state has established other requirements for funding the designated applicant including:

- An “actively engaged” Transportation Advisory Board that includes representation that is based on the demographics of the service area, and includes members from the human services agencies, private sector, business and public sector and governmental and quasi-governmental agencies. These boards are expected to discuss unmet needs of the elderly, minority, disabled, LEP and low income populations within the service area, service design and scheduling, billing rates and fares and to resolve complaints. They also should monitor compliance with federal regulations and the status of any deficiencies noted in any official federal, state or local review or report. Specific meeting and reporting requirements will be included with the 5311 application.
- Local policies that ensure compliance with all federal and state requirements. The state's ongoing monitoring of subrecipient's compliance includes a process whereby NCDOT conducts random and scheduled site visits to Section 5311 recipients.

- Fulfillment of reporting requirements including but not limited to Title VI, Drug and Alcohol, Charter Service, PTD Vehicle Inventory List/Trapeze EAM, Operating Statistics, Vehicle Disposition, and Accident Reports.
- Resolution of any deficiencies found during compliance reviews (Safety and Vehicle Maintenance Reviews, Drug and Alcohol Reviews, On Site, etc.) and external audits.
- Compliance with minimum training standards and attendance at regional meetings and the NCDOT Community Transportation Conference.
- Completion of a Compliance and Capacity Proficiency (CCAP) review.
- Completion of the 5311 Program application with required attachments and signatures.

### Method of Distribution

The amount of funding requested in a 5311 application is derived from the cost of implementing the service design, and service delivery recommended in the Community Transportation Service Plan. The CTSP provides a comprehensive evaluation of service needs within a service area that is representative of the demographics of the service area and includes public involvement, thus providing NCDOT the means of fairly and equitably distributing 5311 funding statewide as the need exists by county. The diversity of the Transportation Advisory Boards is intended to assure that if unmet needs are identified within the CTSP, adjustments can be made in service design and service delivery. The cost of these changes will be considered in the application review. The service and operating plans included in the CTSP include a cost analysis derived from a financial plan of administrative, capital and operating cost projections for future improvements and modifications.

Any applications that meet the eligibility requirements set forth in the 5311 Program shall be considered for inclusion in the State's annual Program of Projects by the Board of Transportation. The total funding level (federal share) for the recommended Program of Projects shall not exceed the total amount of the apportioned federal Section 5311 Program funds, unobligated carry-over funds from previous years, and funds de-obligated during the year(s) subrecipient projects. In the event the amount requested for programming exceeds the available balance of funds, the Public Transportation Division shall reduce the requested amount and/or adjust funding ratios so as to not exceed the amount available for obligation or use state funds.

### Additional Requirements

#### Public Involvement (Community and Agency)

Each subrecipient will have the following:

- Governing Board
- Transportation Advisory Board
- Title VI approved policy/plan

## Governing Boards

The Governing Board has the legal and fiduciary responsibility of the organization. The Governing Board would be the entity that creates/approves organization policy, approves budgets, monitors performance (operationally and fiscally) and enters into legal and binding contracts. This board is the final authority on all business conducted by the organization and has the overall responsibility for ensuring the agency's compliance with federal and state requirements, approving/submitted grant application documents, and entering into contracts with NCDOT.

## Transportation Advisory Board (TAB)

In order to be eligible for Section 5311 or state funds to support community transportation systems, NCDOT mandates that each local transportation system have a county commissioner approved transportation advisory board. Members are normally appointed to specific terms (2- 5 years). Advisory Boards typically are made up of stakeholders in the community that represent passengers/agencies served by the public transit system and others that share an interest in community services. The make-up usually is representative of the various target audiences and actual riders of the system. The Advisory Board does not have legal or fiduciary responsibility for the organization; however, they must represent and discuss the unmet needs of the elderly, minority, disabled, LEP and low income populations within the service area. It must be an "actively engaged" Transportation Advisory Board that includes representation based on the demographics of the service area, and includes members from the human services agencies, private sector, business and public sector and governmental and quasi-governmental agencies. These boards are expected to discuss unmet needs of the elderly, minority, disabled, LEP and low income populations within the service area. They either provide input into the service quality and design, or often as consumers or as a representative of a consumer group, will challenge the organization to be more sensitive to their needs or more aware of service improvements the organization may want to consider.

## Advisory versus Governing Boards

If the applicant serves as an "umbrella" agency for programs in addition to transportation services, then the Executive or Governing Board may not serve as the Transportation Advisory Board. There may be overlapping of members from the Executive or Governing Board, but there must be a separate Transportation Advisory Board that meets the requirements. If the applicant, such as a nonprofit agency or public authority, provides transportation services only, the governing board may also serve as the transportation advisory board.

## TAB Meetings

TAB meetings must be open to the public and the transit system must notify the public of the scheduled meetings, as well as prepare and maintain copies of meeting minutes.

## TRANSPORTATION ADVISORY BOARD (TAB) COMPOSITION

CATEGORIES	PUBLIC HUMAN SERVICE AGENCY	TRANSPORTATION PROVIDERS	PUBLIC AND BUSINESS SECTORS	GOVERNMENT AND GOVERNMENTAL AFFILIATES
Suggested number of representatives per category	3-5	1-2	4-5	3-5
NOTE: TAB members should be individuals that know about the transit needs of the general public including the elderly, minorities, disabled, LEP, or low income populations living in the service area.	<ul style="list-style-type: none"> <li>▪ Senior Services</li> <li>▪ DSS</li> <li>▪ Vocational Rehabilitation</li> <li>▪ Head Start</li> <li>▪ Shelter Workshop</li> <li>▪ Health Dept.</li> <li>▪ Veterans Admin</li> <li>▪ Smart Start</li> <li>▪ Mental Health</li> <li>▪ Housing Authority</li> <li>▪ Human Service Transit Users</li> </ul>	<ul style="list-style-type: none"> <li>▪ Private transportation providers</li> <li>▪ Intercity bus providers</li> <li>▪ Ambulance Service</li> <li>▪ Regional Authority</li> <li>▪ Urban System</li> <li>▪ Faith based services</li> <li>▪ Volunteers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chamber of Commerce</li> <li>▪ Major employers</li> <li>▪ DBE's</li> <li>▪ Hospital/ Dialysis Ctr. Staff</li> <li>▪ Non-profit organizations</li> <li>▪ Employment Transit Users</li> <li>▪ General Public Transit Users</li> <li>▪ Public Citizens</li> </ul>	<ul style="list-style-type: none"> <li>▪ MPO</li> <li>▪ RPO</li> <li>▪ Economic Development</li> <li>▪ Employment Security Commission</li> <li>▪ Job Link and/or Career Centers</li> <li>▪ Elected Officials</li> <li>▪ County Government staff</li> <li>▪ Community College</li> </ul>

- The Transportation Advisory Board must include representatives from the elderly, minority, LEP, disabled and/or low income populations in the service area or include individuals that represent these consumer groups that will challenge the transit system to be more sensitive to their needs or to discuss unmet needs of their consumer group. Census data should be consulted to determine which groups should be represented and the size of the representation needed.
- If the applicant serves as an “umbrella” agency for programs in addition to transportation services, then the Executive or Governing Board may not serve as the Transportation Advisory Board. There may be overlapping of members from the Executive or Governing Board, but there must be a separate Transportation Advisory Board that meets the requirements.
- If the applicant is a transportation authority or a non-profit organization that only provides transportation, the Executive or Governing Board may serve as the Transportation Advisory Board. In this case, the composition of the Executive or Governing Board will have to meet the 5311 Program requirements to serve as the TAB or consider creating a separate TAB that does meet the requirements.
- PTD expects, at a minimum, quarterly TAB meetings for the community transportation system to maintain ongoing communications as one means of seeking public involvement, and ongoing administrative oversight. TAB meetings must be open to the public and the public must be notified of the scheduled meetings through such means as posting notices on agency Web sites; local news media; flyers; etc. Additionally, meeting minutes must be published and distributed to PTD regional mobility development specialists, with original file copies maintained by the transportation system for a minimum of five (5) years.

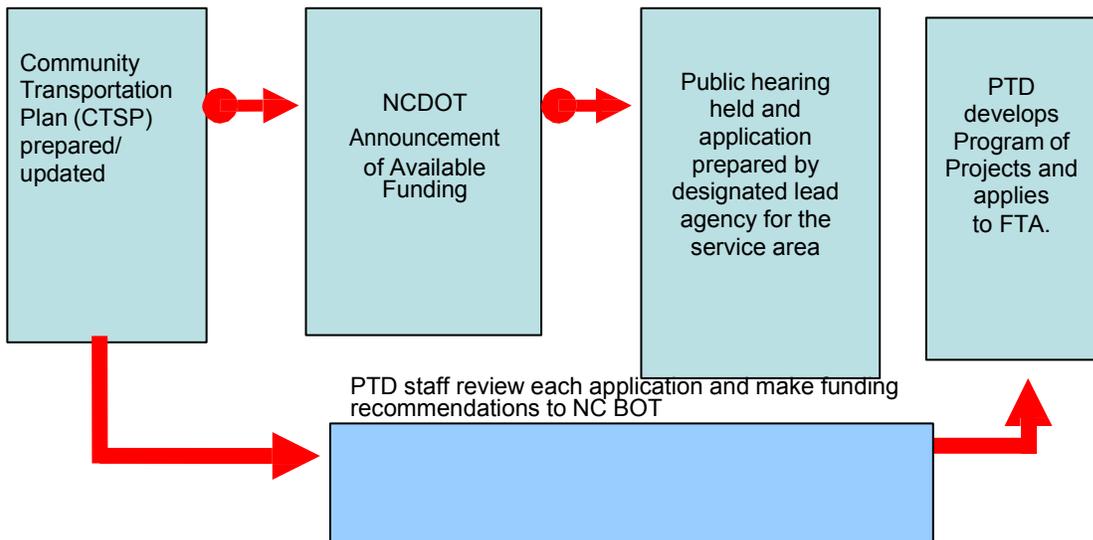
## Title VI Approved Plan

The purpose of the Title VI Plan is to ensure the fair and equitable distribution of transportation services and facilities. The Environmental Justice and Public Involvement Process provides transportation officials with new ideas, but it also alerts them to potential environmental concerns during the planning stage of a project. Federal and state governments set these requirements to ensure equity in how the public is involved in the planning of federally funded projects. The basic objectives of the Title VI Plan are to:

- Comply with the public involvement and environmental justice requirements of the Federal and State regulations.
- Avoid, minimize, or mitigate disproportionately high and adverse human health and environmental effects, including social and economic effects, on minority populations and low-income populations.
- Provide specific opportunities for local citizens and citizen-based organizations to discuss their views and provide input on the subject areas addressed in plans, projects or policies of.
- Ensure full and fair participation by all potentially affected communities in the transportation decision-making process.
- Inform and educate citizens and other interested parties about ongoing public transit planning activities, and their potential role in those objectives.

The principle of environmental justice in transportation planning ensures that transportation projects do not have a disproportionately negative impact on minority and low-income populations. The goal is to achieve environmental justice protection for all communities. For transportation, Title VI means assessing the nature, extent, and incidence of probable impacts, both negative and positive, from any transportation-related activity on minority, low-income and other disadvantaged populations.

## Application Process



## Timeline

Target Dates	Task/Event
September	<ul style="list-style-type: none"><li>▪ Funding Solicitation (Grant Application and Instructions Distributed); Certifications and Assurances provided when published by FTA</li></ul>
November	<ul style="list-style-type: none"><li>▪ Grant Application Due to NCDOT</li></ul>
December	<ul style="list-style-type: none"><li>▪ Grant Application Review Process</li></ul>
March	<ul style="list-style-type: none"><li>▪ PTD makes funding recommendation to NCDOT BOT</li></ul>
April-June	<ul style="list-style-type: none"><li>▪ FTA grant review and award</li></ul>
July 1	<ul style="list-style-type: none"><li>▪ Effective date of one year grant agreement</li></ul>

# RTAP SECTION 5311(B)(3) – RURAL TRANSIT ASSISTANCE PROGRAM

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The objective of RTAP funding is to:

- To promote the safe and effective delivery of public transportation in nonurbanized areas and to make more efficient use of public and private resources;
- To foster the development of state and local capacity for 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; and to facilitate peer-to-peer self-help through the development of local networks of transit professionals.
- To support the coordination of public and private human service transportation services.
- To build a national database of the nonurbanized segment of the public transportation industry.

NCDOT's Public Transportation Division is the designated administrator for RTAP funds. The RTAP program is intended to provide training and technical assistance to Section 5311, 5310, 5316, and 5317 subrecipients and public providers in rural areas.

NCDOT utilizes RTAP funds to provide training opportunities for rural and small urban providers and to support staff in the PTD's Safety and Training Unit. NCDOT's minimum training standards, outlined in the SSPPs, are designed to increase passenger, vehicle and system safety and ensure proficiency in the maintenance and operation of vehicles and equipment. The minimum training standards listed in the SSPP are intended to be minimum starting point, all subrecipients are responsible for ensuring compliance with state and federal requirements. The funds are also used to support the annual NC Roadeo. Training opportunities are provided in conjunction with the Roadeo and are a participant requirement.

Technical Assistance is provided directly to the grantees through on-site visits under several different program activities:

- System Safety Training Plan Technical Assistance
- Maintenance Plan Technical Assistance
- Drug and Alcohol Technical Assistance
- Training Courses for sub-recipient staff
- Provision of Information resources—including the PTD website section "Resources"

Additional technical assistance takes place at meetings, including rural/small system sessions at the North Carolina Public Transit Association annual Conference, and the annual Community

Transportation Conference oriented specifically to the 5311, 5310, 5316, and 5317 funded systems. PTD staff also conducts mandatory regional meetings with subrecipients (2-3 a year).

Funds are used directly to provide training and technical assistance with PTD staff, to contract with others to provide training or technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities. No RTAP funds are used for administration. Activities include:

- Technical Assistance provided through PTD staff site visits by the Safety and Training Unit. PTD staff provides training and assistance under RTAP to subrecipients, particularly in the areas of safety, security, maintenance, drug and alcohol, FTA compliance.
- Support of NCPTA Rodeo, including training requirement for participants.
- Training courses conducted by PTD staff, technical area experts under contract to PTD or ITRE (under its agreement with PTD). These are provided either as specific courses or as part of the annual NCPTA conference or the annual Community Transportation (CT) Conference.
- Minimum training standards have been established for vehicle operators, including Defensive Driving, ADA, Bloodborne Pathogens, Emergency Procedures for Vehicle Operators, and Illegal Drug Use.
- Model policies, forms and resources are provided through the NCDOT website

An annual training needs assessment survey will be developed and distributed to all subrecipients to assist the NCDOT in determining the training opportunities to offer during the next fiscal year. NCDOT conducts an annual training needs survey of all Section 5310, 5311, 5316 and 5317 operators. The PTD, NC State University's Institute for Transportation Research and Education (ITRE), the NC Association of County Commissioners (providers of vehicle insurance for many Section 5311 providers), and the NC Public Transportation Association's training committee will continue to collaborate through periodic conference calls to identify training opportunities and delivery methods. The survey will also assess the desired training delivery method including webinars, conference calls, regional training sites, hands-on, classroom and scholarships for national certification programs. The NCDOT sponsors training seminars when it is felt that there are a significant number of transit personnel desiring or needing training on a specific subject. When possible, joint training with urban operators are held, with the NCDOT utilizing state funds to prorate the cost with RTAP for rural operators.

The NCDOT maintains a resource list on the Public Transportation Division webpage that includes courses, videos or print materials related to transit training. Depending on copyright situations and levels of expressed interest, items may either be duplicated for distribution to North Carolina public transit systems. RTAP funding is focused on items of generic interest or with emphasis on rural, small urban, or vehicle concerns.

The RTAP program is funded at 100 percent; therefore, no local match is required. However, the NCDOT may use state funds to supplement shortfalls, subject to appropriations.

# SECTION 5311 FORMULA FUNDS ADMINISTRATION AND 5311 (C) – NORTH CAROLINA PUBLIC TRANSPORTATION ON THE EASTERN BAND OF THE CHEROKEE INDIANS RESERVATION

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As previously stated under 49 U.S.C. 5311, a Federally-recognized Indian tribe can become an eligible direct recipient or a tribe can elect to remain a subrecipient of State allocated Section 5311 formula funds. Currently, The State of North Carolina, Public Transportation Division, NCDOT notifies the Eastern Band of the Cherokee Indians of the State's annual application for the State administered Section 5311 formula program and allocates these funds to the Eastern Band of the Cherokee Indians from its Federal Section 5311 Formula Program apportionment. Therefore, the Eastern Band of the Cherokee Indians, being the only Federally recognized tribe within the boundaries of North Carolina has duly selected this State subrecipient option sanctioned by the Federally recognized authority of the Federal Bureau of Indian Affairs approved Resolution which is, subsequently, voted upon and approved annually by the Eastern Band of the Cherokee Indians' Tribal Council in addition to all of the required Federal regulatory documents so as to remain a subrecipient of Section 5311 Formula program funds from the North Carolina Public Transportation Division, NCDOT. The Public Transportation Division will notify FTA of the Eastern Band of the Cherokee Indians Section 5311 project formula amount of funds that has been allocated to this federally recognized tribe each fiscal year.

Therefore, as a subrecipient, the Eastern Band of the Cherokee Indians must comply with all federally regulated requirements of the Section 5311 Formula program funds as annually administered by the NCDOT-Public Transportation Division. Since the Eastern Band of the Cherokee Indians has decided to remain an annual subrecipient of Section 5311 Program formula funds, the Public Transportation Division, NCDOT will annually continue to fund and administrate this Federal program to the tribe.

Under 49 U.S.C. 5311 a federally recognized Indian tribe is also an eligible direct recipient of other Federal funding. The Eastern Band of the Cherokee Indians has therefore requested from the FTA to become a direct recipient of these S. 5311(c) funds.

Since the Eastern Band of the Cherokee Indians currently receives funds under the Tribal Transit Program from the FTA, it is very important to summarize that all Tribal Transit Funds, i.e., (Section 5311 (c)) currently being allocated to the Eastern Band of the Cherokee Indians are directly funded and administrated from FTA and, subsequently, this tribe must adhere to all

Federally mandated regulatory requirements that come from being a direct recipient of these aforesaid Federal funds.

Also, the National Transit Database-NTD-Reporting Requirement 49-U.S.C.-5335 requires NTD reporting from all direct recipients of Section 5311 funds which now includes the Eastern Band of the Cherokee Indians in North Carolina. A comprehensive list and description for all of the statutory and regulatory terms and conditions that will apply to the Tribal Transit Program are set forth in FTA's Master Agreement for the Tribal Transit Program.

### Eligible Recipients

Eligible direct recipients for the Section 5311 (c) are to be the federally recognized Indian tribes as identified by the Bureau of Indian Affairs (BIA) in the U.S. Department of the Interior. As of March 2006, there are 561 federally recognized Indian tribes. Non-federally recognized Indian tribes are eligible for Section 5311 funds apportioned to the States, but not as eligible direct recipients, and not under the Tribal Transit Program.

The Tribal Transit Program is administered directly by FTA. Eligible recipients should contact the FTA Region IV Office or visit the FTA website at <http://www.fta.dot.gov>

## SECTION 5311(F) INTERCITY BUS PROGRAM

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Intercity bus transportation is an integral part in building a “seamless public transportation network” across North Carolina by providing citizens statewide access to intercity, interstate, regional, and connector services to other modes of transportation including intercity bus, commercial air, rail, and ferry services. To support these services, NCDOT has created an Intercity Bus program and conducts periodic needs assessments that include a consultation process with the intercity bus stakeholders.

The Section 5311(f) Intercity Bus program requires each state to expend at least 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 adequately met." The state must consult with intercity bus providers before the Governor makes this certification. The process for consultations requires the NCDOT to notify, through direct mail and advertisements in various newspapers in the state, intercity bus providers the state's intent to certify to FTA that the intercity bus service needs of the State are being met adequately and to invite the public to make comments. The required percentage only applies to the amount of FTA's announced annual apportionment of Section 5311 funds to North Carolina.

### Definition

Intercity bus transportation is defined as regularly scheduled service that operates with limited stops over fixed routes, connects two or more urban areas not in close proximity, has the capacity for transporting baggage carried by passengers, and makes meaningful connections with scheduled intercity bus service to more distant points if such service is available. The NCDOT Public Transportation Division (PTD)'s participation in intercity bus transportation assists in facilitating its efforts to provide increased regional mobility options to citizens.

### Intercity Consultation Process and Needs Assessment

The needs assessment and consultation process used for the North Carolina Intercity Bus Program involves several activities with intercity bus operators and other stakeholders. At least once every three years, the PTD conducts a needs assessment of intercity bus services which includes the FTA-compliant consultation process. The needs assessment addresses the continuation or development of intercity bus transportation services in relation to other rural public transportation needs in the State. Thus, the consultation process activities occur as part of conducting the triennial needs assessment; the results of the consultation process and needs assessments are used to develop and conduct Calls to Operate Services as described below.

### Consultation Process/Needs Assessment

The needs assessment/consultation process serves as a means to share information with intercity bus stakeholders and gather and compile information on potential new services and changes to current services. PTD has contracted with the Institute for Transportation Research and Education (ITRE) at North Carolina State University to assist with the three most recent Needs Assessments and to conduct the consultation process, which were conducted in 2007, 2010, and 2013.

The needs assessment/consultation process involves contacting and surveying various intercity bus stakeholders including current and potential intercity bus operators, transportation planners, and local officials. Potential intercity bus operators include private intercity bus, charter, tour, and shuttle operators, as well as urban and rural public transit systems. The American Bus Association and North Carolina Motorcoach Association are included, and asked to forward the survey to their members. Transportation planners include Metropolitan Planning Organizations and Rural Planning Organizations. Local officials include county managers, county commissioners, and chambers of commerce.

Responses are first screened to determine if they involve services that comply with FTA Section 5311(f) requirements and regulations (e.g., cannot involve commuter or employment service, etc.). Responses complying with 5311(f) stipulations are then reviewed and assessed for feasibility of implementation and funding. The North Carolina Statewide Intercity Bus Network Plan (developed in 2009 and updated periodically) serves as a guide for prioritizing intercity bus services throughout the state in order to create a statewide service network. The network is intended to include service corridors to provide access to major education, healthcare, and military facilities.

### Informal Contacts

NCDOT and ITRE staff also maintains contacts with intercity bus stakeholders through several means including regular participation at industry events such as the National Rural Public and Intercity Bus Bi-Annual Conference, and are always available for discussion via phone or email.

### Conducting a Call to Operate Services

A financially constrained list of services to be included in a Call to Operate Services is prepared after the list of intercity bus services to receive financial assistance have been identified through the needs assessment. Application packages are sent to potential service operators and a meeting/teleconference is conducted to address any questions and comments from potential operators. This format provides an opportunity for stakeholders to participate both in person as well as via telephone, recognizing that some stakeholders are at distant locations. A summary of the meeting including responses to any questions is emailed to potential operators within three days of the meeting/teleconference.

Through the needs assessment and consultation process, the number of intercity bus routes receiving operating assistance has grown from two to eight routes operating throughout the State. In an effort to continue to comprehensively meet intercity bus transportation needs across the State, PTD will continue to solicit requests for development of expanded or new services through an intercity bus program application package, as called for by the results of the periodic needs assessment and consultation process.

### Intercity Bus Program Relationship to PTD Rural Transportation Program

Going forward, intercity bus transportation needs will continue to be compared to other rural public transportation needs in the State to determine levels of funding for services that will provide the greatest benefit to the public. The prioritizing of intercity bus transportation service among all public transportation needs will continue to determine the applicability of a Governor's Certification to provide funding at less than the 15 percent level in future years.

### Eligible Applicants

Eligible applicants for these funds include:

- Public, private nonprofit
- Private for-profit transportation providers
- Intercity bus providers
- Local public bodies including counties, municipalities and regional or local planning organizations

### Evaluation Criteria

Upon review of submitted intercity bus transportation applications, the following evaluation criteria will be used to prioritize the development of new intercity bus projects. The application must address service in the corridors that were identified through the needs assessment process:

- Service that offers meaningful connections to intercity bus carriers
- Type of service to be provided
- Ability to coordinate proposed services with the national bus system
- Areas with no existing intercity service
- Service that offers intermodal connections
- Services in major un-served origins or destinations
- Service is potentially self-sustaining
- Anticipated ridership
- Estimated cost of service

### Eligible Services/Activities

To promote effective intercity bus transportation service, the Public Transportation Division will consider financial participation in the following components of the intercity bus transportation program:

- Administrative costs associated with the management of service
- Operational costs associated with bus routes
- Marketing costs for the State's intercity bus operators
- Capital costs associated with the intercity bus portion of multi-modal transportation facility
- Facility improvements to meet the requirements of the Americans with Disabilities Act
- Facility improvements to improve security or accommodations
- Capital costs associated with installing intercity bus directional signs statewide
- Maintenance of service contracts to support areas of the State currently not served
- Assist travelers and agencies with the purchase of intercity bus tickets for indigent clients
- Connector service to intercity bus routes.

# SECTION 5310 – ELDERLY INDIVIDUALS & INDIVIDUALS WITH DISABILITIES

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NCDOT continues to administer SAFETEA-LU Section 5310 funds in large urban areas through FY2015 (June 30, 2015) but once MAP-21 is fully implemented, the state will be the designated recipient for small urban and rural areas only.

## Eligible Subrecipients

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

- Private/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) 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. Nonprofit applicants must be recognized under Section 501(c)(3) of the Internal Revenue Code and submit a copy of the certificate from the IRS.
- Public bodies/governmental authorities that certify to the Governor or its designee that no nonprofit corporations or associations are readily available in an area to provide the service; and
- Public bodies/governmental authorities approved by the state to coordinate services for the older adults and people with disabilities.

State policy recognizes the importance of coordinated transportation planning and delivery through the use of existing Section 5311 subrecipients. The entities have been identified by the local governing body (county or municipality) as the lead provider of public transportation services within an identified service area. These organizations, as public bodies, are eligible to apply for Section 5310 funding in addition to public transit operators in urbanized areas, Area Agencies on Aging operated by Councils of Governments, administrative agencies for Rural Planning Organizations, and local aging programs.

Private/nonprofit applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of the charter and bylaws as listed with the North Carolina Secretary of State. Private for profit operators are not eligible to apply for funding.

Local eligible public bodies eligible may apply for Section 5310 funds as coordinators of services for elderly persons and persons with disabilities or designated by the state and the local governing body to coordinate human service activities in a particular area. Examples of such eligible public bodies are:

- A county agency on aging,
- Governmental authorities that certify to the governor that there are no nonprofit corporations readily available in the area to provide the service, or
- Governmental authorities approved by the state to coordinate services for elderly individuals and individuals with disabilities.

Note: In North Carolina, governmental authorities serving as applicants for Section 5310 are limited to the following (under current, SAFTEA-LU rules):

1. If the identified lead agency in the CTSP is a unit of local government, it is eligible to apply for Section 5310 funds.
2. Local governments and transit authorities located in urbanized areas that have been designated by the Metropolitan Planning Organization to receive Section 5307 funds are eligible to apply for Section 5310 funds.
3. Area Agencies on Aging, local aging programs operated by governmental authorities and Rural Planning Organizations operated by Councils of Governments are eligible to apply for Section 5310 funds.
4. Local sheltered workshops operated by governmental authorities are eligible applicants for Section 5310 funding.

The public agencies are limited to those described above.

Private for-profit operators including taxi cab companies are not eligible to be subrecipients but maybe third party contractors.

### Eligibility Requirements

- The applicant must show an established need for the project.
- The applicant must demonstrate the ability to work with the elderly and/or persons with disabilities.
- The applicant must demonstrate collaboration with other transit systems.
- The applicant must certify that matching funds are available for the approved items, including operating and capital budget items.
- The applicant must have generally accepted operational and accounting capabilities.
- The applicant must describe the demographics of the service area, including the number of elderly and persons with disabilities to be served by the program.

### Eligible Services

The goal of the Section 5310 program is to improve mobility for older adults and people with disabilities. Toward 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. Under MAP-21, the state will be the designated recipient for

only small urban and rural funds. The program requires coordination of federally assisted programs and services in order to make the most efficient use of Federal resources.

Under MAP-21, activities eligible under New Freedom are now eligible under Section 5310 but at least 55 percent of the state's Section 5310 funds must be used for "traditional" capital Section 5310 projects. Up to 45 percent of the state's Section 5310 funds may be used for nontraditional public transportation projects such as 1) projects to provide services exceeding ADA minimum requirements, 2) changes to improve access to fixed routes by persons with disabilities, and 3) projects to provide alternatives to public transportation that assist seniors or persons with disabilities.

The grant applicant must address a service priority identified in the approved locally developed coordinated public transit-human services transportation plan for the area. PTD will only fund projects if they are included in an area's locally developed coordinated transportation plan. If an area wants to apply for funding to implement a project that is not included as a priority in their local coordinated plan, that plan must be updated to prioritize the need.

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. Subrecipients are encouraged to coordinate their resources with other public transportation providers in the service area in order to maximize accessibility and availability of transportation services.

As noted earlier, the NCDOT prefers to maintain the single applicant status for each service area. However, eligible applicants other than the designated lead transportation agency/provider for the community transportation system may apply based on the service identified in a locally coordinated human service transportation plan. Applicant agencies shall provide efficient, effective, safe and reliable transportation services for the elderly and persons with disabilities.

Funds for the Section 5310 program are available for capital expenses to support the provision of transportation services to meet the special needs of elderly persons and individuals with disabilities. Examples of capital expenses include, but are not limited to:

- Purchase of service (POS): the acquisition of transportation service
- Vehicles
- Mobility managers and related activities
- Radio and communication equipment
- Vehicle shelters
- Wheelchair lifts and restraints

- Computer hardware and software
- Eligible net operating costs (see Funding Requirements section)

## Service Area

An applicant's service area is defined in the approved coordinated public transit-human service transportation plan. Projects may include services outside the area covered by the approved coordinated public transit-human service transportation plan if their origin or destination is within the service defined by the plan.

## Planning Requirements: Coordination

Recent federal regulations require that projects for 5310 program funding be derived from a locally developed, coordinated public transit-human services transportation plan. The coordinated public transit-human services transportation plan identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs and prioritizes transportation services for funding and implementation. Local and regional coordinated transit-human service plans are through a process that includes public input as well as input from public, private, nonprofit and human services providers. To ensure compliance with this requirement, all applicants are strongly encouraged to be a part the appropriate advisory group representatives.

## Submitting an Application

To be eligible for funding, Section 5310 projects in urbanized areas must be included in the Metropolitan Transportation Plan (MTP) prepared by the metropolitan planning organization (MPO), the Transportation Improvement Program (TIP) approved jointly by the MPO and the Governor, and the Statewide Transportation Improvement Program (STIP) developed by a State and jointly approved by FTA and Federal Highway Administration (FHWA). These projects must be identified as essential elements to improve services to the elderly and disabled persons and be listed among the priorities in the approved locally developed coordinated public transit-human services transportation plan.

Refer to Appendix 1 for the step by step guide to developing a locally coordinated plan.

