

Commonwealth of Virginia
Department of Rail and Public Transportation

**Section 5311 State Management Plan
For
Public Transportation in Nonurbanized Areas**

Revised June 1, 2017

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Introduction

The Federal Transit Act title of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act, (SAFETEA-LU), as amended, includes a formula grant program for non urbanized areas known as Section 5311. The Section 5311 program provides financial assistance for capital, operating, administrative, planning and technical assistance to rural areas for public transportation services.

FTA Section 5311 Program Guidance Circular (Circular 9040.1G) was issued by the Federal Transit Administration (FTA) on April 1, 2007. This circular incorporates the current statutory and programmatic requirements and changes as outlined in SAFETEA-LU.

(This Section 5311 State Management Plan includes added sections and guidance form Proposed Circular FTA C 9040.1G. This circular is re-issuance of guidance on the administration and preparation of grant applications for the Formula Grants for Rural Areas Program under 49 U.S.C 5311. This revisions incorporates provisions of the Moving Ahead for Progress in the 21st Century Act (MAP-21; Pub.L. 112-141(2012)

The Governor has designated the Department of Rail and Public Transportation (DRPT) as the agency responsible for administering the Section 5311 program in Virginia.

Purpose of the State Management Plan

The Section 5311 State Management Plan is intended to facilitate both state management and FTA oversight by documenting the state's procedures and policies for administering the Section 5311 program in a single reference. The State Management Plan is a document, which is useful to the state as well as to sub recipients and FTA. Its primary purposes are to serve as the basis for FTA's review of the state's program, and to provide public information on the state's administration of the Section 5311 program.

a. Program Goals and Objectives

The goal of the Commonwealth of Virginia's Section 5311 Rural Public Transportation Program is to promote effective, efficient and safe public transportation services, which enhance the mobility of Virginia's rural citizens.

Through the administration of the Section 5311 program, it is the objective of DRPT to:

1. Encourage the maintenance, development, and improvement of existing public transportation systems in the non-urbanized areas of the state through a reliable program of Federal and state financial assistance.
2. Help to maximize the efficiency, effectiveness, and safety of existing non urbanized public transportation systems through capital, technical, and planning assistance.
3. Enhance the access of all citizens in non urbanized areas of Virginia and especially the transportation disadvantaged for trip purposes such as health care, shopping, education, recreation

and employment, through the introduction of new public transportation services and the protection of existing services.

4. Conserve energy resources by reducing fuel consumption and traffic congestion and associated travel delays through the provision of fuel efficient alternatives to the private automobile.
5. Maintain an administrative and technical assistance capability at the state level to assist local governments in the planning, development and management of rural and intercity public transportation systems.
6. Ensure that there is a fair and equitable distribution of Section 5311 program funds.
7. Ensure a process whereby private transit operators are provided an opportunity to participate to the maximum extent feasible.
8. Support intercity bus transportation.
9. Provide for maximum feasible coordination of public transportation service assisted by the FTA with transportation services assisted by other Federal sources.

b. Roles and Responsibilities

In the 1992 Session of the Virginia General Assembly, the Code of Virginia was amended to add Section 33.1-391, which established the Department of Rail and Public Transportation. The Department was given the following responsibilities:

1. Determine present and future needs for, and economic feasibility of, providing, public transportation facilities and services and the retention, improvement, and addition of passenger and freight rail transportation in the Commonwealth;
2. Formulate and implement plans and programs for the establishment, improvement, development, and coordination of public transportation facilities and the retention and improvement of passenger and freight rail transportation services and corridors in the Commonwealth, and the coordination of transportation demand initiatives with the Department of Transportation.
3. Coordinate with the Department of Transportation in the conduct of research, policy analysis, and planning for the rail and public transportation modes as may be appropriate to ensure the provision of effective, safe, and efficient public transportation and passenger and freight rail services in the Commonwealth;
4. Develop uniform financial and operating data on and criteria for evaluating all public transportation activities in the Commonwealth, develop specific methodologies for the collection of such data by public transit operators, regularly and systematically verify such data by means of financial audits and periodic field reviews of operation data collection methodologies, and develop such other information as may be required to evaluate the performance and improve the economy or efficiency of public transit or passenger and freight rail operations in the Commonwealth;
5. Provide training and other technical support services to transportation operators and ridesharing coordinators as may be appropriate to improve public transportation and passenger and freight rail services;
6. Maintain liaison with state, local, district, and federal agencies, or other entities, both private and public, having responsibilities for passenger and freight rail and public transportation programs;
7. Administer grants from the Federal Transit Administration (formerly the Urban Mass Transit

Administration), the Federal Railroad Administration, and other agencies of the United States government for public transportation, passenger and freight rail transportation, and ridesharing purposes with approval of the Commonwealth Transportation Board and to comply with all conditions attendant thereto;

8. Administer state grants for public transportation, rail transportation, ridesharing, and transportation demand management purposes with approval of the Board.
9. To promote the use of public transportation and passenger and freight rail services to improve the mobility of Virginia's citizens and the transportation of goods;
10. Represent the Commonwealth on local, regional, and national agencies, industry associations, committees, task forces, and other entities, both public and private, having responsibility for passenger and freight rail and public transportation;
11. Represent the Commonwealth's interests in passenger and freight rail and public transportation and coordinate with the Department of Transportation in the planning, location, design, construction, implementation, monitoring, evaluation, purchase, and rehabilitation of facilities and services that affect or are used by passenger and freight rail or public transportation;
12. Coordinate with the State Corporation Commission on all matters dealing with rail safety inspections and rail regulations, which fall within their purview;
13. Prepare and review state legislation and Commonwealth recommendations on federal legislation and regulations as directed by the Secretary of Transportation; and
14. Promote public transportation and passenger and freight rail safety.

