

South Dakota Management Plan Section 5311, 5310 and 5339 Programs CFDA 20.509, 20.513, 20.526

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FOR COMMENT

Program Overview

Federal Transit Administration (FTA) awards grants under Section 5311, 5310 and 5339 to designated recipients in the urbanized areas (UZAs) and states for the purpose of financing operation, capital bus and bus-related expenditures that will support the continuation and expansion of public transportation services in the United States.

South Dakota Department of Transportation (SDDOT) (hereafter referred to as SDDOT) has been declared the designated recipient by FTA to administer the Section 5311, 5310 and 5339 funds for the small-urbanized areas and rural areas of South Dakota. The designated recipient is responsible for receiving and apportioning the FTA funds to eligible projects and applying for funds on behalf of all eligible subrecipients.

SDDOT, Metropolitan Planning Organizations (MPO), and Section 5307 recipients determine the allocation to the small urban areas in South Dakota. SDDOT allocates a sub-allocation of Section 5310 and 5359 to the small urban areas based on predetermined percentage and will allocate the funds to the rural public transportation subrecipients based on local needs, priorities and availability of federal and local funds.

All projects will be included in the metropolitan transportation plan, Transportation Improvement Program (TIP), Long-range Statewide Transportation Plan, and Statewide Transportation Improvement Plan (STIP).

As the designated recipient, SDDOT will submit grant applications to FTA for Section 5311, 5310 and 5339 and report on behalf of the subrecipients regarding projects listed in the Program of Projects (POP). SDDOT will review subrecipients and projects to ensure compliance with all applicable federal requirements.

Section 5311

Purpose

This program provides capital, planning, and operating assistance to states that support public transportation in rural areas with populations less than 50,000 where many residents often rely on public transit to as one of their own means for transportation for accessing many services.

Eligible Activities

Planning, capital, operating, job access, reverse commute projects, and the acquisition of public transportation services are eligible.

Section 5310

Purpose

This program is intended to enhance mobility of seniors and individuals with disabilities. This section of funds will provide for programs to serve the special needs of transit-dependent

populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.

Eligible Activities

Traditional

- Buses and vans
- Wheelchair lifts
- Ramps
- Securement devices
- Transit-related information technology systems
- Mobility management programs
- Acquisition of transportation services under a contract
- Lease or other arrangement.
- Both capital and operating costs associated with contracted service are eligible capital expenses.

Nontraditional

- Travel training
- Volunteer driver programs
- Building an accessible path to a bus stop including curb-cuts, sidewalks;

This is not an all-inclusive list.

In addition, mobility management is eligible for 5310 funding along with other projects not listed above – contact SDDOT transit staff for assistance in determine if a project is eligible.

Section 5339

Purpose

This program provides financing for capital to replace, rehabilitate, purchase buses and related equipment, and projects to construct bus-related facilities.

Eligible Activities

- Acquisition of buses for fleet and service expansions and replacement vehicles
- Bus maintenance
- Administrative facilities
- Passenger amenities such as:
 - passenger shelters
 - bus stops signs
 - mobile radios
 - supervisory vehicles
 - fare boxes
 - computers
 - shop and garage equipment.

This list is not all-inclusive.

Program Goals and Objectives

The goals and objectives of South Dakota's transit program include:

- Improving the mobility of people in non-urbanized and small urban areas for purposes of nutrition, health care, shopping, education, recreation, public services, and employment without regard to income or minority status.
- Encouraging the development, improvement, maintenance, and use of public transportation services in rural and small urban areas.
- Encouraging and facilitating the most efficient use of all federal and state funds to provide passenger transportation in non-urbanized areas through the coordination of programs and services.
- Supporting and encouraging participation of private transportation providers in non-urbanized and small urban transportation.
- Supporting and improving existing public and privately-owned transportation services for an area rather than implementing new services.
- Improving the mobility of seniors, individuals with disabilities and general public including minority and low-income populations by supplementing existing transportation programs.
- Provide dependable transportation to seniors and individuals with disabilities of South Dakota within the guidelines and funding levels provided to the state through FTA and the Americans with Disabilities Act.
- Developing and starting new senior and individuals with disabilities projects in those situations where other private or public mass transportation providers are unavailable or unwilling to meet special needs.
- Developing and implementing new public transportation projects (capital, administration, and operations) based on areas of highest priority need.

SDDOT will develop a Statewide Transportation Improvement Program (STIP), which will include a 4-year programming of transit federal funds. Annually, during the month of July, SDDOT holds statewide public hearings on the 4-Year Statewide Transportation Improvement Program (STIP). Citizens are encouraged to attend these published public hearings on the STIP to make comments and/or to recommend changes on the projects listed for future funding.

The STIP is reviewed and updated each year for changes and new projects are formulated and placed into the plan. Each year STIP projects are reviewed and if necessary re-prioritized within the plan's timetable based on changing social and economic factors.

Roles and Responsibilities

The Governor of the State of South Dakota has designated the SDDOT as the agency responsible for administering the Section 5311, 5310 and 5339 programs.

The Office Air, Rail and Transit; under the Division of Secretariat has the day-to-day management responsibility for the programs. Other offices supporting SDDOT in administering the Section 5311, 5310 and 5339 programs, include:

- Office of Internal Audits under the SDDOT, reviews single audits of subrecipients that receive more than \$750,000 in federal funds per year. Audits will conduct a statistical sample audit of 5311 subrecipients that do not meet the single audit requirement. Subrecipients with 5311 reimbursement requests receive biannual desk reviews. In addition, Audits reviews and determines subrecipient financial risk based on subrecipient questionnaire and supporting documentation.
- Office of Procurement Management under the Bureau of Administration, secures statewide contracts for state and local government agencies to purchase items.
- Assistant Attorney General under the SDDOT Office of Legal Counsel reviews agreements between SDDOT and subrecipient for compliance with state and federal requirements.
- The Division of Finance and Management processes payments to vendors for eligible activities and projects. Finance staff processes the ECHO drawdown from FTA. In addition, finance staff prepares and submits the Federal Financial and Transparency Reports.
- The Civil Rights Compliance Officer under the SDDOT Office of Legal Counsel is responsible for Equal Employment Opportunity, Title VI Compliance, and American with Disabilities Compliance.
- The Disadvantaged Business Enterprise (DBE) Liaison Officer under the SDDOT Division of Operations-Operations Support Office is responsible for Certifications and SDDOT's overall DBE plans and goals.
- The Metropolitan Planning Organizations (MPO) in Rapid City and Sioux Falls review 5310 applications and submit funding recommendations to the Office of Air, Rail, and Transit for approval and award.
- City of Rapid City and Sioux Falls approve and submit 5339 reimbursement requests to SDDOT for reimbursement; in addition, to the projects to be included in the grant application to FTA.

SDDOT assists in determining public transportation needs for service areas and clientele needing transportation. This assistance may include an inventory of existing public and private transportation services, the total estimated demand for transportation, and the estimated number of vehicles needed to satisfy the unmet demand.

Section 5311 funding is primarily used to support South Dakota rural transit providers with operational and administrative costs of doing business. The SDDOT staff review each transit provider's past performance in terms of budgets, expenses, service area growth, and ridership to formulate the basis for the distribution of funds for the upcoming fiscal year. SDDOT is permitted to up to 0.5 percent of the funds to pay up to 80% of the cost of participation for an employee who is directly responsible for safety oversight in public transportation safety certification training.

Section 5310 funding is intended to provide transportation to the seniors and individuals with disabilities. SDDOT primarily funds capital type projects with this section of funding. Private nonprofit organizations are requested to coordinate with local governments during the development of their proposals for transportation services. Many local units of government commit funds for capital costs, operating costs or both. Also, other public or private operators may be willing to contract to provide necessary services.

Apportioned Section 5310 funds are not currently available for operating expenses for rural transit providers. In urbanized areas; however, operating assistance can be made available to organizations following the existing procedures for administration of Section 5307 formula grants. To determine the availability of these resources, private nonprofit organizations in urbanized areas should contact their MPO.

Section 5339 funding is primarily used to support the state transit providers with the purchase of new buses, bus equipment, and bus facilities. SDDOT staff reviews each transit providers' application for completeness and eligibility. The applications are ranked to formulate the basis for the distribution of funds to each transit agency for the upcoming fiscal year.

SDDOT staff offers technical assistance and oversight to all local groups or organizations that plan to provide public transportation services for a given area, assisted by federal programs and in compliance with FTA requirements. The local group or organization is responsible for development of a functional plan for public transportation, and SDDOT provides information on available federal and state resources, planning requirements, involvement of other private and public transportation providers, and programming requirements.

Coordination

Coordination has been defined as an arrangement for the providing of transportation services in a manner that is cost effective, efficient and reduces fragmentation and duplication of services. The major purpose of coordination is to increase vehicle utilization and ridership, thereby helping local providers meet a greater number of needs by pooling resources.

SDDOT requires subrecipients to have an approved Coordinated Public Transit Human Services Transportation Plan (Coordination Plan). SDDOT has guidance as to what elements are required to address in the plans. Coordination Plans will be developed every five years with an annual update to be submitted to SDDOT.