# SECTION 5316 – JOB ACCESS

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## REVERSE COMMUTE PROGRAM

### Eligible Subrecipients

There are three categories of eligible subrecipients of Section 5316 – Job Access and Reverse Commute (JARC) program funds:

- Private/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) 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. Nonprofit applicants must be recognized under Section 501(c)(3) of the Internal Revenue Code and submit a copy of the certificate from the IRS.
- State or local governmental authority; and
- Operators of public transportation services, including private operators of public transportation services and taxi cab companies.

Private nonprofit applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of the charter and bylaws as listed with the North Carolina Secretary of State.

Local agencies and authorities include states, local governments, metropolitan planning organizations, rural planning organizations, public transit agencies and tribal organizations.

### Eligibility Requirements

- The applicant must show an established need for the project.
- The applicant must demonstrate the ability to work with the elderly and/or persons with disabilities.
- The applicant must demonstrate collaboration with other transit systems.
- The applicant must certify that matching funds are available for the approved items, including operating and capital budget items.
- The applicant must have generally accepted operational and accounting capabilities.
- The applicant must describe the demographics of the service area, including the number of elderly and persons with disabilities to be served by the program.

## Eligible Services

The primary objective is to provide connectivity to welfare recipients and other low-income persons (or individuals who are not effectively served by public transportation) to jobs and other support services. The program is related to the operation of transportation services designed to transport residents from urban areas, and nonurbanized areas to suburban employment opportunities. Target existing or expanded transportation services such as shuttles, vanpools, new bus routes, connector services to mass transit, and guaranteed ride home programs for welfare recipients and low income persons. Private for profit operators of public transportation are eligible to apply for funding.

Under SAFETEA-LU, this program was renamed Section 5316 and became a formula grant. These federal funds are for projects that connect welfare recipients and other low-income persons to jobs and other support services. Specifically, a job access project is one that would transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment.

JARC funds may be for capital, planning and operating expenses that support the development and maintenance of transportation services designed to meet the intent of the program. Eligible activities include the following:

- a. Late-night and weekend service;
- b. Guaranteed ride home services;
- c. Expanding fixed-route public transit routes;
- d. Demand-responsive van service;
- e. Shuttle service; ridesharing and carpooling activities; Promotion, through marketing efforts, of the:
  - (1) use of transit by workers with non-traditional work schedules;
  - (2) use of transit voucher programs by appropriate agencies for welfare recipients and other low-income individuals;
  - (3) development of employer-provided transportation such as shuttles, ridesharing, carpooling; or
  - (4) use of transit pass programs and benefits under Section 132 of the Internal Revenue Code of 1986;
- f. Supporting the expenses related to voucher programs that supplement existing transportation services. The JARC program can provide vouchers to low-income individuals to purchase rides. Refers to an individual whose family income is at or below 150 percent of the poverty line (as that term is defined in Section 673(2) of the

Community Services Block Grant Act (42 U.S.C 9902(2)), as amended for a family of the size involved.

NOTE: Transit passes for use on fixed route or Americans with Disabilities Act of 1990 (ADA) complementary paratransit services are not eligible. Vouchers are an operational expense which requires a 50/50 (Federal/local) match;

- g. Implementing Intelligent Transportation Systems (ITS), including customer trip information technology or integrating automated regional public transit and human service transportation information, scheduling and dispatch functions;
- h. Subsidizing the costs associated with adding reverse commute bus, carpool van routes or service from urbanized areas and nonurbanized areas to suburban work places;
- i. Subsidizing the purchase or lease by a nonprofit organization or public agency of a van or bus dedicated to shuttling employees from their residences to a suburban workplace;
- j. Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost and as such requires a twenty percent (20%) non-federal match. It is important to remember that 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 service.

## Service Area

An applicant's service area is defined in the approved coordinated public transit-human service transportation plan.

## Planning Requirements: Coordination

Recent federal regulations require that projects for 5316 program funding be derived from a locally developed, coordinated public transit-human services transportation plan. The coordinated public transit-human services transportation plan identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs and prioritizes transportation services for funding and implementation. Local and regional coordinated transit-human service plans are developed through a process that includes public input as well as input from public, private, nonprofit and human services providers. To ensure compliance with this requirement, all applicants are strongly encouraged to be a part the appropriate advisory group representatives. PTD will only fund projects if they are included in an area's locally developed coordinated transportation

plan. If an area wants to apply for funding to implement a project that is not included as a priority in their local coordinated plan, that plan must be updated to prioritize the need.

JARC projects serving an urbanized area (i.e., an area having more than 50,000, but less than 200,000 populations) must submit a copy of the application to the Metropolitan Planning Organization (MPO) for endorsement and be included in the annual Metropolitan Transportation Improvement Program (MTIP) update. These projects must be identified as essential elements to improve services to disabled persons. Priority will be given to activities that provide for the coordination of projects.

JARC projects serving nonurbanized areas (i.e., areas having less than 50,000 populations) must be endorsed by the local governing body.

A grant for a capital project under this section may not exceed 80 percent of the net capital costs of the project. Also, a grant made under this section for operating assistance may not exceed 50 percent of the net operating costs of the project. The remainder of the net project costs may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a State or local social service agency or a private social service organization. The match may be derived from amounts appropriated to or made available to a department or agency of the Government, other than the US Department of Transportation.

Refer to Appendix 1 for the step by step guide to developing a locally coordinated plan.

## SECTION 5317– NEW FREEDOM PROGRAM

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The purpose of the program is to encourage services and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act (ADA). New Freedom grants are intended to provide additional tools to overcome existing barriers facing persons with disabilities that are seeking integration into the work force and full participation in society.

### Eligible Recipients

Eligible applicants include private nonprofit organizations, State or local governmental entities, and operators of public transportation services including private operators of public transportation services. Therefore, it is the intention of NCDOT to accept applications for funding from the following types of organizations:

- Private/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) 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. Nonprofit applicants must be recognized under Section 501(c)(3) of the Internal Revenue Code and submit a copy of the certificate from the IRS.
- State or local governmental authority; and
- Operators of public transportation services, including private operators of public transportation services and intercity bus providers and taxi cab operators.

Private/nonprofit applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of the charter and bylaws as listed with the North Carolina Secretary of State.

Local agencies and authorities include states, local governments, metropolitan planning organizations, rural planning organizations, public transit agencies and tribal organizations.

### Eligibility Requirements

- The applicant must show an established need for the project.
- The applicant must demonstrate the ability to work with persons with disabilities.
- The applicant must demonstrate collaboration with other transit systems.
- The applicant must certify that matching funds are available for the approved items, including operating and capital budget items.
- The applicant must have generally accepted operational and accounting capabilities.

- The applicant must provide demographic information for the service area, including the number of persons with disabilities to be served by the program

## Eligible Services

The New Freedom initiative is intended to build integrated participation in the community for people with disabilities.

New Freedom Program funds are available for capital and operating expenses that support new public transportation services beyond those required by the ADA and new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services, including transportation to and from jobs and employment support service.

All proposed service enhancements must support new transportation services beyond the ADA. As defined by the [FTA Circular 9045.1](#), “new” service includes services meeting one of the following criteria:

- Service that was not operational prior to August 10, 2005, or
- Did not have a funding commitment prior to August 10, 2005 as evidenced by inclusion in the TIP or STIP.
- A subrecipient may not terminate ADA paratransit enhancements or other services funded as of August 10, 2005, in an effort to reintroduce the services as “new” and then receive New Freedom Program funds for those services.

Eligible projects funded with New Freedom funds may continue to be eligible for New Freedom funding indefinitely as long as the project(s) continue to be part of the coordinated plan.

Eligible activities for the New Freedom grants include, but are not limited to:

- a. Purchasing vehicles and supporting accessible taxi, ride-sharing, and vanpooling program; including staff training, administration, and maintenance.
- b. Providing paratransit services beyond minimum requirements (3/4 mile to either side of a fixed route), including routes that run seasonally.
- c. Making accessibility improvements to transit and intermodal stations not designated as key stations.
- d. Supporting the administration of voucher programs for transportation services offered by human service providers.

- e. Supporting mobility management and coordination efforts among public transportation providers and other human service agencies that provide transportation. These activities are considered capital costs and are defined as short-range planning and management projects for improving coordination among public transportation and other transportation service providers.
- f. Private for profit operators of public transportation are eligible to apply for funding.

## Service Area

An applicant's service area is defined in the approved coordinated transit-human service coordinated plan.

## Planning Requirements: Coordination

Recent federal regulations require that projects for Section 5317 New Freedom program funding be derived from a locally developed, coordinated public transit-human services transportation plan. The coordinated public transit-human services transportation plan identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, provides strategies for meeting those local needs and prioritizes transportation services for funding and implementation. Local and regional coordinated transit-human service plans are developed through a process that includes public input as well as input from public, private, nonprofit and human services providers. To ensure compliance with this requirement, all Applicants are strongly encouraged to be a part of the appropriate advisory group representatives. PTD will only fund projects if they are included in an area's locally developed coordinated transportation plan. If an area wants to apply for funding to implement a project that is not included as a priority in their local coordinated plan, that plan must be updated to prioritize the need.

5317 New Freedom projects serving an urbanized area (i.e., an area having more than 50,000, but less than 200,000 populations) must submit a copy of the application to the Metropolitan Planning Organization (MPO) for endorsement and be included in the annual Metropolitan Transportation Improvement Program (MTIP) update. These projects must be identified as essential elements to improve services to disabled persons. Priority will be given to activities that provide for the coordination of projects.

5317 New Freedom projects serving nonurbanized areas (i.e., areas having less than 50,000 populations) must be endorsed by the local governing body.

Refer to Appendix 1 for the step-by-step guide to developing a locally coordinated plan.

# SECTION 5310, 5316, & 5317 – APPLICATION REQUIREMENTS & SELECTION PROCESS

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## Public Hearing

Notice - A public hearing notice in English must be published in a newspaper having general circulation in the county. A public hearing notice in Spanish is required if the applicant's service area has 1,000 persons or 5% of their population that speaks Spanish at home and speak English "less than very well". It is recommended that the Public Hearing Notice provide a minimum of seven (7) calendar days' notice and a maximum of fourteen (14) calendar days' notice between the time that the Public Hearing Notice is published in the newspaper and the actual public hearing date. The notice must include:

- name of applicant
- date, time and place of hearing
- geographical service area proposed
- brief description of operating assistance programs
- amount applied for
- period of performance
- when/where the application can be inspected
- where to address written comments

All Applicants for Section 5310, 5316 and 5317 must hold a public hearing in front of the applicant's governing body so the public is afforded an opportunity to have input. Applicants that prepare an application for more than one program will be allowed to hold their public hearings for all applications at the same meeting of their Governing Body. However, each hearing should be conducted separately and a motion made, seconded and approved for each application. Public hearings shall be held in facilities that are accessible to persons with disabilities and the facilities must meet the minimum requirements of the Americans with Disabilities Act.

Organization	Duly Held Meeting of the following:
<ul style="list-style-type: none"> <li>▪ Public Entity</li> </ul>	Board of County Commissioners
<ul style="list-style-type: none"> <li>▪ Not-for- Profit</li> <li>▪ Nonprofit Agency</li> <li>▪ Private</li> </ul>	Governing Board of Directors
<ul style="list-style-type: none"> <li>▪ Transportation Authority</li> </ul>	Governing Board of Directors or Executive Board

### Hearing Provisions (If requested)

The public hearing must be accessible to individuals with disabilities in accordance with provisions of the Americans with Disabilities Act that became effective September 1991, including but not limited to the following:

- having written material available in alternative, accessible formats
- providing special accommodations at the public hearing
- having a sign language interpreter
- NOTE: The public hearing shall be held at a time of day that affords the majority of the public an opportunity to attend and make comments.

### Hearing Documentation

- During the hearing the public should EXPLICITLY BE ASKED if they wish to comment on the proposed funding.
- If comments are received at the public hearing, a copy of those comments and the response or action taken in response to those comments must be documented and submitted with the grant application.
- If no comments are received at the public hearing, the applicant must submit documentation indicating that no comments were received from the public.
- Funding amounts in your public hearing notice should be based on the anticipated maximum scope of each funding category, as appropriate.

### Application Submission Requirements

Eligible projects will be selected for funding through a competitive selection process. Each application will be reviewed by the MDS. The MDS recommended projects will be scored by the Project Selection Committee according to the following scoring guidelines.

The Project Selection Committee must find that the answer to each of the following questions is affirmative for a project to be considered eligible for grant funding. Project applications will not be further reviewed if the response to any of the questions is no. Projects must meet the needs as developed through the coordinated transit human service transportation plan for the area.

1. Is the proposed project a non-duplicative service or program?
2. Are eligible matching funds identified and available?
3. Is the primary focus of the proposed service or program serving target populations
  - Persons with low income for the Job Access portion of JARC
  - Elderly persons and persons with disabilities
  - Activities and programs that go beyond current ADA requirements
4. Does the project provide improved services for the target area?
5. Does the project address a need identified in the approved local coordinated public transit-human service plan?

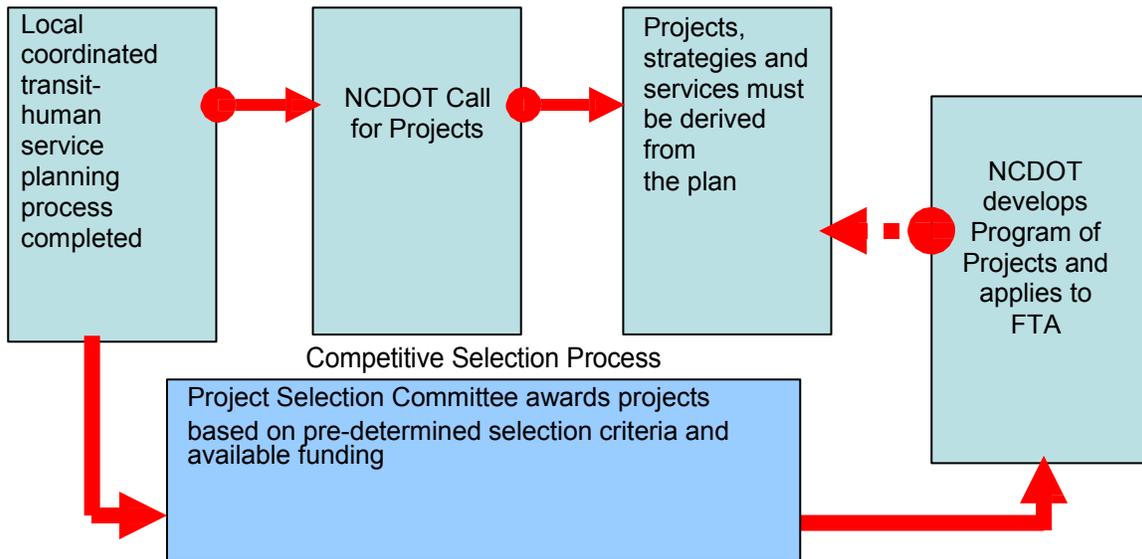
The following information and scoring criteria will be used to score and rate project applications for Sections 5310, 5316 and 5317 funding:

- A. Statement of Needs (10 points)  
Project applications should clearly state the need for the project and demonstrate how the project is consistent with the objectives of the grant program. The project application should indicate the number of persons expected to be served, and the number of trips (or other units of service) expected to be provided. The connection between the project and the LCP should be clearly described.
  
- B. Project Planning and Implementation (35 points)  
For all projects, applicants must provide a well-defined service operations plan and/or capital procurement plan, and describe the implementation steps and timelines for carrying out the plan. The applicant's plan should include coordination, eligibility determination, marketing and service delivery details.
  
- C. Project Budget and Grants Management (20 points)  
Applicants must submit a complete project budget, indicating anticipated project expenditures and revenues, including documentation of matching funds. The application should address long-term efforts and identify potential funding sources for sustaining the service beyond the grant period.
  
- D. Program Effectiveness and Evaluation (10 points)  
The project will be scored based on the applicant's identification of clear, measurable outcome-based performance measures to track the effectiveness of the service. The applicant should monitor and evaluate the service throughout the period of performance.
  
- E. Organizational Preparedness and Technical Capacity (25 points)  
Projects should be a good fit in the applicant's organization. The applicant must demonstrate that it has staff with the technical experience to manage or operate a transportation service. In addition, the applicant must show that they are prepared to monitor and provide safe services.

### Award Requirements

Applicants selected for funding will enter into a contract agreement with the NCDOT Public Transportation Division. First time applicants will be subject to pre-award audits. Recipients will be required to provide progress reports with their claims for reimbursements containing information about budget spending and program activities.

## Application Process



## Timeline

Target Dates	Task/Event
September	<ul style="list-style-type: none"> <li>Grant Application and Instructions Distributed</li> </ul>
November	<ul style="list-style-type: none"> <li>Grant Application Due to NCDOT</li> </ul>
December	<ul style="list-style-type: none"> <li>Grant Application Review Process</li> </ul>
March	<ul style="list-style-type: none"> <li>PTD makes recommendation to NCDOT Board of Transportation (BOT)</li> </ul>
April-June	<ul style="list-style-type: none"> <li>Application submitted to FTA and grant awarded</li> </ul>
July	<ul style="list-style-type: none"> <li>Effective date of Category A projects (up to a two-year period of performance)</li> </ul>

## REGIONALIZATION & PASS THROUGH FUNDING

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The transit service area for each program is established in the local Community Transportation Service Plan or the coordinated transit-human service transportation plan. While the plan may be intended for a specific county or group of counties if prepared for a regional system, the transit service area will likely extend beyond the municipal boundary based on the area that is served.

The NCDOT places a high priority on the regionalization of public transportation services. Many of North Carolina's rural counties share routes to destinations through contiguous counties or are located adjacent to urbanized areas, served by urban public transit systems. In these cases, NCDOT encourages both the rural and urban systems to coordinate to the maximum extent feasible by coordinating schedules, routes, bus stops, fares, etc. to facilitate transportation within the area or region.

An eligible applicant for FTA funds may "pass through" funds to another eligible Federal Transit Administration (FTA) applicant in either rural or an urban area for all or a portion of the eligible transit service under the Community Transportation program in the eligible applicant's service area, if it is determined that this arrangement best meets its transportation needs.

It is at the discretion of the eligible applicant to choose the best mechanism for administering and operating rural transit service in its area, but any pass through agreement must have prior NCDOT written concurrence. Any "pass through" recipient(s) must meet Federal and State compliance requirements prior to July 1 of the fiscal year.

A competitive procurement is required for Section 5311 subrecipients to contract with a nonprofit agency as a service provider. NCDOT strongly recommends that the eligible applicant conduct an analysis to ensure that the funds provided for the service are being used in a cost effective and efficient manner.

Sections 5311, 5310, 5316 and 5317 projects may include the transportation of nonurbanized residents to and from urbanized areas. If funds will be used in joint urbanized/nonurbanized project, the funds must be used to assist the nonurbanized portion of the service.

Because of the complexity involved in joint urbanized/nonurbanized projects, applicants should contact their assigned Mobility Development Specialist prior to submitting the grant application. In general, FTA urbanized area funding, such as Section 5307 funds, must be used for transportation wholly or mostly within the urbanized area; however, based on individual circumstances, the State, with local assistance, will make a determination on the appropriate urban/rural funding split for each joint urbanized/nonurbanized project.

# STATE ROLE IN PROGRAM ADMINISTRATION

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NCDOT 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 NCDOT Public Transportation Division will draw upon other resources within NCDOT (i.e., Legal, External Audit Branch, Office of Inspector General, Business Development, Civil Rights and General Services) as well as contracted professional services to provide technical and management assistance to the subrecipients.

North Carolina's coordinated approach to service delivery allows a single applicant agency within each service area with the Section 5311 program. While the Sections 5310, 5316 and 5317 programs require a competitive selection process, the NCDOT encourages the coordination of applications for services be coordinated with the Section 5311 provider to maximize the use of their technical capacity and familiarity with federal and state program rules and regulations. The transit system's service area for rural operators is established in the approved Community Transportation Service Plan (CTSP). The service area should have a CTSP approved by the County Board of Commissioners (authorizing authority) and the NCDOT that identifies the applicant agency for a particular service area and is a prerequisite for eligibility of state match to Section 5311 funding. Annual application packages for the State's Community Transportation Program that encompasses the Section 5311 Program are issued to the designated applicants across the State. This approach minimizes the duplication of transit services by providers statewide.

Private non-profit corporations providing public transportation services and private non-profit institutions of higher learning are eligible to receive financial assistance, provided the request is endorsed by resolution of the local public governing body. Non-Profit applicants must be recognized under Section 501(c)(3) of the Internal Revenue Code and submit a copy of the certificate from the IRS. Such assistance may be awarded directly to the private organization or may be provided through a third party contract awarded by the applicant's governing body. Private for-profit operators of transit services participate in the program as third party contractors for grantees or eligible subrecipients, rather than as subrecipients. (An exception to this principle for private inter-city bus operators assisted under Section 5311(f) is described in that section) NCDOT may further limit subrecipient eligibility requirements in order to comply with State laws or to further program goals.

Note: Eastern Band of Cherokee Indians (a federally recognized Tribal government) is a Section 5311 subrecipient. They had requested to be a direct recipient but retracted that request and have elected to maintain a Section 5311 grantee. Under MAP-21, the tribe is also eligible for funding under the new Appalachian Development Public Transit Assistance Program (Section 5311(c)(2)).

## Technical and Management Assistance

NCDOT- PTD will be available to provide technical and management assistance to existing, new, and future projects in the following areas:

- The preparation of project grant applications;
- The scoping and preparation of locally coordinated, Community Transportation Service Plans, and regional transportation plans;
- Transportation coordination issues;
- Regional Action Plans
- Facility Feasibility Needs Assessment Studies and other facility-oriented projects;
- Standardized transit training programs;
- Involvement of private sector transportation providers in service delivery;
- Grants management functions including invoicing, record keeping and accounting issues;
- System operations and management assistance;
- Procurement and third party contracting;
- Development and review of driver training and preventive maintenance programs;
- Review of procurements;
- Development and evaluation of service routes and schedules;
- Participation in local planning issues;
- Establishment of programs for providing service to the older adults and people with disabilities, low income individuals, limited English proficiency populations and the general public;
- Establishment of programs, processes and procedures to comply with civil rights requirements and other federal and state requirements;
- Procedural matters relating to facility construction, if applicable; and
- Other issues/requests and needs, which may arise.

It is the goal of NCDOT, through the Public Transportation Division, to maximize the benefits received through Section 5310, 5311, 5316 and 5317 programs by facilitating mobility options for the general public including the elderly individuals, persons with disabilities and low income persons to access employment, educational and other activities. To this end, the Public Transportation Division 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.

### Section 5311

The division's 5311 grant agreement requires the subrecipient to maintain sufficient legal, financial, technical, and managerial capability to:

- (1) Plan, manage, and complete the Project and provide for the use of Project property;
- (2) Have an accounting system that can adequately capture and report eligible project costs;

- (3) Carry out the safety and security aspects of the Project; and
- (4) Comply with the terms of the grant agreement, the Master Agreement between the FTA and the Department, the Approved Project Budget, the Project schedules, the Contractor's annual Certifications and Assurances to the Department, and applicable Federal and State laws, regulations, and directives.

A Community Transportation Service Plan (CTSP) identifies the applicant agency for a particular service area and is a prerequisite for state-match funding. The CTSP is a locally implemented five- (5) year plan, adopted by the local Board of County Commissioners/City Council and reviewed and approved by PTD. Additionally, PTD, in conjunction with the local transit director, develops the scope of work for the planning studies, actively participates in steering committee meetings and public meetings, monitors the progress of the planning efforts, and establishes performance measures, which it uses to evaluate the implementation phase. There is an MDS sign off sheet once the plan is adopted by the authorizing body. A final correspondence is submitted from PTD to the authorizing official approving the plan. Finally, the technical capacity of the subrecipient is evaluated in the CCAP reviews.

North Carolina's coordinated approach to service delivery allows a single applicant agency within each service area. The transit system service area for rural operations is established in the approved Community Transportation Service Plan (CTSP). PTD does not solicit Section 5311 applications from all eligible recipients in the State. Each approved CTSP identifies the applicant agency for a particular service area and is a prerequisite for FTA Section 5311 state match funding. Annual application packages for the State's Community Transportation Program that encompasses the Section 5311 Program are issued to the identified applicants across the State. This approach minimizes the duplication of transit services by providers statewide.

Eastern Band of Cherokee Indians (a federally recognized Tribal government) has been a Section 5311 subrecipient since the 1980s. PTD provides technical assistance to the tribal transit system in application development, training, planning, and grants management. The EBCI receives 5311(c) Tribal Transit grants directly from FTA. Under MAP-21, the tribe is also eligible for funding under the new Appalachian Development Public Transit Assistance Program (5311(c)(2)).

In addition to relying on the CTSP planning process to identify projects, PTD confirms that the CT Transportation Advisory Boards (TABs) are representative of the population (minority, low- income, persons with disabilities, elderly persons, etc.) of the service area. This was a major focus of the CCAP reviews.

Finally, the PTD application review process for Section 5311 evaluation is based on a number of factors including the applicant's proposal for accomplishing program goals (NCDOT and FTA).

PTD utilizes the MDSs, the CCAP process, the transit system reviews, and project site visits to ensure that only those services open to the general public are funded with Section 5311 funds. The MDSs also review the system websites to check that services are advertised as open to the public. Systems are required to spend 2% of the total of their Section 5311 administrative funding request, minus vehicle insurance, on marketing. Those projects that do not provide general public service are funded with state funds.

Grant agreements with subrecipients require that any incidental use of project property will not exceed that permitted under applicable Federal and State laws, regulations, and directives. The CCAP process and MDS site visits are used to verify that any incidental uses do not conflict with the provision of transit services.

Subrecipients must submit annual statistical which have a separate category for reporting incidental service, such as meal delivery and mail delivery. The CCAP process and MDSs confirm that all programs pay costs attributable to the incidental service; although S.5311 does not subsidize operating costs for any of the systems that provide incidental services.

### State Administration

Up to 15 percent of the State's total fiscal year apportionment can be used to fund NCDOT's program administration costs for Section 5311 including management, planning, and technical assistance (this is reduced to 10% under MAP-21). Program administration costs are funded at 100 percent Federal share. Guidance on eligible costs can be found in [OMB Circular A-87](#). The program administration may also include technical assistance and planning activities to support the local coordinated planning process. The balance of the apportionment, minus the minimum 15% required allocation for intercity bus service (unless the Governor certifies that the intercity needs of the state are met), is available to eligible recipients for administrative, capital, and operating assistance.

The NCDOT shall make funds available for capital, operating and administrative assistance to projects in nonurbanized areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive.

NCDOT assistance under Section 5311 is dependent on the availability of federal and state funds and local match within a given allocation cycle (July 1 – June 30) and follows the same allowable activities requirements as stated by FTA ([FTA C 9040.1G](#)). NCDOT funding priority is to ensure that operational funds are made available for public providers in order to avoid interruption of local service. Capital requests are considered on a case-by-case basis each fiscal year based on useful service life criteria, vehicle utilization data, ridership projections, and unmet ridership needs. Recommendation is made by the Public Transportation Division and final approval for allocation of funding rests with the NC Board of Transportation.

## Capital Expenses

For capital funding, the project selection and funding approval process is used to document the need for vehicle replacement. This includes a review of vehicle utilization data, performance indicators and operating statistics, utilization of previously awarded funds, PTDs capital replacement criteria, the capital replacement plan in the CTSP and each system's vehicle inventory in Trapeze EAM and the PTD Vehicle Inventory List. The PTD Vehicle Inventory List records annual mileage, physical and mechanical condition, preventive and corrective maintenance costs, and the number of accidents for each vehicle. Distribution of funds is based on review of these reports, which are used to assess past performance and justification of needs to ensure fair and equitable distribution of funds.

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 and up to 83% participation for a vehicle related purchase to be in compliance with ADA. Under MAP-21, the federal share for vehicles acquired to comply with ADA or the Clean Air Act (CAA) is 85%. Eligible capital expenses include, but are not limited to:

- Buses, vans, vehicles for vanpool programs 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;
- Operational support such as computer hardware/software;
- Maintenance and/or service vehicles;
- 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;
- Spare components or parts (engines, transmissions, etc.) with a unit cost of \$300 or more and a useful service life of more than one year, but only for systems with in-house maintenance facility;
- Purchase of used equipment with the prior approval of the NCDOT. 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 service life and meet the requirements of the Americans with Disabilities Act;
- Facilities to provide access for bicycles to mass transit facilities or equipment for transporting bicycles on mass transit 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](#).

- The capital cost of contracting.

### Operating Expenses

In North Carolina, all counties receive rural operating assistance from state and/or federal programs. All counties are included in NCDOT transit programs and the Section 5311 program is open to all identified applicants. Application notices are posted on the PTD website as well as sent to all potential applicants, county managers, MPOs and RPOs. Some counties have chosen not to apply for S.5311 because they do not wish to serve the general public; these counties do receive state funds to serve the elderly, disabled and employment needs of low income residents.

Operating expenses are costs directly related to system operation for public transportation services. Since the department provides significant state operating assistance, Section 5311 operating assistance is only available to fixed route systems and regional/consolidated transportation systems for only general public fixed route services. Eligible operating expenses include, but are not limited to:

- Fuel and oil;
- Replacement tires;
- Replacement parts that do not meet the criteria for capital items;
- Maintenance and repairs;
- Salaries and fringes of drivers, mechanics, dispatchers, or other personnel performing job duties supporting the system's overall operation;
- Vehicle licenses and fees for non-profit organizations that are not eligible for permanent vehicle tags.

### Net Operating Expenses

Net operating expenses, or operating deficits, 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. The federal share of the net operating expenses is 50 percent (50%), subject to the availability of funds

### Income from Contracts with Human Service Agencies

Under Subsection 5311(g)(3)(A), funds received pursuant to a service agreement with a social service organization may be used as local match as long as they do not involve DOT funds. Income from contracts to provide human 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 (FTA C [9040.1G](#)).

### Administrative Expenses

For administrative funding, the state allocates funds to its designated transit operators based on 1) current/historical staffing required to maintain existing service levels, and 2) a demonstrated need for additional staffing to support new services identified in the CTSPs. The state ensures that this distribution is equitable by reviewing the transportation needs across the state along with the recommendations endorsed by the Transportation Advisory Boards (TABs) of each transit system. The TAB membership must reflect the demographics of the county to include a representative percentage of seniors, minorities, LEP, low income and persons with disabilities. However, it should be noted that no matter what the size of the non-urban population, a grantee has the same/similar base administrative funding need for a director, an administrative clerk or bookkeeper/accountant, employee benefits, training, marketing, and facility expense. Also, the State Rural Operating Assistance Program (ROAP) formula skews the result in favor of the small counties. Based on the allocation formula, fifty percent (50%) of the available State Rural General Public (RGP – part of ROAP) funds are equally divided among the counties no matter what their non-urban population might be. The state formulas recognize that transit is more costly to deliver in lower density areas.

Administrative expenses are non-operating expenses, which are funded up to 80% federal and 5% state shares subject to the availability of federal and state funds. Eligible administrative costs may include, but are not limited to:

- Salaries and fringe benefits of the project director, secretary and 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;
- Professional services such as legal and accounting assistance;
- Indirect cost expenses may be eligible for reimbursement if a cost allocation methodology has been established and approved by the appropriate authority and NCDOT.
- The NCDOT will limit the amount of Section 5311 funds an applicant applies toward administrative costs if the NCDOT determines those costs to be excessive in relation to the service being proposed and the overall annual transportation budget.