According to the Code of Virginia, as quoted above, the Governor has designated DRPT to administer the Section 5311 program. DRPT will follow both the prescribed procedures published by the U.S. Department of Transportation (CFR Title 23, Subchapter I, Part 825) and the existing federal and state regulations pertaining to the administration of federal grants in Virginia.

DRPT has increased staff in both the Public Transportation Division and the Fiscal Division to provide better program management and oversight of the Section 5311 program. Public Transportation has four Transit Project Managers to provide technical assistance, ensure regulatory compliance, new service development, application review, procurement oversight, facility development and construction oversight, transit management development, driver training, and analyze present and future needs for rural transit providers. Transit Project Managers will be available to grantees on a daily basis to provide on-going support and to ensure that they meet FTA and DRPT requirements.

The Fiscal Division will be responsible for maintaining the Online Grant Administration (OLGA) and Symphony systems, financial programming, contract development, asset management and inventory system, and financial auditing of FTA Section 5311 sub recipients.

DRPT shall make Section 5311 funds available to provide capital, operating, administrative, planning and technical assistance to public transportation projects in non urbanized areas.

DRPT has developed a Public Transportation and Transportation Demand Management Grant Program Application Guidance Manual (Issued December 2016) to provide grant application guidance to transit

providers and local governments. Application requirements are also described in the current Fiscal Year edition of the FTA Section 5311 Program Application, which is part of DRPT's OLGA system, and can be accessed at <https://olga.drpt.virginia.gov>. The program application information is reviewed and updated on an annual basis. All FTA Section 5311 sub recipients must apply for these funds on an annual basis through the OLGA application system.

c. Coordination

Coordination is an important element to the success of the FTA Section 5311 program within the Commonwealth of Virginia. DRPT staff participates in local and statewide transportation activities, which deal with coordinating public transportation and human service transportation. DRPT staff provides on-site technical assistance and RTAP financial resources to encourage coordination between transportation services. Currently there are (21) FTA Section 5311 transit operators in the state and all have participated in the development of local Coordinated Human Service Mobility Plans. Also, six (6) FTA Section 5311 sub recipients currently operate coordinated public transportation and human service transportation systems.

d. Eligible Subrecipients

Any city, county, town, transportation district commission, public service corporation, or private nonprofit corporation that operates a public transportation system in a non-urbanized area of Virginia may apply for a grant under the Section 5311 program. Private for-profit providers, including intercity bus operators, may be supported with Section 5311 funds through purchase of service agreements with eligible applicants.

Applicants for Section 5311 funds are expected to reasonably meet technical capacity requirements for grant administration and program management. These requirements are included Program Application Guidance Manual.

e. Eligible Services and Service Areas

The Commonwealth of Virginia adheres to the FTA Section 5311 program regulations and does not impose any additional limitations to the program.

f. Eligible Assistance Categories

All project expenses fall into one of three categories: operating expenses, administrative expenses and capital expenses.

1. **Operating Expenses** Eligible operating expenses include items such as fuel, oil, replacement tires, replacement parts, maintenance and repairs, driver's and mechanic's salaries and fringe benefits, dispatcher's salaries and fringe benefits, and licenses.

Net operating expenses are those expenses that remain after operating revenues are subtracted from eligible operating expenses. At a minimum, operating revenues must include fare box revenues. Operating revenues are all revenues accrued to the benefit of the project and may include fare box revenue (passenger fares). Fare box revenues include fares paid by passengers who are later reimbursed by a human service agency, or other user-side subsidy arrangements, but do not include payments made directly to the transit provider by human service agencies. The Federal share of operating expenses may not exceed 50 percent.

2. **Administrative Expenses** Eligible administrative expenses include items such as transit director's salary, secretary and bookkeeper salaries, marketing expenses, office supplies, vehicle insurance and facility rental. The Federal share of administrative expenses may not exceed 50 percent. Administrative expenses are included in each sub recipient's operating budget. DRPT does not create a separate administrative budget.
3. **Capital Expenses** Eligible capital expenses include items such as buses, vans, paratransit vans, associated capital maintenance items, radio equipment, passenger shelters, wheelchair lifts and restraints, service vehicles, vehicle rehabilitation, computer hardware/software and construction or rehabilitation of transit facilities. The Federal share of capital expenses may not exceed 80 percent.
4. **Planning Expenses** Eligible planning expenses include feasibility, technical, marketing and planning studies as needed for the support or expansion of rural public transit within the Commonwealth. The federal share of planning expenses is up to 80 percent.

g. Local Share and Local Funding Requirements

Section 5311 funds may be requested to finance up to 50% of the net operating expenses (deficit) incurred by public transportation providers in non-urbanized areas. In addition, funds may be requested to finance up to 80% of capital project costs. Half of the required local match for operating and administrative expenses may be comprised of unrestricted federal funds from other sources. In other words, unrestricted federal monies available from other sources to the Section 5311 program may be used to finance 25% of the net operating expenses (deficit). Similarly, if state funds are not received, half of the non-federal share of capital expenses (10%) may be comprised of unrestricted federal funds. If state funds are received, the entire local share of a capital project must be comprised of local cash and an amount equal to the level of state administrative assistance must be comprised of local cash.