Communities with a coordination plan are not guaranteed additional state or federal dollars for transit purposes, but they will receive a higher priority for funding from state agencies when dollars for transit vehicle procurements and operating grants are being allocated.

Eligible Subrecipients

Section 5311, 5310 and 5339

All subrecipients applying for the above listed funds will be required to complete a Subrecipient Questionnaire. The Subrecipient Questionnaire will be reviewed and ranked to determine the subrecipient's financial risk. Based on the risk assessment, additional technical assistance and monitoring will be required. It may also result in SDDOT making the decision to withhold or not award federal funds to the applicant.

Section 5311 Eligible Subrecipients Include:

- State Agencies
- Local Governments
- Indian Tribes
- Operators of Public Transportation Services
- Private Nonprofit Corporations

The Rural Technical Assistance Program (RTAP) available under Section 5311 provides grants for training at 100% federal share to eligible rural transit subrecipients.

Section 5310 Eligible Subrecipients Include:

- Nonprofit organizations
- Public organizations/entities approved by SDDOT to coordinate transportation services for seniors and individuals with disabilities.
- Public organizations/entities, which certify to the Governor that no nonprofit organizations are readily available to provide transportation services for seniors and individuals with disabilities.

Section 5339 Eligible Subrecipients Include:

- Public Agencies
- Local Governments
- Private Nonprofit Corporations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income

Subrecipients must have adequate staffing and resources to understand grant programs and requirements, financial controls that include various reports required by SDDOT for expenditures, ridership, capital expenditures, and coordination. SDDOT will also provide in-house training and professional development sessions, which are available to subrecipients both in and out-of-state. This includes assistance to subrecipients providing service predominately to low-income or minority populations. SDDOT will review subrecipients during project performance reviews and grant application and selection process.

Eligible Services and Service Areas

Any agency wishing to provide service under 5311, 5310 or 5339 funds is subject to the rules and regulations of the SDDOT and the FTA C9040.1G, FTA C 9070.1G and FTA C-5100.1 Circulars. Each application activity is reviewed for eligibility based on federal guidance. The SDDOT supports rural transportation in communities that have the local support for public transportation. New service providers and areas potentially served are determined by examining existing providers and areas currently served. If there is a need that is not adequately met, the SDDOT will consider the applicant a candidate for fulfilling a need in a specific service area.

The use of rural public transportation providers, as subrecipients of Section 5311, 5310 or 5339 funds, is actively promoted by SDDOT staff. The development of two or more providers within the same rural community is not allowed. This policy encourages coordination and reduces duplication at the local level. SDDOT encourages subrecipients to submit proposals, evaluate cost and benefits, and contract with private sector organizations for goods and services.

The SDDOT does not determine a transit service area; however, service areas must be specifically identified in subrecipient passenger handbooks or rulebooks and websites. Services in the State of South Dakota may include transportation to areas which cross state lines. These providers are subject to comply with Federal Motor Carrier Safety Administration (FMCSA) Regulations.

The State of South Dakota determines the 5311(f) operating and administrative and/or capital funding levels after consultation with intercity bus providers.

In order to receive 5310 urban funds the provider must provide transportation to seniors and individuals with disabilities. In addition, the provider must a coordination plan or be included in a plan for the MPO in which their agency resides and meet all the eligibility requirements identified in the MPO plan.

Eligible Assistance Categories

Section 5311

The following are 5311 eligible and ineligible administrative expenses according to SDDOT:

- Eligible Expenses
 - Administrative and overhead (most common)
 - project director's salary
 - secretary and bookkeeper salaries
 - office supplies
 - audit expenses
 - office rent
 - utilities
 - travel expenses
 - vehicle insurance
 - vehicle lease
 - in-kind expenses
 - and training

This list is not all-inclusive.

- Operating – (most common)
 - fuel
 - oil
 - replacement tires
 - replacement parts
 - garage expenses
 - drivers' and mechanics' salaries
 - dispatcher salaries
 - in-kind expenses
 - vehicle licenses
 - Expenses for contractual services directly incidental to the management and operation of transportation services, and which are not otherwise reimbursed are also included.

The list is not all inclusive.

- The following four items are generally **ineligible** for Section 5311 assistance:
 - Costs of advisory councils, unless prior SDDOT approval has been granted.
 - Indirect transit-related functions or activities of regional or local entities performed as a normal or direct aspect of general public administration (e.g., expenses of a City Council in considering transit matters).
 - Depreciation accrued by public operators, depreciation on facilities or equipment purchased with public (i.e., federal, state or local) capital assistance, depreciation of an intangible asset, and/or depreciation in excess of the rate otherwise used for income tax purposes.
 - Expenses for contingencies or capital acquisitions, including contributions to a capital reserve account or fund.

SDDOT reimburses eligible and administrative expenses on an 82.82/17.18 percent ratio and operating expenses are reimbursed on a 51.76/48.24 percent ratio.

The SDDOT also uses RTAP funds to support rural transit activities for training, technical assistance, research and related support services. An example of allowed items include: the Community Transportation Association of America (CTAA) Conference, Dakota Transit Association support/conference, and transit meetings, Passenger Service and Safety (PASS) training, and any case-by-case special trainings. Approved reimbursements are reimbursed at 100%, unless submitted after the event occurred.

Section 5310

The following are 5310 eligible administrative expenses according to the SDDOT:

- A minimum of 55 percent shall be available for traditional Section 5310 projects – those public transportation capital projects planned, designed, and carried out to meet the specific

needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate.

- The following are examples of eligible projects:
 - Acquisition of expansion or replacement buses or vans
 - Preventive maintenance
 - Radios and communication equipment
 - Wheelchair lifts
 - Ramps
 - Securement devices
 - Computer hardware and software and dispatch systems
 - Mobility management
- Up to 45 percent of a rural, small-urbanized area or large urbanized area's annual apportionment may be utilized for public transportation projects (capital only) planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.
 - The following are examples of eligible projects:
 - Public transportation projects that meet or exceed the requirements of ADA.
 - Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on ADA complementary paratransit service.
 - Alternatives to public transportation that assist seniors and individuals with disabilities with transportation.

Section 5339

Eligible projects are:

- acquisition of buses for fleet and service expansions and replacement vehicles
- bus maintenance and administrative facilities
- passenger amenities such as:
 - passenger shelters
 - bus stops signs
 - mobile radios
 - supervisory vehicles
 - fare boxes
 - computers
 - shop and garage equipment

This list is not all-inclusive.

Local Share and Local Funding Requirements

Section 5311

The local share of capital is 20 percent of the total eligible project cost; administration is 17.18 percent for net administration and 48.24 percent of the net operating. There is not a local match requirement for RTAP funds.

Section 5310

The local share of eligible capital costs is not less than 20 percent of the net project cost of the activity. Local share for eligible operating costs is not less than 50 percent of the net operating cost.

Section 5339

The local share of eligible capital costs is not less than 20 percent of the net project cost of the activity.

Local Match Resources

All of the local share must be provided from sources other than federal funds except where specific legislative language of a federal program permits. The SDDOT will decide each year if any State Public and Specialized Transportation Assistance Funds (Title III-B) will be used to supplement the federal Section 5311 funds.

Local match may include:

- Cash from nongovernmental sources other than revenues from providing public transportation services
- Non-fare box revenues from the operation of public transportation service
- Funds received under a service agreement with a state or local social service agency or private social service organization
- Revenue from the sale of advertising and concessions
- Contributions/Cash in-kind
 - Cash contributed to an applicant by other public agencies and institutions
 - Private organizations and individuals (excluding fare donations)
 - Non-restricted federal funds received from other grants may be considered the local matching share of other income when expended for the direct benefit of the transportation project.
- In-Kind Contributions
 - Value of non-cash contributions provided by the applicant and nonfederal parties.
 - In-kind contributions may be in the form of charges for real property
 - Non-expendable personal property
 - Indirect cost to the program
 - Value of goods and services directly benefiting and specifically identifiable to the project or program.
- Allowable projects costs financed with cash in-kind contributions shall be accepted as the applicant's matching share or other income when such contributions meet all the following criteria:

- Verifiable from the applicant's records;
- Not included as contributions for any other federally assisted program;
- Necessary for proper and efficient accomplishments of project objectives;
- Not paid by restricted federal funds;
- Provided for in the applicant's approved budget.
- Valuation of donated expendable personal property: donated expendable personal property includes such items as expendable equipment, office supplies, or workshop and classroom supplies. Values assessed to expendable personal property included in the cost or matching share should be reasonable and should not exceed the fair market value of the property at the time of donation.
- Valuation of non-expendable donated property:
 - The value of land and buildings and non-expendable personal property shall not exceed the fair market value of equipment and property of the same age and condition as determined by an independent appraiser.
 - The value of donated space and loaned equipment shall not exceed fair rental value of comparable space and equipment.
- Volunteer services to be used as in-kind local match must be documented. In-kind salaries should be valued equal to the actual salaries received for similar work conducted in the local economy.
 - The basis for determining the value for personal services, material, equipment, buildings, and land must be documented.
- Revenue represents the value of all income derived by the applicant through the operation of the transportation services of federal funds utilized for the project over and above those required for local match.
- Freight income is not considered as revenue and may be used to augment the local share of project costs if approved by the SDDOT.
- Charter income profit is not considered as revenue and may be used to augment the local share of project costs.
- All monetary donations generated by the provisions of transportation by the subrecipient are considered revenue and must be used in the calculation of the net operation deficit of the project.
- All fares generated by the provision of transportation by the subrecipient are considered revenue and must be used in the calculation of net operating deficit of the project. All fares must be reported at 100%.
- All income generated as a result of the applicant renting space on the vehicle to a third party for the purpose of advertising is considered revenue and must be used in the calculation of the net operating deficit for the project.