## Ineligible Costs

[OMB Circular A-87](#) 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 NCDOT);

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

- All 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; and/or
- 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).

## 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. NCDOT is authorized to use up to one-third of the annual apportionment for operating assistance.

NCDOT prefers to maintain the single applicant status for each service area. However, eligible applicants other than the designated lead transportation agency/provider for the community transportation system may apply based on the service identified in a locally developed coordinated public transit-human services transportation plan.

An annual call for projects is issued. Each subrecipient must apply annually for funding for 1- year grant awards. A competitive selection process is used to rank and choose which projects will be funded. The process is conducted by NCDOT. The projects selected must be derived from a Locally Developed, Coordinated Public Transit-Human Services Transportation Plan.

PTD's 5310 grant agreement requires the subrecipient to maintain sufficient legal, financial, technical, and managerial capability to:

- (1) Plan, manage, and complete the Project and provide for the use of Project property;
- (2) Have an accounting system that can adequately capture and report eligible project costs;
- (3) Carry out the safety and security aspects of the Project; and

- (4) Comply with the terms of the grant agreement, the Master Agreement between the FTA and the Department, the Approved Project Budget, the Project schedules, the Contractor's annual Certifications and Assurances to the Department, and applicable Federal and State laws, regulations, and directives.

Through the review of grant applications and by monitoring subrecipients throughout the year, PTD ensures that Section 5310 subrecipients have the technical capacity to carry out the proposed projects. The majority of the subrecipients are transit systems that receive Section 5311 and/or Section 5307 and they are very familiar with the federal and state requirements. Supporting documentation is required as part of the request for reimbursement process. This includes a detailed report of ridership, mileage, costs (per mile and trip) as well as an overall summary of services provided and documentation for non-operating expenses.

Eligible project costs are defined in [FTA Circular 9070.1G](#) (as amended), however, the regulations permit the NCDOT to further define those costs, which include, but are not limited to:

### State Administration

Up to 10 percent of the State's total fiscal year apportionment is used to fund NCDOT's program administration costs for Section 5310 including management, planning and technical assistance. Program administration costs are covered 100% by the federal share.

### Capital Assistance

- Purchase of Service (POS): Acquisition of transportation services under a contract, lease, or other arrangement. Cost of both capital and operating expenses associated with the direct purchase of services from private and/or public providers.
- Vehicles.
- Mobility management and coordination programs are 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 nonprofits. 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 service.
- User side subsidies, e.g. programs that supply part of the cost of the trip with the rider paying the balance (often utilizing vouchers). The cost of administering the program is an eligible expense.

- Technology that improves efficiency and/or makes access to services easier. This includes operational planning for acquisition of intelligent transportation technologies.

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.
- 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; and
- 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).

NCDOT will provide one-half of the nonfederal share with state funds for matching assistance under the Section 5310 program, subject to appropriations. The local participation for capital items shall come from non-federal and non-state revenue sources.

## Operating Assistance

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

- Fuel and oil;
- Replacement tires;
- Replacement parts that do not meet the criteria for capital items;
- Maintenance and repairs;
- Salaries and fringes of drivers, mechanics, dispatchers, or other personnel performing job duties supporting the system's overall operation;
- Volunteer reimbursement;
- Vehicle licenses and fees for non-profit organizations that are not eligible for permanent vehicle tags; and
- The cost associated with the use of passenger escorts or driver's aides. However, these costs arise most frequently as a result of a mandate in the provision of a contracted service and should therefore be distributed to the contracting agency whenever feasible.

### 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 including when the riders are later reimbursed by a human service agency. The federal share of net operating expenses is 50 percent (50%).

### Income from Contracts with Human Service Agencies

Income from transportation service contracts with human service agencies utilizing DOT funds may be used to reduce the net project cost but may not be used to provide local match under Section 5310 operating assistance.

## Section 5316 and Section 5317

There are three categories of eligible subrecipients:

- Private nonprofit organizations - Must submit with their application a copy of their IRS Tax Identification Number Certificate as proof of 501(c) (3) eligibility and attach a copy of the charter and bylaws as filed with North Carolina Department of Secretary of State.
- Operators of public transportation services, including private sector operators of public transportation services
- State or local governments

PTD's Section 5316 and Section 5317 grant agreements require the subrecipient to maintain sufficient legal, financial, technical, and managerial capability to:

- (1) Plan, manage, and complete the Project and provide for the use of Project property;
- (2) Carry out the safety and security aspects of the Project; and

- (3) Comply with the terms of the grant agreement, the Master Agreement between the FTA and the Department, the Approved Project Budget, the Project schedules, the Contractor's annual Certifications and Assurances to the Department, and applicable Federal and State laws, regulations, and directives.

### State Administration

Up to 10 percent of the State's total fiscal year apportionment can be used to fund NCDOT's program administration costs for Sections 5316 and 5317 including management, planning and technical assistance. Program administration costs are funded at 100 percent Federal share. Guidance on eligible costs can be found in [OMB Circular A-87](#). The program administration may also include technical assistance and planning activities by subrecipients to support the local coordinated planning process

### Section 5316

Eligible projects may include, but are not limited to capital, planning, and operating assistance to support activities such as:

- Late-night and weekend service
- Guaranteed ride home service
- Shuttle service
- Expanding fixed-route public transit routes (incremental cost for route expansion)
- Demand-responsive van service
- Ridesharing and carpooling activities
- Transit related aspects of bicycling (adding bicycle racks to buses, bicycle storage at transit stations)
- Local car loan programs that assist individuals in purchasing and maintaining vehicles for shared rides
- Supporting the administration and expenses related to voucher programs that increase service excluding transit passes and ADA complementary paratransit
- Deploying vehicle position-monitoring systems
- Applying Geographic Information System (GIS) tools

- Implementing Intelligent Transportation Systems (ITS), including:
  - Trip information
  - Trip planning
  - Reservations
  - Scheduling
  - Dispatch
  
- Marketing and Promotion of:
  - Use of transit by workers with non-traditional work schedules
  - Development of employer-provided transportation such as shuttles, ridesharing, carpooling
  - Use of transit pass programs and benefits
  - Use of transit voucher programs by appropriate agencies for welfare recipients and other low-income individuals
  
- Administration and expenses related to voucher programs:
  - Mileage reimbursement as part of a:
    - volunteer driver program
    - taxi trip
    - trips provided by a human service agency
  - Vouchers are an operational expense requiring 50/50 (federal/local) match
  
- New Mobility management and coordination programs among public transportation providers and other human service agencies providing transportation
  - Mobility Management is a capital cost requiring 80/20 (federal/local) match. One half of the local match will be provided by NCDOT, subject to appropriations.

### Section 5317

New Freedom Program funds are available for capital and operating expenses that support new public transportation services and/or new public transportation alternatives that go beyond the requirements of the ADA. The projects must be targeted toward individuals with disabilities and meet the intent of the program by removing barriers to transportation and assisting persons with disabilities with transportation, including transportation to and from jobs and employment services.

The following are examples of eligible activities that can be introduced under the New Freedom Program. NCDOT encourages the development of innovative solutions to meet the needs of individuals with disabilities in their communities.

Examples of eligible new transportation services beyond the ADA include:

- Flex Route for access to Commuter Bus or Commuter Rail
- Additional Securement on Fixed Routes
- Travel Training
- Environmental Modifications:
  - Beyond what is required in ADA
  - Enhancements including signage, curb cuts, technologies to enhance customer access
- Paratransit Enhancements:
  - Expanded Hours for Paratransit
  - Paratransit Beyond  $\frac{3}{4}$  mile
  - Same Day Service
  - Door THROUGH Door (providing escorts or assisting riders)
  - Accommodation for Mobility Aids that Exceed ADA standards

Examples of eligible new transportation alternatives beyond the ADA include:

- Purchasing vehicles to support new accessible taxi, ride sharing, and/or vanpooling programs
- Volunteer Driver Programs
- Administration of Vouchers and Vouchers for Alternative Services to Public Transportation:
  - Taxi reimbursement,
  - Mileage reimbursement for volunteer driver programs, etc.
  - Vouchers are an operational expense requiring 50/50 (federal/local) match
- New Mobility management and coordination programs among public transportation providers and other human service agencies providing transportation
  - Mobility Management is a capital cost requiring 80/20 (federal/local) match

# FUNDING/MATCHING REQUIREMENTS, PROJECT DURATION & PROGRAM APPROVAL

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## Section 5311 Funding Requirements

The NCDOT provides substantial state funds in support of nonurbanized area transportation needs. The comprehensive annual application solicits applications for Section 5311 and for the various state funding programs. The NCDOT utilizes its Section 5311 funds for subrecipient administrative, capital (vehicles, communication systems and equipment), technology, planning, and facility construction/renovation.

Examples of non-federal sources of local match that may be used for any or the entire local share include: state or local appropriations (with noted limitations); dedicated tax revenues; private donations; and net income generated from advertising and concessions. The exceptions to the use of state funds for local match are project administration, capital and planning since the NCDOT matches these expenditure categories.

However, state operating assistance can be used to provide all or a portion of the required 50 percent from non-federal funds.

## State Administration, Planning and Technical Assistance

A maximum of fifteen percent (15%) of the annual Section 5311 funds apportioned to the State of North Carolina can be used for state program administration, planning and technical assistance. (This percentage of the state's Section 5311 apportionment that can be used for state administration is reduced to "up to 10%" under MAP-21 - including 5304 but excluding RTAP).

### State Administration

These are 100% federal funds and are used to support NCDOT personnel, or its designee(s), directly involved with Section 5311 program management and administration.

### Planning and Technical Assistance

Project planning financial assistance, including but not limited to updates to the CTSP and regional feasibility studies, and contracted technical assistance for services not typically provided directly by NCDOT or its designee(s), shall be eligible for 80% federal participation, 10% state participation, matched with 10% local funds. The balance of the apportionment, excluding the required 15% for intercity bus service (unless the Governor certifies that the intercity needs have been met), is available to eligible recipients for administrative, capital, and operating assistance.

## Federal/State/Local Participation Ratio

### Capital

	Section 5311
Federal	80%
State	10%
Local	10%

The federal share for vehicle-related equipment and/or facilities required by the Clean Air Act (CAA) or the ADA is 83%. If a vehicle or facility is retrofitted to meet CAA or ADA requirements, federal participation is up to 83% of the retrofit items only. Under MAP-21, the federal share for vehicles acquired to comply with ADA or the Clean Air Act (CAA) is 85% (FTA C. 9040.1G).

### Operating

	Section 5311
Federal	50%
State	0%
Local	50%

A portion of the local share of the net operating costs can include state transit funds provided by NCDOT.

### Administration

	Section 5311
Federal	80%
State	5%
Local	15%

### Planning

	Section 5311
Federal	80%
State	10%
Local	10%

### Local Funding Requirement

Generally, applicants must provide evidence of possessing the necessary fiscal and managerial capability to implement and manage the proposed project. Subrecipients must comply with all

of the requirements contained in the NCDOT Public Transportation Division Application package under which the service proposal and funding request is submitted.

#### Eligible Local Match

A subrecipient cannot use Federal DOT funding (such as Section 5310 or other FTA funds) as local match for Section 5311, 5316 or 5317 program funds. Even though funds are made available to the rural 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.

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

Funds documented as local match must originate from one or a combination of the following sources:

- Local government appropriation for cash;
- Cash contributions from other public or private sources (excluding funds derived from purchase of service contracts);
- Non-DOT funds through a service agreement;
- Profits from advertising.

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) - those funds authorized by a federal agency (e.g., Health and Human Services) can be used as local match for Section 5310, Section 5311, Section 5316, or Section 5317. The 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.

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 only DOT funds that States can use as local match for Section 5311 projects are from the Federal Lands Highway Program cited in [49 U.S.C. 5311\(g\)\(3\)](#).

- “Purchase of Service Agreement” - considered any agreement or contract between a Section 5311 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.

Examples of non-Federal sources that may be used for any or the entire local share, excluding limitations on use of state funds for local match for capital, include:

- State or local appropriations;
- dedicated tax revenues;
- private donations; and
- net income generated from advertising and concessions.

### Section 5310, 5316, and 5317 Funding Requirements

The Federal share of eligible capital costs may not exceed 80 percent of the net cost of the program. The local share of eligible capital costs shall not be less than 20 percent of the net cost of the program. If funds are available, NCDOT may provide up to one-half of the nonfederal share for capital up to 10% of the net capital cost, subject to appropriations. The local share must be provided from sources other than Federal funds except where specific legislative language of a Federal program permits its funds to be used to match other federal funds. State funds cannot be used as the local match for capital projects. Refer to the FTA program circular for information on eligible federal programs that can be used to match these funds.

North Carolina is one of seven states authorized under SAFETEA-LU to utilize up to one-third of the annual apportionment of Section 5310 for operating costs. The Federal share shall not exceed 50 percent of the net operating deficit included in the project. Of the remainder of the deficit, 50 percent must be financed from non-Federal funds or revenues of the system. State operating assistance can be used to fund all or a portion of the nonfederal share of operating costs.

Because of the federal mandate for coordinated transportation, the federal share ratio may be limited to a maximum of 50 percent (50%) of the net capital cost of eligible expenditures for the following: proposed projects that target specific client groups; projects that exclude services to qualified individuals or groups of individuals based on factors other than vehicle capacity and demand utilization data or financial capacity; and projects that do not take full advantage of coordination options and opportunities. In these situations, the NCDOT will still provide only 10 percent state matching funds for capital, subject to appropriations.

Expenditure Category	Funding Participation (%)		
	Federal	State	Local
Project Administration	80%	5%	15%
Operating (net deficit)	50%	0%	50%
Capital	80% or 50%	10%	10% or 40%

### Local Funding Requirement

Generally, applicants must provide evidence of possessing the necessary fiscal, technical and managerial capability to implement and manage the proposed project. Subrecipients must comply with all of the requirements contained in the NCDOT program application package under which the service proposal and funding request is submitted.

#### Eligible Local Match

A subrecipient cannot use Federal DOT funding (such as Section 5310 or other FTA funds) as local match for Section 5311, 5316 or 5317 program funds. Even though funds are made available to the rural 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.

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

NCDOT does not allow in-kind contributions (donations of equipment, supplies, property, and/or services that are beneficial and used by the applicant) as a source of local match.

Funds documented as local match must originate from one or a combination of the following sources:

- Local government appropriation for cash;
- Cash contributions from other public or private sources (excluding funds derived from purchase of service contracts and fares);

- Non-DOT funds through a service agreement;
- Advertising.

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.
- "Unrestricted Federal Funds" (including Title XIX) - those funds authorized by a federal agency (e.g., Health and Human Services) can be used as local match for Section 5310, Section 5311, Section 5316, or Section 5317. The 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 only DOT funds that States can use as local match for Section 5311 projects are from the Federal Lands Highway Program cited in [49 U.S.C. 5311\(g\)\(3\)](#).

- "Purchase of Service Agreement" - considered any agreement or contract between a Section 5311 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.

Examples of non-Federal sources that may be used for any or the entire local share include:

- State or local appropriations;
- dedicated tax revenues;
- private donations; and
- net income generated from advertising and concessions.

#### Section 5310 / Section 5316 / Section 5317

The State requires local match as indicated earlier from non-Federal funds for the Section 5310, 5316, and 5317 programs. The applicant will certify as to the source and availability of the required match in their annual application for funding to the State. State operating assistance can be used for all or a portion of the local match requirement.

## Section 5311

As provided for under NCDOT regulations, applicants requesting state funds to match Section 5311 Federal funds must provide to NCDOT, evidence of the local share during the application process (e.g., resolution of financial commitment signed by local governing board or body and a letter if from an agency or business committing funds that will be used as local match).

NCDOT shall provide some state funds as match under Section 5311, subject to appropriations. For project administrative expense, the state share, subject to appropriations is 5% and a maximum of 10% for capital projects with the remaining being local match. For operations, the applicant can use operating funds made available through NCDOT as a portion or all local match.

The eligible local share must be from non-DOT sources of funding and can include any local or state (operating only) sources, unrestricted federal funds, and/or revenues from purchase of service contracts (counted as fares). Examples of local share funds include local appropriations, revenue sharing funds, dedicated tax revenues, and net income generated from programs such as advertising or incidental charter services. Funds received by operators who have an active service agreement with a state or local social service agency or a private social service organization may be used as local match. FTA funds (such as Section 5310) may not be used as match because they are derived from a DOT program.

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.

## Contra-Expenses

Contra-expenses are revenue items that directly offset transit expenses and, therefore, are eliminated from the expenses eligible for Section 5311 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.

## 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 at: [www.unitedwerride.gov](http://www.unitedwerride.gov).

Some non-DOT federal programs supporting transportation as listed by United We Ride 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 Housing and Urban Development

U.S. Department of Labor

- [Employment Standards Administration](#)
- [Veterans' Employment and Training Service](#)
- [Employment and Training Administration](#)

U.S. Department of Transportation

- [Federal Transit Administration](#)

U.S. Department of Veterans Affairs

- [Veterans Benefits Administration](#)
- [Veterans Health Administration](#)

## Project Duration

All Section 5311 project(s) cover a contract period of 12-months from July 1 to June 30, unless a contract extension is requested by the subrecipient and approved by NCDOT. Projects are funded on an annual basis with few exceptions. New programs may be considered for mid- year start-up and funding on a case-by-case basis and depending on the availability of federal and/or state funds.

For Sections 5310, 5316 and 5317, projects cover a maximum of 12-months from July 1 to June 30, unless a contract extension is requested by the subrecipient and approved by NCDOT.

## Project Development & Approval

The annual program of projects recommended by the Public Transportation Division and approved by the North Carolina BOT shall serve as the basis for the State's annual application for funds to the Federal Transit Administration. The application is submitted to FTA in April, with grant award in June – July.

For each grant, the program of projects shall identify each local recipient receiving federal and state funds for that year, a brief description of the project, the total level of funding (Federal, State, and local), and the amount of funds for State administration, local project administration and planning, operating, capital, and for Section 5311, intercity bus and Rural Transit Assistance Program, expenses shall be included in the program.

# APPLICATION CONTENT & APPLICANT CERTIFICATIONS & ASSURANCES

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Applications are available through the Partner Connect grants management system, and the completed applications are submitted through that system as well. The annual Certifications and Assurances are e-mailed to the subrecipients by PTD. Once signed, they are attached to the Partner Connect application by the systems or the MDS.

## Section 5311 Transit System Description

The 5311 program is intended to provide financial assistance for the support of public transportation services, which are open to the general public on an equal basis (defined as regular and continuing) in rural areas, and urban areas under 50,000 in population not included in an urbanized area. The 5311 funds can be used for the costs of transit planning activities, local project administration, transit operations and the purchase of capital equipment or facilities to aid in the provision of transit services in nonurbanized areas, as well as provide funds for state-level administration.

The Transit System Description outlines the public transportation program operations, identifies how the project meets the FTA program goals, and its relationship to the local and state public transportation goals. The transit system description shall include the following:

- General information about the applicant;
- Type of applicant;
- Type of transit system;
- Type(s) of service provided;
- Service options;
- List of agencies that purchase service from the transit system;
- Revenue vehicle inventory by vehicle category;
- Fleet size – total revenue vehicles, backup revenue vehicles, and total lift-equipped vehicles;
- Days and hours of service;
- System management and operation;
- Public involvement;
- Administrative changes;
- Service changes; and
- Capital requests.

## Section 5311 Project Budget

A detailed project budget is required in the application on the Partner Connect grants management system. Budget information required will include but may not be limited to:

- Itemization of personnel, salaries, and fringes
- Itemized budget expenditures for
  - Administrative
  - Capital
  - Operating (if applicable)
- Facility improvement (if applicable)
- Proposed revenues and matching funds arrangements

## Section 5310, 5316, and 5317 Project Description

The FTA requires that projects receiving funds under Section 5310, Section 5316, and Section 5317 address the service gaps or unmet needs as described in the approved locally developed public transportation human service coordinated plan. If service within an urban or small urban area, the project must be listed in the MTIP. A project description shall include the following:

- Description of project's goals and objectives;
- Description of the unmet transportation needs as listed in the approved locally coordinated human services transportation plan that the project seeks to address;
- Description of how the project will address the unmet transportation needs;
- Indicate if service is new service or expanded service – provide new days/hours of operation;
- Estimate the annual number of additional passengers served or the number of one-way trips that will be provided from the proposed project;
- Indicate the specific community (county) this project will serve, and provide pertinent demographic data and/or maps;
- Description of how the agency plans to sustain service after the grant period is expired along with ability to operate service and maintain vehicles;
- Description of the capacity of the agency or individual responsible for the delivery of the transportation service;
- List of any vehicles or equipment previously received by 5310, 5316, or 5317 programs;
- Description of how the program will be monitored; list of the milestone activities and dates covering the full grant period (quarterly reports are required regardless of financial activity) and;
- Description of the process for determining if the individual is eligible for the transit service based on FTA definitions of elderly, disabled or low income (refer to circulars).

## Section 5310, 5316, and 5317 Project Budget

A detailed project budget is required in the application on the Partner Connect grants management system. Budget information required will include but may not be limited to:

- Itemization of personnel, salaries, and fringes;
  - Itemized budget expenditures by federal program for:
    - Capital (if applicable)
    - Operating (if applicable)
  - Proposed revenues and matching funds arrangements

## Federal and State Required Documents

[FTA's annual list of Certifications and Assurances](#) include basic requirements for the Sections 5310, 5311 and 5316 and 5317 programs. The applicant should submit adequate documentation to NCDOT regarding the basis for all assurances made to FTA. All applicants must include the following certifications and assurances in order to receive federal funds for the purpose of providing public transportation service. If a Section 5311 subrecipient is applying for Section 5310, 5316 and/or 5317 funding, they may use their Section 5311 certifications and assurances but must submit a copy and reference that the originals are contained within the Section 5311 application.

- Authorizing Resolution of applicant's governing body
- Federal and State required documents:
  - Federal Certifications & Assurances
  - Attorney Affirmation
  - Special Section 5333(b) Warranty (Section 5311)
  - Title VI Program Report (Section 5311)
  - Title VI Certification (Section 5310, 5316, and 5317)
  - DBE Good Faith Efforts Certification
  - DBE/MBE/WBE/HUB Anticipated Vendor Awards
  - Documentation of Public Involvement:
    - Copy of Public Hearing notice published in newspaper(s)
    - Affidavit of Public Hearing Notice Publication – original
    - Public Hearing Record
    - Public Hearing Outreach
    - Voluntary Title VI Public Involvement Surveys – if completed
    - Approved Local Coordinated Public Transit-Human Service Plan (Section 5310, 5316, and 5317)
    - Letters of support for the project – if applicable (Section 5310, 5316, and 5317)
  - Local Share Certification for Funding (Section 5311)
  - Surface Transportation Providers (Section 5311)

- Transportation Advisory Board Composition (Section 5311)
- Project Funding Request Form (State required document)
- ITRE application for advanced technology funding (if applicable)
- Miscellaneous Requirements for Section 5311 Applicants:
  - PTD Funded Administrative Job Descriptions (if new or revised)
  - CTP Application Comment Form
  - Vehicle Insurance Certification
  - Insurance Auto Schedule (not PTD Vehicle Inventory List)
  - Retail Estimate(s) or Proposal(s)
  - Copy of Contract with Third Party Provider (if applicable)
  - Rental or Lease Agreements:
    - Vehicle Leases with other transit systems or human service agencies
    - Rental Agreement for Administrative building or office (PTD funded)
    - Rental Agreement for Uniforms (PTD funded)
    - Equipment Leases (PTD funded)
    - Software Leases (PTD funded)
  - ITRE letter indicating approval for advanced technology (if applicable)
- Miscellaneous Requirements for Section 5310, 5316, and 5317 Applicants (required only if applicable):
  - Non/Not-for-Profit Agencies Only:
    - IRS Certificate
    - Copy of Articles of Incorporation (Charter)
    - Copy of By-laws
    - Names of Board of Directors
  - Job Descriptions (Mobility Manager and other) if applicable
  - Mobility Management Position and Budget Assessment
  - Map, pictures, GIS information, US Census Information
  - ITRE letter indicating approval for advanced technology (if applicable)

Note to New Applicants - As part of the application process, new applicants shall undergo a pre-award review by the Department's External Audit Branch to determine if the subrecipient's financial management system is capable of accurately capturing and reporting eligible project costs. Copies of past independent audit reports will also be required. In addition, all new applicants must attend a PTD training session on NCDOT/FTA contract requirements. This training will be required by all applicants prior to funding distribution to ensure system capability to manage state and federal transit funds,

# METHOD FOR DISTRIBUTE, DEOBLIGATE & TRANSFERRING FUNDS

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## Method to Distribute Funds

NCDOT shall make funds available for capital, operating and administrative assistance to projects in nonurbanized areas, in small urbanized areas, and in urban areas as defined by the Federal rules. 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 NCDOT.

Approved subrecipients have funds disbursed on a reimbursement basis. Invoices should be submitted to NCDOT on a monthly basis through the Grants Module Program, but must be submitted not less frequently than quarterly, for Sections 5310, 5311, 5316 and 5317 approved expenses. Documentation for expenses must be provided with each invoice submitted unless or until a risk adverse sampling plan is approved. Capital expenses are reimbursed to the subrecipient at approved federal and/or state share once the capital has been received and is verified as operational by the subrecipient and/or NCDOT, as appropriate.

Eligible project costs shall be determined in accordance with [OMB Circular A-87](#), [FTA Circular 9040.1G](#) (as amended) and guidance issued by NCDOT. Project expenditures shall be categorized as capital, operating, or administrative expenses.

## Method to Deobligate Funds

Funds that are deobligated from an approved program of projects remain available to NCDOT and subrecipients (upon approval of the NC BOT) for reobligation during the period that the funds were originally available to NCDOT.

If deobligated funds from a program are available at the close of the project year, NCDOT can consider previously identified “alternate” projects as approved by the NC BOT during initial allocation as well as special requests from subrecipients. Requests must be in writing and are considered by the PTD for presentation to the NC BOT. Allocation of deobligated project funds is limited to the availability of funds.

## Reallocation of Section 5310, 5316 or 5317 Funds

Any Section 5310, 5316, or 5317 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 5316 in the following year and made available for allocation.

## Method of Transfer of Federal Funds

### Transfer of 5310, 5316 and 5317

NCDOT does not currently transfer Sections 5310, 5316 or 5317 funds to Section 5311 or 5307

### Transfer to Other FTA Programs for Grant Consolidation

NCDOT may transfer funds apportioned to it under 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 JARC and New Freedom activities. The department 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.

NCDOT currently does not participate in FTA grant consolidation.

### Notification of Transfers

NCDOT must notify the FTA regional administrator of its intent to have funds transferred so that FTA can initiate the transfer. For transfers of JARC or New Freedom funds into the Section 5307 program for small urbanized areas under 200,000 in population or Section 5311(c), the notification must include:

- A statement by the NCDOT 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 they were apportioned;
- Program section(s) transferring to; and
- The NCDOT contact information.

### 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. NCDOT may transfer Surface Transportation Program (STP) funds, Congestion Mitigation and Air Quality (CMAQ) funds, and certain other flexible funds, from [FHWA](#) to FTA to use for transit projects.

### Congestion Mitigation and Air Quality Improvement Program (CMAQ)

The primary purpose of the CMAQ program is to improve air quality in areas designated by the U.S. Environmental Protection Agency (EPA) as “nonattainment” areas. Because CMAQ funds are intended to improve air quality, funds must be spent in nonattainment or maintenance areas. A nonattainment area is an area formally designated by EPA as not meeting the National Ambient Air Quality Standards (NAAQS). A maintenance area is an area that was nonattainment but has subsequently attained the NAAQS and officially designated to attainment by EPA.

#### Eligible Transit Activities

CMAQ funds may be used for transit capital projects and operating expenses for new service. Funds may only be used in nonattainment and maintenance areas and projects must demonstrate an air quality benefit. Operating assistance is limited to new or expanded transportation service and is limited to three (3) years.

### Surface Transportation Program (STP)

The primary purpose of STP 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.

#### Eligible Transit Activities

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.

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);
- Nonurbanized Area Formula Program (Section 5311 program);
- Elderly and Persons with Disabilities Program (Section 5310 program).

If CMAQ or STP 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 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.

In urbanized areas over 200,000 in population, the decision on the transfer of flexible funds is made by the Metropolitan Planning Organization (MPO). In areas under 200,000 in population the decision is made by the MPO in cooperation with NCDOT. In rural areas, the transfer decision is made by NCDOT in partnership with the Rural Planning Organization and local

officials. The decision to transfer funds flow from the transportation planning process and the priorities established for an area as part of the planning process.

Opportunities for transfer of FHWA funds to FTA-sponsored programs will be considered by NCDOT on a case-by-case basis. Opportunities are identified at the local or state levels. For transfer of flexible CMAQ or STP funds to state administered Section 5307, 5310 or 5311 programs, NCDOT 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 the NCDOT 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 they were apportioned;
- Program section(s) transferring to;
- Anticipated use (project scope) of transferred funds; and
- The NCDOT contact information.

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

# PROJECT FINANCIAL MANAGEMENT

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As primary recipient of FTA funds and as the State agency designated to administer such funds for public transportation activities in North Carolina, NCDOT PTD Financial Management Unit will manage the fiscal elements of these programs in accordance with its existing procedures, FTA guidelines, and other applicable state and federal regulations.

## Project Identification

All projects included in the annual program of projects shall be assigned a project number, a contract number and a fiscal account or WBS element per project department or contract for use as identification purposes.

## Pre-award Requirements

Upon initial approval of an applicant for inclusion in the Program of Projects, the NCDOT/Public Transportation Division shall review each subrecipient for the following:

- Determine that the subrecipient's accounting system is adequate and capable of segregating, accumulating, and maintaining allocable and allowable costs as they apply to the project and/or contract and to document necessary facts that might be needed in past audits;
- Establish that proper record retention will be maintained after project completion (record retention shall be required for a five (5) year period after payment of final billing or completion of the project, whichever occurs last);
- Establish procedures or issue any necessary specific instructions to the project that would help prevent any future misunderstanding;
- Establish that proposed costs are reasonable and in line with those that the subrecipient is currently incurring;
- Establish that the subrecipient has the financial capability to perform the services required (to fulfill this requirement, new applicants are required to provide prior audits and to go through a pre-award audit by the External Audit Branch).
- Determine that the applicant has an inventory procedure to assure that equipment purchased with federal and/or state funds can be accounted for at any time (documentation of the inventories should be on file at all times); and
- Assure that the applicant can comply with the provisions of OMB Circular [A-133](#).

## Establishment of Project Accounts

### Standards for Accounting

All subrecipients are required to establish and maintain an adequate cost accounting system to which all transportation-related costs, revenues and operating costs are recorded so that they may be 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.

The ongoing burden of proof of adequacy for such system shall be upon the subrecipient. The North Carolina DOT will determine whether or not the subrecipient has an adequate cost accounting system. Such determination shall be documented initially prior to payment of any invoices pursuant to the agreement between the subrecipient and the North Carolina DOT, and from time to time as deemed necessary by the North Carolina DOT. In the event of a finding during such determining proceedings, the North Carolina DOT may suspend, revoke, or place conditions upon its determination, and/or may recommend or require remedial actions as appropriate. The accounting system shall be able to document costs by fiscal year and by project number in accordance to generally accepted accounting principles.