Human service agency contract income may be used as local match provided the applicant demonstrates that all direct operating expenses for its human service contract service are recovered without the use of Section 5311 funds.

A Section 5311 applicant may use excess contract revenue from its human service contract service to match Section 5311 funds. Excess contract revenue is any revenue received from contract service, which exceeds the amount required to recover all direct operating expenses of human service contract service.

h. Project Selection Criteria and Method of Distributing Funds

The procedures for distributing FTA Section 5311 funds shall be as follows:

1. **First Priority** The first funding priority is to continue operating assistance to current Section 5311 recipients where there exists a continuing demand for public transportation service, a need for government subsidy, and a commitment of local financial and administrative support.
2. **Second Priority.** The second priority for funding is to support capital projects for existing systems. If capital funding is made available, eligible requests will be prioritized on the following basis:
 - a. Replacement of worn-out or unsafe revenue vehicles;
 - b. Purchase of additional vehicles to meet demonstrated capacity problems on current routes;
 - c. Purchase of vehicles for the expansion of existing services; and
 - d. Purchase of miscellaneous capital equipment.
3. **Third Priority.** The third priority is the funding of operating and capital expenses for new rural transportation systems.

The Department of Rail and Public Transportation retains sole discretion in determining the level of funding for all Section 5311 projects.

Appeals Process - An applicant whose application was not approved by the Commonwealth Transportation Board may file a protest and request a review of their application within 60 days following action by the Commonwealth Transportation Board (normally in late June). An applicant that files a protest must send a letter to the Director of DRPT explaining the reason for the protest. The protest letter and supporting documentation should be sent to the following address:

Chief of Public Transportation
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, Virginia 23219

The Chief of Public Transportation will officially respond to the FTA Section 5311 protest within 30 days.

I. Intercity Bus Transportation

The Commonwealth of Virginia has provided the Federal Transit Administration with a certification from the Governor as required pursuant to Section 5311 of the Federal Transit Act, as amended, that the intercity bus industry in the Commonwealth of Virginia does not require federal financial support as provided under the FTA Section 5311 provisions. The certification has been forwarded to the Federal Transit Administrator for Fiscal Years starting in 1992 through 2016. DRPT conducted the 2013 Virginia Statewide Intercity Bus Study. The study identified a number of issues resulting from the loss of privately-provided unsubsidized rural intercity bus services. DRPT will be requesting proposals for an Intercity Bus Route beginning December 2016, with a goal of starting service September 2017.

j. State Rural Transit Assistance Program

1. **Program Management** as with the FTA Section 5311 program, the Commonwealth's Rural Transit Assistance Program (RTAP) is the responsibility of the Department of Rail and Public Transportation. The RTAP program provides funding assistance for training, technical assistance, transit research and related support services. These funds are available to assist Section 5311 and Section 5310 sub recipients who are involved in the provision and coordination of rural transportation services.
2. **Goals and Objectives** It is a goal of the RTAP program to promote improvement of public transportation services and mobility for citizens living in rural areas.
3. **Local Match Requirements** All RTAP activities will be funded at a 100% funding.
4. **Methods of Involving Operators in Program Development and Implementation.** The Commonwealth's RTAP program utilizes the following means of involving rural operators in the development and implementation of the annual RTAP Program of Projects:
 - a. *Input by Forum* During an annual statewide DRPT/CTAV EXPO and training conference, a round table session is conducted among potential recipients of the RTAP services for suggestions on use of the funds;
 - b. *On-site Visits* At least once a year, the Department of Rail and Public Transportation's staff visits rural transit system to evaluate and monitor their performance.
 - c. *DRPT Staff* The Transit Project Managers and the Public Transportation Program Administrator will determine individual and statewide technical needs, which can be addressed through the RTAP program.

5. **Project Selection Criteria** DRPT's Public Transit Program Managers determines with input from section staff members what projects will be funded with RTAP funds.

a. *Eligible recipients:*

- I. Section 5311 recipients
- II. Public Transit/Human Service Coordinated Systems
- III. Community Transportation Associations
- IV. Section 5310 recipients

b. *Application types:*

- I. Statewide application
- II. System specific

c. *Eligible Projects:*

- I. Training: DRPT sponsored
- II. Training: Non-DRPT
- III. Technical Assistance:
 - On-site
 - Transit Studies
- IV. Support Services
- V. Coordination with other states
- VI. Training Equipment
- VII. Marketing materials

k. Annual Program of Projects Development and Approval Process

The solicitation of applications is accomplished through a statewide public notice on the Department of Rail and Public Transportation's web page and in newspapers throughout the Commonwealth. Applications for Section 5311 funding are due to the Department of Rail and Public Transportation on February 1st of each year.

Applications are submitted to the Department of Rail and Public Transportation through the On-Line Grant Administration (OLGA) system. All applications must be submitted through the OLGA system. Annual Performance Data and an Asset Inventory showing all FTA funded equipment must also be submitted through the OLGA system on at least an annual basis.