Project Selection Criteria and Method of Distributing Funds

Section 5311, 5310 and 5339

All reimbursement requests with a total purchase amount of \$5,000 or more will require onsite verification by SDDOT of receipt of the items(s) before reimbursements of federal funds is processed.

Section 5311

Capital Projects

When Section 5311 funds are used for capital projects the following procedures will be used:

- SDDOT will notify potential subrecipients of the availability of the grant applications by means of multiple methods of communications such as email, webpage, newspapers.
- All applications received by the deadline will be reviewed by SDDOT staff. Each of these projects is evaluated by the SDDOT using the following criteria:
 - Vehicle funding requests are ranked as a Van (small vehicles), Light Duty Buses, or Medium Duty Buses. Considerations for ranking include:
 - mileage
 - age of vehicle
 - new service or expanding service
 - replacement
 - potential for providing local capital match and operating funds
 - cooperation with local organizations and transit services
 - organization's training
 - maintenance policies
 - coordination plans
 - number of days of service
 - type of ADA vehicle applied for
 - growth percentages for ridership
 - service area
 - communities and client served.
- A prioritized Program of Projects (POP) is developed and sent to the FTA.

Administrative and Operating Projects

- Potential subrecipients are notified of the availability of the grant applications by means of multiple methods of communication.
- All applications received by the deadline are reviewed by SDDOT staff. Area wide transportation projects are encouraged and given preference. Individual communities or organizations submitting proposals are encouraged to coordinate with existing area wide providers. Funding is based on the submitted budget; in addition, past performance (units of service, coordination efforts, financial management and program compliance is reviewed when considering existing projects for continued funding. Preference is given to existing providers with good records of service and program compliance. Preference is also given to providers which demonstrate involvement with, and utilization of, available private transportation services.

- Project funding will be based on the priority list using the state’s fiscal year set-aside amount available under the Section 5311 program.
- A list of projects is submitted as part of the POP, which is attached to the grant application and submitted to FTA for approval.

State Imposed Requirements

Section 5311 subrecipients will achieve operating revenues and/or other income equivalent to 15% of total funds expended for both administrative and operating purposes by the sixth month of the fiscal year. At that time, the SDDOT staff reviews revenues to ensure that the 15% is met. If the 15% is not met, the 15% revenue figure is calculated and payment to the subrecipient is decreased until 15% is met. Additionally, subsequent months may be adjusted if the 15% is not maintained. Fares, advertising and contracts can all be used to generate “on the bus” revenue.

Subrecipients must have adequate staffing and resources to understand grant programs, requirements, and financial controls, which include various reports required by SDDOT. These reports are for expenditures, ridership, capital expenditures and coordination. SDDOT will make this determination annually during the grant application and selection process as well as during program review. SDDOT will also provide in-house training and make professional development sessions available to subrecipients.

Subrecipients are allowed to use vehicles only for the intended purpose under the original agreement. Incidental use for meal delivery is allowed as long as it does not interfere with passenger transportation service. Vehicles must be available to the general public. Subrecipients that are performing meal delivery must be prepared to show the SDDOT how the costs are allocated, and show an actual cost expense spreadsheet for the meal deliveries. Subrecipients can count meal delivery or bulk meal delivery as one trip count per day.

RTAP requests must be submitted to SDDOT before the event occurs and follow current procedures for submitting requests. Requests not submitted before the event reimbursement being reduced by 10%. Requests for RTAP reimbursements must be submitted for reimbursement within 90 days of the last day of the event, training session, etc., for eligible reimbursement. Requests for reimbursement after 90 days will not be approved or processed. RTAP funds will be made available for redistribution.

If a subrecipient does not meet a due date SDDOT may hold all reimbursements for that subrecipient until the required/requested information is received.

Monthly 5311 Distribution of Funds

Subrecipients are to complete and submit the SDDOT standardized 5311 Request Form monthly, unless SDDOT has granted approval for quarterly reimbursement submissions based on the approved 5311 budget is received.

Every month the SDDOT staff and Internal Auditors Offices will conduct an audit on 3-4 transit providers. SDDOT staff requests invoices pertaining to 5311 reimbursement requests per agency in designated month. The SDDOT will review for 5311 eligibility and that invoices support the reimbursement requests. All concerns will be addressed and resolved before payments are made. If there are significant findings, SDDOT may request additional information from other months. Local match resources must also be provided to verify that they are an eligible local match source.

Section 5310

SDDOT is the designated recipient of all Section 5310 funds for small urban and rural transportation. As such, SDDOT is the accountable and responsible entity in South Dakota to monitor and oversee implementation of federally funded transit programs and compliance with all FTA grants regulations from a planning, operational, safety and fiduciary perspective.

- The SDDOT will notify potential subrecipients of the availability of the grant applications by means of multiple methods of communication.
- All applications received by the deadline are reviewed by SDDOT. Existing public transportation projects are encouraged and given preference. Individual communities or organizations submitting proposals are encouraged to coordinate with existing public transit providers. Units of service, coordination efforts, financial management and program compliance are reviewed when considering projects for funding. Preference is given to existing projects with good records of service and program compliance. Preference is also given to projects that demonstrate involvement and utilization of private transportation services. Before an applicant is awarded, they must have an approved Coordination Plan in place.
- Applications within Rapid City and Sioux Falls MPO area are received and reviewed by a process determined by each respective MPO. The MPO then submits a recommendation of projects to be funded to SDDOT for review and final approval.
 - The applications for vehicles are ranked as a van (small vehicles), light duty buses, or medium duty buses. Considerations for ranking include:
 - mileage
 - age of vehicle
 - new service or expanding service
 - replacement
 - potential for providing local capital match and operating funds
 - cooperation with local organizations and transit services
 - organization's training
 - maintenance policies
 - coordination plans
 - number of days of service
 - type of ADA vehicle applied for
 - growth percentages for ridership

- service area
 - communities and client served.
- Using the state's fiscal year set-aside amount available under the Section 5310 program along with the ranking process, the SDDOT will determine how far down the priority list a project can be funded. Any applicant with a project that is not funded will receive a notification letter. For a project funded, a notice to proceed will be provided to the applicant.
 - A list of projects is submitted as part of the POP, which is attached to the grant application submitted to FTA for approval.

Monthly 5310 Reimbursement Requests

Each month, providers submit all preventive maintenance invoices to SDDOT for the expenses incurred in the previous month. The SDDOT will review all invoices for eligibility. Reimbursement will be on an 80/20 basis, with the state paying 80% of the expenses and subrecipients paying 20% of the expenses. A complete list of eligible preventive maintenance eligible expense is sent out to all subrecipients once funding has been determined. Any single invoice/repair in the amount of \$2,000.00 or more must be preapproved by SDDOT before reimbursement will be allowed.

An invoice must be submitted to SDDOT for other capital or vehicles reimbursements and approved before the reimbursement will be processed.

Section 5339

SDDOT is the designated recipient of all Section 5339 funds for small urban and rural transportation. As such, SDDOT is the accountable and responsible entity in South Dakota to monitor and oversee implementation of federally funded transit programs and compliance with all FTA grant regulations from a planning, operational, safety and fiduciary perspective.

Capital Projects

When Section 5339 funds are used for capital projects the following procedures will be used:

- SDDOT will notify potential subrecipients of the availability of the grant applications by means of multiple methods of communications.
- All applications received by the deadline are reviewed by SDDOT staff. Each of these projects is evaluated by the SDDOT using the following criteria:
- Vehicle funding requests are ranked as a van (small vehicles), light duty buses, or medium duty buses. Considerations for ranking include:
 - mileage
 - age of vehicle
 - new service or expanding service

- replacement
 - potential for providing local capital match and operating funds
 - cooperation with local organizations and transit services
 - organization's training
 - maintenance policies
 - coordination plans
 - number of days of service
 - type of ADA vehicle applied for
 - growth percentages for ridership
 - service area
 - communities and client served.
- Facility funding requests are ranked on a group of questions pertaining to whether it is a repair or improvement, purpose of repair or expansion.
 - Equipment funding requests are ranked on a group of questions pertaining to whether the request is for repair, replacement or expansion, number of communities/agencies served, potential for providing local capital match funds, cooperation with local organizations and transit services, and client served.
 - Any subrecipient with a project that is not funded will receive a notification letter. Subrecipients with a funded project, a notice to proceed letter will be sent.
 - SDDOT will send a list of projects as part of the POP, which is attached to the grant application submitted to FTA for approval.
 - Sioux Falls and Rapid City receive a reserved allocation of 5339 funding where both cities may submit requests to SDDOT consistent with all the same regulations stated within this plan. A list of projects is submitted in the POP, which is attached to the grant application submitted to FTA for approval.