NCDOT 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 State Budget Office. All systems and procedures for financial management are in compliance with [49 CFR Part 18](#), the "Common Rule."

All costs charged to the Project, including any approved services performed by the subrecipient or others (subcontractors), as referenced in 49 C.F.R. 19, the Office of Management and Budget Circulars A-122, "Costs Principles for Nonprofit Organizations" and A-110 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations", or in 49 C.F.R. 18, the Office of Management and Budget Circulars A-87, "Costs Principles for State, Local and Indian Tribal Governments" and A- 102 "Grants and Cooperative Agreements with State and Local Governments." Examples of adequate documentation include, but are not limited to:

### Allowable Costs

Expenditures made by the State and sub-recipients shall be reimbursable as allowable costs to the extent that they meet all of the requirements set forth below:

1. Be made in conformance with the project description and the project budget and all other provisions of the agreement;
2. Be necessary in order to accomplish the project;
3. Be reasonable in amount for the goods or services purchased;
4. Be actual net costs to the State and sub-recipient, (the price paid minus any refunds, rebates or other items that effectively reduced the actual cost)

5. Be incurred for work performed after the date of the grant agreement, unless specific authorization from FTA to the contrary is received;
6. Be satisfactorily documented; and
7. Be treated uniformly and consistently under accounting principles and procedures approved and prescribed by FTA for the State and sub-recipient.

### Documentation of Project Costs

All costs charged to the project, including any approved services contributed by the State or sub-recipient shall be supported by the following:

- Properly executed payrolls;
- Time records;
- Invoices;
- Contracts; and
- Vouchers.

All supporting documentation shall detail the nature and propriety of the charges.

### Requests for Payment

Before a subrecipient submits invoices for payment, a fully executed agreement and contract must exist between the subrecipient organization and the North Carolina Department of Transportation.

A subrecipient must also have on file with NCDOT a delegation of authority form that designates the individual who has authority to execute agreements, submit invoices and budget revisions and amendments on behalf of the subrecipient organization.

A subrecipient shall submit invoices through the online NCDOT Grants Module, Partner Connect grants management system. The Public Transportation Division requires subrecipients to request reimbursement at least quarterly and no more frequently than monthly, unless otherwise directed. This is communicated in the grant agreement, and in the request for reimbursement instructions. Subrecipients are notified of breach of contract and are required to show reasonable progress to invoice within 30 days. All information provided in reimbursement requests must be cross referenced to the information provided in the approved budget. The agreement also states that failure to request reimbursement for eligible projects costs as outlined may result in termination of the project.

All requests for reimbursement shall be submitted through the online NCDOT Grants Module located at <https://partner.ncdot.gov/irj/portal>.

## DBE/WBE/MBE Awards Documentation

All requests for financial assistance sent to the Public Transportation Division shall include DBE/MBE/WBE/HUB Award information input into the Grants Module. This form is located on the [Public Transportation Division's website](#). Once funds are being expended by subrecipients, they are required to submit evidence of DBE/WBE/MBE/HUB utilization.

1. The request for reimbursement must include a completed form that captures all contracting activity for professional services administered by the grantee, and procurement of goods and services from a disadvantage business enterprise. The following are examples of professional services for inclusion on the Vendor Award/Payment Form:
  - (1) management services
  - (2) marketing services
  - (3) training services
  - (4) repairs and/or maintenance services
  - (5) printing services
  - (6) cleaning services
  - (7) software installation and maintenance services

This list is intended as a guide and is not an exhaustive list of contracting opportunities utilized by all grantees. Each grantee should review their budget for expected payments to firms or individuals for any type of professional service. If there are further questions as to the inclusion of a payment for service on the Vendor Award form, contact the Financial Management Unit of the Public Transportation Division.

2. The Public Transportation Division shall review the funding request. Also at this time, the Vendor Award Form must be reviewed for completion and accuracy. As part of this review, the project manager shall review budget line items for known subcontracting activity for professional services and verify that all current subcontractor payments for professional services are identified on the award form.
3. A copy of each Vendor Award form shall be completed in the Grants Module. The Financial Management Unit shall verify that all contractors and subcontractors have vendor numbers assigned to them. If a contractor or a subcontractor does not have a vendor number, or not registered in NCDOT Subcontractor's list of firms, the Financial Management staff or Subrecipient will encourage the subcontractor to register with the NCDOT Contractual Services Unit for Eligibility to participate in State and Federal contracts. The link to this page is <http://www.ncdot.org/business/ocs/sub/>.
4. If the project manager recommends that funding be approved, the project manager will approve and date the vendor form as documentation that the awards form has been

reviewed based upon the approved budget being recommended to the Board of Transportation.

5. Each time a request for reimbursement is submitted to the Financial Management Unit, a Vendor Payment form must be submitted by the grantee. The Vendor Payment form must list all payments for goods and services made to a third party during the period for which reimbursement is request. This form can be found in the Grants Module or at:  
<http://www.ncdot.gov/nctransit/download/Template/Admin.xls>
6. On the Vendor Payment Form, the grantee shall list the name of the vendor, the vendor's registration number with the NCDOT accounting system, the amount paid and the date paid for each payment to a third party. The Vendor Payment form shall be signed by the authorized official or designee (a type-written name is not acceptable).
7. If a vendor does not have a vendor number with NCDOT, a W-9 Vendor Registration form should be filled out by this vendor and submitted to the Financial Management Unit of the Public Transportation Division. W-9 forms can be found at:  
<http://www.ncdot.gov/business/ocs/spsf/download/W9.pdf>
8. Failure to submit the Vendor Payment form will cause the reimbursement request to be electronically returned to the grantee as incomplete. If no third party payments for good or services were made during the period, the signed Vendor Payment form must still be submitted and a zero amount of payment must be indicated on the form.

## Revisions and Amendments to the Approved Contract

During the course of the contract it may become necessary to make modifications to the project in the form of administrative amendments, budget revisions, contract amendments or period of performance extensions. All requests shall be made through the Grants Module.

### Administrative Amendment

Definition: A change in a contract normally initiated by NCDOT to modify or clarify certain terms, conditions, or provisions of the contract.

An administrative amendment is used to modify a contract for such purposes as to comply with changes required by NCDOT or FTA, to change the year or type of funds obligated for a contract or to reflect a change in the subrecipient's name. An administrative amendment cannot be used to change the scope, amount, or purpose of a contract.

### Contract Amendment: Change Request

A contract amendment is defined as a change in the scope or purpose of the contract or change in the existing budget that causes an increase and/or decrease in an existing line item. Thus, a contract amendment is required when proposed changes in the contract would 1) alter the

scope or purpose of the approved project; or 2) require an increase or decrease in the project amount or a change in the federal/state/local matching ratio.

All budget amendments proposed by the project must be approved by NCDOT. No costs associated with the amendment are allowed until written notification of the approval of the amendment is provided to the project by Financial Management Unit.

All requests for budget amendments must provide a justification for the proposed changes and amount requested as submitted in Partner Connect. All requests for budget amendments must be submitted in accordance with the policies and procedures established by FTA and the Department.

Change of Scope or Purpose - The scope or purpose of a contract is changed by any of the following circumstances:

- Changes in the scope that will involve an increase or decrease in the federal and/or state financing of the project; or
- Adding or deleting a project budget category from the contract; or
- Changes to the size, or physical characteristics of items being purchased that are originally under contract that impact the project budget; or
- Changes that will increase or reduce the number of units to be purchased or constructed where the change exceeds the greater of one unit or 10 percent of the number approved in the line item; or
- Changes that will increase the total amount allocated to any single cost category in the project budget; or
- A change that the NCDOT concludes is significant which modifies a category, project description, or the size of items specified in any contract.

#### Budget Revision: Change Request

Changes may be made in the form of a budget revision in the purpose, scope and amount of the contract will remain consistent with the applicable Approved Project Budget. This may include a transfer of funds between or among budget categories within an approved contract. A budget revision is defined as the transfer of funds between line items within the approved project budget and/or the transfer of funds to a new line item within the approved budget for eligible expenses. A budget revision cannot be used to change the purpose, scope, total dollar amount or terms and conditions of the contract. The subrecipient may make budget revisions without the prior approval of NCDOT. NCDOT reserves the right to disallow or limit the amount

of funds to be redirected. No more than two budget revisions will be allowed per year on any project. Requests for a budget revision must be made using the Grants Module-Partner Connect grants management system Change Request Form. The change request must be submitted with justification for the proposed changes.

Budget revision requests for the Community Transportation Program administration and operating budgets must be reconciled before final payment can be made; this includes line items in overdraft.

Funds may be transferred from one line item to another to increase or decrease the amount of any line item within the budget. Funds cannot be transferred from one budget category to another, i.e. from administrative budget to capital budget.

On Section 5310, 5311, 5316, and 5317 administration/operating grants, funds cannot be moved from the following line items without PTD approval:

G371	Marketing
G372	Promotional Items
G395	Training-Employee Education
G452	Insurance-Vehicles
G481	Indirect Costs

Budget revisions must account for expenses to date when decreasing a line item.

All change requests/budget revisions require justification for the proposed changes. All requests for budget amendments must be submitted in accordance with the policies and procedures established by FTA and the Department.

For Sections 5310, 5311, 5316 and 5317, the budget revision must be approved in writing in advance of incurring the costs. Therefore, it is the responsibility of the project sponsor to initiate the revision in time to provide PTD with adequate time to review and provide written approval via the Grants Module, Partner Connect.

#### Period of Performance Extension

A period of Performance Extension is required if additional time is required to assure adequate completion of the project. Requests for extensions submitted after the ending date of the contract period will not be approved.

The request must be submitted on the PTD Period of Performance Application Form before the period ends. Grantees must request an extension of their contract at least 60 days before the end of the current performance period. Extensions will only be granted if reasonable progress has been made with sufficient documentation.

### NCDOT Notification

NCDOT/ PTD shall notify the subrecipient in writing regarding approval, modification, or rejection within 30 days of receipt. Approval of contract amendments shall be in the form of a Supplemental Agreement. To be effective, a Supplemental Agreement must be fully executed by both the project organization and the North Carolina Department of Transportation.

### Indirect Costs/Cost Allocation Plans

Subrecipients who seek payment for indirect costs must have an approved indirect cost plan or cost allocation plan and an approved indirect cost rate. If a grantee has been assigned a Federal cognizant agency, PTD uses the indirect cost rate approved by that agency. The grantee must submit a copy of their most current rate agreement with the Federal agency, prior to submission of the grant application. If the grantee receives no Federal funds directly from a Federal agency (all Federal funds are passed through from NCDOT and other agencies) the grantee must submit an indirect cost plan and negotiate with NCDOT for an approved indirect cost rate prior to submission of the grant application. Most local government grantees allocate indirect costs to their departments/programs in a central service cost allocation plan. Local government grantees must submit the section of their most current plan that shows total indirect costs allocated to the transit system/transportation department and actual direct cost data for the same fiscal year.

PTD uses the indirect and direct cost data to determine and approve an indirect cost rate to be used in the grant application. Once an indirect cost rate is approved for a project, it remains in effect for the entire project year. All costs and other data used to distribute costs included in the cost plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal/State awards. All cost plans and related documentation used as a basis for claiming costs under Federal/State awards must be retained for audit in accordance with the records retention requirements contained in the Grant Common Rules (49 CFR Parts 18 and 19). NCDOT reserves the right to request a complete copy of a grantee's indirect cost plan/cost allocation plan, as needed, and/or review the plan and associated documentation during site visits.

### Chart of Accounts

The subrecipient shall establish and maintain separate accounts for the public transportation program, either independently or within the existing accounting system. The Uniform Public Transportation Accounting System Chart of Accounts shall be used for all costs charged to the program. The costs shall be in accordance with most current approved Annual Budget and shall be reported to the Department in accordance with the Uniform Public Transportation Accounting System (UPTAS). Subrecipients that receive Federal and State funds from the Public Transportation Division should use the chart of accounts as an integral part of their accounting system so that the preparation of subsequent annual financial reports will be consistent with the public transportation grant budget. The subrecipient and its third party contractors shall

retain all records pertaining to the project for a period of five (5) years from the date of final payment to the subrecipient.

Refer to Appendix 2 for a copy of the UPTAS chart of accounts.

## Close-Out and Audit Procedures

### Contract Closeout

Upon completion of a contract, the subrecipient should submit to NCDOT/PTD within 90 days after the contract ending date the items outlined below:

- A final claim/invoice for any remaining eligible expenses;
- 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.

The North Carolina Department of Transportation has the right to unilaterally initiate contract close-out if:

- Approved funds have not been substantially disbursed,
- The subrecipient is unable to adequately document reasonable progress to the project scope, or
- The period of performance has expired.

### Audit Procedures

Subrecipients are required to obtain the services of an independent auditor to conduct a single audit each year in conformance with OMB Circular [A-133](#) if the required threshold is met. NCDOT will not participate in the cost of an A-133 audit if the subrecipient does not meet the minimum threshold amount.

NCDOT is required to notify each grantee in writing annually, at the time the grant is made, of the reporting requirements set forth in the statute. State agencies may not disburse funds to grantees that fail to comply with the reporting requirements. NCDOT will provide each grantee with the accounting form and report format prescribed by the State Auditor. At the end of the fiscal year the grantee must complete the Activities and Accomplishments Report and forward it to NCDOT.

By January 31 of each year, the North Carolina Department of Transportation must submit to the Office of State Budget and Management a list of every grantee to which the department disbursed State funds in the prior fiscal year and, whether that grantee has filed the sworn accounting required by G.S. 143-6.1(c) and whether the sworn accounting is in compliance.

The grantee must address the following areas in the Activities and Accomplishments Report:

- What were the original goals and expectations for this activity supported by this grant? If applicable, how have these goals and expectations been revised or refined during the course of the project?
- What has the activity accomplished with these grant funds? Include factual information to support conclusions and judgments about the activity's impact.

If the activity is a continuing one, briefly summarize future plans and funding prospects.

### Non-Governmental Entity

There are three reporting thresholds established for non-governmental grantees and subgrantees receiving State funds (including Federal funds). The reporting thresholds are:

- (1) Less than \$25,000 – A grantee that receives, uses, or expends State funds in an amount less than twenty-five thousand dollars (25,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
  - (A) A certification completed by the grantee Board and management stating that the federal and state funds were received, used, or expended for the purposes for which they were granted; and
  - (B) An accounting of the federal and state funds received, used, or expended. All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.
- (2) \$25,000 up to \$500,000 – A grantee that receives, uses, or expends State funds in an amount of at least twenty-five thousand (\$25,000) and up to five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
  - (A) A certification completed by the grantee Board and management stating that the federal and state funds were received, used, or expended for the purposes for which they were granted; and
  - (B) An accounting that the funds were received, used and expended. All reporting requirements shall be filed with the funding agency within six months after the end of the grantee's fiscal year in which the State funds were received.

(3) Greater than \$500,000 - A grantee that receives, uses, or expends State funds in an amount of at least five hundred thousand (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:

(A) A certification completed by the grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted; and

(B) An audit prepared and completed by a licensed Certified Public Accountant for the grantee consistent with the reporting requirement of this Subchapter; and

(C) A description of activities and accomplishments undertaken by the grantee with the State funds. All reporting requirements shall be filed with both the funding agency and the Office of the State Auditor within nine months after the end of the grantee's fiscal year in which the State funds were received.

### Governmental Entities

Each unit of local government and public authority/body shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the North Carolina Local Government Commission (LGC) as qualified to audit local government accounts.

All local governments and public authorities subject to G.S. 159, "The Local Government Budget and Fiscal Control Act," must have an audit performed in accordance with generally accepted auditing standards. Local governments and public authorities that expend \$100,000 or more in combined Federal or State financial assistance must have an audit performed in accordance with Government Auditing Standards. Effective FY2004, local governments and public authorities that expend \$500,000 (formerly \$300,000) or more in Federal financial assistance and/or expend \$500,000 (formerly \$300,000) or more in a single State financial assistance program must have a single audit performed in accordance with OMB Circular A-133. Federal funds include those moneys that are received directly from the Federal government and those Federal funds that pass through other units of government. State funds include those funds appropriated by the State directly or indirectly to local units.

The subrecipient shall furnish NCDOT with a copy, in addition to any copies submitted to LGC, of the independent audit report within four months (by October 31) after fiscal year end. State agencies may not disburse funds to grantees that fail to comply with the reporting requirements.

### Audit Costs

The costs of audits made in accordance with OMB Circular A-133 are allowable charges to the Section 5311 grant. The charges may be considered a direct cost or an allocated indirect cost. If the system is a consolidated urban/rural system, the audit cost should be prorated between both systems.

### Audit Findings

Each subrecipient is responsible for prompt follow-up and corrective action on all audit findings. As part of this responsibility, the subrecipient should prepare a summary schedule of prior audit findings and also a corrective action plan for current year audit findings. The NCDOT External Audit Branch reviews and monitors each subrecipient's audit report. Audit findings that impact the administration of Section 5310, 5311, 5316 and 5317 funds are transmitted to the Director of the PTD for follow-up action.

### Noncompliance

If a subrecipient fails to submit the required financial reports or fails to initiate timely corrective actions to resolve audit findings, NCDOT may take one or more of the following actions, as appropriate in the circumstances:

- Temporarily withhold payments pending correction of the deficiency
- Disallow all or part of the cost of the activity or action not in compliance
- Whole or partial suspension or termination of the current award
- Withhold further awards for the program
- Take other remedies that may be legally available

### NCDOT Program Audits

NCDOT is subject to program audits, which are performed by the North Carolina Office of State Auditor and are included in the statewide Single Audit Report. As the grants recipient, NCDOT's administration and oversight of the grants is reviewed by the Federal Transit Administration every three years.

### Financial Management Review

PTD developed a Financial Management Review (FMR) Checklist based on Federal and State regulatory requirements for grants administration and fiscal management. Future reviews will be conducted by the External Audit Branch. Examination of a grantee's fiscal management practices will enhance PTD's ability to identify and assist high-risk grantees with their fiscal management policies and procedures. The review process formally conveys NCDOT's expectations to subrecipients, allows subrecipients to conduct self-assessments and implement improvements, provides a means for PTD to document deficiencies as well as best practices, and ensures follow-up on findings and offer technical assistance to correct deficiencies.

## Review Process

The triennial review procedures followed by PTD consist of the following major steps:

- NCDOT forwards the FMR checklists to grantees for their review and use.
- NCDOT develops an annual (tentative) schedule of triennial reviews for the fiscal year and distributes to grantees along with a blank FMR checklist, Resource List, and Review Process Timeline.
- Grantee conducts self-assessment and initiates actions to correct deficiencies and improve processes.
- NCDOT formally notifies the grantee that the review will be conducted within 60 days.
- Grantee completes self-assessment and forwards completed checklist along with policies, procedures, and other documents to NCDOT (within 30 days of receiving above notice).
- NCDOT conducts desk review of checklist and documents provided by grantee and pertinent data in NCDOT files such as audit reports and project files and schedules a site visit (normally within 30 days of receiving grantee's completed checklist).
- NCDOT sends the grantee a formal notice of the site visit, which includes an agenda and a Schedule of Records for Review.
- NCDOT staff and/or External Audit Branch (EAB) staff conduct the site visit. The primary purpose of the site visit is to verify data from the desk review, to obtain information not available or provided in advance, and to sample/test grantee records and practices. The site visit begins with an entrance conference. NCDOT meets with Transportation Director and Authorized Official (at a minimum), Executive Director, Finance Director, and/or others to review checklist, discuss requirements, and go over review schedule.
- Following the entrance conference, the reviewer will examine the documentation requested and obtain answers to questions; review files; sample documentation; test controls; trace documents through system; and interview various employees associated with financial management of the transit system.
- After all site visit agenda activities are completed, the reviewer conducts an exit conference with the grantee's management officials to review findings and proposed improvements, remedies, or corrective actions.
- Draft report is prepared and submitted to PTD and EAB staff for review (normally within 14 days of site visit completion). Staff members have 14 days to review the draft and provide inputs.

- Final report is prepared and distributed to grantee (normally within 30 days of site visit completion). The report identifies basic requirements, deficiencies, required corrective actions, and dates for corrective actions to be completed. NCDOT requires that grantees correct program deficiencies as soon as possible. Deadlines will be established for deficiencies to be corrected (normally) within 30, 60, or 90 days, depending on the severity of the finding and required resolution time. The grantee has 30 days from the date of transmittal to identify in writing to PTD any discrepancies or disagreements with the report.
- The grantee institutes corrective measures outlined in the report and/or submits appropriate documentation and notifies NCDOT in writing as each deficiency is corrected, requests follow-up, as required, and notifies NCDOT in writing that all actions are completed.
- NCDOT monitors the grantee's progress, provides assistance as required, and follows up as necessary to verify compliance.
- If assured that deficiencies have been corrected, NCDOT sends notification of acceptance.
- If deficiencies have not been corrected, NCDOT sends formal notification of noncompliance and advises grantee that payments and future funding requests will be suspended until the grantee demonstrates compliance.
- If a finding identifies deficiencies with Section 5311 grant program requirements or terms of a Section 5311 grant agreement, including the assurances, certifications, and other documents submitted by the grantee, NCDOT may:
  - Reduce or withdraw funding assistance;
  - Reduce or deny future obligations;
  - Require specific action by the grantee as a condition for further reimbursements or awards;
  - Terminate a project for cause; or
  - Take other action as appropriate depending on the severity of the deficiency and the grantee's ability and willingness to implement corrective actions.

Fixed time limits must be established for taking action with regard to any continuing violation of grant agreements. Prior to imposing sanctions, NCDOT will give the grantee adequate opportunity to contest the findings, to take corrective action, and/or to show cause why NCDOT should not take adverse action against the grantee. However, if the severity of noncompliance constitutes grounds for Debarment or Suspension under 49 CFR Part 29, regulatory due process procedures will apply.

# PROCUREMENT & THIRD PARTY CONTRACTING

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Procurement and third party contracting activities are primarily the responsibility of the local project. The procurement and contract standards set forth in this chapter shall apply to the procurement of all goods and services the subrecipient will purchase under the project contract. Subrecipients should follow established local procedures and applicable state or federal standards in accordance with the North Carolina Consolidated Procurement Code (as amended).

Subrecipients shall conduct procurements 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, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Procurements shall include all applicable federal requirements identified in the certifications and assurances from the Federal Transit Administration. These assurances should be reviewed and incorporated into subrecipient proposals and awards, and purchases.

## Statutory and Regulatory Requirements

- Grantees are responsible for using applicable Federal mandated clauses and certifications for each procurement funded with Federal funds that is over the amount of \$3,000.
- These requirements are contained in the FTA Master Agreement, issued annually in October and can be found at <http://www.fta.dot.gov/documents/20-Master.pdf>
- FTA 4220.1F
  - Sets forth requirements that all grantees and subgrantees of States (including nonprofits and regional transit authorities) must adhere to in the solicitation, award, and administration of third party contracts
  - Makes requirements more consistent with applicable laws and regulations, particularly the Common Grant Rules
- 49 CFR Parts 18 and 19
  - The “Grant Common Rule” establishes uniform administrative requirements for Federal grants and agreements

- Sets forth procedures for procurement of supplies and other expendable property, equipment, real property, and other services with Federal funds
- Additional guidance can be found in [FTA Best Practices Procurement](#).
- North Carolina General Statutes 143 Article 8
  - The General Statutes contain the main competitive bidding requirements for the purchase of apparatus, supplies, materials, or equipment and construction and repair work
  - Statutes apply to the “expenditure of public money” for these types of purchases
  - Statutes apply to all local government entities
  - Statutes apply to nonprofit grantees for projects funded with State funds or State matching funds
  - Changes in the threshold amounts were effective January 1, 2002 and the construction formal bid threshold was increased effective July 1, 2007.
- North Carolina General Statutes 64 Article 2
  - This Statute, E-Verify required for Public Contracting
  - HB 786 imposed E-Verify requirements on contractors that enter into certain contracts with local governments. All City and County contracts regardless of type and value. This includes all contracts not competitively bid, including service contracts. All formal purchases and construction/repair contracts.
  - E-Verify requirement applies to subcontractors as well as contractors.

## Procurement Policy

- All NCDOT grantees must incorporate the required procurement standards set forth in FTA Circular 4220.1F for all third party contracts
- State-funded procurements must also incorporate these standards, with the exception of Federal mandated clauses and certifications
- Each grant applicant, in the annual certification and assurances, must certify that its procurements and procurement system will comply with all applicable requirements imposed by Federal laws, executive orders, or regulations and the requirements of FTA Circular 4220.1F as amended, and other implementing requirements FTA may issue
- Master Agreement issued annually by FTA lists many but not all FTA and other Federal requirements applicable to FTA grantees (additional guidance can be found in the FTA Best Practices Procurement Manual)
- FTA defers to the States, to maximum extent possible, to establish standards – rather than setting national standards

## Procurement Standards

- Conformance with State and Local Law
  - Grantees and sub-grantees may use their own procurement procedures that reflect applicable State and Local laws and regulations, provided that the

- procurements conform to applicable Federal law, including the requirements and standards in FTA C 4220.1F
- NCDOT PTD grantees will follow the Federal requirements, unless the State/Local requirements are more restrictive

## Economical Purchases

- Unnecessary/Duplicative Purchases - Grantees procedures must include provisions for review of proposed procurements to avoid purchase of unnecessary or duplicative items
- De-aggregate Pricing - Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase
- Alternative Cost - Where appropriate, an analysis will be made of lease vs. purchase alternatives or other analyses to determine the most economical approach
- Governmental Agreements - Use available State purchasing agreements for procurement of common goods and services
- Joint Purchases - Enter into joint procurements with other grantees
- Assign contractual rights to purchase goods and services to other grantees
- Surplus Property - Grantees are encouraged to use Federal/State excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible and reduces project costs
- Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the lowest overall cost. Grantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

## Contract Administration

- Grantees must maintain a contract administration system that ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders
- To accomplish this, grantees should have established methods to ensure conformance with the terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases.
- Grantees must establish methods to ensure:
  - Contractor conformance with the contract price
  - Contractor conformance with the delivery and/or completion dates
  - Compliance with the specifications of product or construction requirements
  - Payment of any required security or performance deposits by contractor
  - Compliance with rules and regulations for contracts of the funding source
  - Document whether contractors have met the terms, conditions, and specifications of the contract

## Standards of Conduct

- Grantees must maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts
- No employee, officer, agent, immediate family member, or Board member of the grantee shall participate in the selection, award, or administration of a contract supported by Federal/State funds if a conflict of interest, real or apparent, would be involved

## Written Procurement Selection Procedures

Grantees must have written selection procedures to ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the product or service to be procured.
- Technical requirements will not contain features that unduly restrict competition
- Detailed product specifications should be avoided if at all possible.
- A “brand name or equal” description may be used as a means to define the performance. Specific features of the brand name which must be met by offerors must be clearly stated.
- Identify all requirements that offerors must fulfill and all factors to be used in evaluating bids or proposals.

Important Note: Procurement of approved purchases of multiple same products/services awarded as part of a request on a single application cannot be separated out. This process will be viewed as a circumvention of the process and a violation of the procurement regulations and N.C. G. S. 143-133. This states that a contract may not be divided for the purposes of evading the provisions of this article (referencing Article 8). For example if an applicant is approved to purchase three mobile radios and a base station, they must all be bid together.

## Full and Open Competition

Grantees must ensure that their procurement procedures and practices do not restrict competition.

Situations that restrict competition include:

- Unreasonable requirements placed on firms in order for them to qualify
- Unnecessary experience and excessive bonding requirements
- Noncompetitive pricing practices between firms or between affiliated companies
- Noncompetitive awards to any person or firm on retainer contracts
- Organizational conflicts of interest
- Specifying only a “brand name” product

## Pre-qualification Criteria

- Grantees must ensure that all lists of pre-qualified persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum full and open competition

- Grantees will not preclude potential bidders from qualifying during the solicitation period

#### Prohibition Against Geographic Preferences

- Grantees must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographic preferences
- Exception – geographic location may be a selection criteria in procurements for architectural and engineering (A&E) services – provided its application leaves an appropriate number of qualified firms

#### Responsible Procurement Awards

Grantees must make awards to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Take into consideration the following:

- Contractor integrity
- Compliance with public policy
- Record of past performance
- Financial and technical resources

#### Contract Cost and Price Analysis

Must be completed for every procurement action

- Cost analysis - Performed when the offeror submits estimated costs
  - Professional consulting
  - A&E service contracts
  - Sole source procurements
  - Fair and reasonable profit margin needs to be established
- Price Analysis - Used for all other instances to determine reasonableness of contract price

#### Notification of Federal Participation

- To the extent required by Federal law, the State of North Carolina agrees that, in administering any Federal assistance Program or Project supported by the underlying Grant Agreement or Cooperative Agreement, any request for proposals, solicitation, grant application, form, notification, press release, or other publication involving the distribution of FTA assistance for the Program or the Project that it will identify the FTA grant source by listing the Catalog of Federal Domestic Assistance Number of the program. The following FTA grant programs will be eligible to participate in this bid, 20.505, 20.507, 20.500, 20.513, 20.509, 20.516, and 20.521. Federal funding assistance up to eighty (80%) percent may be provided.

## Written Protest Procedures

- Grantees must have written protest procedures to handle and resolve disputes relating to their procurements
- Grantees should notify NCDOT if a protest involves an FTA compliance issue, since NCDOT must inform FTA within 5 working days

## Records Documentation and Retention

Grantees must maintain records detailing the history of each procurement for five (5) years following final payment by the department for the project. Include the following at a minimum:

- The fully executed agreement shall be referenced for record retention requirements if a formal bid was solicited.
- Copies of the bid quotes shall be referenced if the bid was informal.
- Rational for the method of procurement
- Selection of contract type
- Reasons for contractor selection or rejection
- Basis for the contract price

NOTE: The section on “Methods of Procurement” identifies what must be documented at each threshold level.

## Contract Term Limitation

- Contracts for rolling stock or replacement parts may not exceed 5 years inclusive of options.
- All other contracts (supply, service, leases of real property, revenue, construction, etc.) may be for longer periods. Grantees should consider competition, pricing, fairness, and public perception.
- Once a contract has been awarded, an extension of contract term length that amounts to an out of scope change will require a sole source justification.

## Tag-ons (Not Allowed)

Definition: “Tag-ons” is a term describing the adding on to the contracted quantities (base and option) as originally advertised, competed, and awarded, whether for the use of the buyer or for others and then treating the add-on portion as though it met the requirement of competition.

## Piggybacking

Definition: An assignment of existing contract rights to purchase supplies and equipment

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Allowable with the following requirements:

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- Only Invitation for Bid (IFB) items are eligible
  - Must be within 12 months of contract award
  - The solicitation document and resulting contract contain an assignability clause
  - A minimum and maximum quantity is stated
  - All FTA contract requirements were included in the solicitation and contract
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## E-Commerce (NCDOT/PTD interpretation)

- E-Commerce activity is best defined as the processing of business transactions over the web
- While most grantees may not use a typical “E-Commerce” procurement system, such as the State uses, many order supplies over the Internet or use electronic banking
- Grantees who utilize any electronic methods for soliciting offers, ordering products, or transferring funds must have written procedures and must ensure the requirements for full and open competition are met

## Contract Provisions

All contracts must contain contractual provisions or conditions that allow for:

- Legal remedies in instances where contractors violate or breach contract terms (contracts > \$90,000)
- Termination for the cause and for convenience by the grantee including the manner by which it will be effected and the basis for settlement (contracts > \$10,000)

## Liquidated Damages

Grantee may use liquidated damages if it may be reasonable to expect delays

- Damages shall be a specific rate per day for each day of overrun
- Liquidated damages recovered shall be credited to the project account

## PTD Review Policy

Reminder: PTD must review and approve all drawings, designs, and/or description of work required prior to solicitation of construction, renovation, or facility improvement projects.