Applicants for Section 5311 funding also must provide the Department of Rail and Public Transportation with the following annual submissions as part of their annual application for funding:

Appendix A – Federal FY200_ Certifications and Assurances for FTA Assistance;

Section 13(c) Labor Protection Warranty;
Title VI Information Update;
Current Insurance Declaration Page showing that all FTA funded capital is protected;

The review process begins upon the Department of Rail and Public Transportation's receipt of the Section 5311 applications on February 1st. Under emergency situations the Department of Rail and Public Transportation will accept applications past the February 1st application deadline. However, funding of late applications is dependent upon the availability of Section 5311 funding for the particular program year.

Each Section 5311 application is evaluated to ensure that the applicant complies with the requirements of the Section 5311 Program Information in OLGA. Those applications that meet the basic eligibility requirements are then reviewed by the Public Transportation Program Administrator who makes a determination on which projects will be included in the Draft FTA Section 5311 Program of Projects. The selection of projects is based on a determination of need, a prioritization of needs, the evaluation criteria listed in the Program Application Guidance, and a fair and equitable distribution of funds. The number of projects selected and/or the amounts recommended is determined based on the availability of funds. This initial review is completed by the Transit Project Mangers by the end of February.

The draft recommendations are then presented to the Public Transportation Program Administrator for review. A Draft FTA 5311 Program of Projects is presented to the Director by the end of March. Upon approval by the Director, the Director presents the Final Draft FTA Section 5311 Program of Projects to the Secretary of Transportation by mid May. Upon the review and approval of the Final Draft by the Secretary of Transportation, the FTA Section 5311 Program of Projects is then presented to the Commonwealth Transportation Board in May for their review and released to the public for public comment. The Commonwealth Transportation Board approves the Final FTA Section 5311 Program of Projects in late June.

The Commonwealth's FTA Section 5311 Annual Program of Projects is included as part of the Virginia Department of Transportation's Statewide Transportation Improvement Program (STIP). Prior to FTA application submission and as part of the STIP development, the Commonwealth Transportation Board conducts both preliminary and final STIP public hearings.

The Annual Program of Projects is included in the Commonwealth's FTA Section 5311 Application, which is submitted to FTA by September 20th of each year in TrAMS. Following approval by FTA and execution of the FTA Section 5311 Agreement in TrAMS, contracts are prepared and executed with each sub recipient, normally by October 31st.

Revisions to the Approved Program of Projects are normally requested by sub recipients in consultation with the Transit Project Managers in accordance with the provisions outlined in FTA Circular 9040.1G. Budget revisions are reviewed and approved by the Transit Program Managers and the Public Transportation Program Administrator. Written contract amendments developed for increases in

funding above those approved in the annual program of projects are signed and executed by the Director and sub recipient designee.

Project Grant Closeout Procedures are normally started for operating assistance grant projects when all operating assistance invoice and authorization forms have been submitted by subrecipients. The Transit Project Managers monitors all subrecipients operating assistance projects and once a final invoice has been submitted and approved in OLGA. The Transit Project Managers will request the project to be closed in OLGA. If a sub-recipient does not use all of their FTA Section 5311 funds that have been awarded to them, these remaining funds may be transferred to another sub recipient who has indicated that additional funds could be used to offset expenses above their original budgeted estimates. A sub recipient must submit a written request for additional FTA Section 5311 operating assistance funds providing justification for the additional operating assistance funds. The Transit Project Managers will review the final operating assistance program of projects to determine if funds are available for transfer to other sub recipients, if funds are available then a revised Operating Assistance Program of Projects will be developed and approved by the Chief of Public Transportation. The Fiscal Division will develop project amendments which are executed by the Director to increase the amount of operating assistance. After all adjustments and revisions have been made through the Project Amendment process, then a new FTA Section 5311 Program of Projects is developed and submitted to FTA in accordance with FTA Circular C9040.1G Section IV – Revisions to Program of Projects and is also submitted to FTA as part of the annual reporting process in TrAMS . This same process is used for Capital Assistance Projects as well. Once all funds have been expended and have been drawn down in TrAMS, the Transit Project Managers will complete a final Milestone Report in TrAMS and will notify the DRPT Financial Programming Team so that they may complete a final Federal Financial Report and begin close out of the Grant Project in TrAMS.

l. Fund Transfers

The Department of Rail and Public Transportation has not transferred Section 5311 funds to any other Federal Transit Administration program in the past, however if this need arises it will be done in accordance with all FTA regulations

m. State Administration and Technical Assistance

FTA Circular 9040.1G permits DRPT to retain up to 15% of the states' annual apportionment of FTA Section 5311 funding for state administrative and technical assistance.

n. Private Sector Participation

DRPT has made the FTA Section 5311 program open to all public transportation providers, private and governmental agencies. In addition, all applicants who desire FTA Section 5311 funded capital equipment are required to hold a public hearing as part of their FTA Section 5311 application. A copy

of the public notice as well as a copy of the public hearing minutes is made part of the application.

o. Civil Rights

The Department of Rail and Public Transportation will monitor each sub recipient to ensure compliance with FTA civil rights regulations. Program Managers will review civil rights compliance during quarterly reviews and the triennial review. The Section 5311 application requires each sub recipient to report any current or pending civil rights complaints. When and if complaints arise alleging a civil rights violation, then in consultation with the Virginia Department of Transportation Equal Opportunity Division, the Department of Rail and Public Transportation will initiate appropriate actions to deal with the complaint.