Monthly 5339 Reimbursement Requests

Any reimbursements for other capital or vehicles an invoice must be submitted before SDDOT will process the reimbursement.

Intercity Bus

Section 5311(f) of the Federal Transit Act, as amended, addresses the intercity bus program.

Intercity Bus and 5311

The State of South Dakota is required to expend a portion of its Section 5311 apportionment on a program to develop and support intercity bus transportation in rural areas. SDDOT annually verifies Intercity Bus services are available in the state to connect between non-urbanized areas to urbanized areas verifying that residents need are met. During the 5311 application process, SDDOT consults

with the intercity line regarding available funding when the 15% apportionment isn't programmed to intercity provider. The Governor of South Dakota can make an annual certification that all the intercity bus service needs of the state are being met adequately if the state wishes to program less than 15% on intercity bus projects.

Annual Program of Projects Development and Approval Process

Section 5311

A statewide POP is developed by SDDOT based on the following procedures:

- Application for 5311 is usually announced in the spring of the year.
- Public Notice of Application being accepted for section of funding is published.
- Notice and applications are sent to current 5311 subrecipients. The application is also posted on the SDDOT Transit website as stated in the public notice. The application includes guidance as to what information is required to be included in the application, eligible activities, certifications and assurances. The 5311 application is a joint application for applying for Title IIIB with the Department of Social Services.
- Applications are reviewed by SDDOT for completeness and eligibility.
- The list of projects potentially funded is included in the POP and attached to the grant application submitted to FTA for approval.
- Following SDDOT and FTA approval, subrecipients are informed of their application approval and contracts are signed between SDDOT and subrecipients.

Section 5310

A statewide program of POP is developed by SDDOT based on the following procedures:

Rural

- Application for 5310 is usually announced in the spring of the year. If funds are remaining after the first application cycle, another application may be announced.
- Public Notice of Application is published.
- Notice is sent to current 5310 subrecipients. The application is also posted on the SDDOT Transit website, which is stated in the public notice. The application includes guidance on required information to be included in the application, eligible activities, certifications and assurances.
- Applications are reviewed by SDDOT staff for completeness and eligibility. Projects requested in the application is ranked as defined earlier in this document under project selection. Using the state's fiscal year set-aside amount available under the Section 5310 program, the SDDOT determines the projects to be funded based on ranking.
- The list of projects to be funded is part of the POP that is attached to the grant application for FTA approval.
- Following SDDOT and FTA approval, subrecipients are informed of their application approval and contracts are signed between SDDOT and subrecipients.

Small Urban

- The application cycle for the MPO is on the same schedule as the rural transportation providers with applications received in spring of the year. If there are remaining funds after the first application cycle, another application may be announced.
- Public Notice of Application is published by the MPO and notice is posted on the MPO website January each year.
- The application process for the small urban allocation is to be conducted by the designated MPO.
- Once the MPO has reviewed and ranked the applications, recommendations are made to the MPO Policy board for approval.
- After the approval process, the MPO forwards the information to SDDOT for review of eligibility and final approval.
- The list of projects to be funded is included in POP which is attached to the grant application for FTA approval.
- Following SDDOT and FTA approval, subrecipients are informed of their application approval and contracts are signed between SDDOT and subrecipients.

Section 5339

A statewide POP is developed by SDDOT based on the following procedures:

Rural

- Application for 5339 funding is usually announced in the spring of the year.
- Public Notice of Application is published.
- Notice and applications forms are sent to current eligible subrecipients. The application form is also posted on the SDDOT Transit website as stated in the public notice. The application includes guidance as to what information is required to be included in the application, eligible activities, certifications and assurances.
- Applications are reviewed by SDDOT staff for completeness and eligibility. Projects requested in the application are ranked as defined earlier in this document under project selection.
- The list of projects potentially funded is included in the POP this is attached to the grant application to FTA for approval.
- Following SDDOT and FTA approval, subrecipients are informed of their application approval and contracts are signed between SDDOT and subrecipients.

Small Urban

- The application cycle for the small urbans is on the same schedule as the rural transportation providers with a call for applications in spring of the year. If there are remaining funds after the first application cycle, another application may be announced.
- SDDOT notifies the small urbans of their portion of the 5339 allocations.
- The small urban submits their applications for funding to SDDOT and SDDOT reviews applications for eligibility and final approval.

- The list of projects to be funded is included in the POP this is attached to the grant application to FTA for approval.
- Following SDDOT and FTA approval, subrecipients are informed of their application approval and contracts are signed between SDDOT and subrecipients.

Funds Transfers

SDDOT has elected not to utilize the transfer option between rural and urban areas.

State Administration and Technical Assistance

The SDDOT may use up to 10 percent of its total fiscal year 5311 and 5310 apportionment to fund program administration, planning, and technical assistance. The 10 percent that is eligible to fund program administration costs, including planning, may be funded at a 100 percent federal share.

State administration funds are used to fund SDDOT transit staff salaries and travel expenses related to transit administration tasks.

State Rural Transit Assistance Program (RTAP)

The SDDOT views the RTAP Program as an important resource to help strengthen rural transit operations providing service in South Dakota. The RTAP Program may be divided into the following four functions or categories best determined by SDDOT:

- **Technical Assistance**
 - travel expenses for peer-to-peer network
 - reimbursement to subrecipient managers for helping new projects get started
 - assistance in responding to contract opportunities
 - support for review of existing systems
 - Technical assistance is available to all eligible service providers including those who provide service predominately to low-income or minority populations.
- **Training**
 - sponsor workshops
 - scholarships for local managers to attend workshops
 - scholarships for attending Dakota Transit Association
 - transit trainings and meetings
 - developing videos and other training tools.
- **Related Support Service**
 - support for joint projects
 - cost-sharing of interstate projects
 - surveys

- assessments
- support for state transportation conferences.
- **Special Studies**
 - staff training
 - interstate projects
 - staff development.

Public Input and Private Sector Participation

Public Input

The SDDOT has an extensive public involvement plan to cover the varied facets of the department's activities and services. Transit providers in rural areas have access to the public through local media and also the various agencies. South Dakota citizens are known for strong public involvement in processes. Minorities are equally being served as well; especially those of low-income and those on the Indian Reservations. The department has an extensive public involvement plan located online at

<http://www.sddot.com/resources/reports/PublicInvolvementPlanFinalSignatureCopy031810.pdf>

Private Provider Participation

SDDOT requires that any local group interested in establishing a new, or continuing an existing transportation program, contact area public and private providers of transit and paratransit services, directly or by mail, with information on proposed public transportation programs. These area service providers will be allowed to request a public hearing or make a proposal to provide the necessary services on a proposed project.

Subrecipients for Section 5311, 5310 and 5339 funding must publish a notice of intent to apply in an area newspaper as required within the specific application and provide affidavit of publication with the Section 5311, 5310 and 5339 grant applications.

Subrecipients are urged by SDDOT to involve the private transportation providers in the planning and early development of proposed projects.

In the event that a public or private for profit transit provider raises a complaint seeking to prevent SDDOT from approving the proposed grant application, the following complaint resolution procedure shall be initiated:

- Complaints made directly to the subrecipient shall be resolved locally by the subrecipient's Board of Directors.
- Complaints made directly to SDDOT shall be sent to the subrecipient for local resolution attempts. The subrecipient will be given 14 days to return a written statement from the objecting party stating that the complaint is being withdrawn.

- Failure to resolve complaint(s) locally will require the SDDOT to attempt to resolve the issue.

Civil Rights

The state procedures for compliance with Title VI, EEO, and DBE requirements are in accordance within the South Dakota Department of Transportation Title VI Program, the South Dakota Department of Transportation EEO Program, and the South Dakota Department of Transportation DBE Program, respectively.

The SDDOT is required to have a complaint procedure and process for handling complaints by any of the protected classes including people with disabilities. In order to minimize complaints, drivers must attend PASS training and maintain their certification to ensure that subrecipients operate vehicles and equipment safely and properly assist passengers with disabilities.

DBE

SDDOT will take steps to ensure that contracting opportunities are of a size that small businesses, including DBEs, can reasonably perform. SDDOT will not bundle projects or contract requirements, which can pose an excessive burden on small businesses.

Subrecipients will take all necessary and reasonable steps to:

1. identify contracting opportunities;
2. analyze area DBE availability;
3. use good faith efforts to utilize DBE firms; and, maintain necessary records to verify steps taken and participation achieved.

Subrecipients will file semi-annual DBE activity reports. This report details:

1. dollar value of contracting opportunities,
2. expenditures made to certified DBE firms,
3. number of vendors used for contracting opportunities.

EEO

In accordance with EEO circular 4704.1A each recipient, subrecipient and contractor who meets both of the following threshold requirements must implement all of the EEO Program Elements:

- Employs 100 or more transit-related employees, and
- Requests or receives capital or operating assistance in excess of \$1 million in the previous federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous federal fiscal year.