Reminder: PTD must review and approve new/adapted specifications prior to solicitation of new-type rolling stock. This requirement does not apply to the following:

- Minivans-Standard Type
- Conversion and Lift Vans
- Light Transit Vehicles (Cutaway-type Bus)

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**REQUIRED pre-award approval by PTD of the following Purchases**

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- New-Type Rolling Stock (see exceptions listed above)  \$30,000
  - Any construction project  \$30,000
  - Any "brand name" product or sole source purchase  \$3,000
  - Any award to other than apparent lowest bidder  \$3,000
    - Any contract modification that would change the scope of a contract or increase the contract amount up to or over the formal (sealed) bid threshold of \$90,000
- 

## Methods of Procurement

### Level 1: Micro-Purchases (less than \$3,000)

- May be made without obtaining price quotes
- Local procurement guidelines must be followed
- Equitable distribution among qualified suppliers
- No splitting of procurements to avoid competition
- Davis-Bacon Act applies to construction  \$2,000
- Minimum documentation required:
  - How price was determined to be fair and reasonable (comparison of catalog/online prices, etc.) and which vendor was selected
  - Procurement History Form may be used to document
  - Vendor does not have to comply with Federal requirements
  - Document approval by authorized person before purchase

### Level 2: Price Quotes (\$3,000 - \$29,999)

- Solicit at least 3 bidders (telephone quotes are acceptable)
- If Federal funds are used, applicable Federal requirements and certifications must be included in the solicitation
- Minimum documentation required:
  - Document quotes received (at least 2 quotes should be received)
  - Document which vendor was selected – if vendor with lowest price is not selected, include basis/reason for selection (delivery date, better warranty/service, etc.); prior PTD approval is required.
  - Document approval by authorized person before purchase
  - Procurement History Form may be used to document
  - Complete Procurement Checklist and submit to PTD with reimbursement request

### Level 3: Informal Bids (\$30,000 - \$89,999)

Reminder: PTD must review and approve new/adapted specifications prior to solicitation of new-type rolling stock. This requirement does not apply to the following:

- Minivans (standard type)
- Conversion and Lift Vans
- Light Transit Vehicles (Cutaway-type Bus)

Reminder: PTD must review and approve all drawings, designs, and/or description of work required prior to solicitation of construction, renovation, or facility improvement projects

#### Procedural Requirements

- Solicit written quotes from at least 3 bidders
- Applicable Federal requirements and certifications must be included with solicitation (if funded in part with Federal funds)
- PTD requires pre-award approval of the following.
  - New-type Rolling Stock (This requirement does not apply to the following)
    - Minivans (standard type)
    - Conversion and Lift Vans
    - Light Transit Vehicles (Cutaway-type Bus)
  - Any construction project   \$30,000
  - Any “brand name” product or sole source purchase   \$3,000
- Pre-award documentation
  - Submit Procurement Checklist
  - Procurement History Form
  - Other required documentation to PTD prior to purchase/award

#### Minimum Documentation Required

- Minority Business Enterprise (MBE) good faith efforts must be documented
- Document quotes solicited and quotes received (at least 2 quotes should be received)
- Document which vendor was selected – if vendor with lowest price is not selected, include basis/reason for selection and justification (delivery date, better warranty/service, etc.); prior PTD approval is required.
- Procurement History Form may be used to document/track but must maintain written documentation to support that each requirement was met
- Document approval by authorized person before purchase/award including any pre-award approval by PTD
- Submit Procurement Checklists to PTD with reimbursement request for all other procurements   \$30,000.

#### Level 4: Formal Bids (IFB) (Sealed) (PTD pre-award approval required on all procurements)

- State Funds ONLY
  - \$90,000 – Equipment/Supplies/Services
  - \$500,000 – Construction
- Federal and State Funds
  - \$90,000 – Equipment/Supplies/Services
  - \$100,000 – Construction (MAP-21 increases the federal threshold for small purchase to \$150,000)

Reminder: Please reference previously stated PTD Review Policy

### Procedural Requirements

- Publish advertisement (electronic ad may be used) for the bid, at least once, 7 days prior to opening
- All bids must be sealed and opened at stated time and place
- At least 3 suppliers/contractors must be solicited (in addition to ad, at least 3 must be notified)
- Applicable Federal requirements and certifications must be included with solicitation (if funded in part with Federal funds)

### Additional Requirements for Construction Procurements

- Minimum of 3 sealed bids must be received. If less than 3 bids are received, agency must advertise for bids again; and if as a result of such second advertisement, less than 3 competitive bids are received from reputable and qualified contractors, the agency may open bid, and award to the lowest responsible bidder, even if only one bid is received.
- Bid guarantee bond (5% of bid price)
- Performance and payment bonds (100% of contract price for contracts exceeding \$300,000)
- MBE/DBE verifiable goals for construction procurements > \$10,000
  - If the construction project is funded with only state funds, the State Construction Guidelines for MBE will be followed for vertical construction and a 10% goal will be the standard set for each state funded construction project.
  - If the construction project is funded in part with federal funds, then a project specific DBE goal will be set for that particular construction project.
- Document bids received by completing Procurement History Form and Procurement Checklist for Formal Bids
- Submit checklist, tabulation, and related documentation to PTD for prior approval before entering into a contract or commencing with construction related work
- Award shall be made to the lowest, responsible bidder(s)

NOTE: If recommendation is other than low bid, written justification must be submitted along with above checklist and related documentation

Reminder: PTD must also pre-approve any contract modification that would change the scope of a contract or increase the contract amount up to or over the formal (sealed) bid threshold of \$90,000

- Any or all bids may be rejected if there is sound documented business reason
- Contract award will be made in writing to the lowest responsive and responsible bidder
- When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs will be considered in determining which bid is lowest
- Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken

#### Minimum Documentation Required

- Written documentation to support that each requirement was met
- Minority Business Enterprise (MBE) or Disadvantage Business Enterprise (DBE) good faith efforts must be recorded
  - Solicit minority participation in contracts for the erection, construction, alteration or repair of any building
    - A 10% goal is mandated by NCGS when State grant funds are used
    - A project specific goal will be set for federally funded construction projects
    - Documented efforts must be reported to NCDOT
- Documented approval from PTD
- Document approval by authorized person before purchase/award

#### Competitive Procurement - Request for Proposal (RFP)

- Normally conducted with more than one source submitting an offer (proposal)
- Either fixed price or cost reimbursement type contract
- Generally used when conditions are not appropriate for use of sealed bids
- Contracts for Information Technology may be entered into under a request for proposal procedure

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#### PROCESS REQUIREMENTS

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- RFP will be publicized. All evaluation factors will be identified along with their relative importance
  - Proposals will be solicited from an adequate number (3 is recommended) of qualified sources
  - Grantees will have a method in place for conducting technical evaluations of the proposals received and for selecting awardees
  - Awards will be made to the responsible firm whose proposal is most advantageous to the grantee's program with price and other factors considered in determining which proposal is most advantageous, grantees may award to the proposer whose proposal offers the greatest business value (best value) to the agency
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NOTE: "Best value" is based on determination of which proposal offers the best trade-off between price and performance, where quality is considered an integral performance factor.

## Procurement of Architectural and Engineering Services (A&E) – Request for Qualifications (RFQ)

Must use qualifications-based competitive proposal (Brooks Act) procedures for all A&E services, unless the project fee is less than \$50,000, then procurement procedures may be exempted with local board approval (N.C.G.S. 143.64.32).

Qualifications based on competitive proposal procedures require that:

- An offeror's qualifications be evaluated
- Price must be excluded as an evaluation factor
- Negotiations be conducted with only the most qualified offeror
- Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the grantee

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### Qualifications Based Competitive Proposals Must be Used for these Services

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- Program management
  - Construction management
    - Feasibility studies (Note-facility needs assessments must include site selection and NEPA document)
    - Preliminary engineering, design, architectural, engineering, surveying, mapping, and related services
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NOTE: If any Federal funds are used, all applicable Federal requirements and certifications must be included in the solicitation. Written documentation must be maintained to support each step of the procurement process

## Noncompetitive Procurement - (Sole Source)

Definition: Solicitation of a proposal from only one source

- After solicitation of a number of sources, competition is determined inadequate
- A contract change outside the scope of original contract is also considered a sole source procurement

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### Noncompetitive or Sole Source (Qualifying Conditions)

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- If the award of a contract is infeasible under competitive procedures
  - Item is only available from a single source
  - Emergency situation will not permit a delay in the purchase of item
  - Solicitation provides only one bid, and competition is determined to be inadequate
    - Item is an associated capital maintenance item and is purchased directly from original manufacturer.
      - o The manufacturer or supplier is the only source for item
      - o The price is no higher than usual price paid
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### Noncompetitive or Sole Source (Reimbursement Criteria)

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- A cost analysis is required
  - Establish a fair and reasonable profit margin
    - If Federal funds are used, applicable Federal requirements and certifications must be submitted to the vendor
  - Sole source requires local governing board approval
    - PTD's Assistant Director for Administrative Services must pre-approve all sole source procurements  \$3,000
    - Written documentation must be maintained to support each step in the procurement process
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### Contract Options

- Grantees may include options in contracts. An option is an unilateral right in a contract by which, for a specified time, a grantee may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract
- If a grantee chooses to use options, the requirements below apply:
  - o Evaluation of Options – option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have been evaluated as part of the award, the exercise of such options will be considered a sole source procurement.

### Exercise of Options

- A grantee must ensure that the exercise of an option is in accordance with the terms and conditions of the option stated in the initial contract awarded
- An option may not be exercised unless the grantee has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised

Reminder: Public transit-related requirements may be incorporated into local procedures or transit system may draft separate procedures

### Nonprofit Procurement Procedures

#### No Written Procedures

To assist all nonprofit agencies in the development or revision of their written procurement procedures, the division will provide a sample procurement policy and implementation procedures that meet the requirements for nonprofit subrecipient procurement procedures. The sample policy can be revised, as necessary (must still meet minimum procurement requirements). The nonprofit agency must obtain governing body approval and submit the

approved procedures, including a certified copy of the minutes of the governing board meeting at which the procedures were adopted, to the Public Transportation Division for approval. The division will notify the nonprofit subrecipient of written approval or disapproval. If the policy does not meet the procurement procedures for nonprofit subrecipients, the policy will be returned to the grantee with revisions necessary to comply with the procurement procedures noted.

### Written Procedure

Nonprofit subrecipients that have existing written procurement procedures must ensure that they meet the requirements for nonprofit subrecipient procurement procedures. If not, the procedures must be revised to meet the requirements and receive governing body approval of the revisions. The approved procedures, including a certified copy of the minutes of the governing board meeting at which the revised procedures were adopted, are submitted to the Public Transportation Division for approval. The division will notify the nonprofit subrecipient of written approval or disapproval. If the policy does not meet the procurement procedures for nonprofit subrecipients, the policy will be returned to the grantee with revisions necessary to comply with the procurement procedures noted.

### **Section 5311, 5310, 5316 and 5317 Procurement Checklist**

Each procurement conducted by Section 5311, 5310, 5316 and 5317 subrecipients must be in compliance with applicable Federal and State laws, rules, regulations and local procurement procedures. The procurement checklists are intended to assist the subrecipient in conducting a proper procurement, provide documentation that all applicable requirements were followed and expedite the procurement approval process, if required, and subrecipient reimbursement. The checklists incorporate the State's local government procurement requirements as stated in NC General Statute 143-129, the Federal Transit Administration's requirements as stated in Circular 4220.1F, the FTA Master Agreement and guidance in the Federal Transit Administration's [Best Practices Manual](#).

Quick Reference Summary Table

Level	Procurement Method	Amounts	Type	Bid Procedure
1	Local Guidelines	Up to \$2,999	All	Use local procedures
2	Price Quotes	\$3,000-\$30,000	All	Solicit at least three quotes ( phone quotes are acceptable)
		\$30,000-\$89,999	Non-Construction	Solicit written quotes
3	Informal Bid	\$30,000-\$99,999	Construction Federal	from at least three bidders
		\$30,000-\$499,999	Construction State	
		\$90,000 and over	Non-Construction	
4	Formal Bid (sealed)	\$500,000 and over	Construction State	Advertised solicitation
		\$100,000 and over (MAP-21 increases this to \$150,000)	Construction (federal)	

Compliance with Federal and State procurement requirements in addition to the Bus (Pre-Award and Post-Delivery Reviews), Buy America, Suspension and Debarment, Lobbying and Americans with Disabilities Act requirements are monitored through the use of the procurement checklists.

Subrecipients must submit the appropriate completed procurement checklist for prior approval or with the request for reimbursement that is submitted to the Public Transportation Division. Attach a copy of the executed certifications for applicable Federal requirements for informal quotes and formal bids to the checklist. Requests for reimbursement that are received without the required attachments will be returned to the grantee unpaid.

The grantee's authorized official or the individual delegated authority to submit requests for reimbursement signs the certification statement at the bottom of the procurement checklist form for each procurement. Public Transportation Division staff review the completed form and appropriate attachments to insure that all requirements were met. PTD approval is only provided for formal bids and for informal quotes when purchasing some types of rolling stock or completing construction/renovation projects. Subrecipients must receive written approval from the division prior to awarding the contract.

The request for reimbursement form and procurement checklist will be returned to the subrecipient if the required information is not provided or is incomplete. Instructions will be provided to advise the subrecipient of corrective action that must be taken for the division to reimburse the subrecipient for eligible project costs.

The checklist and all supporting documentation are to be retained by the subrecipient for at least five (5) years following closeout of the project by the department.

## Lobbying

Lobbying is defined as influencing or attempting to influence an officer or employee of any Federal department or agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining a federal grant, cooperative agreement, or any other federal award.

State agencies and subrecipients must impose lobbying restrictions on their third-party contractors and must obtain certifications. Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying.

Where third party contractors are involved, subrecipients must obtain a signed certification of compliance from the contractor. If contractors received more than \$100,000 in federal funds and used non-federal funds to support lobbying, subrecipients must obtain the completed Standard Form-LLL from the contractor.

## Debarment and Suspension

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

NCDOT will not enter into any third-party contract or grant agreement with any party included in the "US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs." This pertains to all FTA sponsored program funds. Listing of excluded parties can be located at: <https://www.sam.gov/>. The state listing of those parties disbarred or suspended can be located at: <http://www.doa.state.nc.us/PandC/actions.asp>

PTD subrecipients receiving more than \$25,000 through a project from NCDOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual certifications and assurances. All subrecipients also must ensure that their third party contractors receiving more than \$25,000 are not debarred or suspended from doing business with the federal government. Thus, subrecipients must search both the debarment/suspension federal website.

Subrecipient responsibilities:

- Sign a certification of compliance pertaining to debarment and suspension.
- Verify that a third-party contractor is not disqualified by a Federal agency.
- Obtain a signed certification and add a clause or condition to the contract or subcontract regarding debarment and suspension.

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

### Buy America Provisions

These provisions are federal “domestic content” regulations. Buy America affects vehicle and equipment purchases and construction contracts valued at \$100,000 or more. It provides, with exceptions, that federal funds may not be obligated for transportation projects unless the steel and manufactured products used in them are produced in the United States.

### Pre-Award and Post-Delivery Audits

Procurements for vehicles must be in accordance with “Pre-Award and Post-Delivery Audits of Rolling Stock Purchases” ([49 CFR Part 633](#); Federal Register March 31, 1992). The rule requires that any subrecipient who purchases rolling stock certify to the NCDOT that it has conducted a pre-award and post-delivery audit to ensure compliance with its bid specifications, domestic content, Buy America requirements and Federal Motor Vehicle Safety Standards. Visual inspection and road testing are required when purchasing unmodified vans, cars, or 20 or fewer buses.

As part of the vehicle inspection of a new vehicle, in addition to specifications of each vehicle being in compliance, the domestic content (Buy America) of eligible vehicles must be reviewed. All necessary compliance requirements will be included on the applicable vehicle inspection form to be reviewed by each system once the vehicle is delivered. After it is determined that the vehicle has met all requirements, the form is signed and faxed or emailed to PTD.

Resident inspection is required when purchasing more than 20 buses or modified vans from a single manufacturer.

### New Model Bus Testing

New bus models must be tested at the FTA sponsored test facility in Altoona, PA before federal funds can be expended to purchase them. The FTA rule exempts certain vehicles from testing (usually sedans and non-modified vans). The primary purpose of the testing program is to determine the strengths and weaknesses inherent in the particular model for typical operating conditions. Ideally, subrecipients use the bus-testing report as one of the criteria used to select the vehicle for purchase.

Subrecipients purchasing equipment with federal funds are required to receive the Altoona/STURAA bus test report for each vehicle purchased and include it in procurement files if the test is required. The vendor, prior to subrecipients signing off, should provide the report on post-delivery certification forms and acceptance of the vehicle(s) from the vendor. A third party contractor must provide a signed bus testing certification with vehicle bid proposal along with the Altoona bus test report.

# SATISFACTORY CONTINUING CONTROL

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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 NC administered funds is the responsibility of the transit system. The NCDOT retains title to all property, providing the vehicle is used for public transportation, until which time the vehicle is replaced. Subrecipients of funds administered by the NCDOT are required to certify that any property purchased with those funds is used for public transportation services within the subrecipient's service area or other area described in the grant application standards for the useful service life.

All property acquired using federal funds shall be utilized and disposed of in accordance with the applicable FTA program circular, FTA Circular 5010.1D (as amended) and [49 CFR 18](#) or [49 CFR 19](#).

Title to all property purchased with federal and state funds shall be vested in the name of the subrecipient with NCDOT as the first and only lien holder. The NCDOT / PTD retain the title to all rolling stock in their files until the vehicles meet useful service life.

The subrecipient shall have the requisite fiscal capability to carry out the project and be responsible for maintaining required insurance coverage (NCDOT 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. NCDOT has the right, and obligation, to review the transit system's maintenance and safety programs and to conduct periodic audit of equipment and facilities funded with state and federal funds administered by NCDOT.

## Vehicles

The NCDOT Public Transportation Division ensures that subrecipients are aware of and comply with the requirement that vehicles and other equipment purchased with Federal and/or State funds are maintained in a good state of repair and cleanliness. Each capital project agreement stipulates that the subrecipients shall maintain all project equipment at a high level of cleanliness, safety, and mechanical soundness. Subrecipients are required to document all vehicle maintenance activities in a format that is readily accessible and includes copies of purchase orders, invoices, etc. as evidence that the maintenance was performed. NCDOT PTD tracks and conducts maintenance inspections as a part of the System Safety Program Plan

review and distributes a sample of a pre-trip vehicle inspection form for systems to utilize prior to full inspection.

Vehicles are to be used to provide transportation services described in the grant application, the locally approved Community Transportation Service Plan (CTSP) (formerly Transportation Development Plan) or the transit-human service coordinated plan, and any revisions or amendments to either the project application or the planning documents, whether or not the project or program continues to be supported by Federal funds. With prior written approval of the Department, project equipment may be used for other purposes provided that those other uses are consistent with uses outlined in the application and CTSP and do not interfere with the primary purpose of public transportation service provision. If any equipment is not used in accordance with the application of planning document, the subrecipient shall contact the Department. Vehicles funded through the PTD are not to be used for any administrative purposes unless so determined by the division.

Failure to carry out these requirements shall constitute a breach of contract and, after notification by the Department, may result in termination of the project agreement. In the event of the subrecipient's noncompliance with any provision(s) of the project agreement, the Department may terminate the agreement by giving the subrecipient thirty (30) days written notice. Before issuing notice, the Department shall allow the subrecipient thirty (30) days to correct for noncompliance. The thirty-day period granted for the purpose of enabling the subrecipient(s) to attain compliance shall commence on the date the subrecipient notifies the Department of any noncompliance. The thirty-day period shall be thirty (30) consecutive calendar days. In the event that a Federally observed holiday falls during such thirty (30) day period, the day on which the holiday is celebrated shall not be counted as one of the thirty (30) days. In the event of termination or breach of contract provisions, the grantee shall surrender the equipment and/or transfer title(s) for equipment to the Department or the Department's designee.

The grantee or subrecipient shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired.

Vehicles will be maintained based on the manufacturer's suggested maintenance guidelines. Each Transit system must establish a maintenance program that, at a minimum, meets the equipment manufacturers' recommendations. NCDOT/PTD has the right and obligations to review the transit system's maintenance and safety programs and to conduct periodic inspections of equipment and facilities funded with state and federal funds administered by NCDOT/PTD.

The PTD also requires that subrecipients have in place a pre-trip/post-trip inspection requirement to ensure that safety and operational standards are consistently met by each system vehicle, and if so equipped, by all vehicle accessibility features, prior to being placed in

revenue service. NCDOT/PTD requires that documented daily pre-trip/post-trip inspections are included as part of the permanent file for each vehicle acquired by subrecipients through the Federal Section 5311 Program or State rural capital program. Note that these maintenance requirements also apply to all NCDOT administered funded vehicles across the state.

### Maintenance of ADA Equipment

In addition to the proper maintenance of vehicles and facilities, subrecipients must maintain in operative condition those features of facilities and vehicles that are required to make the vehicles and facilities readily accessible to and usable by individuals with disabilities. These features include, but are not limited to, lifts and other means of access to vehicles, securement devices, 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.

Each subrecipient shall have in place an established system to ensure the vehicle operator conducts an inspection and operational/serviceable check of the lifts to include all ADA equipment during the pre-trip inspection. When a lift is discovered to be inoperative, the entity shall take the vehicle out of service before the beginning of the vehicle's next service day and ensure that the lift is repaired before the vehicle returns to service. If there is no spare vehicle available to take the place of a vehicle with an inoperable lift, such that taking the vehicle out of service will reduce transportation service the entity is able to provide, the public entity may keep the vehicle in service with an inoperable lift for no more than five days (if the entity serves an area of 50,000 or less population) or three days (if the entity serves an area over 50,000 population) from the day on which the lift is discovered to be inoperative. If a vehicle is operating on a fixed-route with an inoperative lift, and the headway to the next accessible vehicle on that route exceeds thirty (30) minutes, then alternative transportation shall be provided to individuals with disabilities who are unable to use the vehicle because the lift is not operational.

### Records Retention and Management

The permanent vehicle file for more randomly selected vehicle(s) purchased in part or in whole with NCDOT administered funds is/are routinely reviewed during periodic site visits conducted by the PTD. Equipment records must be maintained for the life of the vehicle plus 5 years after disposition.

### System Safety Program Plan (SSPP)

Vehicle Maintenance is a Core Element of the System Safety Program Plan (SSPP). All Community Transportation Systems are required to develop and implement a SSPP that is reviewed and monitored by PTD-Safety & Training Unit. Prior to approval from the governing

board, the SSPP must be submitted to NCDOT/PTD/Safety Unit for review for accuracy. The six Core Elements include: driver employer selection; driver employer training; safety data, acquisition and analysis; drug alcohol and abuse program; vehicle maintenance and security. The Vehicle Maintenance element of the approved SSPP must insure the following:

- No unsafe vehicles are dispatched for service
- Maintenance is focused on safety
- Regular, scheduled attention is given to maintenance by all employees

### Vehicle Incident or Casualty Loss

Grantee must report a vehicle incident, accident or casualty to PTD within 48 hours of the occurrence.

- The required form with elements identified in the FTA Alert Bulletin should be completed in accordance with FTA Order 1920.1A. and emailed to the Safety Division Director at PTD.
- Vehicles that are damaged, but repairable, must be repaired to the same or better condition prior to the incident.

Reminder: If the vehicle is deemed a total loss, the following documentation must be submitted to PTD, attn: Senior Procurement Specialist within 10 working days of the incident:

- Vehicle Identification Number (VIN)
- The model year
- The vehicle make
- The mileage at the time of the incident
- N.C. Accident Report (DMV-349) or N.C. Incident Report (fire casualty)
- Correspondence from the Insurance Company indicating the amount of the settlement of proceeds.

NOTE: See Disposition Section of this guide for additional information

### Facilities

Facilities constructed, purchased, renovated or improved utilizing federal and/or state funds shall be the property of the applicant for the expected life of the facility or for as long as the facility is used for transportation purposes. FTA's current useful service life requirement for facilities is forty years. If for any reason the facility is no longer needed for the purposes of public transportation services in nonurbanized areas, the provisions of State statutes pertaining to the disposition of real property, provisions on facility ownership and use, and the Federal Transit Administration Circular 5010.1D, Grant Management Guidelines, as amended or revised, shall apply.

The NCDOT/PTD shall conduct inspections every three years of all state and federally-funded facilities, whether new construction, renovation or expansion of existing facilities. A reasonable amount of time shall be provided to correct any deficiencies found during the review.

## Equipment and Real Property Management

### Inventory

Any capital equipment purchased with federal or state funds administered by the NCDOT must be inventoried, and information updated annually on the PTD Vehicle Inventory (currently the vehicles are listed on both Trapeze EAM and an independent statewide vehicles inventory maintained by PTD). The form should be updated as soon as new or transferred equipment (including vehicles or property) is received or acquired.

All vehicles and equipment shall be assigned an identification number to allow the items to be traced easily. 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 subrecipients for vehicles, facilities, and equipment purchased with federal and state funds. Subrecipients are provided a standardized inventory form from NCDOT that includes information such as:

- Description;
- Identification number;
- Procurement source;
- Acquisition date;
- Cost;
- Percentage of Federal participation in the cost;
- Project Contract Number under which it was procured;
- Location, use and condition; and
- Any disposition data (including the date of disposal and sale price, or, where applicable, the method used to determine its fair market value).

All information contained in the inventory is verified or corrected and returned to NCDOT no later than the requested due date.

The subrecipient inventory of equipment is reviewed by NCDOT and the results reconciled annually with NCDOT equipment records. PTD staff reconciles the subrecipient inventory report with title files and during on-site visits. Any discrepancies must be investigated by NCDOT/subrecipient to determine the cause.

## Vehicle Use/Lease Agreements

NCDOT encourages transit systems to retain direct control of their vehicles. Therefore, NCDOT discourages placing vehicle(s), equipment or real property under the control of other agencies (other than transit management companies) and reserves the right to approve or disapprove all vehicle/equipment/property use agreements that involve items purchased with state or federal dollars. When a transit system has justified that the best use of the vehicle(s) or equipment would be under a vehicle use agreement, several issues should be addressed before the vehicle use agreement is signed. Some issues that must be discussed with the subcontractor are:

- Drivers of the transit system or drivers from another agency may drive the vehicles as long as insurance coverage is adequate for these uses;
- The vehicle use agreement must state who is responsible for such items as insurance, maintenance, drivers, emergencies, backups, etc.;
- The vehicles must be operated 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; and
- Drug and alcohol testing requirements.

The transit system remains responsible to NCDOT and FTA for compliance with all state and federal rules and regulations. The office must be notified of the location of the vehicle or equipment. The physical location must be entered on the PTD Vehicle Inventory List. Subrecipients shall use the approved NCDOT/PTD lease agreement.

## Utilization Standards for Other Equipment

Equipment such as computers, radios, and fareboxes purchased with state or federal dollars must also be used to its maximum capacity.

### Computers and Other 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 recipient's public transit program. Formula funds or state funds may be available for this purpose.

Subrecipients that may be multi-purpose agencies (cities, councils on aging, etc.) must either affirm that the equipment will be dedicated to public transit use or prepare a cost allocation proposal. 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 color copier funded by another program.)

### Use of Facility/Real Property

NCDOT discourages incidental uses of real property unless it can generate additional revenues for the transit system or, at a reasonable cost, enhance system ridership. Prior written NCDOT approval is required for incidental uses of real property which must be compatible with the original purposes of the contract.

Incidental use of project real property is subject to the following considerations:

- Needed Property. This policy applies only to property that continues to be needed and used for a project or program. It is NCDOT's intention to assist only in the purchase of property that is needed for an FTA or state project.
- Purpose & Activity. The incidental use must not compromise the safe conduct of the intended purpose and activity of the initial mass transit project activity.
- Continuing Control. Incidental use must not in any way interfere with the continuing control over the use of the property or its continued ability to carry out the project or program.
- Nonprofit Use. While incidental should be kept to a minimum, nonprofit uses are also permitted.
- Air Rights Income. Proceeds from licensing and leasing of air rights should reflect appraised fair market value. Income received from the authorized use of air rights may be retained by the subrecipient (without returning the Federal share) if the income is used for eligible transit planning, capital and operating expenses. This income cannot be used as part of the local share of the contract from which it was derived. However, it may be used as part of the local share of another FTA/NCDOT grant.

## Disposition

### Vehicles

Disposition of vehicle(s) takes place when the vehicle meets the required mileage ("useful service life") criteria and is identified on the PTD Vehicle Inventory List (Public Transportation Management System), the project's grant application, and/or the CTSP implementation schedule for replacement.

Important to Note:

- Minimum mileage on October 1 prior to application submittal date.
- The useful useful service lifestandards apply to federal and state funded vehicles.
- Reaching the useful useful service lifedoes not guarantee replacement of the vehicle. Replacement will be recommended if the system service volume and vehicle needs warrant vehicle replacement.
- When new replacement vehicles are received and placed into service, the old vehicles must be disposed. The disposition process for the replaced vehicle should be started within 60 days after delivery of the new vehicle.
- See the Disposition Methods (all equipment) section of this manual for the process of vehicle and equipment disposal.
- The PTD requires all Certificates of Title for vehicles purchased with federal and state funds to have a first lien to PTD recorded on the titles. All titles are kept in the PTD office files.
- Titles will be released when the useful service lifefor the replaced vehicle has been reached and the inspection/acceptance form for the new vehicle has been completed and submitted to the Public Transportation Division.

The Public Transportation Division's Mobility Development Specialist (MDS) will review any changes in the vehicle replacement that differs from the vehicle approved in the funded application. The PTD Vehicle Inventory List must be kept current to reflect the same vehicle(s) that are requested for disposition as the ones replaced under the current FY application or changes approved by the MDS.

The PTD will release titles for replaced vehicles to the owner (grant recipient). Once the title is received, the project may proceed with local disposition of vehicle. Vehicle(s) may be sold by advertising for sealed bids or through public auction method, or transferred, with PTD approval, to another agency.

PTD will retain a lien on such vehicles as long as useful service life remains and PTD will oversee the disposition of these vehicles as identified in the approved guidelines.