Disadvantaged Business Enterprise The Department of Rail and Public Transportation will assist and encourage all Section 5311 subrecipients to utilize Disadvantaged Business Enterprises (DBE) throughout their procurement process. All 5311 subrecipients will report their contracting opportunities and utilization of certified DBE vendors to DRPT semi-annually. Rural Transit Program Administrators will review all sub-recipient contract procurements for DBE “good faith efforts”. Sub-recipients receiving FTA Section 5311 funds for construction projects will be required to set a separate DBE goal for the project. Rural Transit Program Administrators will be responsible for monitoring the sub-recipients progress toward meeting the goal.

Satisfactory Continuing Control All Section 5311 sub-recipients are required to maintain adequate insurance coverage in an amount and form satisfactory to DRPT and in accordance with the laws of the Commonwealth of Virginia and submit a copy of their insurance policy declarations to DRPT annually.

Debarment and Suspension Grantees awarded grants exceeding \$25,000, must obtain a certification from contractors awarded contracts in excess of the federal small purchase threshold stating that they are not suspended or debarred from receiving federally assisted contracts. Grantees must provide immediate written notice to DRPT for reporting to FTA if they learn that their certification or the certification of any contractors is no longer valid. The Government Services Administration publishes the *List of Parties Excluded from Federal Procurement and Non Procurement Programs*. Grantees can search the list on the Internet at System for Award Management (SAM) <http://www.sam.gov>.

p. Maintenance

The Rail and Public Transportation will review maintenance records and maintenance procedures and practices during on-site compliance and quarterly reviews. Each DPT Transit Project Manager at quarterly reviews the following:

The Section 5311 subrecipient agreement requires the subrecipients to maintain the project equipment at a high level of cleanliness, safety, and mechanical soundness. Maintenance practices must be in accordance with the detailed maintenance and inspection schedules.

Grantees must have a written maintenance plan for vehicles and facilities and facility-related equipment. The purpose of this vehicle maintenance plan is to provide guidelines and procedures for the grantee. This maintenance plan will address standards for proper care and longevity for the vehicles. Grantees must maintain project equipment and facilities at a high level of cleanliness, safety, and mechanical soundness. Grantees must maintain all accessibility features and equipment in good operating condition. Grantees must have procedures to track when preventive maintenance inspections are due and to schedule preventive maintenance inspections in a timely manner. Grantees must maintain a file on each piece of equipment that contains daily logs, inspection checklists, and repair records.

DRPT program managers will ensure implementation of preventive maintenance corrective actions through activities including the following:

- As appropriate, offer technical assistance, recommendations, and model policies to assist project staff in implementing required corrective actions.
- As appropriate, follow up with project staff to ensure that deficiencies are being addressed and corrective actions are being implemented as evidenced by appropriate changes to policies, procedures, forms, and technology.
- As appropriate, require project staff to submit documentation demonstrating ongoing monitoring of corrective actions and/or improved on-time performance of preventive maintenance activities.

At a sub-recipient site visit, the DRPT Transit Project Manager will conduct maintenance review by doing the following:

Grantees must have a pre-trip inspection program that addresses vehicle condition, appearance and cleanliness, safety, and ADA accessibility equipment. Deficiencies noted in a pre-trip inspection must be repaired in a timely manner and properly reviewed by management. Grantees must repair accessibility features promptly and take reasonable steps to continue service to persons with disabilities while repairs are being made.

For each vehicle chosen, examine the preventive maintenance history for the preceding 12 months. Most grantees schedule preventive maintenance inspections based on relative miles (e.g., 6,000 miles since the last inspection). Focus on whether the inspections are conducted when due. Document the date when each inspection was accomplished and record the vehicle mileage at the time of each inspection. Inspections that are within a 10 percent or 500-mile variance of schedule are considered on time. For example, a scheduled 5,000 mile inspection would be considered “on time” if it was performed any time between 4,500 and 5,500 miles. The grantee is deficient if fewer than 80 percent of the inspections occurred on time.

Procedures When Adherence to Preventive Maintenance Plan is Deficient

If adherence to preventive maintenance plans is found to be deficient, based on DRPT Triennial Review, then the DRPT Triennial Review Report will include a deficiency finding, describe required corrective actions, and provide a timeline or due date for completion of corrective actions.

It is the responsibility of DRPT program managers to follow up with project staff and ensure that deficiencies are resolved in a timely manner. When deficiencies are resolved, program managers will update and provide to affected project staff a summary report noting deficiency resolution.

If significant preventive maintenance deficiencies are documented by DRPT staff through other DRPT maintenance record review processes (such as site visits), then DRPT will provide a written preventive maintenance deficiency notice. The notice will describe the basis for the deficiency finding. The notice will also describe the corrective actions required and provide a timeline or due date for completion of corrective actions. It is the responsibility of DRPT program managers to follow up with project staff and ensure that deficiencies are resolved in a timely manner and to appropriately document resolution.

Preventive maintenance corrective actions required may include, but are not limited to:

- Developing or revising preventive maintenance policies, procedures and plans to promote improved on-time performance of preventive maintenance activities.
- Developing or revising preventive maintenance schedules or forms, and record keeping systems or technology, in order to promote improved on-time performance of preventive maintenance activities.
- Submitting preventive maintenance records and/or summary reports documenting preventive maintenance activities and adherence to preventive maintenance service interval standards and/or corrective action requirements.

q. Charter Rule

The Department of Rail and Public Transportation will monitor each sub recipient to ensure compliance with the charter service regulations. All sub recipients who are considering charter service are responsible for complying with the notification process specified in the charter rules. When complaints alleging unfair competition from private charter operators arise, DRPT will investigate and take appropriate action to ensure that the sub recipient is in full compliance with the charter rules. Currently, no Section 5311 sub recipients in the Commonwealth of Virginia are providing or offering charter service to the public. DRPT will report findings in TrAMS.

r. Section 504 and ADA Reporting

The Department of Rail and Public Transportation will monitor each sub recipient to ensure compliance with Section 504 and ADA regulations. The Section 5311 application requires each subrecipient to report any current or pending ADA complaints. When and if complaints arise alleging a civilrights violation, then the Department of Rail and Public Transportation will initiate appropriate actions to deal with the compliant.

s. **NTD Reporting**

The Department of Rail and Public Transportation will begin the NTD data collection process in November of each year following receipt of directions from FTA. DRPT staff will notify all FTA subrecipients of NTD data reporting requirements in November of each year and require that all NTD data be submitted by December 31st of each year. DRPT staff will review the data to ensure that all subrecipients have submitted the data and then enter the NTD data into the NTD system by the March 30 due date.

t. **Other Provisions**

Each sub recipient is required by February 1st of each year to submit to DRPT a signed “Federal FY201_ Certifications and Assurances for FTA Assistance”. This certification must be signed by an Authorized Representative of the applicant. Each sub recipient completes this Certification as per the Notice issued in the Federal Register. The following Certifications are required of each sub recipient:

A Total Operating Expense Certification for the prior Fiscal Year;

A Title VI Civil Rights Information Update;

Insurance Policy verification for all FTA funded vehicles and equipment;

An Independent Financial Audit;

An updated FTA Vehicle and Equipment Inventory; and a

A Section 13c Labor Protection Warranty Assurance is required annually by all Section 5311 applicants. The Department of Rail and Public Transportation submits a Section 5311 Program of Projects to the U.S. Department of Labor for their review in as appropriate when applying for a FTA Section 5311 grant project in TrAMS

u. **On-Site Visits**

It is the goal of the Department of Rail and Public Transportation staff to conduct quarterly meetings with each sub recipient. (Not all the quarterly meetings are done on-site) The Transit Project Managers will also conduct a Triennial Compliance Review with each sub recipient. A checklist of areas to be reviewed (Virginia Rural Public Transit Compliance Review Workbook for Section 5311 Grantees) will be sent to the sub recipient at least 30 days prior to the visit. Most of the questions will address FTA and state requirements.

Objectives of the FTA Section 5311 site reviews are to ensure compliance of federal and state requirements, encourage progress, and identify training and technical needs.

The review process will include the following:

1. DRPT will review materials and reports on file in its office.
2. DRPT will review the information submitted by the grantee.
3. DRPT will visit on-site to visually inspect vehicle fleet to determine condition and replacement needs and follow up on sub grantee responses.
4. After the site visit, DRPT will send a letter listing findings, corrective action needed and recommendations. No corrective actions will be made for those items labeled good practices; however, suggestions may be made regarding these items. The corrective actions will have a specified time frame for implementation. All findings will be followed up with additional visits until they are resolved.

v. **State Program Management**

General Procedures: The Department of Rail and Public Transportation have the responsibility for the Commonwealth's FTA Section 5311 Program. The Public Transportation Section of the Department has been assigned this responsibility. Within the Section, the Transit Project Managers are assigned the responsibility for the day-to-day administration of the Section 5311 program.

The Commonwealth's Section 5311 Program is managed in accordance with FTA Circular 9040.1G Nonurbanized Area Formula Program Guidance and Grant Application.

The following paragraphs describe how the Department of Rail and Public Transportation administers the major program management responsibilities:

1. **Procurement.** All procurement made within the Section 5311 program will be in accordance with the Common Rule (state procurement procedures) or FTA Circular 4220.1F, "Third Party Contracting Guidelines" in regards to private non-profit agencies. Additionally, every purchase order or contract will include all clauses required by federal statutes and executive orders and their implementing regulations as identified in grant contract documents and FTA Circular 4220.1F. All procurement is also made in accordance with FTA Circular 5010.1D Grant Management Requirements where appropriate.
 - a. *Purchase of Vehicles.* The Department of Rail and Public Transportation will review all vehicle specifications, monitor the bid process to ensure that state procurement procedures are followed and finally, approve all bid awards. The Procurement Section of DRPT handles the administrative vehicle bid process for DRPT and all state agencies in accordance with state laws and regulations. A FTA Section 5311 sub recipient may choose to purchase off the state vehicle contract or may go out to bid for vehicles under the FTA Circular 4220.1F if a sub recipient is a private non-profit agency. All vehicle procurement files must contain the following:
 - Price Analysis

- Bus testing certification (complies with 49 CFR Part 665)
- Buy America Requirements:
 - Component and sub-component parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs
 - Location of the final assembly point for the rolling stock, including a description of activities that will take place at the final assembly point and cost of final assembly.
 - Solicitation Specification Requirements: Contractor shall submit evidence that it will be capable of meeting the bid specifications.
 - Federal Motor Vehicle Safety Standards (FMVSS): Contractor shall submit 1) manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or 2) manufacturer's certified statement that the buses will not be subject to FMVSS regulations
 - . Pre-Award Purchaser's Requirements Certification (49 CFR Part 663, Subpart B)
 - . Pre-Award FMVSS Compliance Certification (49 CFR Part 663, Subpart D)
 - . Pre-Award Audit Requirements
 - . Description of Pre-Award Audit
 - . Compliance with Buy America and FMVSS Rolling Stock Requirements
 - . On-Site Manufacturer Inspection Compliance Certification
 - . Transit Vehicle Manufacturer (TVM) Certification
 - . Procurement History File
 - . Independent Cost Estimate
 - . Project Close-Out
 - . Reimbursement Checklist
 - . Post Delivery Audit Requirements
 - . Post Delivery Buy America Certification

- . Post Delivery Purchasers Requirements Certification
- . Post Delivery Audit Review
- . Post Delivery FMVSS Compliance Certification

2. Vehicle Useful Life

DRPT has established the useful life of all Section 5310 vehicles at a minimum of 4 years and at least 100,000 miles. Useful life of all other FTA supported vehicles is in accordance with the effective edition of FTA circular 5010.1D. Grant Management Requirements. For example, the FTA Circular, revised on August 27, 2012, summarizes useful life as follows:

(a) Buses:

- 1 Large, heavy-duty transit buses, including over the road buses (approximately 35'–40', and articulated buses): at least 12 years of service or an accumulation of at least 500,000 miles.
- 2 Small size, heavy-duty transit buses (approximately 30'): at least 10 years or an accumulation of at least 350,000 miles.
- 3 Medium-size, medium-duty transit buses (approximately 25'–35'): at least seven years or an accumulation of at least 200,000 miles.
- 4 Medium-size, light-duty transit buses (approximately 25'–35'): at least five years or an accumulation of at least 150,000 miles.

(b) Light Duty Vehicles:

- 1 Other light-duty vehicles used as equipment and in transport of passengers (revenue service) such as regular and specialized vans, sedans, and light-duty buses including all bus models exempt from testing in the current 49 CFR part 665: at least four years or an accumulation of at least 100,000 miles.

3. First Lien Holder and Replacement Process

DRPT is the first lien holder on all FTA funded vehicles. Sub recipients can apply for replacement vehicles through the applicable grant program, in accordance with grant

application guidance and capital need, as documented in DRPT Inventory. For example, Section 5311 applicants can request replacement for those vehicles that have exceeded their useful lives, or will exceed their useful lives within 12 months of the next Section 5311 grant application deadline. All DRPT asset inventory records must be updated as part of the application process in order to document mileage and replacement needs, etc. Certification that all asset inventory records are up to date will be required as part of the grant application process and is subject to on-site and audit review. Required updates include entry of sales date, and price for vehicles sold since submission of most recent previous grant application.

4. Title Release

Based on data contained within DRPT's Asset Management Database, DRPT will generate title/lien release documents and return titles for those FTA funded vehicles for which, 1) DRPT holds title, and 2) reported mileage exceeds specified useful life, and 3) vehicle age exceeds specified useful life. Vehicle age will be calculated from the reported date of acquisition/delivery. Sub recipient agencies with vehicles in the asset management database for which DRPT does not have titles, but which meet the age or mileage requirements, will receive lien release letters.

Procedure

In July of each year, sub recipients should update their asset inventories in DRPT's TransAM Asset Management System. In August of each year, DRPT will query the Asset Management Database and identify vehicles meeting vehicle age and/or mileage requirements. Identified vehicle titles (if in DRPT possession) will be released and returned to sub recipients with letters explaining that DRPT releases its liens. For vehicles meeting useful life criteria, for which DRPT does not have titles, sub recipients will only receive lien release letters. For each vehicle, DRPT will enter a title release date. Each vehicle will remain in the current inventory, until the sub recipient updates the record to reflect vehicle disposition, sales price, and sale date.

5. Disposition and Retention of Sale Proceeds

The grantee must use project property (equipment, rolling stock, etc.) for appropriate project purpose for the duration of the useful life of the property.

Disposition of equipment before the end of useful life requires DRPT approval; DRPT will then notify FTA. If a sub recipient no longer needs the vehicle for the purpose for which it was acquired, and requests a title for a vehicle that is not past its useful life, DRPT will seek to have the vehicle transferred to another eligible sub recipient. The original sub recipient will be reimbursed for local interest of the fair market value of the vehicle by the new sub recipient. If DRPT cannot find an eligible sub recipient for the vehicle and DRPT and FTA approves the sale of the vehicle by the original sub recipient, state and federal interest of the proceeds of the vehicle sale must be returned to DRPT.

Even after the equipment's useful life is expended, with prior DRPT approval, the recipient may sell its federally assisted property for which there is no longer any public transportation purpose. If the sale of the equipment is sold for \$5,000 or the recipient will use the proceeds to reduce the gross project cost of other future FTA eligible capital transit Awards. The subrecipient is expected to record the receipt of the proceeds in the recipient's accounting system, showing the funds that restricted for use in a future capital Award, and reduce the liability as the proceeds are applied to one or more FTA capital approved capital Awards. If new applications are not immediately anticipated, the recipient must inform the appropriate DRPT contact of the disposition within a reasonable amount of time. Otherwise, the subsequent capital application should contain information that the gross project cost has been reduced with proceeds from earlier. DRPT will notify FTA.

If a sub recipient no longer needs the vehicle for the purpose for which it was acquired and requests a title that is past its useful life the sub-recipient can sell the rolling stock for a unit market value of \$5,000 or less, or equipment with a unit market value of \$5,000 or less, may be retained, sold or otherwise disposed of with no obligation to reimburse FTA. Records of this action must be retained.

The subrecipient must update the DRPT TransAM Asset Management inventory database record by recording the disposition, final mileage, sales price, and date. Additionally, the subrecipient must retain and account for proceeds from the sale.

DRPT reserves the right to make exceptions to these criteria if circumstances warrant.

a. *Purchase of equipment*

The Department of Rail and Public Transportation will ensure that all equipment purchased with Section 5311 funds will be in conformance with federal and state procurement procedures.

b. *Construction of new or renovation of transit facilities*

The Department of Rail and Public Transportation will oversee each step of any renovation or construction of transit facilities in accordance with federal and state procurement guidelines and FTA regulations regarding construction projects.

c. *Disadvantaged Business Enterprise*

The Department of Rail and Public Transportation will assist and encourage all Section 5311 subrecipients to utilize Disadvantaged Business Enterprises (DBE) throughout their procurement process. All 5311 subrecipients will report their contracting opportunities and utilization of certified DBE vendors to DRPT semi-annually. Rural Transit Program Administrators will review all sub-recipient contract procurements for DBE "good faith efforts". Sub-recipients receiving FTA Section 5311 funds for construction projects will be required to set a separate DBE goal for the project. Rural Transit Program Administrators will be responsible for monitoring the sub-recipients progress toward meeting the goal.

d. *Satisfactory Continuing Control*

All Section 5311 sub-recipients are required to maintain adequate insurance coverage in an amount and form satisfactory to DRPT and in accordance with the laws of the Commonwealth of Virginia and submit a copy of their insurance policy declarations to DRPT annually.

e. *Debarment and Suspension*

Grantees awarded grants exceeding \$25,000, must obtain a certification from contractors awarded contracts in excess of the federal small purchase threshold stating that they are not suspended or debarred from receiving federally assisted contracts. Grantees must provide immediate written notice to DRPT for reporting to FTA if they learn that their certification or the certification of any contractors is no longer valid. The Government Services Administration publishes the *List of Parties Excluded from Federal Procurement and Non Procurement Programs*. Grantees can search the list on the Internet at System for Award Management (SAM) <http://www.sam.gov>.

6. **Financial Management** The Commonwealth receives FTA Section 5311 reimbursement from FTA through the ECHO invoicing program for actual cash outlays paid to sub recipients. The Department of Rail and Public Transportation is responsible for maintaining detailed financial records on individual projects within the program of projects of each FTA Section 5311 grant. Supporting documentation such as budget revisions, contract amendment justifications and related contract correspondence are also maintained by the Department of Rail and Public Transportation. FTA Section 5311 recipients are instructed in the proper maintenance and retention of contract and program documentation.

All records pertinent to each FTA grant and the subrecipients' program of projects are retained and are available to authorized representatives of the U.S. DOT and Comptroller General of the United States for three years following the date of forwarding of the final financial status report (SF-269)(through the TrAMS system) and request for project closeout. The financial records present adequate documentation of the computation of the federal share and the provision of the required local share.

DRPT shall submit to FTA an annual program status report (through the TrAMS system) for the program of projects for each active grant. These reports cover the 12-month period ending September 30th and will be sent (through TrAMS) to the FTA Region III office within 30 days after the end of the reporting period. Reports will consist of:

- a. An updated Program of Projects and revised budget for each active project reflecting revised project descriptions, changes in projects from one category to another and adjustments within budget categories;
- b. Revised FTA grant project budget;
- c. An updated Federal Financial Report; and
- d. An updated Milestone Report.

7. **Property Management** All sub recipients receiving FTA Section 5311 operating assistance will receive an on-site inspection of equipment and facilities and a review of their Asset Management Plan and Vehicle Replacement Plan as part of their Triennial Compliance Review to be conducted by the Rural Transit Program Administrators.
8. **Vehicle Use** The Department of Rail and Public Transportation will ensure through on-site inspections, annual certification and compliance and quarterly reviews that all equipment purchased through the FTA Section 5311 program are being used to support rural public transportation services.
9. **State Reporting Requirements** The Department of Rail and Public Transportation requires all FTA Section 5311 recipients to annually submit to the Department of Rail and Public Transportation the following reports:
 10. a. Semi-annual Disadvantaged Business Enterprise Report indicating the recipients progress in meeting DBE Goals; revised DBE goals will be submitted every three years.
 11. b. Annual Performance Evaluation Report;
 12. c. Final Fiscal Year Operating Expenses/Revenues Data Summary; and
 13. d. An Annual Financial Audit.
 14. e. An Annual NTD report
 15. f. An Annual FTA Drug & Alcohol Testing MIS Report
 16. g. An Annual Vehicle and Equipment Inventory Report in Asset Management
 17. h. Monthly passenger reporting
 18. i. Certification of Insurance for facilities and vehicles
 19. j. Title VI update.

w. **Appalachian Development Public Transportation Assistance Program (ADTAP)**

The Department of Rail and Public Transportation has not programmed any ADTAP funds for any eligible Section 5311 recipients because there is enough 5311 funding available for these recipients. DRPT is reviewing the ADTAP eligible projects to be able to program the funds for needs in Virginia's Appalachian Region.

x. **Incidental Use of FTA Funded Property**

DRPT will submit to FTA for approval any incidental use of FTA funded property. Any incidental

Use must be compatible with the original grant purpose of the property