Providers that have between 50-99 transit-related employees are required to prepare and maintain an EEO Program that includes the statement policy, dissemination plan, designation of personnel, assessment of employment practices and a monitoring and reporting system.

SDDOT requires an EEO Program be submitted every three years, as part of the Title VI review. Currently there no transit providers who meet the new threshold to require submission of an EEO Program document. There are four South Dakota transit providers who meet the threshold to prepare and maintain an EEO program. The SDDOT provides training and templates to the providers and then reviews them and assists with any areas of non-compliance. SDDOT reviews applicable subrecipient EEO plans for compliance by referencing guidance from FTA circular and knowledge of EEO requirements.

Title VI

Each subrecipient will submit a signed and dated Standard SDDOT Title VI Assurance, which is made part of the subrecipient funding agreement. As a part of each third party contract executed, the local recipient will sign a local Civil Rights Assurance.

Subrecipients will file an updated Title VI program every three years and are reviewed on a three-year basis. The Title VI Programs must detail: A) Title VI complaint procedures, B) Records of Title VI investigations, complaints or lawsuits, (C) Access to service by persons with limited English proficiency; D) Notification of beneficiaries of their rights under Title VI and (E) Public Participation Plan.

The SDDOT Civil Rights Officer will conduct site visits with each subrecipient. Civil Rights will be one of the items of discussion. All complaints of a Civil Rights nature will be forwarded to SDDOT's Civil Rights Officer for investigation and resolution.

Every three years SDDOT will conduct a monitoring review of all transit providers (rural and MPO) and collect all Title VI programs from subrecipients. The process is designed to evaluate whether providers distribute funds in a nondiscriminatory manner. In addition, civil rights procedures and documentation questions are included in the transit program reviews. Training and guidance is provided by SDDOT to ensure providers are compliant with the regulations.

504

Subrecipients will certify to SDDOT "that special efforts are being made to provide transportation to persons with disabilities, including wheelchair users and semi-ambulatory persons". This transportation shall be reasonable in comparison to the transportation provided to the general public and shall meet a significant fraction of the actual transportation needs of such persons within a reasonable time. All capital purchases approved by SDDOT will show consideration for any persons with disabilities needs currently unmet in the project area.

Public Outreach

The SDDOT has an extensive public involvement plan to cover the varied facets of the department's activities and services. Transit providers provide outreach to the local population through local media and contact with their various local agencies. South Dakota citizens are known for strong public involvement in processes. Minorities are equally being served as well; especially those of low-income on the Indian Reservations. The department has an extensive public

involvement plan located online at:

<http://www.sddot.com/resources/reports/PublicInvolvementPlanFinalSignatureCopy031810.pdf>

Section 5310 and 5339 Program Measures

Minimum federal reporting requirements are required on all projects. Transit program reviews are conducted at least once every three years with subrecipients receiving both Section 5311 and 5310 funds; in addition to an inspection of all 5310 and 5339 vehicles. Subrecipients will be evaluated on a continuing basis as needed. The following procedures outline the steps the SDDOT will use to monitor its subrecipients.

A Vehicle Ridership Report is required on an annual basis for every vehicle purchased with Section 5310 and 5339 funds. SDDOT may require more frequent reporting by subrecipients, such as monthly or quarterly. Reports include the subrecipient name, agency name, period covered, vehicle number, license number, serial number, operating characteristics, ridership, and trip purpose. The financial data section is optional. All ridership reports are due by October 31st and must be submitted online at <http://apps.sd.gov/ha56transit/>. If vehicle ridership reports are not received by SDDOT by October 31st (or as required), SDDOT may hold withhold all reimbursements for that subrecipient until the reports are submitted.

The SDDOT also requires all subrecipients of 5310 funding to submit a community Coordination Plan, which is valid for five years from the approved date. Each year following initial submission, subrecipients must provide an update of the coordination plan. This plan must be approved by SDDOT. SDDOT requires that program measures be updated every year and contain the following elements:

- Update to any gaps in the service filled.
- Improvements related to service or the availability of service as a result of other 5310 projects implemented.
- Any changes to the infrastructure, technology or vehicles as a result of other 5310 projects implemented.

Maintenance

Property Management

SDDOT follows an expanded version of FTA useful life standards as follows:

- **Vans, sedans, or SUV:** The useful life of a van, sedans or SUV (minivan, full size van, ADA van of any type, sedan or SUV) has been defined as 5 years, or 125,000 miles or 4,166 hours.
- **Light Duty Buses:** The useful life for light duty buses has been defined as 8 years or 160,000 miles or 5,333 hours.
- **Medium-Duty Buses:** The useful life for medium-duty buses has been defined as 10 years or 200,000 miles or 6,666 hours.

- **Facilities and maintenance equipment:** The useful life is based on industrial standards published. The expected useful of a facility is between 40 and 50 years based on type of material construction and established industry standards.

Transfer or Disposition of Capital

For subrecipients who request the release of vehicles with remaining federal interest, SDDOT will make the determination if a vehicle should be transferred to another agency. The SDDOT staff will determine the current market value of the vehicle and corresponding interests and prepare all the necessary written transfer agreements and forward to all parties involved for signatures before the actual physical transfer takes place.

SDDOT will identify to FTA which vehicles have had the federal interest transferred to another subrecipient via an updated Program of Projects and this will be submit annually to FTA via the electronic reporting system by October 31st. The Program of Projects will include the name of the subrecipient the vehicle was transferred to, the name of the subrecipient the vehicle was transferred from, the year and make of the vehicle, and the grant number the vehicle was originally purchased with.

SDDOT staff will review vehicles for earlier disposal on a case-by-case basis. SDDOT staff will review the age of the vehicle, mileage, physical and mechanical condition to determine whether the vehicle has a market value of less than \$5,000. Market value for buses will be determined by depreciating the yearly estimated market value of the vehicle by a rate of 18% per year.

For the disposition of supplies and equipment, the useful life has been met and subrecipient receives a total aggregate fair market value that exceeds \$5,000, the subrecipient may be required to compensate FTA 80% or transfer the sales proceeds to reduce the gross project cost of another capital project. When subrecipient receives insurance proceeds because project property has been lost or damaged by fire, casualty, or natural disaster, the grantee must:

- Apply those proceeds to the cost of replacing the damaged or destroyed project property taken out of service, or
- Return to FTA an amount equal to the remaining federal interest in the lost, damaged, or destroyed project property.

The federal interest is not dependent on the extent of insurance coverage or on the insurance adjustment received.

SDDOT may release the federal interest in a vehicle at any time after a vehicle has reached its end of useful life. SDDOT may transfer a vehicle to another transit agency for which a release request has been received, if the vehicle is in a state of good repair (SOGR) and can be utilized as a revenue service vehicle in another rural agency. SDDOT will maintain records on vehicles with remaining federal interest and will notify in writing to the applicable subrecipient when the federal interest has been released. Copies of the written release letter will be maintained at SDDOT.

The transfer or disposition of facilities or real property will be reviewed on a case-by-case basis in accordance with FTA regulations and Regional FTA guidance. The expected useful life of a facility is between 40 and 50 years based on type of material construction and established industry standards.

Vehicle Maintenance and Inspection Records

In the owner's manual included with each vehicle there is a complete vehicle maintenance schedule. The schedule lists the service functions and the service time intervals in months, miles, or cycles. Each transit manager is required to service the vehicle(s), at a minimum, in accordance with the maintenance schedules, and to keep detailed individual vehicle records to show that service was completed. In addition, all repair services for each individual vehicle shall be included in the service record file. During an inspection, SDDOT staff may ask to review individual vehicle maintenance records and will randomly pick maintenance reports to review. SDDOT Vehicle Maintenance Policy Handbook\Template is posted on the SDDOT Website for guidance and reference for providers to develop a plan. The SDDOT Vehicle Maintenance Policy Handbook\Template explains in greater detail the standards for general preventive maintenance, wheelchair lift maintenance, record keeping, cleaning schedules and vehicle storage and safety requirements.

Warranty claims

Warranty issues with vehicle or equipment is performed by the subrecipient with the company sales manager or local service center. It is the responsibility of the provider to contact SDDOT of all warranty issues and how they are resolved.

Pre-Trip Inspections Required of All Vehicles

It is a state-imposed requirement that all revenue service vehicles funded through assistance with FTA funds will have a detailed pre-trip inspection performed each day that the vehicle is used. The inspection shall be dated and signed by the driver performing the inspection. A pre-trip inspection requires drivers to inspect their vehicles before the vehicle departs the garage or parking area. The pre-trip inspection form shall note any maintenance and repair issues discovered during the pre-trip inspection. The form will be forwarded to the designated staff at the end of the shift correction. If a vehicle is found to be unsafe during the pre-trip inspection the appropriate staff shall be notified immediately and the vehicle shall be placed out of service until the safety issue is corrected. A pre-trip inspection form is available from the SDDOT and is posted on the transit website. Daily pre-trip inspections forms will become part of each individual vehicle's maintenance records. A paper or paperless form may be used.