## Disposition Methods (All Equipment)

### Advertising for Sealed Bids

- This method may be used by both public and private nonprofit transit systems
- A minimum of two (2) written appraisals of the current fair market value of the vehicle will be required to establish a minimum bid price
- A Fair Market Value form is included in the Inspection/ Disposition Workbook Packet to assist in getting appraisals from dealers
- Estimates may be averaged to establish the minimum bid
- An advertisement in local paper or paper with a large circulation shall be placed at least once allowing for not less than 7 days between the advertisement date and sealed bid opening
- Ad must include minimum bid, place and time of bid opening
- Sealed bids must be submitted and award shall be made to the highest bid over the minimum established bid
- The current grant recipient named in the CTSP may keep 100% of the proceeds

### Local Public Auction

- This method may be used by both public and private nonprofit transit systems
- The vehicle(s) may be sold through an advertised public auction
- Award shall be made to the highest bid
- The current grant recipient named in the CTSP may keep 100% of the proceeds

### State Surplus

- This method is only available to public entities.
- Private nonprofit systems may find that their county procurement or finance offices may be able to process dispositions on their behalf.
- Once the subrecipient receives the title, the State Surplus Property Agency can be contacted to arrange the disposition of the vehicle on the Surplus Bid sheet. Contact at State Surplus is 919-854-2160, or [www.doa.state.nc.us/ssp/](http://www.doa.state.nc.us/ssp/)
- Subrecipient will receive authorization and instructions to submit information electronically.
  - Select review by State Surplus Property Agency
  - A "Power of Attorney" form completed for each title.
  - Do not complete the back of the title.
  - Complete the form, sign, and have it notarized.
  - MVR 180-A, Odometer and Damage Disclosure form must be completed for each vehicle.
  - The "Power of Attorney" form, Certificate of Title, and MVR 180-A form must be forwarded to:

State Surplus Property Agency  
1310 Mail Service Center Raleigh,  
NC 27669-1310

- The vehicle may be transported to the Department of Administration Surplus Property lot on Highway 54 (near State Fairgrounds) or may remain at the project's designated location.
- If vehicle is retained at the project site, a street address must be provided to State Surplus Property Agency.
- The vehicle will appear first in the "Classified Ads" section of the web site.
- If the vehicle is not sold, it will be posted on the statewide bid list in approximately 3-4 weeks.
- After the vehicle is sold, State Surplus Property Agency will forward the proceeds to the project, less a 5% service charge for processing the vehicle.

### Vehicle Transfer Process

This method may be used by both public and private nonprofit transit systems.

- On the Inspection/Disposition form, complete the section for transferring a vehicle.
- Identify the agency vehicle will be transferred to.
- Indicate how vehicle will be used by the agency.
- The vehicle cannot be used by the agency in a manner that would be in competition with the transit system.
- The vehicle must be removed from the system's fleet inventory and the PTD Vehicle Inventory List.
- The vehicle will not be eligible for replacement again under any of the Division's administered funding programs.
- The transit system's Mobility Development Specialist will review and if approved, the title will be forwarded to the project with the lien released.
- If a vehicle is not approved for transfer, another method of disposition must be selected.

Administrative use of replaced revenue vehicle for staff/training purposes

- On the Inspection/Disposition form, complete the section for transferring a vehicle.
- Identify the vehicle that will be transferred (retained) by the Transit System
- Indicate that the vehicle will be used by the system for administrative and training purposes
- The vehicle must be removed from the system's fleet inventory and the PTD Vehicle Inventory List.
- The vehicle will not be eligible for replacement again under any of the Division's administered funding programs.
- The vehicle cannot be used by the system for fleet or revenue purposes
- The transit system's Mobility Development Specialist will review and if approved, the title will be forwarded to the project with the lien released.
- Only one vehicle of this type may be approved per system based on this process.
- If a vehicle is not approved, another method of disposition must be selected.
- System name or lettering should be removed and vehicle marked "Administrative or Staff Vehicle"

### Vehicles - Total Loss

NOTE: Additional information found in the "Vehicle INCIDENT OR CASUALTY LOSS" Section

Met Useful service life - Vehicles that have been totaled and have met the useful service life requirements must be disposed of and the insurance proceeds retained by the grantee:

- Minivans; standard vans; center aisle vans; conversion vans; and lift equipped vans with 15 passengers or less must have at minimum of 115,000 miles.
- Light transit vehicles (20'-25') (formerly cutaway buses) must have a minimum of 145,000 miles.
- Ten-year transit buses (30'- 35') must be at least 10 years or have a minimum of 350,000 miles.

- Twelve-year transit buses (30'- 35') must be at least 12 years or have a minimum of 500,000 miles.

Not-Met Useful service life - Vehicles that have been totaled, but have not met the useful service life criteria may be disposed of and the insurance proceeds applied as follows:

- Return within 14 days to PTD either the Federal and/or State interest of the unamortized value of the vehicle based on straight line depreciation of the original purchase price or the Federal and/or State interest of proceeds, whichever is greater.
- Apply 100% of net proceeds to the acquisition of a new like-kind vehicle. Any additional costs (if more than the proceeds) are to be met by the grantee. Excess proceeds are to be returned to PTD, with the grantee retaining the pro rata local share.

Once all the required documentation is received by PTD, a letter along with the title will be forwarded to the grantee.

- If the vehicle has met or exceed the "Casualty loss criteria" the grantee may use the proceeds for transportation related need.
- If the vehicle has not met the "Casualty loss criteria", the grantee will receive instructions in the letter from PTD.
  - Return the Federal and/or State share to PTD within 30 days.
  - Provide in writing that they will purchase a "like-kind" vehicle within 60 days.

Proceeds received from vehicles that are sold or due to casualty loss, originally purchased with State or Federal funds, must be used for transportation related needs of the transit system specified in the grant with NCDOT.

## Non-Vehicle

### General Guidance

- In accordance with FTA requirements, proceeds received from the sale of equipment, purchased with State and Federal funds, must be used for transportation related needs. The proceeds can be used as local match for future NCDOT FTA or state grants.
- The PTD Vehicle Inventory List and local property management records or fixed asset inventories should be updated to reflect the type of disposition, date, and value of sale.

When non-vehicle property has been replaced and/or has met the required useful service life, the recipient shall dispose of the item in a manner that is in compliance with the following:

- FTA Circulars [9040.1G](#) [9070.1G](#) and [5010.1D](#)
- State Management Plan
- 49 CFR 18, 49 CFR 19 and the N.C.G.S.

### Technology Goods, Computers & Related Items

Technology goods, computers and related items may be disposed of using the same methods as outlined above.

- Once the replacement is purchased, the replaced item may be disposed.
- All data and information should be erased from the drives and the software removed. Contact your local IT support office for assistance.
- When transferring these items to other agencies or groups, prior approval by PTD staff is required. Submit your request to your Mobility Specialist at PTD in writing. You will receive a written approval or denial.

Communication Equipment, Office Furniture/Equipment, & Other Capital Items Communication equipment may be disposed of following the above methods when the equipment has met the required useful service life and has been replaced.

- Communication equipment is eligible for replacement at 10 years.
- Office furniture, equipment and other capital equipment will be evaluated on a case by case basis to be eligible for replacement. Once the replacement equipment is purchased, the replaced item may be disposed of following the methods outlined above.

# CAPITAL REPLACEMENT AND DISPOSITION SCHEDULE

**Note:** Assets that have met their useful service life will not automatically be replaced. This schedule represents the minimum threshold for replacement consideration. Listed capital items are illustrative and not exhaustive.

**Effective 7/1/2012**

CATEGORY CAPITAL ITEMS	MINIMUM REQUIREMENTS	MINIMUM DOCUMENTATION REPLACEMENT CONSIDERATION
<b>MAJOR FACILITY RENOVATIONS AND NEW CONSTRUCTION</b> years	<b>40</b>	
<ul style="list-style-type: none"> <li>▪ Building Purchase</li> <li>▪ Facility Construction</li> </ul>		<p><b>Note:</b> Major Renovation involves the purchase of an existing building and complete refurbishing of the building. <b>Needs Assessment required.</b> Plans and specs would be required.</p>
<b>OFFICE FURNITURE</b> Years	<b>12</b>	
<ul style="list-style-type: none"> <li>▪ Desk</li> <li>▪ Bookcase</li> <li>▪ File Cabinet</li> <li>▪ Chairs</li> <li>▪ Conference Table</li> <li><input type="checkbox"/> Safe (Fireproof) (25 yrs.)</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement</li> </ul>
<b>OFFICE EQUIPMENT</b>	<b>5 Years</b>	
<ul style="list-style-type: none"> <li>▪ Fax Machine</li> <li>▪ Copier</li> <li>▪ Calculator</li> <li>▪ Etc.</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement</li> </ul>
<b>AUDIO VISUAL EQUIPMENT</b>	<b>10 Years</b>	
<ul style="list-style-type: none"> <li>▪ VCR/DVD</li> <li>▪ TV</li> <li><input type="checkbox"/> Camcorder</li> <li><input type="checkbox"/> Etc.</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement</li> </ul>
<b>BASELINE TECHNOLOGY</b> Years	<b>5</b>	
<ul style="list-style-type: none"> <li>▪ Computer</li> <li>▪ Printer</li> <li><input type="checkbox"/> Laptop (Includes Projector)*</li> <li><input type="checkbox"/> Server</li> <li>▪ Scanner (6 yrs.)</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement in item #14 of project description</li> <li>* Will be considered if needed for presentations</li> </ul>
<b>SECURITY &amp; SURVEILLANCE</b> Years	<b>7</b>	
<ul style="list-style-type: none"> <li>▪ Video (facility and vehicles)</li> <li>▪ Camera</li> <li>▪ DVR</li> <li>▪ Wireless units</li> <li><input type="checkbox"/> Antenna</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement</li> </ul>
<b>COMMUNICATIONS EQUIPMENT</b>	<b>6 Years</b>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> Radio units</li> <li><input type="checkbox"/> Base Station</li> <li><input type="checkbox"/> Cell phones</li> <li><input type="checkbox"/> Antenna</li> <li><input type="checkbox"/> Repeat</li> </ul>		<ul style="list-style-type: none"> <li>○ 1 retail estimate</li> <li>○ Description of need for replacement in item #14 of project description</li> </ul>
<b>MAINTENANCE EQUIPMENT &amp; FIXTURES</b>	<b>12 Years</b>	
<ul style="list-style-type: none"> <li>▪ Roller cabinets</li> <li>▪ Portable tool stands</li> <li>▪ Compressors- (5 yrs.) stands</li> <li>▪ Hoists- (10 yrs.)</li> <li>▪ Bus washers- (10-15 yrs.)</li> <li>▪ Diagnostic equip</li> <li>▪ Lift truck</li> <li><input type="checkbox"/> Engine</li> <li><input type="checkbox"/> Brake lathes</li> <li><input type="checkbox"/> Etc.</li> </ul>		<ul style="list-style-type: none"> <li>○ Only Systems with in-house Maintenance Garage are eligible</li> <li>○ 1 retail estimate</li> </ul>
<b>SUPPORT VEHICLES</b>	<b>7 Years</b>	
<ul style="list-style-type: none"> <li>▪ Trucks – Light Duty (under 12,500 lbs. g.v.w.)</li> </ul>		<ul style="list-style-type: none"> <li>○ Only Systems with in-house maintenance garage are eligible</li> <li>○ 1 retail estimate &amp; Justification for replacement</li> </ul>
<b>REVENUE VEHICLES</b> Vans		
<ul style="list-style-type: none"> <li>▪ Center Aisle Van (2010 or older)</li> <li>▪ Mini-Van</li> <li>▪ Conversion Van or Lift Van</li> </ul>	<b>115,000 miles</b>	<ul style="list-style-type: none"> <li>○ Updated PTD Vehicle Inventory List</li> <li>○ Current VUD</li> <li>○ Once required fleet size has been determined through the capital assessment process, vehicles may be designated for disposition and not be eligible for</li> </ul>
<b>Buses</b> Light Transit Vehicle (LTV)		



# ALLOWED & PROHIBITED USES OF FEDERAL & STATE FUNDED VEHICLES & FACILITIES

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## Incidental Use

Vehicles and equipment purchased with state and federal transit assistance funding are solely based on proposed use for public passenger transportation. FTA and NCDOT do allow incidental use of vehicles and equipment under the following conditions:

- The incidental use does not interfere with the public transit services for which it was originally obtained, and
- The incidental use does not exceed 20 percent of the total use of a vehicle.

## Charter Service

FTA and NCDOT 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 for urban areas set forth in the charter service regulation at [49 CFR 604.9 \(b\)](#) applies. Incidental use may include meal and parcel delivery, restricted client services, and FTA allowable charters. Charter service is an allowable activity on an incidental basis if the applicant successfully completes the charter public notice requirements and no private charter providers are available. Applicants must reference Federal Transit Act, as amended [49 CFR, 604.11\(c\)](#).

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 nor used to achieve the minimum useful service life mileage. The subrecipient must maintain separate logs for charter service. **Systems will submit their Quarterly Charter Reports with claims for the months of Sept/Dec/Mar/June, as they submit their quarterly claims in Partner Connect. The MDS will then download the appropriate charter report in the file to the shared drive to the location of S:\PUBT\MOBILITY DEVELOPMENT SECTION\4. REPORTS AND STATISTICS\CHARTER\QUARTERLY REPORTS\FFYxxxx. The Charter Reporting Program Manager will compile reports and submit to FTA TEAM.** Refer to Appendix 3 for Charter requirements.

## Meal Delivery for Homebound Individuals

Public transportation service providers receiving Section 5311(c) or Section 5310 funds and human service transportation systems may coordinate and assist in regularly providing meal delivery service for homebound individuals, if the delivery service does not conflict with providing public transportation service or reduce service to public transportation or human service agency passengers. NCDOT expects the nutrition program to pay the operating costs attributable to meal delivery. The number and size of vehicles applied for under federal or state programs must be determined by the number of passengers to be transported, not meal delivery capacity. Federal 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.

## Use of Federally Funded Vehicles for Medicaid Transportation

Transit vehicles purchased with FTA/NCDOT funds that still have a useful service life and have not been released by NCDOT should be used for providing transportation services within the local transit provider's designated service area. Transportation within the designated service area includes transportation of an individual from the designated service area to a facility or location outside the service area and the return trip. In the case of coordinated trips, a transit provider is allowed to pick up an individual outside of its service area, if it is a part of a coordinated trip to a designated location.

Medicaid transportation expenses should be fully allocated by the subrecipient. Therefore, the transit provider should ensure that the rates negotiated for any contracted Medicaid transportation service provided by the public provider covers all anticipated expenses associated with providing the service, including maintenance of vehicles and any administrative overhead.

Additionally, any agreement entered into by a transit provider to provide Medicaid transportation services must not replace or minimize the primary mission of the transit provider to provide public transportation service to the general public. Copies of all contracts entered into by subrecipients will be forwarded to NCDOT /PTD for review and approval.

## Emergency Leases between Systems

If emergency situations arise and a vehicle will be out of service for several months, a transit system may want to lease another vehicle to replace the "out-of-service" vehicle. If available, a vehicle may be leased short-term from another transit system to maintain needed service needs within a service area. NCDOT should be notified of any pending lease agreement. Any lease must be approved by NCDOT in advance and a copy kept on file at NCDOT with the original titles for all vehicles operated by subrecipients.

# OTHER APPLICABLE PROVISIONS

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## Background

Several laws and administrative requirements apply to all federal grant programs and, therefore, are applicable to the Sections 5310, 5311, 5316 and 5317 programs as well. Compliance features for some 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 NCDOT shall use a combination of quarterly and annual reports, desk audits, site visits, triennial reviews, operating statistics, project invoicing and governing and TAB board meeting minutes to monitor compliance with federal and state rules and regulations.

## Title VI

The NCDOT Title VI Program monitoring and oversight questionnaire was developed in response to federal nondiscrimination regulations issued by the United States Department of Transportation (DOT). The Title VI Program oversight is the responsibility of the department's Office of Civil Rights. Desk audits and site visits, as necessary, are conducted every three years of all subrecipients. Each subrecipient prepares a Title VI plan that is reviewed and approved by the Office of Civil Rights.

While requirements to ensure nondiscrimination are the same for all grantees, the level of formal program and reporting requirements vary by population size, mode and number of fixed route vehicles operated in peak service (not funding source). Discrimination with regard to the routing, scheduling, or quality of transit service is prohibited. Frequency of service, age and quality of vehicles assigned to routes, quality of stations serving different routes, and location of routes must not be determined on the basis of race, color, national origin.

All subrecipients must provide the public notification of their Civil Rights under Title VI. The issue statement must include a nondiscrimination policy, procedures to request more information, and complaint procedures. Additionally, the issue statement may not be limited to the agency's website (other areas for posting include posters, flyers, brochures/pamphlets, and on vehicles). This information must also be in other languages as per the LEP plan.

Reporting requirements differ based on the population size for the area in which the transit system operates and the number of fixed route vehicles operated in peak service. General reporting is required for all subrecipients. Systems report some general elements annually in the grant application and some elements are reviewed by NCDOT during the compliance reviews.

General reporting requirements include:

- Notice of beneficiaries of protection under Title VI
- Summary of efforts taken to ensure services are provided in an equitable manner

- Minority representation on Advisory boards
- Site of location of facilities
- Summary of public outreach and involvement activities undertaken to ensure that minority and low-income people have meaningful access to services including a copy of the agency's notice to the public that it complies with Title VI
- Language Assistance Plan
- Procedures for tracking and investigating complaints including a copy of the agency's notice to the public on how to file a complaint
- List of any Title VI investigations/complaints/lawsuits

All fixed route operators, regardless of service area and number of vehicles, are required to develop system-wide service standards and policies.

### Equal Employment Opportunity (EEO)

All subrecipients are required to submit to NCDOT assurances indicating their compliance with FTA's Equal Employment Opportunity objectives, as detailed in [FTA Circular 4704.1A](http://www.fta.dot.gov/documents/ftaeooprogramguidelines.pdf) at <http://www.fta.dot.gov/documents/ftaeooprogramguidelines.pdf>.

If any subrecipient meets the threshold specified in the circular (receipt of \$1,000,000 or more in the previous federal fiscal year, and 50 or more mass transit related employees), they will submit an EEO program documenting their nondiscrimination on the basis of race, color, creed, national origin, sex, age, or disability. These are reviewed by the NCDOT Office of Civil Rights, and then forwarded by NCDOT to the Federal Highway Administration, the designated federal agency to review EEO programs. Copies will be made available to the FTA upon request.

### Disadvantaged Business Enterprises (DBE)

It is the policy of the North Carolina Department of Transportation (NCDOT) to ensure nondiscrimination in the award and administration of federally assisted contracts and to use Disadvantaged Business Enterprises (DBE's) in federally assisted contracting and procurement activities.

The NCDOT 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](#). The NCDOT 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, NCDOT 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 funded 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 9040.1G](#) outlines the USDOT's requirements and delineates the steps that the recipient of mass transit funds (NCDOT), subrecipients (Section 5311 grantees), contractors, and subcontractors should take to set goals and meet other requirements for FTA-assisted contracts and procurements.

Project recipients shall be considered as subrecipients of funds from the NCDOT. As such, subrecipients will be required to make and document every reasonable effort to utilize DBEs in order to contribute to the NCDOT's attainment of its current FTA approved goal.

The NCDOT develops and distributes, via its internet website, to existing projects/contracts, a link to the NCDOT Directory of Disadvantaged Business Enterprises. NCDOT's PTD will also furnish a hard copy of this updated directory to the subrecipient upon request. This directory contains the names of firms who have become certified through the NCDOT's Contractual Services office.

As the recipient of the federal funds, NCDOT receives in excess of \$250,000 annually in FTA federal funds, exclusive of funds for the purchase of vehicles. The department is required to develop a 3-year DBE goal and the methodology must be approved by FTA. The PTD will work with the Contractual Services office 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. The PTD and its contractor shall assist in the development of the goals.

### Protection of the Environment/Environmental Justice

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

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

Both Sections 5310 and 5311 subrecipients shall submit declarations of environmental assessments for approval by FTA through their respective application process as necessary.

## Labor Protection

### Employee Protection Provisions of S-5333 (b) Special Warranty

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

When NCDOT 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.

Each Section 5311 subrecipient will contractually assure compliance with the provisions of Section 5333(b) of the Federal Transit Law, indicating that the project will be carried out in such a manner and upon such terms and conditions as will not adversely affect employees of the Section 5311 project and of any other surface public transportation provider in the subrecipient's service area.

All Section 5311 applicants will assure compliance with the above 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 organization subrecipients under the Section 5310 program.

## School Bus Service

Federal and state requirements prohibit the use of vehicles, facilities and equipment funded by federal or state grant programs for the provision of exclusive school transportation service. Exclusive school transportation service is defined as any trip provided by a transportation system for which passengers are restricted only to students being transported to or from school or to or from school activities. The transportation system must not provide any exclusive public school transportation service operated with federally or state funded vehicles, equipment or facilities. The leasing of vehicles for the purpose of public school transportation will not be allowed. Future federal and state grant funding eligibility may be denied if exclusive school transportation service is provided.

Historically, under its tripper service definition, FTA allowed grantees to accommodate students only with respect to “different fare collections and subsidy systems.” That definition of tripper service has been broadened over the years through administrative decisions to allow two additional actions. Grantees may modify the frequency of service and make minor route alterations in the immediate vicinity of schools to stops located at or in close proximity to the schools. For example, a grantee may provide more frequent service on an existing route to accommodate increased student ridership before and after school. Furthermore, a grantee may alter the route path to accommodate the needs of school students by making minor route alterations from the route path to drop off and pick up students at stops located on school grounds or in close proximity to schools. Historically, FTA has defined minor route alterations as “several blocks.” FTA will define a specific threshold for minor route alterations in the forthcoming notice of proposed rulemaking. PTD’s school bus policy can be accessed at: [School Transportation Policy](#).

## Tripper Service

The prohibition against the use of buses, facilities and equipment funded under the Acts shall not apply to tripper service. Regularly scheduled mass transportation service which is open to the public, and which is designed or modified to accommodate the needs of school students and personnel, 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 grantee’s or operator’s regular route service as indicated in their published route schedules.

## Section 504 and ADA Program 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 nonprofit entity “standing in the shoes” of the State as a subrecipient operating fixed route transit, must have complementary paratransit plans on file (effective January 26, 1992); and
- Subrecipients of federal funds should 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 assurances.

If a subrecipient is operating fixed route transit, the subrecipient must describe how it will meet the ADA complementary paratransit requirement with its funding application. The NCDOT must comment on the submittal and approve prior to transmittal of project contract.

NCDOT/PTD must also ensure that all vehicles acquired with federal 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. Currently, all vehicles on state contract that are available for subrecipient purchase are ADA compliant.

Newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

## Certifications and Assurances

The annual certifications and assurances are binding legal commitments for the subrecipient to comply with Federal law and regulations and are issued during the NCDOT programs application process. The certifications and assurances apply to all FTA programs.

Current certifications and assurances from the Federal Transit Administration are located on the [FTA website](#). Each subrecipient must comply with the applicable certifications and assurances to the extent they may apply for federal funding. Updates are required on an as needed basis.

## Lobbying

Lobbying is defined as influencing or attempting to influence an officer or employee of any Federal department or agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining a federal grant, cooperative agreement, or any other federal award.

Recipients of federal grants from any source exceeding \$100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering programs certify to FTA and subrecipients certify to the state. State agencies and

subrecipients must impose lobbying restrictions on their third-party contractors and must obtain certifications.

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

Subrecipient responsibility:

- Sign a certification of compliance pertaining to lobbying activities.
- Where third party contractors are involved, subrecipients must obtain a signed certification of compliance from the contractor.
- If non-federal funds have been used to support lobbying activities in connection with a grant from NCDOT, and the subrecipient receives federal grants exceeding \$100,000, fill out Standard Form-LLL and submit it to DMT.
- If contractors received more than \$100,000 in federal funds and used non-federal funds to support lobbying, subrecipients must obtain the completed Standard Form-LLL from the contractor and submit it to DMT.

## Buy America Provision

Appendix 4 of this document provides extensive guidance of the Buy America requirements and provides required forms and documentation. All procurements shall be reviewed by NCDOT staff. No reimbursement for capital expenses will be issued until all required documentation has been received and reviewed by NCDOT and is satisfactorily complete.

### Pre-award and Post-delivery Reviews

Subrecipients are required, prior to awarding 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). NCDOT PTD will monitor this process and ensure compliance through the procurement process.

For any procurement involving 20 or more vehicles to be awarded as a unit, the subrecipient must perform on-site inspection of the manufacturing process while the units are being assembled. The cost of such an inspection exercise is considered an eligible project cost.

The subrecipient/NCDOT shall perform a post-delivery review of all vehicle procurements, after delivery and prior to acceptance, 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.

## Buy America Requirement

Section 165 of the Surface Transportation Assistance Act of 1982 provides that, with exceptions, federal funds may not be obligated for mass transportation projects unless steel and manufactured products used in such projects are produced in the United States. The Intermodal Surface Transportation Efficiency Act of 1991 added iron to the commodities covered.

Subrecipients must comply with [49 CFR Part 661](#), and any amendments thereto. Buy America requirements apply to all purchases above \$100,000, including materials or supplies funded as operating costs. Buy America waivers must be submitted to FTA for approval. There are four exceptions to the basic requirement:

- It will not apply if its application is not in the public interest;
- It will not apply if materials and products being procured are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;
- It will not apply in a case involving the procurement of buses and other rolling stock, (including train control, communication, and traction power equipment) if the cost of components and subcomponents which are produced in the United States is more than 60 percent of the cost of all components and subcomponents of the vehicles or equipment, and if final assembly takes place in the United States; and
- It will not apply if the inclusion of domestic material will increase the overall project contract by more than 25 percent.

## Clean Air Act

The Clean Air Act Amendments of 1990 establish many new substantive requirements in order to bring air quality regions, which currently violate the National Ambient Air Quality Standards into attainment by prescribed dates.

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

Most of the projects typically funded 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, this 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](#).

The project should therefore consult with FTA when in question, as early as possible in the development of their programs to establish the need for further analysis to support FTA's conformity determination.

Other Clean Air Act requirements may apply to subrecipients, for example phase-in of more stringent bus emissions standards. The FTA Regional Office can supply up-to-date information on various provisions of the Clean Air Act related to mobile sources.

## Safety

Safety is paramount and inherent in the provision of NCDOT/ PTD services both at the organizational level as well as to the ultimate customer - the transit passenger.

To ensure safe operational practices, NCDOT-PTD adheres to all federal (to include Federal Motor Carrier Standards), state and all other applicable guidance. FTA's authority in the area of transit safety is set forth in Section 5329 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 North Carolina, the NCDOT is empowered to carry out the authority indicated above. NCDOT will also exercise authority to remove vehicles and facilities from service if it is deemed that identified vehicles or facilities present an unsafe environment for employees and transit customers. In this regard, NCDOT/ PTD may engage the safety resources of other state and federal agencies, or its designee(s), for assistance in ensuring compliance with all issues relevant to employee and customer safety.

NCDOT/PTD requires each Community Transportation (CT) system to have a locally-adopted System Safety Program Plan (SSPP). This plan has six core elements: general; driver/employee selection; minimum driver/employee training; safety data acquisition and analysis; vehicle maintenance; and security. The SSPP includes requirements for subrecipients to have safety goals and policies, designate a safety representative, review the plan implementation, to collect and monitor safety data, and to develop responses to identified problems, including training and other steps to develop a safety culture. These standards are included in the guidance on SSPP requirements. In addition, when vehicles are delivered to subrecipients, the vendors are required to provide safety and maintenance training (including use of the lift and other accessibility equipment).

The SSPP also must document initial hire procedures for drivers. Qualifications include a written application, interviews, physical requirements (mental and physical conditions, eyesight, hearing, drug and alcohol test), minimum age requirement, and valid Driver's License or Commercial Driver's License, as appropriate. A criminal background record check must also be obtained as part of the application process.

## ITS Architecture

Institute for Transportation Research and Education (ITRE) at North Carolina State University is under contract to NCDOT/PTD to provide on-going services in ITS technology deployment. This includes system Performance Plans to identify technology needs, role as Chair of the Technology Working Group for the Triangle Seamless Service activities, cooperation with NCDOT ITS group to update regional ITS plans, preparation of MOU for each technology implementation in the 9 ITS Planning Regions, updating of Strategic Deployment ITS Plans, implementation of scheduling and dispatching software in Community Transportation systems with over 300 daily trips (including MDTs), implementation and support of Trip-Maker software in smaller systems, development of technology RFP development.

Projects are required to be included in the Regional ITS Strategic Deployment Plans, or submitted as a plan update. Therefore they are part of the National ITS Architecture and Regional ITS architecture.

### Policy to Qualify for Advanced Technologies

The following is the policy for funding advanced technologies with state and federal funds administered by the NC Department of Transportation:

- Applies to Urban Systems, Community Transportation Systems, Urban / Community Transportation consolidated systems, Regional Systems, Recipients of Sections 5310, 5316 and 5317 funds administered by NCDOT.
- All technology deployments requesting funding from the state technology program OR matching funds for Federal grants OR community transportation administration funding.

### Expectations

- All projects will follow the expectations in the Memorandum of Understanding and the State / Local Contract.
- All projects will be included in the Regional ITS Strategic Deployment Plans or submitted as a plan update ([http://www.ncdot.gov/doh/operations/dp\\_chief\\_eng/its/strategic/](http://www.ncdot.gov/doh/operations/dp_chief_eng/its/strategic/)) and therefore comply with the National ITS Architecture.
- All urban projects will be submitted with a plan that includes goals and objectives, identified regional efficiencies, data analysis and assessment of current levels of service, a signed Memorandum of Understanding and a Systems Engineering Analysis.
- All community transportation (non-urban) projects must apply through the pre-application and application process.
- All Sections 5310, 5316 and 5317 applications will be evaluated during the competitive selection process to ensure that they meet minimum funding requirements.

### Qualifications

- Computers
- Advanced Paratransit Scheduling and Dispatching System
- In-Vehicle Technologies
- Other Technologies (including software: as identified in the regional technology plans and the 6 year financial plan for the urban systems)

### Non Eligible Items

- Community Transportation and Urban Technology Programs – funding for telephone systems, radio systems and computer equipment will not be supported.
- New Facility Security Cameras and Real Time Arrival/Departure LED Signs – funding for these should be included in the capital budget for the project.

### Financial Participation

Subject to available funds, NCDOT Public Transportation will participate in the funding of technologies that have met the qualification section as follows:

- State Technology funds (Community Transportation and Urban Advanced Technology Programs) – 90% (does not support maintenance, future year hosting and communication costs).
- Software and Hardware annual maintenance fees for Community Transportation systems – 85% in administration budgets. Priority for these funds will be given to systems that purchased their hardware and software with state assistance.
- Matching Federal Projects funded with Section 5307, and Sections 5310, 5316 and 5317 funds administered by NCDOT – 10% (does not support maintenance, future year hosting and communication costs).
- Data Communication Costs – an operating expense.
- Voice Communication Costs between base and operators – an operating expense.
- Training – PTD will participate in the initial training.
- Custom Reports – is considered an agency expense. Any reports to be used by multiple agencies should be considered on the statewide contract.
- Contract Administration – is considered an agency expense.

## Drug and Alcohol Program

The Drug and Alcohol Misuse Program is required of all grantees receiving state administered funds. "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," as implemented by [49 CFR Part 655](#), 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 Nonurbanized Area Formula Grant Programs to have a drug and alcohol testing program in place for all safety sensitive employees.

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.

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.

## Drug and Alcohol Regulations

NCDOT 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](#); and
- Annually 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. Transit agencies complete this report electronically. The NCDOT/PTD will provide DAMIS Report preparation instructions, along with a transit agency user ID# and Password to all FTA Section 5311 subrecipients, upon receipt from FTA.