Building Facility Maintenance Plan

A written maintenance plan is required and includes a series of weekly, monthly and annual inspections. Routine maintenance actions are required to ensure the proper care and maximum useful service life is obtained of facilities and equipment. Each transit agency shall maintain a detailed record keeping system for each facility and piece of equipment to ensure it is inspected and maintained on a routine basis per manufacture specifications and SDDOT guidelines. Permanent records of maintenance, repairs and inspection activity for each building and piece of equipment will be retained on site and copies on file at each transit agency main office for review

by SDDOT or FTA. A copy of the SDDOT guidelines\template for building and equipment inspections/maintenance plans is posted on the SDDOT website as part of the Facility and Equipment Maintenance Policy.

Wheelchair Lifts and other Accessibility Equipment

The USDOT ADA regulations (including 49 CFR 37.163); “Keeping Vehicle Lifts in Operative Condition, Public Entities,”) require all vehicle and capacity accessibility features, such as the wheelchair lift, ramps, securement devices, signs, and communication equipment for persons with disabilities, as well as elevators in the subrecipient facilities, be maintained and operational. The accessibility features must be repaired within the timeframes specified in the regulations if they are damaged or out of order. When the equipment is not working, the subrecipient will take reasonable steps to accommodate persons with disabilities. The ADA maintenance elements may be incorporated into the regular maintenance plan or addressed separately with specific checklists. At a minimum, the subrecipient must show the accessibility features are checked regularly for proper operations, receive periodic maintenance per manufacturer specifications, and are repaired promptly if out of order.

Charter Rule

Subrecipients will sign a funding agreement which states subrecipients will comply with Charter Rule. If a subrecipient provides any exception charter trips they are required to submit a quarterly report to SDDOT documenting the trips using the FTA reporting template.

A review of charter services and documentation are reviewed during SDDOT tri-annual program reviews. The SDDOT will provide training to subrecipients regarding charter regulations through transit staff meetings, program meetings, presentations and other media.

SDDOT requires each subrecipient to research willing and available charter services in their area when requested to perform charter transportation. They are required to follow the required protocol of the charter rule.

When charter service is provided the subrecipient is required to maintain notice records in an electronic format for a period of at least three years from the date of service or lease. The grantee may maintain the required records in other formats in addition to the electronic format.

- Clear statement identifying which exception Transit Provider used to provide the trip
- Documentation logging all charter trips provided in the quarter. (Do not have to include the specific origin-to-destination information due to safety and security reasons. If this information is excluded, the service shall describe the reason why such information was excluded and provide generalized information.

Charter Resources Available: http://www.fta.dot.gov/legislation_law/12922.html

If a complaint is made, SDDOT will investigate complaint with the transit agency. If the transit agency is found to be in violation of their grant agreement, they will be directed by SDDOT to discontinue the service. If the transit agency is found to have been compliant with their grant requirements and in accordance with federal law, SDDOT will notify the complainant.

Section 504 Regulations and Americans with Disabilities Act

Subrecipients will submit to SDDOT their assurances of compliance with the Section 504 regulations and the Americans with Disabilities Act (ADA). This certification is part of the agreement with the subrecipient. The triennial program review is also used to monitor these requirements.

National Transit Database Reporting

Subrecipients of FTA Section 5311 funds are required by statute to submit data to the National Transit Database (NTD). The NTD performance data is used to apportion FTA funds. The reporting and uniform systems contain appropriate information to help any level of government make a public sector investment decision.

SDDOT will report the information relating to the NTD on behalf of Section 5311 subrecipients. To assist SDDOT to complete the reporting requirement the Section 5311, subrecipients report required information on their 5311 Reimbursement Request form for each submission; in addition, to enter ridership data into the online transit database due each October 31st.

State Program Management

Procurement

The SDDOT will conduct bid lettings for new Section 5311, 5310 and 5339 funded vehicles, equipment, and facilities in accordance with state bid letting procedures. Capital bid specifications will be provided by SDDOT, including Buy America requirements. All vehicles will be procured by SDDOT. SDDOT uses the SDDOT Transit Program Master Checklist for Invitation for Bid or Request for Proposal Procurement Method. SDDOT will review procurements conducted by MPO for projects that they receive Section 5310 and 5339 funds to ensure they are compliant with the FTA requirements.

SDDOT verifies ADA requirements are specified in specifications for acquisition of vehicles and construction and/or modification of facilities to ensure that subrecipients are ADA compliant. SDDOT obtains a certification of equivalent service from Section 5311, 5310 and 5339 subrecipients that acquire non-accessible vehicles for demand-response service within the 5311, 5310 and 5339 Application. If a subrecipient chooses to use inaccessible vehicles in demand-responsive service, SDDOT monitors compliance with equivalent service. The 5311, 5310 and 5339 application requires completion of Level and Use of Service information plus reviews, and ridership data reports

SDDOT has sole responsibility for the settlement and satisfaction of all contractual and administrative issues arising out of procurements for FTA grants. This includes, but is not limited to, disputes, claims, private sector involvement, protests of award, source evaluation, or other matters of a contractual nature. Matters concerning violation of law will be referred to the local, state or federal authority with proper jurisdiction.

Micro and small purchases are performed by the subrecipients under the guidance of SDDOT, because of the small quantities and large difference in needs and requirements. If the purchase is classified as a micro purchase, the subrecipient is required to obtain prices from three independent sources to ensure they are paying a fair and equitable price. In the case of purchases defines as small purchases, (less than \$25,00.00 per State of South Dakota Law) the subrecipient is required to obtain three written quotes from three independent sources. In both micro and small purchases the subrecipients are required to attain the proper FTA certifications and clauses from the winning bidder and maintain all records and documents pertaining to the purchase for a period as required by the record retention protocols. All subrecipients must have a written procurement procedure policy approved by the agency's board or commission.

The Invitation for Bid (IFB) method of procurement is used for Rolling Stock Procurements by SDDOT. This method of procurement ensures that the bidding process is full and open competition and provides the best values. The IFB procurement method with the usage of public announcements by means of printed media, website posting, and individual electronic/written announcements to all interested parties, insure no geographic preferences. The standard IFB has a contractual lifespan of one-year plus a two-year option to extend with cost adjustment formula.

For all procurement over \$100,000, vendors are required to complete a certification on debarment, suspension, and lobbying, Buy America, Clean Air, Clean Water, Contract Work Hours and Safety Standards Act, and provisions for resolution of disputes, breaches, or other litigation, etc. as part of the sealed bid package submitted to the SDDOT. Pre-award reviews, System for Award Management (SAM) eligibility and In Good Standing State Report are completed on all bidders before the award is announced. Post-Delivery reviews are performed on each purchase as part of the final inspection and voucher preparation procedure.

The Brooks Act and Davis-Bacon Acts are inclusive parts of each project when architectural, engineering services and construction costs over \$2,000.00. All projects which enact either the Davis-Bacon or Brooks Act will be directly supervised by SDDOT staff. The SDDOT has an established program to create a retainer list consisting of several consultants for the various professional fields of expertise, such as architectural, engineering, design, etc. This retainer list is renewed on a rotating basis every few years. If a consultant from the DOT retainer can be utilized, this is our first choice. If no qualified candidate is on the retainer list then the SDDOT will procure the professional services by means of an RFP using qualifications-based process in accordance with the Brooks Act. Firms will be selected based SDDOT criteria. Price is then negotiated with the most qualified firm.

SDDOT will submit documentation to FTA justifying the action taken for anything requiring FTA approval.

No employee, officer or agent of the State of South Dakota or approved third-party applicant shall participate in the selection, award or administration of a procurement supported by federal funds, if, to his or her knowledge, any of the following has a financial or other interest in suppliers considered for award:

- Is an employee, officer or agent;
- Any member of his or her immediate family;
- His or her partner; or,
- An organization, which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for the award.

No employee, officer, or agent of the SDDOT or approved third-party applicant shall receive gratuities, favors or anything of monetary value from suppliers considered for award. All SDDOT staff members are required to sign and comply with the Standard of Conduct Policy Letter.

SDDOT staff will be alert to any organizational conflicts of interest or noncompetitive practices among vendors, which may restrict or eliminate private sector competition or otherwise restrain trade.

All procurement transactions will provide maximum open and free competition. Contract provisions that may amount to cost-plus-a-percentage-of-cost contracting are prohibited.

Financial Management/Contract

A contract between SDDOT and each subrecipient will be fully executed prior to any reimbursement. The contract provides for federal reimbursement of up to 80% of the costs for capital equipment, 82.82% for net administration costs and 51.76% of the net operating deficit, under 5310 operating federal reimbursement is 50%. A minimum level for revenue is set at 15% of total administrative and operating costs by the sixth month of the fiscal year. At that time, SDDOT reviews projected revenue to ensure that the 15% is being met. If the 15% is not met, the 15% revenue figure is calculated and payment to the subrecipient is adjusted until the 15% is met. Additionally, subsequent months may be adjusted if the 15% is not maintained.

- Operating and Administrative Reimbursement Requests: Each subrecipient will submit the standard 5311 Reimbursement Request form to request reimbursement for 51.76% of the net operating costs and 82.82% of the administrative costs that are directly related to the project approved budget. Eligible operating and administrative costs are defined by SDDOT.
- Capital Reimbursements:
 - **Micro and Small purchases:** Invoices are submitted to SDDOT from sub-recipients for review and reimbursement. SDDOT reviews for eligibility and if subrecipients have an active agreement for such purchases SDDOT will submit for reimbursement.
 - **Rolling Stock:** SDDOT will submit reimbursement after verification has been made that the purchase meets requirements and vendor has provided all the required

documentation then SDDOT will verify that subrecipient has an active agreement for project then submit for reimbursement to either the subrecipient or vendor.

- All invoices should include the date paid and check or last four digits of credit card number.

SDDOT, Division of Management and Finance, will submit reimbursement to FTA using the ECHO Payment Request Form.

Property Management

Real estate, facilities, vehicles and equipment acquired using FTA funds are supervised and reviewed for proper usage and maintenance by means of on-site safety equipment and asset management inspections and program reviews on a minimum of once every three years or as determined necessary by SDDOT. Safety, asset management inspections and program reviews are performed on an alternating schedule over the three-year period. In addition, detailed databases for facilities, vehicles and equipment meeting the established value threshold, are maintained on a day-to-day basis. The database maintains historical and financial ownership and acquisition information. Also includes, inspection information, condition rating, additions, major repair data as well as transfer of ownership and release of asset information.

Vehicle Use

Section 5311 and 5339: Subrecipients are allowed to use vehicles only for the intended purpose under the original agreement. Incidental use for meal delivery is allowed as long as it does not interfere with passenger transportation service. Vehicles must be available to the general public. Subrecipients performing meal delivery must be prepared to show the SDDOT office how the costs are being allocated, and show an actual cost expense spreadsheet for the meal deliveries. Subrecipients cannot count meal delivery or bulk meal delivery as trip counts.

Section 5310: Vehicles acquired under FTA's Section 5310 program are encouraged to be used to the maximum use. They can be used in the following ways:

- By the private nonprofit organization as described in its application.
- By private nonprofit organizations in coordinated services for a variety of seniors and/or individuals with disabilities. It is understood that, at a minimum, the service which was proposed by the private nonprofit organization in its grant application to the state will be provided and that the originally designated clientele will be served.
- By a private for-profit provider, by lease or other contractual agreement with the private nonprofit organization only for the services identified in the grant application. Vehicles acquired by nonprofit agencies may be leased to private for-profit companies or public bodies where such companies could not otherwise provide required services and where such arrangements result in more efficient and effective service for seniors and/or individuals with disabilities.
- By a public body approved by the state to coordinate services for seniors and individuals with disabilities. It is understood that, at a minimum, service must be coordinated for more than one organization.

By a public body which certifies to the SDDOT that no nonprofit corporations or associations are readily available in an area to provide services.

When vehicles or other equipment are operated by an agent other than the approved organization in the grant application, control and responsibility for the operation of the vehicles or other equipment must remain with the original recipient unless transfer of the control and responsibility is to another eligible organization that has been authorized by the SDDOT.

Title to the vehicles and the loss payee of the vehicle insurance policies must be in the name of the subrecipient organization.

FTA does not prohibit a private nonprofit organization from contracting with a public or private-for-profit operator for such services as maintenance, repair, use of garage facilities, and assistance in routing and scheduling.

During those periods when a vehicle is not needed for specific grant related purposes, it may be used for service to other seniors and individuals 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 a use is incidental to the primary purpose of the vehicle and does not interfere with the use of the vehicle by seniors and individuals with disabilities. Request for this situation must be approved in writing prior to use of a vehicle outside the specific grant related purpose.

Request for a vehicle to be leased must be submitted to SDDOT office. Request must include to whom the vehicle will be leased, the vehicle identification number or serial number, the subrecipient's number to identify that vehicle (the vehicle number), and a copy of the unsigned lease agreement. SDDOT will review the request and proposed lease agreement, SDDOT will approve the request in writing signed by Program Manager and a signed copy will be provided to the subrecipient. Upon receipt of this approval, agency shall forward a copy of the signed lease agreement between subrecipient and lessee of vehicle within 45 days.

When a Section 5310 vehicle is used in profit-making services by any operator, the additional costs associated with the service must be borne by the operator. Mileage, ridership and costs of such service must be reported to the SDDOT. In addition, when a private nonprofit organization realizes a profit from the use of Section 5310 vehicles, that profit must be retained by the organization for transportation purposes.

Subrecipients with Section 5310 vehicles are allowed to use vehicles for incidental use for meal delivery, as long as it does not interfere with passenger transportation service.

Maintenance and Disposition

Refer to maintenance section.

Accounting Systems

SDDOT does not require subrecipients to use a particular accounting system. However, subrecipients are to have financial management systems that meet standards for financial

reporting, accounting records, internal control, budget control, allowable costs and source documentation and cash management. Subrecipients should maintain separate records for their projects. SDDOT requires subrecipients to track funds to a level of expenditure adequate to establish that funds have not been used in violation of the restrictions and prohibition of the applicable statutes. Section 5311 subrecipients are required to track the local match resources and how the funds are being used as match by section of funding.

Close-out

Agreements with 5311 subrecipients are for a one-year period (fiscal year of funding October 1st – September 30th). All reimbursement requests must be submitted to SDDOT by November 1st of each year. Only expenses incurred October 1st through September 30th can be submitted for reimbursement under the active agreement.

SDDOT monitors the grant for the fund balance and sends reminders to the subrecipients regarding the status of the projects. SDDOT reviews the grants for activity and makes any necessary adjustments in order to use the funds to close out the grant. Once all the expenditures have been paid then the final draw down is complete on the grant. The finance staff notifies the transit staff when the final reconciliation is completed to initiate the close out process within 90 days of the final activity.

Audits

- **Single (A-133) Audit Requirement:** All subrecipients that expend \$750,000 or more in federal funds in one fiscal year must have a single (A-133) audit performed for that fiscal year ending September 30. Submission of the audit must be included with the Subrecipient Questionnaire each year funding is requested. Certification of the submitted SF-SAC form to the FTA regional office should be forwarded to SDDOT staff, if applicable. The audit report will be reconciled by Audits. The subrecipient will resolve any difference with Internal Auditors.

Monitoring and Evaluating Projects

- SDDOT is responsible for the award and administration of FTA contracts and support of grants, recognizing that public funds are being expended, and SDDOT will take every care and precaution to assure that the expenditures are made for allowable costs. All actions are thoroughly documented.
- All equipment, supplies and facility awards must be completed in two (2) years or less time period unless there are unforeseen circumstances. The completion time period starts on the date of the funding agreement. Every six (6) months a grant status report is sent to the subrecipients to be completed and returned to the Office of Air, Rail and Transit updating SDDOT on the progress of the project. Only major facility construction projects will be considered for a completion time line beyond the two (2) year period.
- Minimum federal reporting requirements are required on all projects.

- Tri-Annual Program Reviews will be conducted on all subrecipients receiving both Section 5311 and 5310 funds. The Tri-Annual Program Review summarizes various program areas and is a means for SDDOT to monitor a subrecipient. A review report is submitted to the subrecipient, if there are any deficiencies, follow-up is required within stated timeframe.
- Vehicle inspections will be conducted using SDDOT inspection criteria at least once every three years.
- Facility\Equipment inspections will be conducted using SDDOT inspection criteria at least once every three years.
- Technical support will be provided as deemed necessary or upon request for subrecipients.
- Section 5311 and 5310 subrecipients will be evaluated on a continuing basis as needed.
- Statistical Annual Report consisting of a comparative summary of Section 5311 subrecipients is prepared after the end of each federal fiscal year. This summary is used internally by SDDOT as a quick reference that gives a capsule look at the transportation services provided by each subrecipient. Each subrecipient of Section 5311 funds is sent a copy of the summary. Data from these summaries may also be used by SDDOT when determining if continued funding is justified and, if so, evaluating the funding levels of each project compared to other similar projects throughout the state. The report is available and provided to shareholders.
- SDDOT Internal Audits: A review will be conducted on each grant when required, to assure that all payments made for invoices and direct vouchers were made and were eligible project costs. Auditors are responsible to review audits performed by independent auditing firms for subrecipients. Auditors also review and rank the financial risk of the subrecipients utilizing the Subrecipient Questionnaire.
- Every month the SDDOT staff and Internal Auditors Offices will conduct an audit on 3-4 transit providers. SDDOT staff requests invoices pertaining to 5311 reimbursement requests per agency in designated month below. The SDDOT will review for 5311 eligibility and that invoices support the reimbursement requests. All concerns will be addressed and resolved before payments are made. If there are significant findings, SDDOT may request additional information from other months. Local match resources must also be provided to verify that they are an eligible local match source. The 5311 recipient will be notified annually regarding the audit schedule to be performed every year.
 - SDDOT requires an approved Coordination Plan every five years. SDDOT also requires subrecipients to identify measureable results and update the Coordination Plan annually. It is encouraged to use the Coordination Plan as a working document to be utilized, evaluated and updated regularly to increase efficiency.