To ensure NCDOT subrecipient compliance with FTA mandated Drug and Alcohol Testing Program and the Drug-Free Workplace requirements, NCDOT:

- Periodically reviews 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 3<sup>rd</sup> Party Administrator (TPA) Website;
- 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;
- Collect, compile, and review all data necessary to validate each transit agency's Drug and Alcohol Management Information System (DAMIS) Report. Each transit agency prepares this report electronically. The NCDOT reviews each report and then electronically forwards the data to FTA prior to March 15 of each year.

## Drug-Free Workplace Act

The Drug-Free Workplace Act of 1988, as well as Section 44-107-30, S.C. Code of Laws (1976), as amended, requires all grantees receiving grants from any state agency to certify they will maintain a drug-free workplace.

## Private Sector Participation

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers be given 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 governmental authorities 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 grantee “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

The most comprehensive FTA document regarding private enterprise requirements is a report titled [Private Enterprise Participation in Transportation Planning and Service Delivery](#).

In view of the North Carolina 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 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. The notice should invite 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 15 days response time must be provided.

## Commercial Driver License

Effective April 1, 1992, all drivers of vehicles designed to transport more than 15 persons (including the driver) must have a Commercial Driver License (CDL). Mechanics that drive the vehicles must also have a CDL.

## Interstate Travel

The Federal Motor Carrier Safety Administration (FMCSA) has issued revised rules for passenger transportation providers in the community transportation industry in both the public and

private sectors that provide interstate service (crossing State lines). These revised rules now include operators of vehicles used to transport between 9 and 15 passengers, including the driver, in addition to larger vehicles already covered by the rules. Transportation performed by the Federal government, a State, or any political subdivision of a State (i.e., city, county, regional transit authority) is exempt from the Federal Motor Carrier Safety Regulations but must adhere to the other FMCSA rules and file registration with FMCSA as an interstate transportation provider.

FMCSA regulations apply to subrecipients that transport passengers to another State, or pass through another State, while traveling between an origin and destination both of which are within the State of North Carolina and receive compensation for such transportation service.

The FMCSA rules contain exemptions for specific types of operators or services to some or all of the safety requirements require different types of operating authority based upon the specific legal definition of the type of operator or the type of transportation service provided, and a number of other criterions. Further information regarding the specifics of the FMCSA requirements and rules can be obtained from the [FMCSA website](#).

### National Transit Database (NTD)

The National Transit Database (NTD) is the Federal Transit Administration's (FTA's) national database for statistics on the transit industry. Recipients of FTA programs are required by statute to submit data to NTD. The legislative requirement for the NTD is found in Title 49 U.S.C. 5335(a).

NCDOT will be responsible for collecting and providing data regarding each applicable program subrecipient in North Carolina serving the general public. Reporting by the state is neither provided for Indian Tribes that are reporting directly to NTD nor subrecipients that are reporting directly to the NTD as an urbanized area reporter. Reporting requirements will include:

1. total annual revenue;
2. sources of revenue;
3. total annual operating costs;
4. fleet size and type, and related facilities;
5. revenue vehicle miles; and
6. ridership.

NCDOT will submit the report within 120 days of the close of the state's fiscal year. For each applicable subrecipient, the State will complete a one-page form of basic data. This data is entered at the [NTD website](#).

# PROJECT REPORTING, MONITORING & ON-SITE REVIEWS: SAFETY STATISTICS, QUARTERLY OPERATING STATISTICS, CHARTER REPORTS, FFATA, ETC.

## Background

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The Federal Transit Administration gives the State, to the extent permitted by law, maximum discretion in designing and managing the Sections 5310, 5311, 5316 and 5317 Programs. FTA staff provides overall policy for the respective programs; apportion funds annually to the State; develop and implement financial management procedures; and conduct 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 North Carolina the flexibility to standardize its management of these federal programs and related state programs.

Any agency, local government or other entity, including nonprofit organizations, using state funds or state-administered federal funds for the purpose of transporting private citizens on a regular basis must provide input and information as requested by NCDOT in a timely manner and in a format specified by the NCDOT.

The NCDOT shall utilize several tools to monitor subrecipient's compliance with the intent of the program, adherence to all applicable federal and state program requirements, including progress and statistical reports, site visits, executed certifications and assurances, and compliance questionnaires.

## Progress Reports

Subrecipients shall submit no less than quarterly, a summary of project implementation status and adherence to established project performance goals by utilizing the format provided by NCDOT/PTD.

## Subrecipient Training on State and Federal Requirements

To ensure technical capacity, all subrecipients must attend a PTD training session on NCDOT/FTA contract requirements. This training is required prior to funding distribution to ensure system capability to manage state and federal transit funds. Grants are only released to subrecipients after they have attended training.

## Federal Funding Accountability and Transparency Act (FFATA) Sub Awards

Sub grantee awards will be entered into FSRS ([www.FSRS.gov](http://www.FSRS.gov)) within 30 days of the award. The start date of the 30 days will be the date the final agreement is approved in the NCDOT financial management system.

### Safety and Security Quarterly Reports

- Training Reports: Subrecipients shall submit no less than quarterly, a summary of training status and adherence to established project performance goals by utilizing the format provided by NCDOT/PTD.
- Accidents/Incidents Reports: NCDOT/PTD will utilize a computer-based program to run quarterly reports on all subrecipient accidents/incidents.
- Vehicle Maintenance Quarterly Reports: NCDOT/PTD will utilize a computer-based program to run quarterly reports on all subrecipient vehicle maintenance (Trapeze EAM).

### Statistical Reports

Subrecipients shall submit as prescribed project statistical information quarterly in the format required by NCDOT/PTD (through OpStats). Subrecipients send OpStats reports to the CTP email address (ctptransportation@ncdot.gov) where they are logged in and forwarded to the MDSs. These reports are reviewed by the MDSs and sent to ITRE; ITRE creates annual reports that are used by PTD to monitor subrecipient performance and make decisions regarding future funding.

### Site Visits

NCDOT/PTD staff, or its designees, shall periodically (at least twice a year) conduct site visits to subrecipients. In addition, to verify adherence to federal and state laws, rules and regulations, PTD conducts periodic compliance reviews (see below). System Safety Performance Audits  
PTD Safety and Security staff conducts detailed SSPA reviews of each subrecipient at least every three years.

### Drug and Alcohol Reviews

PTD and its contractors conduct periodic reviews of subrecipient's drug and alcohol policies and programs, as needed.

### Transportation Advisory Board Meetings

NCDOT/PTD staff shall attend each local transportation advisory board quarterly meetings at least annually. (Once annually was recommended since some TABs meet only quarterly so PTD staff would be attending half of all of their meetings).

### Annual Certifications and Assurances

Execution of the annual certifications and assurances are required with each grant application. Failure to execute the document will render the grantee ineligible for federal funding.

## Federal and State Compliance Reviews

Ongoing compliance monitoring is accomplished through training and by completing CCAP reviews on a rolling basis for every subrecipient every three years. The technical capacity of each subrecipient is evaluated in the CCAP reviews. PTD (MDSs) follow up to ensure corrective actions are taken to resolve deficiencies/findings from the draft CCAP reviews until all findings are closed. In addition, when any PTD staff person is at a grantee property and identifies any potential violation of federal and/or state policy, the appropriate PTD staff person is notified and follow up action occurs.

## Project Monitoring and Reporting

Section 5311 program participants are required to monitor and report on a variety of items, including ridership, revenues, expenses, vehicle and equipment management, drug and alcohol testing, involvement of DBE, service coordination efforts, and Governing Board and TAB meeting minutes. Some reports are filed quarterly and others are filed annually.

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 and operating performance data, review and data collection process. 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 NCDOT 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.

## Operating Statistics and Transit Data Reporting Process

The Operating Statistics (OPSTATS) process is a method employed to gather and analyze transportation program data from subrecipients of the North Carolina Department of Transportation. The OPSTATS reporting instrument is an Excel spreadsheet workbook designed for tracking data for each subrecipient for a variety of purposes, including vehicle needs assessment, funding needs assessment, trend analyses, performance measurements and vehicle information.

All current and newly approved subrecipients of NCDOT-administered transit funding programs are required to complete and submit the OPSTATS Report. All agencies with open contracts with the NCDOT Public Transportation Division for vehicles, facilities, infrastructure or services supporting the provision of public transportation services, must also complete and submit the OPSTATS Report. This OPSTAT report is submitted electronically on quarterly basis and the signed and completed form is mailed annually.

The OPSTATS Report is completed annually for services provided during the North Carolina State Fiscal Year (July 1<sup>st</sup> through June 30<sup>th</sup>). General public transportation providers and Human Service agencies that are subrecipients of the NCDOT must have the completed OPSTATS Report emailed to NCDOT on or before the deadline specified each year.

Data will be used as follows:

- National Transit Database for Rural Transit Services-Some of the information and data from the OPSTATS Report will be used to comply with Federally-mandated data reporting of rural transit service activities in the State.
- Vehicle Needs Assessment-Vehicle utilization for the purpose of identifying needs will be tracked via the data submitted on the OPSTATS Report.
- Funding Needs Assessment-Data reported on via the OPSTATS process may be used with other non-performance regional data as part of an on-going evaluation of funding needs.
- Trend Analysis-Data across different periods will be used in on-going operational analysis of transit systems.
- Performance Measurement-Performance measures and ratios will be employed as additional tools to assess agency-level and statewide transit functioning.
- Year-End Reporting-The data will be used in agency-level and required accountability updates to the State Legislature and the NCDOT BOT and other transit stakeholders.

#### Other Required Reporting

NCDOT collects operational data from each of its subrecipients via the OPSTATS form. 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.

Under the Government Performance Results Act (GPRA), FTA is required by law to “establish performance goals to define the level of performance” and to “establish performance indicators to be used in measuring relevant outputs, service levels, and outcomes” for each of its programs. The performance measures described below are designed to fulfill FTA’s obligations under this Act. These measures will be used at a program level, and will not be used to assess individual grants.

FTA will be capturing overall program measures to be used with the GPRA and the Performance Assessment Rating Tool process for the U.S. Office of Management and Budget. FTA will conduct independent evaluations of the program focused on specific data elements in order to better understand the implementation strategies and related outcomes associated with the

program. The following indicators are targeted to capture overarching program information as part of the Annual Report that NCDOT submits to FTA. Performance reporting to FTA may change under MAP-21; the data reporting requirements are not yet final.

NCDOT will ensure that the required information is reported for all subrecipients of federal funding in projects selected by the State, including those that were transferred to Section 5307 or 5311 for administration. NCDOT will assess this information through its established reporting requirements and mechanisms.

### Section 5310

- 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.
- 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.

### Section 5311

The National Transit Database (NTD) is FTA's primary national database for statistics on the transit industry. Recipients and beneficiaries of FTA's Nonurbanized 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. Specific reporting requirements are included in the [NTD reporting instructions manual](#) issued each year.

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.

NCDOT is responsible for ensuring that data is collected and compiled for the data collection and compilation from each Section 5311 subrecipient and transportation provider in the State that benefits from the grant.

In addition, PTD requires public transit operator report (quarterly) on any charter bus activity. These reports are sent to PTD and PTD compiles the statewide charter report and transmits it to US DOT quarterly and annually by Federal Fiscal Year.

### Section 5316

- Gaps Filled. Actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC projects implemented in the current reporting year.
- Ridership. Actual or estimated number of rides (as measured by one-way trips) provided as a result of the JARC projects implemented in the current reporting year.

### Section 5317

- Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.
- Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year.
- Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

### Project Invoicing

Invoicing provides NCDOT the opportunity to insure the quality progression of a project. It also provides an excellent opportunity for the interaction of the various staff members at NCDOT who are involved with a project.

NCDOT 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.

### On-Site Reviews

#### Monitoring

The NCDOT is authorized to monitor all project activities, services, project administration and management practices supported with federal and/or state funds, to ensure compliance with federal regulations. Division staff reviews compliance with the inclusion of all federal and state clauses in contracts let by subrecipients.

In addition, the state has instituted Compliance, Capacity and Proficiency Reviews (CCAP) to monitor federal-state compliance. A summary of the process is as follows:

1. MDS schedules an on-site visit and sends letter or e-mail with instruction to access, complete and return the Workbook
2. Consultants review Workbook, conduct desk review and prepare for on-site visit
3. Consultants and MDS conduct site visit; verbal report of compliance issues
4. Reviewers follow up with a draft report on compliance issues to transit operators
5. Transit operators prepare corrective action plans and send to consultants and MDS
6. Consultant prepare final reports
7. Open and Closed Finding Sign-Off
8. Storing all Closed Out Final Reports
9. Closed Out Report Follow-up by MDS
10. On-going compliance monitoring is accomplished through training, and by completing CCAP reviews on every subrecipient every three years.

PTD staff track common deficiencies in an effort to inform training activities needed. The funding applications also request information related to coordination; relationship between project application and planning documents; availability and sources of local matching funds; impact of service on minority and low income populations; and sustainability of services. The state also monitors transit system performance annually through the OPSTATS reporting. The OPSTATS form contains ridership and financial information for each operator.

In addition, PTD conducts compliance reviews focused on specific areas, including:

- Financial Reviews (external audit branch reviews annual audits of grantees and follows up on findings)
- Safety Program Audits
- Vehicle Maintenance Inspections
- Drug and alcohol Reviews

All transit agencies and providers [with the exception of private intercity bus operators assisted under Section 5311(f)] who use third party contractors to provide transportation services must assure that the contractor complies with all applicable federal and state requirements. In its grant agreements, PTD requires that subrecipients contracting out all or a portion of their service to pass through applicable federal requirements to their contractors. PTD provides guidance and training to subrecipients on federal requirements and also provides a list of special terms and conditions covering federal requirements that must be incorporated into their contracts with providers. Additionally, PTD requires subrecipients to submit a copy of their contract to PTD for review prior to entering into contract with a private service provider.

#### Section 5310, 5316 and Section 5317

NCDOT staff conducts on-site reviews of subrecipients. NCDOT will give the subrecipient prior notification of each monitoring activity (on-site review) to be conducted by the NCDOT's staff. NCDOT notifies the subrecipient in writing of any deficiencies or findings noted during a monitoring visit and conducts follow-up visits to ensure that corrective actions are taken, as necessary.

The team uses checklists, which outline Program, Financial Control, Procurement, and Maintenance area requirements.

## Compliance

As with any program involving public funds, accountability is critical. The federal and state program requirements identified in the state-local agreement, the FTA annual certifications and assurances and the Master Agreement shall form the basis for the review.

Staff reviews compliance with the inclusion of all federal and state clauses in the subrecipients' contracts. In addition, as discussed earlier, the state has instituted Compliance, Capacity and Proficiency Reviews (CCAP) to monitor federal-state compliance. Further oversight and support is provided through Federal/state compliance workshops held at various locations throughout the state and at the annual conference.

Section 18.43 of 49 CFR Part 18, Uniform Administrative Requirements For Grants and Cooperative Agreements To State And Local Governments and Section 19.53 of 49 CFR Part 19, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations cover reports, records, retention, and enforcement. 49 CFR 18.43(a) and 49 CFR 19.62 deal with remedies for noncompliance and states, "If a grantee or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- "Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
- Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- Whole or partial suspension or termination of the current award for the grantee's or subgrantee's program,
- Withhold further awards for the program, or
- Take other remedies that may be legally available.

Further action relevant to enforcement including, but not limited to, hearings, appeals, effects of suspension and termination and their relationship to NCDOT and suspension will be handled by NCDOT with the respective subgrantee(s).



SOV	Single Occupancy Vehicle
SPOT	Strategic Planning Office of Transportation
SSPP	System Safety Program Plan
STIP	State Transportation Improvement Program
TAB	Transportation Advisory Board
TIP	Transportation Improvement Program
TDP	Transportation Development Plan
TEAM	Transportation Electronic Award and Management
TLDP	Transportation Leadership Development Program
TPO	Third Party Operator
USC	United States Code
USDOT	United States Department of Transportation
UPTAS	Uniform Public Transportation Accounting System

## APPENDIX 1 –GUIDES TO DEVELOPING CTSPs AND LCPs

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- Guide to Procuring a Five-Year Community Transportation Service Plan (CTSP) - 2014
- Guide to the Local Coordinated Planning (LCP) Process

# Guide to Procuring a Five-Year Community Transportation Service Plan (CTSP) 2014

## GOALS of the planning process

To identify, evaluate, develop, recommend and implement strategies that provide planning elements for meaningful mobility options for the general public and targeted populations by allowing passengers to travel where and when they want and need to go. This community transportation plan must be developed through a public education and involvement process that includes the general public, private and non-profit transportation providers, human service providers and targeted populations that include individuals with low incomes and limited English proficiency (LEP). The result of this planning effort should produce an overall goal that the community can support.

## USE of five-year plan

This document will be the principle road map in the accomplishment of the following:

- Development and promotion of transit options that provide meaningful alternatives to citizens and connectivity of transportation services throughout the state;
- Development and promotion of the full integration of the community transportation system's programs with other federal and state programs supporting public and human service transportation.
- Improve the efficiency and effectiveness of federal/state funded transportation programs
- Support and promote the coordination of public transportation services across geographies, jurisdictions, and program areas for the development of a seamless transportation network
- Support the provision of dependable mobility transportation options to the general public, low income individuals, elderly persons, and/or persons with disabilities within the guidelines and funding levels provided by NCDOT and FTA
- Support and encourage defensible, results-based budget requests and submissions from systems to NCDOT for funding.

## OBJECTIVES for cost participation by NCDOT

- Promote the development and availability of transportation services throughout the state, in partnership with local officials, public and private non-profit agencies, and operators of transportation services, and members of the public
  
- Improve the efficiency and effectiveness of federal/state funded transportation programs
  
- Support and promote the coordination of public transportation services across geographies, jurisdictions, and program areas.
  
- Provide dependable transportation to the general public, low income individuals, elderly persons, and/or persons with disabilities within the guidelines and funding levels provided by NCDOT and FTA
  
- To further support the mission, goals and values established by the North Carolina Department of Transportation.

## ELEMENTS essential for CTSP development

### Public Involvement Plan

Public involvement should solicit general information, comments and ideas about existing and future transit service and user needs from the general public. NCDOT has developed a Public Engagement Toolkit to provide practical information for project managers looking for ways to better engage the public as part the plan.

Click on the link below to learn more about the Toolkit:

[NCDOT Public Engagement Toolkit](#)

### Study Vision Statement, Goals and Objectives

Develop study vision statement, based on the study area characteristics, existing service and prior planning work. Include specific goals and objectives for the study, including both policy and funding goals.

### Data collection

Prepare analysis of data collected from existing sources related to the study area and current characteristics of transit system.

#### Project Development

Comprehensive assessment of all available reports/studies/policies for the purpose of compiling a list of needs identified to date and identifying needs and issues that may need to be reexamined.

#### Plan Development Process and Tracking

Consultant will submit reports on the status of each tasks included in the final scope of work using the attached Tracking Format.

#### Transit Demand Analysis

Analyze the mobility needs of transit system and population and estimate the potential short, mid, and long range ridership of transit service.

Transit System, Capital, Institutional/Management, Financial and Development Alternatives  
Develop potentially feasible alternatives for 5 year planning period.

#### Implementation plan

Prepare an implementation plan outlining each step and providing a timeline of the actions necessary to successfully implement the improvements identified in the CTSP.

## OPPORTUNITIES for funding request

The Public Transportation Division will process requests for funding based on the following:

Regionalization Studies or Urban-Nonurban Consolidation Studies Single  
County Plans or Plan Updates

Please contact your assigned Mobility Development Specialist for other transportation planning study opportunities for your region.

## PTD Process for Professional Services Contracts

**Step 1 – Transit System Submits Resolution from governing body** The resolution must be submitted on official letterhead stating commitment to participate in a five-year CTSP program. The resolution should also indicate that 10% local matching funds are budgeted and available.

**Step 2 –Draft Account Initiation Request Form (AIR) submitted to FM** AIR form identifies Project Manager, consultant and funding sources and funding splits and an estimated project cost before a scoping process is initiated for the project. The purpose of the draft AIR form is to establish the estimated project cost, availability of funds, the funding source/splits and the project manager before initiating the scoping process.

### **Step 2a – Five-Year CTSP Program Packet**

PTD will enclose with the Notice of Participation (NOP) the Five-Year CTSP Program Packet which includes the following:

Tab 1	Notice of Participation Letter Tab
2	Timeline of Activities for CTSP
Tab 3	Roles and Responsibilities for CTSP
Tab 4	Guide to Completing the Five-Year Community Transportation Service Plan (CTSP) Process
Tab 5	CTSP General Scope of Work
Tab 6	Consultant Information Sheet
Tab 7	Community Transportation Data Set Resources

Appendix A Sample Resolution

Appendix B Sample Pre-Scoping Conference Call Agenda Appendix C

Sample Scoping Meeting Agenda

### **Step 3 – LSA Firm is Selected**

PTD will coordinate with the transit system and Project Manager to select a LSA Firm from PTD's Limited Services Agreement Contracts.

## Step 4 – Pre-Scoping Conference Call

The selected LSA consultant will schedule a pre-scoping conference call to include, for example, the assigned Mobility Development Specialist or (Project Manager), transit system representative, Transportation Advisory Board representative, Local Government Representative for the purpose of establishing goals and objectives of the study. Consultant will provide action items/minutes from this call to PTD and the transit system prior to the scheduled on-site scoping meeting.

**Step 5 – Scoping Meeting – Review and Develop Draft Scope of Work** The general scope of work is designed to be modified to accommodate the needs of single county systems, regional systems, single counties that are considering becoming regional systems and plan updates. All tasks outlined in the general scope of work may not be needed for final scope of work.

The Scoping Meeting is an on-site review and development session for PTD Project Manager, LSA firm and Transit System staff to begin development of the final scope of work.

The consultant is required to present a draft work plan or scope of work at the on-site scoping meeting. This work plan should include the needs and expectations presented by the transit system during the pre-scoping conference call.

PTD recommends the participants of the scoping meeting conduct a 'Ride About' through the community to conduct a preliminary needs assessment and observe transit gaps and concerns.

## Step 6 – Final Scope of Work

PTD will prepare an in-house cost and man hour estimate based upon the approved final scope of work. A cost comparison between the in-house estimate and the consultant cost estimate will determine if negotiations to resolve differences greater than those allowed by NCDOT should take place. Once both man hours and project cost are within allowable margins, an audit and requested by the external audit unit of NCDOT.

## Step 7 – In-House Cost Estimate

PTD will develop an in-house cost estimate to be submitted to NCDOT Professional Services Management Unit to be negotiated based on comparison to sealed cost estimate submitted by LSA Firm.

### **Step 8 – LSA firm submits sealed cost-estimate**

Prior to execution of Notice of Proceed between PTD and LSA Firm, a sealed cost estimate will be submitted by the LSA Firm to be evaluated by NCDOT Professional Services Management Unit.

### **Step 9 – Final Account Initiation Form (AIR) submitted to FM and PSMU**

Once PTD receives approval from PSMU FM will set up funds into the WBS Number and Project Number with the final approved project funding cost.

### **Step 10 – Accounts Receivable sets up account invoice for local match**

FM submits final scope and fee to AR to set up receivable account to invoice CTS for 10% local match.

### **Step 11 –Notice to Proceed**

Once PTD has reviewed and approved the final scope of work and cost estimate, NCDOT Professional Services Management Unit will execute a Notice to Proceed and submit it to the approved LSA consulting firm authorizing them to commence work on the project.

### **Step 12 – CTSP Planning Process**

MDS or PM will coordinate with the LSA Firm and Transit System in the development of the CTSP. MDS or PM will be responsible for reviewing and approving invoicing, tracking and reporting review and oversight of LSA Firm throughout the planning process.

### **Step 13 – PTD FM verifies rates and cost**

PTD Financial Management will verify rates and cost submitted by the LSA Firm to maintain accuracy and compliance with the contract terms.

# STEERING COMMITTEE COMPOSITION

Composition of steering committee should include groups and organizations such as the following in the coordinated planning process, if present in the community:

## Transportation Partners

- Area transportation planning agencies, including rural planning organizations, metropolitan planning organizations, councils of government, regional councils, associations of governments, local governments and NCDOT;
- Public transportation providers (including Americans with Disabilities Act (ADA) paratransit providers and agencies administering the projects funded under FTA urbanized and nonurbanized programs);
- Private transportation providers, including private transportation brokers, taxi operators, vanpool providers, school transportation operators and intercity bus operators;
- Nonprofit transportation providers;
- Past or current organizations funded under the JARC, Section 5310, and/or New Freedom programs; and
- Human service agencies funding, operating and/or providing access to transportation services.

## Passengers and Advocates

- Existing and potential riders, including both general and targeted population passengers (individuals with disabilities, older adults and people with low incomes);
- Protection and advocacy organizations;
- Independent living centers; and
- Advocacy organizations working on behalf of targeted populations.

## Human Service Partners

- Agencies that administer health, employment or other support programs for targeted populations. Examples of such agencies include, but are not limited to, departments of social/human services, employment one-stop services; vocational rehabilitation, Workforce Investment board, Medicaid, community action programs , agency on aging, developmental disability council, community services board;
- Nonprofit human service provider organizations that serve the targeted populations;
- Job training and placement agencies;
- Housing agencies;
- Health care facilities; and
- Mental health agencies.

## Others

- Security and emergency management agencies;
- Tribes and tribal representatives;
- Economic development organizations;
- Faith-based and community-based organizations;
- Representatives of the business community (e.g., employers);
- Appropriate local or state officials and elected officials;
- School districts; and
- Policy analysts or experts.

**PTD Contract Services**  
**Timeline of Activities for Notice to Proceed 2014**

Steps	Primary Tasks	Timeline in Weeks						Result
		1	2	3	4	5	6	
1	Letter or Resolution from Governing Body committing to 10% match commitment	★						Engagement letter with 10% commitment and resolution from Transit system
2	Draft Account Initiation Request Form (AIR) submitted to FM	★						Draft AIR form submitted to FM to set up WBS and Project Number
2a	Program Packet (3-ring binder) submitted to CTS (CTSP only)	★						Transit system will receive packet to assist them in the development of the project
3	LSA Firm is selected for project	★						Selected LSA Firm
4	Pre-Scoping Conference Call		▲					Project goals and objectives
5	Scoping Meeting		★					Draft Scope of Work
6	Final Scope of Work			←	→			Final Scope of Work
7	PTD In-House Cost Estimate					←	→	Final approved cost estimate
8	LSA firm submits sealed cost-estimate					←	→	Approved project cost
9	Completed Account Initiation Request Form (AIR) submitted to FM and PSMU						★	AIR form is stamped approval by FM and WBS is funded
10	FM submits final scope and fee to AR to set up recievable account to invoice CTS for 10% local match						★	10% local match funds submitted to AR
11	Notice to Proceed						★	Executed Notice to Proceed
12	PM coordinates with LSA firm and Transit System in the development of project							Final project deliverable
13	FM reviews and verifies rates and cost submitted by LSA Firm							Authorization to pay invoices

← →	<b>Timeline in Weeks</b>
★	<b>AIR Form</b>
★	<b>One-Day Activity</b>
▲	<b>Conf. Call/Mtg.</b>

# Guide to the Local Coordinated Planning Process

## Getting Started

Coordination of public/private transit and human service transportation is vital in stretching transportation dollars and maximizing services for persons with disabilities, older adults and individuals with low incomes.

Enacted in 2005 through the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which stipulated that starting in Fiscal Year 2007, projects funded through three SAFETEA-LU programs — the Job Access and Reverse Commute Program (JARC, Section 5316), the New Freedom Program (Section 5317) and the Formula Program for Elderly Individuals and Individuals with Disabilities (Section 5310) — are required to be **derived** from a locally developed, coordinated public transit–human services transportation plan. SAFETEA-LU guidance issued by the Federal Transit Administration (FTA) described the plan as a **“unified, comprehensive strategy for public transportation service delivery that identifies the transportation needs of individuals with disabilities, older adults, and individuals with limited income, laying out strategies for meeting these needs, and prioritizing services.”**

### Developing your Locally Coordinated Plan:

The first step in coordination of services is the development of a locally coordinated public transit-human service transportation plan that identifies transportation needs, provides strategies for meeting local needs and prioritizes transportation services for funding and implementation.

A coordinated plan must be developed through a process that includes representatives of public, private and nonprofit transportation and human service transportation providers as well as members of the public. This document provides a **seven-step approach** that will provide guidance in the development of a locally developed coordinated plan.

**Important:** The planning process should be thoroughly documented from start to finish. Documenting the planning process will help to eliminate questions and confusion, be evidence of your coordination efforts and help in the creation of a written locally developed coordinated plan. Document all the activities, results and important decisions made throughout the planning process.

## Step 1 – Identify the Lead Agency

The agency that will take the lead in the planning process could be any one of the following:

- Regional planning organization (rural planning organization, metropolitan

- planning organization, council of government)
- Local transit system(s)

- Community or municipality in the region
- Professional consulting firm

The Public Transportation Division supports efforts that result in regional coordination of planning activities and service delivery and, to that end, it is recommended that a rural planning organization or metropolitan planning organization, where willing and able, take the lead in the coordinated planning effort or, at a minimum, work with a consulting firm or other qualified persons in carrying out these activities.

**Note:** Financial assistance is available through the Public Transportation Division to facilitate the effective and efficient development of an approved locally developed public transportation human services coordinated plan.

### **Roles and Responsibilities of the Lead Agency**

- Provide overall **guidance** and **structure** to the process
- Provide a **process** for local coordinated plan adoption in consultation with participants
- Provide **written documentation** of the results of local coordinated planning process -The Plan
- Provide and **execute a strategy** for approval of The Plan.

## **Step 2 - Convene the Steering Committee**

Assemble a **small** number of people to help organize a coordinated planning workshop. This group will meet two or three times before the event. This committee, at a minimum, should consist of a representative from the following categories:

- Transportation partners (local and regional)
- Passengers
- Advocacy groups
- Human service providers
- Private providers
- Other interested groups

### **Roles and Responsibilities of the Steering Committee**

- Determine the date, time and location of the local planning workshop(s)
- Determine who the stakeholders are and send invitations
- Determine who will facilitate the meeting(s)
- Design the agenda and make logistical decisions
- Provide guidance in how to navigate tricky or contentious issues
- Assist on the day of the workshop
- Draft a Coordinated Public Transit-Human Service Transportation Plan and determine a process for adoption

### **Steering Committee Task #1**

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Select a date and time to hold the workshop. Determine a suitable location and facility for the workshop.

Location considerations:

- Adequate parking
- On or near bus lines
- Whiteboard or overhead projector
- Can accommodate service animals
- Meets all ADA facility requirements

**Important:** You may need to hold more than one workshop depending on the size of the planning area and attendance at the first workshop, or use other strategies to gather input. Strong consideration should be given to holding at least one workshop in each county of a multiple- county area.

### **Steering Committee Task #2**

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Determine local groups and individuals who should be invited to participate in the local coordinated planning workshop. See the suggested list in Appendix B.

- Decide the right person in each group to contact
- Determine who will make the contact
- Gather contact information and send invitations
- Ask organizations to extend the invitation to participate in the local coordinated planning process to local interested or affected groups and persons. Many organizations will have a membership list or a list-serve that they use to get the information out.

**Important:** The invitation should be extended to a comprehensive, diverse population from all geographical areas of the planning area and should include retirees, workers, minorities, the aged, the disabled, those with limited English proficiency, and private transportation providers.

Ask invitees to RSVP to make planning for the workshop easier. After the RSVP deadline, assess responses or level of interest. If interest or participation in the **community planning** approach to public involvement seems “light” or “one-sided,” consider a change of venue or date, or add other public involvement techniques to improve participation such as:

- Focus groups
- Survey(s) (i.e., *Framework for Action*)
- Detailed study analysis

### **Steering Committee Task #3**

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Determine who will facilitate the workshop(s). Managing the meeting process and the flow of paper requires a facilitator and one or two assistants, none of whom is participating in the planning process. The facilitator will keep the group on track, guide the conversation, and not participate in the assessment. The facilitator can be a

professional or a person from the community with experience guiding group work. Ask the community college, United Way, chamber of commerce, agricultural extension office or local mediation center to refer you to

professionals or persons in your area with this skill. Before the workshop, the facilitator should learn about transportation and coordination.

#### **Steering Committee Task #4**

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Determine whether the planning workshop will be one long meeting or two shorter meetings. In addition, the committee needs to decide how to collect data about existing services and resources. A sample agenda for a one-meeting process is included in Step 4. It will be helpful to distribute the sample agenda as a starting point. Once the agenda is set, the committee can decide how to set up the meeting space, make lists of supplies and assign responsibilities to committee members and staff.

### **Step 3 – Prepare for the Coordinated Planning Workshop**

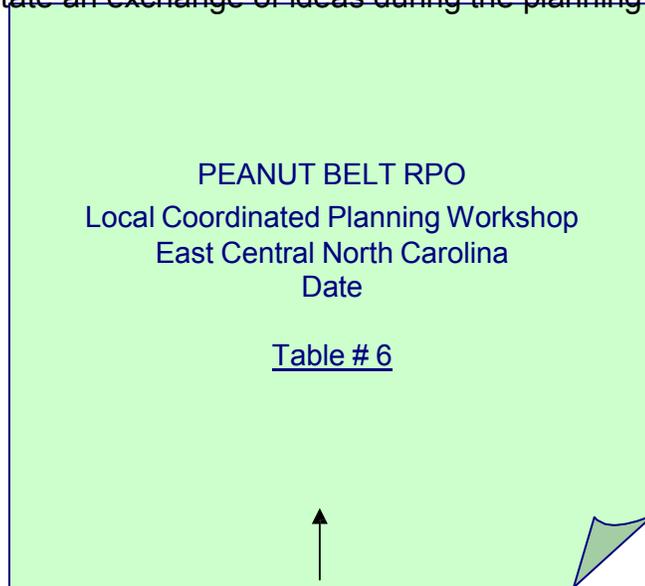
Reference: *The Framework for Action Facilitator's Guide*  
[www.unitedweride.gov/FFA-Communities.pdf](http://www.unitedweride.gov/FFA-Communities.pdf)

Suggested Resource Checklist:

- Flip charts (at least one for each table)
- Magic markers (at least two different colors)
- Peel-and-stick dots - two colors (five of each color for each participant)
- Masking tape
- Maps – showing the planning area
- Transit service area maps
- Fixed route schedules and maps
- RPO or MPO planning area maps
- GIS, statistical or census data
- Survey available transportation services (send to attendees in advance)
- Briefs of the Federal Circulars (send to attendees in advance and have copies in packets)
- Table tents with a number for each table
- Sufficient copies of the *Framework for Action* survey, if desired
- Extra pencils and some paper for notes (a couple of legal pads)
- Snacks at the workshop
- A strategy to incorporate late arrivers into the process
- Directions to workshop location posted on Web site
- Blank name tags

**Note:** If you are having more than one workshop, make sure you have adequate supplies for each.

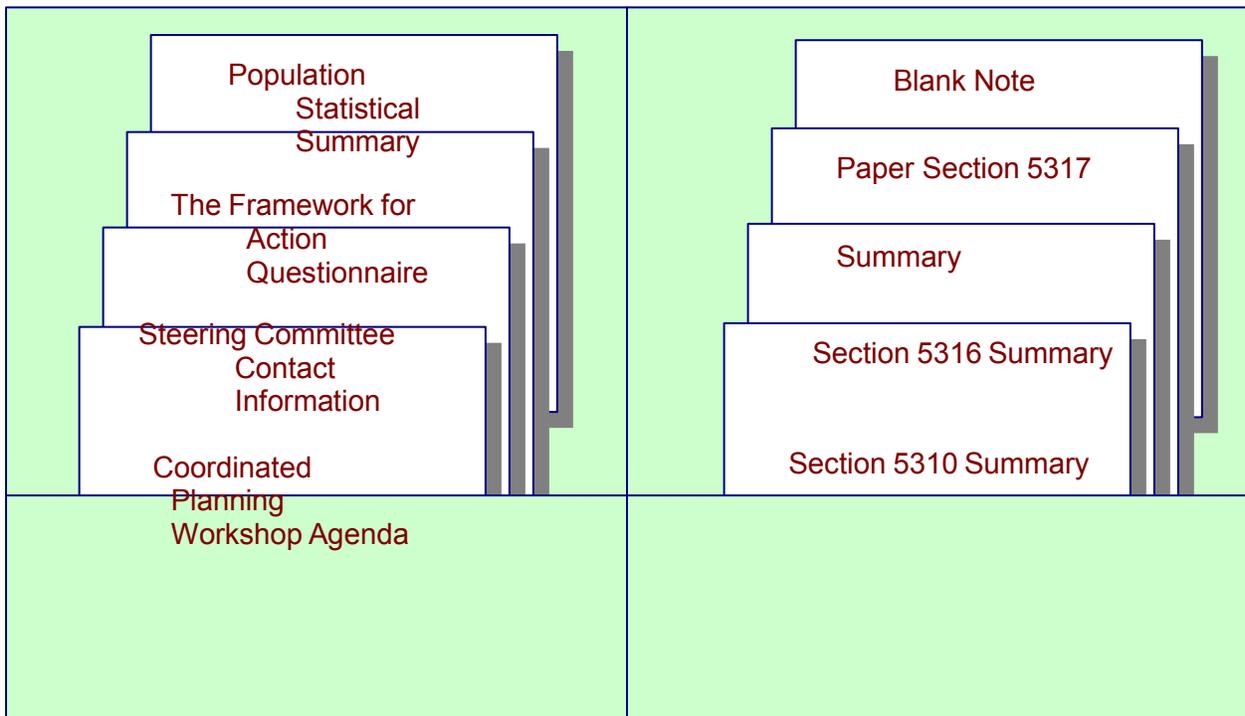
Prepare a packet of information for each participant. Make table assignments prior to the beginning of the workshop to ensure that each table has representatives from a variety of areas to facilitate an exchange of ideas during the planning process.



Place each participant's assigned table number on packet cover

**Left Side of Folder**

**Right Side of Folder**



The packet might include such statistical information for the service area as:

- Number and percentage of elderly
- Number and percentage of persons with disabilities

- Map location of elderly and/or low-income households
- Map location of large employers and/or business parks
- Map location of registered vehicles or households with zero vehicles
- Number and percentage of registered vehicles
- Number of households with zero or no vehicles
- Out-of-county travel patterns of workers to jobs
- Number and percentage of lost employment due to lack of transportation

Create a sign-in sheet for each meeting of the steering committee, the planning workshop(s) and any follow-up meetings. Attendance records should be included in the final coordinated plan.

<b>Sample SIGN-IN SHEET</b>					
<b>Complete Shaded Area Below</b>					
<b>Table Assignment</b>	<b>Example Name</b>	<b>Signature</b>	<b>Organization</b>	<b>E-mail Addresses</b>	<b>Phone (include area code)</b>
2	Otis Olderman				
4	Ann Ableson				
1	Barbie Busman				
3	William Worker				
1	Rita P. Rider				
6	Steve Student				

**Important:** Arrive at the workshop location at least 45 minutes prior to the published start time.

- Locate bathrooms
- Put up directions/signs, if needed
- Set up sign-in table and participant tables
- Set up snacks

## Step 4 - Conduct Local Coordinated Planning Workshop(s)

### Sample Agenda for one-day workshop

<b>TIME</b>	<b>TOPIC</b>	<b>LEADER</b>	<b>FOCAL POINT</b>	<b>SUPPORT DOCUMENTS</b>
9:00	Welcome and	Facilitator	An interactive process	Sign in Sheet; Title VI form, survey form
9:14	Purpose of workshop	MDS	Why are we here today?	Agenda
9:25	RPO	RPO	Who are we?	RPO handouts
9:40	Regional profile	RPO	Target populations	Census maps
9:55	Transit System (1)	Transit Director	Who are we?	Brochures
10:10	Transit System (2)	Transit Director	Who are we?	Brochures
10:25	Other Surface Providers	Open Floor	Cross county/private providers, etc.	Subscription and/or service maps
10:35	Break and Survey	MDS	Complete survey during	Survey of Community
10:50	Gap Analysis exercise	MDS/RPO	Underserved areas,	Participants draw on maps. Consolidated map
11:30	Needs Assessment	MDS/RPO	Existing barriers, new ideas (add to the list)	Matrix of Needs and Strategies; one per
12:00	Strategies to meet needs	MDS/RPO	Analysis of matrix	Consolidated matrix prepared per group
12:30	Working Lunch - Prioritization Exercise	MDS/RPO	Valuation of needs	How would you spend \$100 on transit needs?
1:15	Break (Optional)	MDS/RPO	Tabulation of prioritizations	Present results of Prioritization exercise
2:00	Wrap up	MDS	Review prioritization of transit needs	Valuation of needs

# Ground Rules

- **TIME IS LIMITED – (*MUST LISTEN AND RESPECT OTHERS*)**
- **EVERYONE IS EXPECTED TO PARTICIPATE**
- **AVOID SIDE CONVERSTATIONS**
- **ESTABLISHED OUTCOMES**
- **NO NEGATIVE COMMENTS**
- **EVERYONE IS EQUAL**
- **FOCUSED COMMENTS**
- **OPEN TO SUGGESTION**
- **SHARE INFORMATION GAINED FROM TABLE SESSION**
- **REACH CONCEPTUAL CONSENSUS \***
- **MEMBERS WILL SUPPORT THE DECISION OF THE GROUP**

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**Consensus – when everyone is “comfortable” with the decision**

***Participants should ask themselves:***

Can I live with this position?  
Am I comfortable with this course of action?  
Can I support the choice?

## Step 5 – Plan Update Methodology

The methodology used to develop the original plan and the plan update includes the following steps:

1. **Update Demographic Profile:** Updated demographic profiles of the region using data from the Census Bureau and other relevant planning documents, to determine the local characteristics of the study area, with a focus on low-income populations, persons with disabilities, and older adults.
2. **Document Existing Transportation Services:** Document the full range of public transportation services that already exist in the study area. These services include but not limited to public fixed-route and paratransit services, and transportation services provided or sponsored by social service agencies, as well as past and current projects funded under the original Coordinated Plan.
3. **Conduct Outreach:** Includes stakeholder involvement and public participation (public outreach, stakeholder interviews, rider, phone or electronic survey, and convening a focus group to examine coordination issues in detail). Stakeholders provide input on existing barriers to coordination as well as possibilities for improvement. Other local and regional planning efforts should involve the target populations, and meetings with regional stakeholder groups to both review and re-validate findings and to try to reach new perspectives not previously engaged in the initial coordinated planning process.
4. **Gap Analysis:** The gap analysis provides the basis for recognizing where—and how— there are gaps in service for transit dependent populations which need to be improved. In addition, Plan should include updated documentation on the needs of the veterans, a growing population with underserved transportation needs.
5. **Identify and Prioritize Strategies:** Following the identification of service gaps the planning process should identify corresponding potential service needs and strategies. A sample of needs and strategies is documented in greater detail in Appendix B. Once the identified needs and strategies are compiled they are prioritized in the order of importance. See a sample prioritization exercise in Appendix C.
6. **Develop Coordination Strategies:** The final step is to consider how best to coordinate services so that existing resources can be used as efficiently as possible. These strategies outline a more comprehensive approach to service delivery with implications beyond the immediate funding of local projects. In updating the strategies to be included in the Plan stakeholders should review progress on implementation included in the existing Plan, as well as relevant planning and implementation activities that have taken place since the adoption of the current Plan, to develop a revised and updated set of coordination strategies.

An individual or a team of individuals selected by the lead agency in consultation with the Steering Committee should draft the coordinated plan after the planning process is completed. The Steering Committee under the guidance of the lead agency should review and approve the draft before it is made public.

## **Step 6 – Adopt the Plan**

As a part of the local coordinated planning process, the lead agency in consultation with the steering committee and participants should determine the process of officially adopting the coordinated plan.

In the event a Plan is facilitated by the RPO representing the transit system located within the RPO boundary or for multiple counties and/or transit systems the final Plan should be adopted by the participating transit system's governing body. The RPO will not be required to have the final Plan reviewed and adopted by TAC and TCC members.

The process of adopting the plan should include public involvement elements. The date the coordinated plan is adopted should be displayed prominently on the final draft of the plan.

## **Step 7 – Biennial Plan Update**

All current adopted and newly adopted plans will be required to be updated periodically to correspond with the application and/or funding cycle for the designated funding program. Systems and RPO's are encouraged to reference these Guidelines when conducting updates to their LCP.

## APPENDIX A

### Proposed Timeline of Major Activities for Grant Programs

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#### Application Timeline

Target Dates	Task/Event
September	<ul style="list-style-type: none"><li>Grant Application Package Distributed</li></ul>
<b>Immediately</b>	<ul style="list-style-type: none"><li>Request a User ID and password for the Grants System</li></ul>
<b>November</b>	<ul style="list-style-type: none"><li><b>Deadline to submit any new or updated Coordinated Public Transit-Human Services Transportation Plans for</b></li></ul>
<b>December</b>	<ul style="list-style-type: none"><li><b>Grant Application Due to NCDOT</b></li></ul>
February	<ul style="list-style-type: none"><li>PTD makes funding recommendations to NCDOT Board of Transportation</li></ul>
February-June	<ul style="list-style-type: none"><li>FTA grant application and award process</li><li>Pre-Award Audits of New Grantees</li></ul>

#### ***Prior to Application Deadline***

##### **Transit System:**

- Hold local coordinated plan activities
- Develop locally adopted coordinated plan

#### ***Call-For-Projects – (By October)***

##### **Transit System:**

- Complete and submit application per instruction posted on the NCDOT Public Transportation Division Website and on the Partner Connect On-Line Grant Program.

#### ***After Call- For-Projects – (January)***

##### **Competitive Selection Prioritization Committee:**

- Review applications and make funding recommendation
- Prepare board agenda items
- Place on board agenda
- Prepare agreements

- Execute agreements

## APPENDIX B

### A Survey of Community Transportation Needs and Strategies

In order to quickly prioritize the transportation issues that need to be addressed in your community – a common list of needs and strategies has been assembled from other ‘plans’ developed throughout the country. Please mark all those that apply to your experience.

Prioritize each survey question in accordance to level of importance using the following rankings:

- 4 – Highest Importance**
- 3 – Medium Importance**
- 2 – Low Importance**
- 1 – No Importance**

#### "Typical Problems"

##### EDUCATION & INFORMATION

	There is a need for education on available services, various programs, and eligibility requirements (to both clients and the general public). There should be an
	Travel training programs exist, but are limited and have long waiting lists in order to
	Travel training is needed where there is less experience with public transportation.
	There is a need for a basic information telephone line for all public transit services.
	There needs to be a transportation information clearinghouse.
	There are issues with communication, e.g., websites are poor quality and/or difficult to find; the ‘call center’ is not as informed as it should be and does not address cross- county needs; and the transportation agencies are inconsistent in
	There is a need for more non-traditional public outreach efforts in order to achieve greater public participation during the planning process for transit services.
	There needs to be advertising of the various services to the elderly, low income, and general public
	Use of acronyms and lack of understanding of specific terms creates a language barrier between transportation agencies and the public and also with agency to agency
	Staff, information, and the ability to understand transit services when an individual does not speak English create a language barrier.
	Need to market/increase participation on the Transportation Advisory Board (TAB).
	The staff of assisted living facilities needs to become more knowledgeable about the actual transportation needs of the residents for whom they are
	User notification of any changes in services needs to be improved.

	For the elderly population, there is fear/reluctance to learn about and actually use the fixed route public transportation system.
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### **ACCESSIBILITY & SAFETY**

	Bus stop locations are not accessible to the disabled, elderly, and general populations due
	There is a concern for safety on transit service. Lighting around stops is needed to help
	Traffic near bus stop locations is a problem and often makes it difficult for pedestrians to
	There is a need for shelters and benches to protect passengers from weather conditions
	All vehicles providing service for the disabled need to be made wheelchair accessible; includes taxis, vanpool vans, and all buses in the fleet.
	Audible signs are also needed.
	There is a lack of confidence among users to utilize the services.
	Those who really need the services are disenfranchised.

### **CROSS-COUNTY TRIPS & COORDINATION**

	There is a need for inter-county travel for fixed route and paratransit trips.
	The coordination of transportation providers needs to occur.
	There are too many funding sources and too many entities with which to
	Private paratransit trip providers need to coordinate better with the CTS.
	There is a lack of transit connectivity between North/South/East and West

### **APPLICATIONS & ELIGIBILITY**

	Users of the various services must be willing and prepared to provide detailed personal
	The disabled are being denied trips.
	A large percentage of applications for employment trips are rejected
	The applications for service are long, complicated, and difficult to fill out.
	There is a lack of knowledge of the eligibility requirements among agencies. (Agencies do not always know where to send people for service if they do not
	There is a challenge with fast-tracking applications.
	There are difficulties with ADA service in that the trips take too long, it is a long process
	The eligibility applications for paratransit service need to be more readily accessible,

### **SERVICE-RELATED (GENERAL)**

	In general, there is not enough public transportation service available.
	There are many areas without service – poor coverage.
	There are gaps in service.
	The system is too fragmented.
	More routes are needed and existing routes need to be extended.
	The span of bus service is too short.
	There are not enough transportation alternatives/services to permit true independence for
	There needs to be more fixed stop locations along routes and at certain uses.
	There is a need for door-to-door service for the user and possibly the user's
	Paratransit service needs to be more responsive and more flexible for all

	needs and for all persons with disabilities.
	There is a lack of flexibility within the system.
	Too much advanced planning is required in order to get transportation.
	There are too many transfers on public transit routes.
	There are too many “drops” from taxi service.
	Shared taxi is not appropriate.
	Connections are not designed well.
	There is no service on main roads.
	There is no paratransit service outside of the ¾ mile corridor.
	For the elderly population, door to door service is needed.
	Transit service is too infrequent on most routes.
	People have to wait too long for a ride.
	There is a need to improve the efficiency of scheduling to reduce the amount of vehicle
	There are some overlaps in county services.
	Existing feeder transit service is not in sync with bus schedules and is inflexible.
	There is no linkage from local service to express service.

**SERVICE-RELATED (SPECIFIC)**

	Transportation services are too limited in the evening hours and on weekends.
	There needs to be service for workers working the second and third shifts.
	There is a need for shopping, recreational, and employment paratransit trips.
	There is a need for public transportation service (both fixed route and paratransit) focused specifically on getting people to jobs.
	Service needs to connect workers with employment and there needs to be “after hours”
	The large percentage of trips used for dialysis purposes uses too much of the funding
	For secondary school age children with disabilities, there is little availability of service in rural areas.
	There needs to be more buses to provide holiday services and to provide more service for the rural counties which receive much less service than other areas.
	There is not enough express bus service.
	The public transportation system needs to be utilized to provide emergency evacuation
	Limitation prevents opportunities for persons with disabilities to access employment,

**CUSTOMER SERVICE**

	There is some dissatisfaction with the service times for door-to-door service due to the “time window” on each end of the trip and with the handling of “no
	It difficult to provide many trips due to the emphasis on “on-time” service.
	The current system is set up to accommodate those who administer the services as
	Service providers need to be more “consumer friendly.”
	Transit passes wear out and/or often have difficulty being read.
	Users cannot make reservations for service after business hours.
	Agencies that do not have a paratransit driver policy regarding the assistance of passengers when boarding and exiting the vehicle (help with baggage, or walking to the door etc. especially an issue with curb to curb service).

	Some agencies do not have a paratransit policy to address fees and service for companion
	There needs to be a central transit customer service hub that spans the boundaries of the
	Agency staffs are too small to handle the number and complexity of issues that

### **CUSTOMER PRICE FOR SERVICE**

	The system needs to be more cost effective and provide more affordable services.
	The customer price for services is too high especially for the elderly population.
	Some pass issues are related to availability.
	Discounts should be offered for bulk purchases of passes.

### **FUNDING**

	There is a general lack of funding for public transportation.
	Transportation funding needs to be divided much more equitably between roads and
	No one is in charge of seeing that the cheapest trip option is utilized – no trip
	Limited funding causes prioritization of paratransit trips with those trips going to serving
	ADA paratransit service is constrained by funding only the 3/4 mile service area.
	The funding for the Locally Coordinated Human Services Transportation Plan is extremely limited

### **DEVELOPMENT-RELATED**

	How do public transportation agencies provide service in lower density areas?
	Caseworkers that obtain housing for clients do not ensure that the transit dependant
	Users of the system need to make better home/transit choices.
	There needs to be affordable housing near transit stops.
	It is difficult to find property and clear the property for shelter installation.
	Affordable housing is only available in “pockets” throughout the County.
	Transportation demand has increased because of the way the study area has
	Developments being built now are “high end.”

### **OTHER**

	Private, volunteer services are not allowed to operate without a permit and
	Veterans’ Administrative services are not opened to all veterans. It is difficult to monitor
	The transit boards that govern policy decisions are too unstable
	Transportation Disadvantaged labeling is humiliating
	The Veterans’ Administration should be compensated for transportation services provided
	The current transportation system “fosters” disabling with the limited service
	There are different expectations across county lines for service.
	One county’s service is perceived to be better than another.

APPENDIX C

# Allocation of Dollars for Priority Strategies

<b>SHOPPING LIST</b>	<b>DOLLARS</b>
Add-	
<b>Total - not to exceed</b>	<b>\$100</b>

## APPENDIX D

# PARTICIPANTS IN THE PLANNING PROCESS

Consideration should be given to including groups and organizations such as the following in the coordinated planning process, if present in the community:

### Transportation Partners

- Area transportation planning agencies, including rural planning organizations, metropolitan planning organizations, councils of government, regional councils, associations of governments, local governments and NCDOT;
- Public transportation providers (including Americans with Disabilities Act (ADA) paratransit providers and agencies administering the projects funded under FTA urbanized and nonurbanized programs);
- Private transportation providers, including private transportation brokers, taxi operators, vanpool providers, school transportation operators and intercity bus operators;
- Nonprofit transportation providers;
- Past or current organizations funded under the JARC, Section 5310, and/or New Freedom programs; and
- Human service agencies funding, operating and/or providing access to transportation services.

### Passengers and Advocates

- Existing and potential riders, including both general and targeted population passengers (individuals with disabilities, older adults and people with low incomes);
- Protection and advocacy organizations;
- Independent living centers; and
- Advocacy organizations working on behalf of targeted populations.

### Human Service Partners

- Agencies that administer health, employment or other support programs for targeted populations. Examples of such agencies include, but are not limited to, departments of social/human services, employment one-stop services; vocational rehabilitation, Workforce Investment board, Medicaid, community action programs, agency on aging, developmental disability council, community services board;
- Nonprofit human service provider organizations that serve the targeted populations;
- Job training and placement agencies;

- Housing agencies;
- Health care facilities; and
- Mental health agencies.

## **Others**

- Security and emergency management agencies;
- Tribes and tribal representatives;
- Economic development organizations;
- Faith-based and community-based organizations;
- Representatives of the business community (e.g., employers);
- Appropriate local or state officials and elected officials;
- School districts; and
- Policy analysts or experts.

# APPENDIX E

DRAFT  
To be used for FY14 TTAP Grants  
**CERTIFICATION STATEMENT**

**Locally Developed Coordinated Human  
Services Public Transportation Plan  
SAFETEA-LU**

*Title 49 U.S.C. Sections 5310, 5316 and 5317 as amended by SAFETEA-LU, requires a recipient of these funds to certify that projects selected are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that includes representatives of public, private, and non-profit transportation and human service providers, participation by the public, and representatives addressing the needs of older adults and individuals with disabilities.*

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**I certify** that a good faith effort was made by the lead agency/ies and/or persons serving on the steering committee to identify, contact, and include organizations or persons representing the interest of persons identified in Federal Sections 5310, 5316 and 5317 Circulars which includes representatives of public, private, non-profit transportation and human services providers in the local coordinated plan development.

**I certify** that the final locally developed coordinated human service public transportation plan named:

\_\_\_\_\_ was approved on the \_\_\_ day of \_\_\_\_\_ 20 , by a process that was agreed upon by the steering committee and or stakeholders, and that the approval process included a requirement that the minimum plan elements identified in the respective Federal Circulars be satisfactorily addressed in the final plan.

**I certify** to my thorough review of official documents and/or my direct knowledge through my active participation on the planning steering committee and/or workshops held in the development of the above named locally developed coordinated human service public transportation plan that it is SAFETEA-LU compliant.

The plan covers geographical areas in the following  
county/ies,

1		3		5	
2		4		6	

Name: \_\_\_\_\_  
Title: Mobility Development Specialist

Date: \_\_\_\_\_  
Organization: NCDOT- PTD

**D R A F T**  
**To be used for FY15 5310 Grants**  
**C E R T I F I C A T I O N      S T A T E M E N T**

**Locally Developed Coordinated Human  
Services Public Transportation Plan  
MAP-21**

*Title 49 U.S.C. Section 5310/MAP-21 Section 20009 as amended by MAP-21, requires a recipient of these funds to certify that projects selected are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that includes representatives of public, private, and non- profit transportation and human service providers, participation by the public, and representatives addressing the needs of older ~~adults and individuals with disabilities.~~*

**I certify** that a good faith effort was made by the lead agency/ies and/or persons serving on the steering committee to identify, contact, and include organizations or persons representing the interest of persons identified in Federal Sections 5310 Circulars which includes representatives of public, private, non-profit transportation and human services providers in the local coordinated plan development.

**I certify** that the final locally developed coordinated human service public transportation plan named:

\_\_\_\_\_ was approved on the \_\_\_\_ day of \_\_\_\_\_ 20 , by a process that was agreed upon by the steering committee and or stakeholders, and that the approval process included a requirement that the minimum plan elements identified in the respective Federal Circulars be satisfactorily addressed in the final plan.

**I certify** to my thorough review of official documents and/or my direct knowledge through my active participation on the planning steering committee and/or workshops held in the development of the above named locally developed coordinated human service public transportation plan that it is MAP-21 compliant.

The plan covers geographical areas in the following  
county/ies,

1		3		5	
2		4		6	

Name: \_\_\_\_\_  
Title: Mobility Development Specialist

Date: \_\_\_\_\_  
Organization: NCDOT- PTD

## APPENDIX F

### LINKS TO SAMPLE COORDINATED PLANS AND OTHER RESOURCES

- [SC-PlansSummary.pdf \(59kb\)](#)
- [LowerSavannah.pdf \(748kb\)](#)
- [Waccamaw.pdf \(611kb\)](#)
- <http://www.srpedd.org/THECP.pdf>

# APPENDIX 2 – UPTAS CHART OF ACCOUNTS

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*UNIFORM PUBLIC TRANSPORTATION ACCOUNTING SYSTEM*

## **U P T A S**

prepared by:

**PUBLIC TRANSPORTATION DIVISION**  
**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**  
**1550 MAIL SERVICE CENTER**  
**RALEIGH, NORTH CAROLINA 27699-1550**  
**(919) 733-4713**  
**Revised July 2011**  
*All Previous Editions Obsolete*

<http://www.ncdot.gov/nctransit/download/UPTAS.pdf>

## APPENDIX 3 – CHARTER REQUIREMENTS

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NCDOT requires all subrecipients seeking Federal or State assistance to acquire or operate any public transportation equipment or facilities to enter into a “Charter Service Agreement,” which states: “The subrecipient agrees that it, and each of its subcontractors at any level who use FTA- or NCDOT-funded vehicles, may provide charter service using equipment or facilities acquired with Federal/State assistance only in compliance with the regulations set out in 49 CFR 604.” Subrecipients must agree to comply with the charter service requirements in 49 CFR 604 in their annual FTA/NCDOT Certifications and Assurances and comply with the recordkeeping and reporting requirements in this plan and the grant agreement with NCDOT. See link for Charter Service Requirement outlining detailed information [Charter Service Requirements](http://www.ncdot.gov/nctransit/download/policies/charter/CharterInst.pdf) (<http://www.ncdot.gov/nctransit/download/policies/charter/CharterInst.pdf>)

# APPENDIX 4 – NCDOT/PTD PROCESS FOR STATEWIDE VEHICLE PROCUREMENT: REQUIREMENTS, FORMS AND DOCUMENTATION

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## **The Bid Review Process Buy America, Pre-Award and Post Delivery Audits**

In accordance with 4220.1F, 9040.1G, and the Master Agreement, when the PTD does a statewide procurement for vehicles, all bids are procured following federal as well as state procedures. The State General Statutes followed are N.C.G.S. 143-129. All bids contain federal conditions and requirements, including all applicable certifications.

At the bid opening the State Purchase and Contract Division (P&C) will log in all the bids received and tabulate the bids. P&C will note anything unusual, for example if a vendor submitted a bid, but did not sign it. This is an automatic rejection of the bid.

The Division receives the bids within 2-3 days after opening to start our review process. The first thing confirmed is that the applicable certifications are included and completed correctly. A requirement of the vehicle bid package is that the Buy America and the TVM certifications be included with the bid. A bid submitted without these certifications is considered non-responsive and rejected.

The next step in the review process is to review the responses to the specification. A price analysis may need to be performed if a single bid is received. If the vendor meets all the requirements of the specification, then the pre-award audit documentation is reviewed. This documentation is requested to with the bid or can be submitted by the 2 low bidders within 5 days after the bid opening.

The pre-award documentation required is a copy of the bidder's specifications, FMVSS certification, a breakdown of the components and subcomponents as to their cost and origin, and/or any Buy America waivers. If the appropriate documentation is submitted, the specification meets the bid requirements, and the vehicle has a minimum of 60% U.S. made components then the Pre-Award certifications are completed and filed with the bid. The bid can then be recommended for award to the N.C. Dept. of Administration's Purchase and Contract Division.

Once the award is made, transit systems are allowed to order appropriate vehicles.

The Post-Delivery Audit is completed when the first vehicle is to be delivered. PTD inspects the first vehicle delivered on each new vehicle contract. If an individual transit system has ordered twenty or more (rural system, ten or more if it is an urban system) of the same type vehicle, they will need to visit the manufacturer's factory site to report the findings of the "resident inspector". The vendor submits documentation to the PTD that the component breakdown is the same or has increased in U.S. made products. The individual systems complete an inspection form for each new vehicle it receives. The inspection form is a checklist for the system to mark off if the vehicle meets the specifications, has the appropriate FMVSS sticker(s) on it, and they complete a road test. When these tasks are completed, the Post Delivery Audit certifications are filled out and filed with the bid.