- Only SDDOT approved routing rules are allowed when developing trip manifests. If a subrecipient is found to be using unapproved routing rules, the 5311 funds may be reduced.
- Requirements are outlined in funding agreements.

Record Keeping Requirements

SDDOT provides instructions on record keeping necessary to satisfy state and federal requirements.

Productivity, cost-effectiveness, or service standards

Productivity, cost-effectiveness and service standards have been addressed throughout this plan; such as the 15% minimum revenue requirement for 5311 funding. For vehicles, SDDOT has adopted the manufactures recommended maintenance schedules to be followed. Subrecipients are required to develop and maintain a Coordination Plan to continuously evaluate coordination of services, agencies and resources. SDDOT also requires only approved routing rules be utilized when routing trips for efficiency.

The SDDOT is also required to have a complaint procedure and process for handling complaints by any of the protected classes including individuals with disabilities. In order to minimize complaints, drivers must attend PASS, maltreatment, defensive driving and first aid training to ensure that subrecipients operate vehicles and equipment safely and to properly assist passengers. SDDOT encourages transit providers to conduct surveys to gather information on needs and services in order to evaluate the services they are providing.

Reporting Requirements

- SDDOT standardized 5311 Request Form is to be used when submitting for reimbursement.
- Vehicle Ridership Report
 - Reports include subrecipient name, agency name, period covered, vehicle number, license number, serial number, operating characteristics, ridership, trip purpose. Financial data is optional. At a minimum, annual ridership reports must be submitted online at <http://apps.sd.gov/ha56transit/> for every vehicle under every subrecipient receiving federal transit funding. SDDOT may require more frequent reporting of subrecipients such as monthly or quarterly. This is determined on a case-by-case basis. All vehicle ridership reports are due each October 31st. If vehicle ridership reports are not received by SDDOT by October 31st (or as required), SDDOT may hold all reimbursements for that subrecipient until the reports are submitted. Additionally, SDDOT may reduce state funds awarded for the current year by \$100 per day the vehicle ridership report is overdue.
- Annually all subrecipients of 5311, 5310 & 5339 awards shall complete and submit an annual vehicle, facility and equipment inventory form along with current copies of their vehicle and facility insurance policies, which include policy coverage dates and dollar amounts. The survey and request for insurance documentation shall be requested first of the year. In addition, annually all 5311, 5310, & 5339 subrecipients are required to submit a

completed copy of the Annual Vehicle use Certification, Bus Facility Use Certification and Shop Equipment and Tool Use Certification.

Other Provisions

Labor Protection Provisions

Local recipients will indicate in writing acceptance of the terms and conditions of the Special 13(c) Warranty. Such acceptance will be sufficient to permit the release of Section 5311 funding in the absence of a finding of non-compliance by the U.S. Department of Labor.

A listing of all transportation providers receiving Section 5311 funds, a listing of other eligible transportation providers in the geographic area of each project, and any labor organization representing the employees of such providers is forwarded to the U.S. Department of Labor at least annually.

Agreement in writing to the terms and conditions of the standard Section 13(c) warranty for the Section 5311 program, or substitute arrangements approved by the Department of Labor, is required for all Section 5311 operating projects, including intercity bus projects.

Environmental Protection

Most transit projects funded under Section 5311 will be classified by FTA as categorical exclusions. SDDOT will screen potential projects to make an initial determination as to which projects clearly meet the FTA criteria for categorical exclusions and which projects may require additional documentation. The latter projects will be coordinated with the FTA regional office early in project development so that any necessary environmental analysis and review will not delay implementation.

Section 5310 subrecipients must be aware of the transportation/air quality conformity review process.

Pre-Award, Post Delivery Audits and Buy America

All vendors of applicable Section 5311, 5310 and 5339 funded new equipment will certify in writing, to be in compliance with the Buy America requirements of Section 165(a) of the Surface Transportation Act of 1982 and the regulations set forth in 49 CFR Parts 660 and 661 of the Federal Register. In addition, SDDOT will conduct a pre-award and post-delivery audit to ensure compliance with SDDOT bid specifications, Buy America and federal vehicle safety requirements.

Equal Employment Opportunity

In accordance with EEO circular 4704.1A each recipient, subrecipient and contractor who meets both of the following threshold requirements must implement all of the EEO Program Elements:

- Employs 100 or more transit-related employees; and

- Requests or receives capital or operating assistance in excess of \$1 million in the previous federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous federal fiscal year.

Providers that have between 50-99 transit-related employees are required to prepare and maintain an EEO Program that includes the statement policy, dissemination plan, designation of personnel, assessment of employment practices and a monitoring and reporting system.

FTA requires an EEO Program be submitted every three years, as part of the Transit Provider's Title VI review. SDDOT will review all EEO program documents at that time.

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Lobbying

No federal funds will be used to influence federal or state grants or programs. All Section 5311, 5310 and 5339 subrecipients and bidders for vehicle procurements must complete an annual certification on debarment, suspension and other responsibility matters in each subrecipient agreement.

Commercial Driver's License and Drug and Alcohol Program

South Dakota law requires all drivers of vehicles designed to transport 16 or more persons (including the driver) have a valid class "C" Commercial Driver's License (CDL) with a passenger endorsement "P." Mechanics that drive these vehicles must have a CDL.

Employee Protection Provisions of Section 5333(b)

Before FTA may award a grant for capital or operating assistance, fair and equitable arrangements must be made to protect the interest of transit employees affected by the proposed FTA assistance (49 W.S.C 5333(b), formerly Section 13(c) of the Federal Transit Act as amended). Those arrangements must be certified by the secretary of Labor as meeting the requirements of the law.

Prohibition of exclusive school transportation

Any subrecipient providing school "tripper service" must include all the services they provide i.e. transportation to medical appointments, shopping, rides to work and education institutions, etc. in their advertising medium. Exclusive school bus service is not allowed.

Drug and Alcohol Testing

Section 5311, 5307 and 5339 recipients are required to comply with regulations issued by the Federal Transit Administration on drug and alcohol testing, 49 C.F.R. Parts 655 and 49 CFR Part 40. Subrecipients are required to establish and implement a substance abuse program which incorporates training and education but is to be primarily a testing program. Among other requirements, these regulations require that all safety sensitive employees be tested for drug and alcohol use in pre-employment, random, and post-accident, return-to-duty, or reasonable suspicion situations, that certifications be made, and that reports be submitted. Drugs to be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine.

The SDDOT requires that each subrecipient complete the Federal Transit Administration Drug and Alcohol collections form (MIS). When a subrecipient does not meet this due date the SDDOT may hold all reimbursements for that subrecipient until the required information is received. Additionally, SDDOT may reduce state funds awarded for the current year by \$100 per day the MIS is overdue. The Program Review includes questions relating to subrecipient's drug and alcohol policies. Sub recipients are asked to ensure that all CCF/ATF forms are accurate and complete and to report any incompliant behavior on the part of the third party administrators and collection site. SDDOT will review the subrecipient's drug and alcohol policy, testing documents, and records during performance reviews.

SDDOT will monitor vendors of testing sites through desk reviews, site visits and mock collections at least once every three years. SDDOT will review program areas, determine compliance, require corrective actions, and verify program procedures are in accordance with FTA requirements. Vendors may be subject to additional oversight and reviewed more frequently. This will be determined on a case-by-case basis with approval from SDDOT's Program Manager.

Subrecipients that receive only Section 5310 assistance are not subject to the drug and alcohol testing procedures of the FTA. A testing program is required if an agency receives any 5311, 5339, or 5307 funding.

SDDOT requires a drug-free environment in the transit workplace. The State of South Dakota's ongoing drug-free awareness program is located at the Bureau of Human Resources website.

<http://bhr.sd.gov/forms/policies/Handbook.pdf>

References

- U.S. Department of Transportation, Federal Transit Administration – Formula Grants For Rural Areas: Program Guidance And Application Instruction Circular FTA C 9040.1G, effective October 24, 2014
- U.S. Department of Transportation, Federal Transit Administration – Enhanced Mobility Of Seniors And Individuals With Disabilities Program Guidance and Application Instructions Circular FTA C 9040.1G, effective June 6, 2014

- U.S. Department of Transportation, Federal Transit Administration – Bus and Bus Facilities Formula Program: Guidance and Application Instructions Circular FTA C 5100.1, effective May 18, 2015
- U.S Department of Transportation, Federal Transit Administration - Master Agreement FTA MA(21), effective October 1, 2014
- U.S Department of Transportation, Federal Transit Administration - Annual Certification and Assurances <http://www.fta.dot.gov/grants/13071.html>
- Code of Federal 49 Part 655 and Part 40 <https://transit-safety.fta.dot.gov/DrugAndAlcohol/Regulations/Regulations/49CFR655/49cfr655.pdf>
- U.S Department of Transportation, Federal Transit Administration – Grant Management Requirements FTA C 5010.1D, effective November 1, 2008
- Code of Federal Register 2 Part 200 and 1201 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards. http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl