



Suburban Mobility Authority for Regional Transportation

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PROGRAM MANAGEMENT PLAN FOR ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES

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**THE SUBURBAN MOBILITY AUTHORITY FOR REGIONAL
TRANSPORTATION**

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ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES

ITEM A. PROGRAM GOALS AND OBJECTIVES

SMART's goal is to improve mobility for seniors and individuals with disabilities throughout Wayne, Oakland, Macomb and Monroe Counties by removing barriers to transportation services and expanding the transportation mobility options available. To meet this goal SMART, as a direct recipient, will provide financial and technical assistance to prospective grantees and recipients of Section 5310 funding for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities. In order to make this a reality, the plan has the following objectives:

- Ensure the plan meets FAST Act requirements and meets the intent of the Section 5310 funding program.
- Establish a framework by which proposed projects requesting Section 5310 funding can be solicited and selected through a fair and equitable process.
- Facilitate the flow and appropriate level of Section 5310 funding based on the implementation policies discussed in the CHSTP.
- Encourage coordination among services supported by the Section 5310 Program, and among the community transportation service providers in the region.
- Ensure that all components of the Plan/Programs have benefited from a comprehensive public involvement effort that includes public, private, and non-profit transportation providers, human services providers and other stakeholders representing persons with disabilities, seniors, and the general public.

These objectives are subject to stakeholder and public review through a number of processes, as follows:

- Within the southeast Michigan network of Specialized Services providers and SMART's Community Partnership Providers, transportation coordination committees meet quarterly to discuss issues related to providing transit services. These committees work with SMART staff in the coordination of both resources and client rides. The members of these committees consist of operators and managers of transit services as well as users and advocates for riders who have disabilities.
- SMART participates as a member of the Transportation to Work Coalition for Southeast Michigan. The coalition is comprised of transportation providers and regional and local agencies that are concerned with transporting low income workers to jobs. Through this group, SMART gains insight into current issues and long term needs.

- SMART staff regularly works with planning partners such as the Southeast Michigan Council of Governments (SEMCOG), and the Area Agencies on Aging to facilitate the discussion concerning the demographic changes that will increase demand for transit services.
- SMART must submit an annual application consistent with Section 10e(7) of Act 51 of PA of 1951, as amended, to MDOT detailing their service goals and objectives for the coming year including the submission of a balanced budget. The Coordinated Public Transit-Human Services Transportation Plan specifically invites input and comment from local elected officials, community stakeholders and customer that ensures local goals and objectives are addressed.

ITEM B. ROLES AND RESPONSIBILITIES

The Regional Transit Authority for Southeast Michigan (RTA), the Designated Recipient of FTA funds for Wayne, Oakland, Macomb, and Washtenaw Counties, is responsible for:

- Soliciting applications from SMART and other lead agencies in the Detroit Urbanized Area (UZA) for Section 5310 funding (DDOT, DTC).
- Reviewing requested agency projects (to be spent directly by lead agencies, includes administration) and requested funding levels for project categories for sub-recipients.
- Determining approved distribution of Detroit UZA formula funds, by lead agency, for both lead agency projects and funding levels for sub-recipient project categories.
- Certifying that allocations of grants to lead agencies are distributed on a fair and equitable basis resulting from their review process.
- Ensuring that the UZA as a whole meets funding requirements, including 55% minimum requirement for “Traditional 5310 Projects,” 45% maximum for New Freedom projects and 10% maximum for administration.
- Certifying that all projects are derived from a locally developed, coordinated public transit-human services transportation plan developed through a process that consists of representatives of public, private, and non-profit transportation and human services providers with participation by the public.

SMART’s responsibilities as a lead agency and direct recipient include:

- Developing a coordinated public transit-human services transportation plan through a process that consists of representatives of public, private, and non-profit transportation, and human service providers with participation by the public.
- Requesting both SMART agency projects and funding levels for sub-recipient project categories from the RTA.

- Conducting a selection process to determine Program of Projects and project funding levels for sub-recipients.
- Certifying that allocations of grants to sub-recipients are distributed on a fair and equitable basis resulting from the selection process.
- Documenting SMART's procedures in a Program Management Plan.
- Forwarding annual programs of projects (POP), grant applications, and required reporting to FTA.
- Ensuring that all sub-recipients comply with Federal requirements.

ITEM C. COORDINATION

SMART staff and Coordination Committee members regularly participate in meetings with organizations like the Disability Network, the Department of Career Development, and Michigan Rehabilitation Services. SMART's ombudspersons and marketing department staff also regularly attend job expositions and elected officials' outreach events. In addition, SMART periodically hosts stakeholder meetings, including during the update process for the CHSTP. These interactions provide ongoing opportunities to facilitate conversations regarding rider needs.

While the diverse needs and sheer size of the service area in southeast Michigan complicates the coordination of many rides, SMART employs an Americans with Disabilities Act (ADA) coordinator to ensure universal compliance with ADA requirements. Additionally, SMART ombudspersons, as liaisons with the communities, are in constant contact with local providers and local elected officials throughout the region. The Coordination Committee meetings and the SMART Advisory Council meetings, provide a regular forum to discuss how to better coordinate and assess specific needs that may be better served through coordinated efforts.

ITEM D. ELIGIBLE SUBRECIPIENTS

Agencies considered eligible under federal guidelines for the Section 5310 program are eligible to receive funding from SMART. Eligibility requirements are no more restrictive than the Federal eligibility requirements.

ITEM E. LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

This program provides funds for capital, and operating assistance to support all eligible activities under Section 5310. FTA requires a state/local match to access federal funds. Capital projects are

matched 80 percent federal with a 20 percent state or local match, while operating assistance is matched with at least a 50 percent state or local share. The match required to access federal capital funds has typically been provided by the state utilizing a combination of cash, bond revenues, and toll revenue credits – this is subject to change at any time by the State, in which case the sub-recipient would be responsible for providing the local match (or would forfeit the funds). The match required to access operating funds has been provided by a local share.

ITEM F. PROJECT SELECTION CRITERIA AND METHOD OF DISTRIBUTING FUNDS

Projects applied for through Section 5310 will be selected through a review and selection process led by SMART staff, presented to the public, and approved by the SMART Board of Directors.

Application Review and Evaluation

SMART reviews and evaluates all applications utilizing the following criteria:

1. Vehicles requested for replacement must meet the following replacement criteria (either by years and/or miles):

CAR-MINIVAN-MAXIVAN-VAN CONVERSION	4 YEARS OR 100,000 MILES
BUSES-CUTAWAY*- purchased prior to 1/1/08	5 YEARS OR 150,000 MILES
BUSES-CUTAWAY*- purchased on or after 1/1/08	7 YEARS OR 200,000 MILES
BUSES-MEDIUM DUTY*	7 YEARS OR 200,000 MILES
BUSES-MEDIUM/HEAVY DUTY*	10 YEARS OR 350,000 MILES

*all replacements are based on Altoona testing.

2. Financial commitment by the applicant (via a balanced operating budget submitted with the application) to assure operating funds are available.
3. Degree to which the organization is meeting the transportation needs of senior persons and individuals with disabilities.
4. Experience applicant has executing the type of transportation project listed in the application.
5. Number of years the agency has provided transportation services.
6. Number of projects the agency has carried out that are similar to the project listed.
7. Success rate at which previous projects met their goals and fulfilled a need.
8. Appropriateness of the quantity and type of vehicles, mobility management and/or operating assistance for meeting the special transportation needs of client population.
9. Amount of unspent 5310 grant funding that is greater than 2 years old.
10. Endorsements provided by local units of government, transit operators, and social service agencies.
11. Documentation of local initiative, organization, fiscal resources and management capability, equipment inventory, proper maintenance procedures, and overall technical capacity.

SMART requests 5310 funding by project type from the RTA for sub-recipient projects before a Call for Projects is issued and Program of Projects is determined. Thus, the review and selection

process is separate for each project category based on the amounts approved by the RTA. Although each applicant may apply for funding in more than one category, it is possible that awards could be made for one proposed activity and not another. Projects may be fully funded up to the dollar amount requested on the application, based on the review and evaluation described above and on the available funding in a given project category.

Project Prioritization by Category

Once the review and evaluation is complete and SMART has determined the maximum appropriate funding level for each proposed project, the totals are compared to approved funding levels from the RTA. If there is not enough funding to cover the maximum appropriate funding levels in a given category, the following priority lists for each category will be used to determine the funded projects:

Vehicle Requests

In the case that all funding requests for vehicles can not be filled, SMART's review team will include each agency's vehicle utilization for 5310 services based on average mileage and average age in their consideration when delegating funds. If funding is available, the review team will fund one replacement vehicle for each approved request before considering how many additional vehicles will be funded for each applicant.

Traditional 5310 Projects

Projects are for vehicles and/or other capital projects that aid in the provision of services to seniors and individuals with disabilities. RTA approved funding levels call out separate amounts for vehicles vs other capital projects (both must qualify as traditional 5310). Those funds can be shifted between the two categories based on project applications.

- 1) Replacing vehicles previously awarded under any FTA or state program that have met **both** age **and** mileage criteria.
- 2) Replacing vehicles previously awarded under any FTA or state program that have met **mileage or age** criteria.
- 3) Expansion vehicles.
- 4) Other 5310 Capital Projects (computers, radio equipment, facilities, etc.).

New Freedom Capital

Projects are for vehicles and/or other capital projects that aid in provision of New Freedom services.

- 1) Replacing vehicles previously awarded under any FTA or state program that have met **both** age **and** mileage criteria.
- 2) Replacing vehicles previously awarded under any FTA or state program that have met **mileage or age** criteria.
- 3) Expansion vehicles.
- 4) Other Capital Projects (computers, radio equipment, facilities, etc.).

Mobility Management and Operating Requests

In the case that all mobility management and/or operating requests exceed available funding, a share of the total funding will be assigned to each agency in proportion to the appropriate funding level as determined by the review team. Some of the factors that may be considered include ridership, miles, and cash flow.

New Freedom Mobility Management

Projects are for Mobility Management related primarily to provision of New Freedom services.

- 1) Continuation of New Freedom mobility management activities.
- 2) Expansion/new New Freedom mobility management activities.

New Freedom Operating

Projects are for operating assistance for provision of New Freedom services.

- 1) Continuation of New Freedom operating activities.
- 2) Expansion/new New Freedom operating activities.

ITEM G. ANNUAL PROGRAM OF PROJECTS DEVELOPMENT AND APPROVAL PROCESS

The annual program of projects is derived from the prioritized needs and strategies in the CHSTP.

The steps to develop the annual program of projects are:

- 1) SMART requests funding from the RTA, organized by project category and split into SMART agency projects and sub-recipient projects.
- 2) SMART forwards approved funding levels to SEMCOG for inclusion in the region's Transportation Improvement Program (TIP).
- 3) SMART solicits applications through a publicly advertised Call for Projects (CFP).
- 4) SMART staff reviews the applications for completeness and eligibility of applicants.
- 5) A Review Team led by SMART staff (including at least one member from the Finance Department) reviews and evaluates the applications using the criteria in Item F of this Program Management Plan.
- 6) The Review Team determines the appropriate scale of each project compared to the requested funding amount.
- 7) The RTA-approved funding levels for each project category are applied to the list of approved applications to create a draft Program of Projects (POP). SMART agency projects approved by the RTA are added at this time.
- 8) The POP is presented to the SMART Board of Directors at a regular, public meeting for approval and adoption.
- 9) SMART submits the approved POP to the FTA for grant award.
- 10) SMART executes contracts with the organizations selected for projects.

ITEM H. ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE

SMART offers administrative support, planning, and technical assistance to subrecipients of the Section 5310 program. Examples of this support include:

- Community Ombudspersons who establish and maintain relationships with each community that SMART serves. A key task of the Community Ombudspersons is the administration of the Community Partnership Program (CPP).
- A preventative maintenance program for vehicles received through SMART.
- Surveys to determine community needs.
- Service planning to improve service efficiency.

ITEM I. TRANSFER OF FUNDS

SMART does not have a policy regarding the transfer of Section 5310 funds to Section 5307 or 5311 programs. If it becomes necessary to transfer funds in the future, SMART will develop a policy and revise the management plan.

ITEM J. PRIVATE SECTOR PARTICIPATION

Local transit agencies are encouraged to involve the private sector in providing public transit services and when feasible contact private providers to evaluate possible areas where they could assist with the provision of public transit service. Private providers who provide exclusive-ride service are eligible contractors to subrecipients under the Section 5310 program. Private providers that provide shared-ride taxi service to the general public are eligible subrecipients under the Section 5310 program.

ITEM K. CIVIL RIGHTS

SMART is in compliance with Federal civil rights requirements, and monitors subrecipient compliance through periodic reports and audits. Contracts with subrecipients include a provision that the subrecipient shall, in the performance of the contract, be in compliance with applicable federal, state and local statutes, ordinances and regulations.

Title VI

SMART is in compliance with, and assures compliance of third party contractors and subrecipients with all of the following requirements under Title VI of the Civil Rights Act of 1964:

1. Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), provides that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance;
2. U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act," 49 CFR part 21;
3. FTA Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients." This document provides FTA recipients and subrecipients with guidance and

- instructions necessary to carry out DOT Title VI regulations (49 CFR part 21), and DOT Policy Guidance Concerning Recipient's Responsibilities to Limited English Proficient (LEP) Persons;
4. U.S. DOT Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons (70 FR 74087, December 14, 2005). This guidance clarifies the responsibilities or recipients of federal financial assistance from DOT and assists them in fulfilling their responsibilities to LEP persons, pursuant to Title VI of the Civil Rights act of 1964 and executive Order 13166;
 5. FTA Circular 4703.1 "Environmental Justice Policy Guidance for Federal Transit Administration Recipients." This document provides FTA recipients and subrecipients with guidance and instructions necessary to carry out U.S. DOT Order 5610.2 to Address Environmental Order 12898 on Environmental Justice that describes the process that the Office of the Secretary of Transportation and each operating administration will use to incorporate environmental justice principles in existing programs, policies, and activities;
 6. U.S. DOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations. DOT Order 5610.2 describes the process that the Office of the Secretary of Transportation and each operating administration will use to incorporate environmental justice principles (as embodied in Executive Order 12898 on Environmental Justice) into existing programs, policies, and activities;

Equal Employment Opportunity (EEO)

It is the policy of SMART to provide equal employment opportunity for all persons and to prohibit discrimination on the basis of race, color, sex, age, handicap, religion, national origin, marital status, or sexual preference. This policy applies to all employment conditions, including recruitment, hiring, salaries, promotions, transfers and terminations. SMART will not do business with any individual, company, corporation or other entity that is not an equal opportunity employer.

SMART complies, and assures the compliance of each third party contractor and each subrecipient at any tier of the project, with all equal employment opportunity (EEO) requirements of Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e), and with 49 U.S.C. 5332 and any implementing regulations DOT may issue.

Disadvantaged Business Enterprise (DBE)

To the extent required by federal law, regulation, or directive, SMART agrees to take the following measures to facilitate participation by DBEs:

1. SMART agrees and assures that it will comply with FAST Act Section 1101(b) (23 U.S.C. 101 note), which directs the Secretary of Transportation to expend not less than 10 percent of authorized federal funds with DBEs. This 10 percent national goal is aspirational and is used by DOT to help monitor and evaluate DBE participation in DOT-assisted contracting opportunities.
2. SMART agrees and assures that it will comply with DOT regulation, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 CFR part 26. Among other provisions, this regulation requires certain recipients of

DOT federal financial assistance, namely state and local transportation agencies, to establish goals for the participation of disadvantaged entrepreneurs and certify the eligibility of DBE firms to participate in their DOT-assisted contracts.

3. SMART agrees and assures that it shall not discriminate on the basis of race, color, sex, or national origin, in the award and performance of any third party contract, or subagreement supported with federal assistance derived from DOT, or in the administration of its DBE program, and will comply with the requirements of 49 CFR part 26. The recipient agrees to take all necessary and reasonable steps set forth in 49 CFR part 26 to ensure nondiscrimination in the award and administration of all third party contracts and subagreements supported with federal assistance derived from DOT. As required by 49 CFR part 26 and approved by DOT, the recipient's DBE program is incorporated by reference and made part of the grant agreement or cooperative agreement. The recipient agrees that implementation of this DBE program is a legal obligation, and that failure to carry out its terms shall be treated as a violation of the grant agreement or cooperative agreement. Upon notification by DOT to the recipient of a failure to implement its approved DBE program, DOT may impose sanctions as provided for under 49 CFR part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001, and/or the Program Fraud Civil Remedies Act, (31 U.S.C. 3801 *et seq*).

ITEM L. SECTION 504 AND ADA REPORTING

SMART is in compliance with Section 504 and Americans with Disabilities Act (ADA) regulations and monitors subrecipient compliance through periodic reports and audits. Contracts with subrecipients include a provision that the subrecipient shall, in the performance of the contract, be in compliance with applicable federal, state and local statutes, ordinances and regulations.

The SMART Advisory Council (SAC), comprised of older adults, persons with disabilities, and human service agency representatives, helps SMART maintain its customer-driven focus.

The purpose of the SAC is:

1. To review and advise on proposed SMART Board policy changes which affect Older Adults and Persons with Disabilities prior to official action being taken by the SMART Board.
2. To allow SAC members a forum to review information, discuss concerns and improvements and advise SMART staff on transit issues which may affect Older Adults and Persons with Disabilities; and
3. To review the State 10e(18) Plan in the Southeastern Michigan area and submit comments to the SMART Board of Directors.

SMART's ADA Coordinator is the staff support for the SAC and monitors accessibility of the SMART system. The ADA Coordinator also administers the eligibility process for the ADA Paratransit program.

SMART adheres to all Federal and State requirements for Section 504 and ADA reporting including:

1. All state-supported, line-haul public transportation vehicles must be accessible to wheelchair users. In addition, local seniors and individuals with disabilities accessibility plans are required by the state for all public transportation systems providing demand-responsive service. The state requirements of Section 10e(18) of Act 51 of PA of 1951, as amended, are incorporated with the federal requirements under 49 CFR, Part 27. Each agency that receives funds from ACT 51 are required to annually submit a plan which describes how they do or will supply service to seniors and individuals with disabilities equal to the level of service supplied to other segments of the general public. The local plans will be reviewed by a Local Advisory Council comprised of individuals with disabilities, seniors, human service agencies, and others who have an interest in public transportation services, along with a public hearing review. All rural agencies have prepared a complete coordination plan and have submitted them to the state. The plans are updated each year and submitted with the state and Section 5311 application.
2. All state application requests according to Section 10e(6) of Act 51 of PA of 1951, as amended, are subject to public notice and the application must be available for public review for a period of 30 days.
3. Per Americans with Disabilities Act of 1990 (ADA) requirements, each applicant must certify that the demand-response service offered to individuals with disabilities, including persons 65 years of age or older, and users of wheelchairs, is equivalent to the level and quality of service offered to individuals without disabilities.
4. Titles II and III of the American with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service.

ITEM M. PROGRAM MEASURES

SMART’s Capital Grants and Finance departments collect data on the program measures listed below from all subrecipients of Section 5310 funding. As a direct recipient, SMART will ensure that the information below is reported for all subrecipients of Section 5310 funding.

Traditional Section 5310 Projects

- (1) Gaps in Service Filled: Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities measured in numbers of seniors and people with disabilities afforded mobility they would not have without program support as a result of traditional Section 5310 projects implemented in the current reporting year.
- (2) Ridership: Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and seniors on Section 5310-supported vehicles and services as a result of traditional Section 5310 projects implemented in the current reporting year.

Other Section 5310 Projects

- (1) Service Improvements: Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.
- (2) Physical Improvements: Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.
- (3) Ridership: Actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

ITEM N. PROGRAM MANAGEMENT

SMART is responsible for ensuring that all applicable regulations and requirements are followed. Each sub-recipient follows the requirements through a written agreement with SMART that states the terms and conditions of assistance by which the project will be undertaken and completed. This written agreement covers the subrecipient's project and will include the items below:

Procurement

SMART complies with the guidance in FTA Circular 4220.1F and the procurement requirements of 49 CFR part 18 when procuring property, supplies, equipment, or services related to this program. All subrecipients of SMART must also adhere to these same federal guidelines and requirements.

Bid opportunities are posted through the Michigan Inter-governmental Trade Network (MITN). MITN is utilized during the procurement process to ensure full and open competition.

Financial Management

SMART maintains a financial management system of budgeting, recording and reporting in accordance with Federal and State laws and generally accepted accounting principles.

Microsoft Dynamics Great Plains is the primary financial accounting program utilized. Funds are appropriately accounted for and expended based on the established accounting procedures.

SMART retains financial records, supporting documentation and other records pertinent to a grant for a period of seven years.

Property Management

SMART will hold title to vehicles purchased with Enhanced Mobility of Seniors and Individuals with Disabilities funds. The subrecipient will be required to provide insurance that meets SMART's standards for the following coverages: Physical Damage; Vehicle Liability; and Worker's Compensation.

SMART follows FTA useful life and replacement standards, and Federal and State laws and procedures regarding disposing of equipment.

Vehicle Use

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. Although priority service is given to the intended program clients, vehicles must be available to the general public if capacity allows.

Vehicle Maintenance

SMART requires all subrecipients that receive vehicles through SMART to participate in a preventative maintenance program. As part of the preventative maintenance program, subrecipients are required to complete and document inspections at 4 and 8 thousand mile intervals. Daily physical checks are to be conducted by the driver prior to the beginning of service.

Subrecipient vehicles are subject to random FTA safety inspections by SMART maintenance staff.

Monitoring

SMART provides MDOT with annual financial and non-financial reports. These reports are used to determine state local bus operating assistance and to provide measures of system efficiency and effectiveness.

SMART monitors subrecipient projects to ensure that transportation services are being implemented effectively and are in compliance with all applicable SMART policies and procedures and Federal and State laws. Subrecipients are required to submit to SMART weekly reports on ridership, vehicle maintenance, and accidents, and quarterly reports detailing revenues and expenses and non-financial operating data. SMART has an online reporting system that is available to subrecipients.

SMART is required to comply with the obligations contained in its Master Agreement with the U.S. Department of Transportation, Federal Transit Administration which is renewed annually. Subrecipients are required to meet SMART's obligations under the Master Agreement. SMART will assist subrecipients in identifying any such requirements and assist in compliance.

As part of the grant contract, the sub-recipient shall permit SMART, Federal Transit Administration or any of their authorized representatives, full access to any records and supporting documents relevant to the program. SMART maintains the right to inspect all project equipment and property.

SMART shall conduct periodic desk reviews and/or on-site reviews of the subrecipient as part of its monitoring efforts.

Accounting Systems

SMART utilizes Microsoft Dynamics Great Plains accounting software to manage the financial records of the transit system.

Audit and Closeout

In compliance with Federal and State regulations, SMART will conduct periodic reviews, including desk reviews and/or on-site visits, to assess compliance and proper use and maintenance of FTA funded operating assistance, mobility management, and/or equipment. The subrecipients are responsible for following applicable rules for required audits (e.g. Single Audit).

Productivity/Cost-effectiveness/Service Standards

SMART will use required reporting information from subrecipients to assist in monitoring the cost-effectiveness of the services subrecipients. Applications to SMART for assistance/equipment shall include information on the service standards and projected trips to be provided. SMART will review and compare reported productivity with estimated levels to determine the effectiveness of each program.

Subrecipient Suspension and Debarment Certification

Each subrecipient is to sign a certification that ensures they and their subcontractors are eligible to receive and/or spend funding from the FTA. Certifications are signed and submitted with each application for new grant dollars under this 5310 program. Additionally, SMART conducts an excluded party check in the System for Award Management as described in SMART policy titled "Finance/Grants Management-- Sub-Recipient Excluded Party Check—Federal SAM System"

Subrecipient Contract Agreement

Each subrecipient is to sign an agreement that they will uphold all of the regulations put forth by the FTA and SMART. Contract agreements are signed pertaining to the pass through of money and vehicle contracts.

ITEM O. OTHER PROVISIONS

Section 5310 subrecipients must comply with other federal regulations and include them in their subcontracts when applicable. These include: Buy America; pre-award and post-delivery audit, drug and alcohol testing, and environmental protection for construction projects not subject to a general waiver.

Buy America

The Buy America requirements apply to construction contracts and acquisition of goods or rolling stock valued at more than \$100,000. The requirements flow down from Section 5310 subrecipients to first tier contractors, who are responsible for ensuring that lower tier contractors and subcontractors are in compliance. A Buy America clause is included in all Section 5310 subrecipient agreements and third party contracts. OPT monitors for compliance.

The pre-award and post-delivery audit requirements apply to the acquisition of rolling stock. A clause is included in all subrecipient agreements and third party contracts.

Drug and Alcohol Testing

Recipients or subrecipients that receive only Section 5310 program assistance are not subject to FTA's drug and alcohol testing rules, but must comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for all employees who hold commercial driver's licenses (49 CFR part 382). Section 5310 recipients and subrecipients that also receive funding under one of the covered FTA programs (Section 5307, 5309, or 5311) should include any employees funded under Section 5310 projects in their testing program.

An FTA compliant testing program, as required by the receipt of FTA operating or capital funding (5307, 5309, 5311), may be used for Section 5310 employees; there is no need to have separate testing programs. Employees of a subrecipient of Section 5310 funds from a state or designated recipient of another FTA program (e.g., 5307 or 5311) should also be included in the designated recipient's testing program.

In accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 *et seq.*), and 49 CFR part 32, each recipient is required to maintain a drug-free workplace for all employees and to have an antidrug policy and awareness program. The recipient must agree that it will provide a drug-free workplace and comply with all requirements of 49 CFR part 32. These provisions apply only to FTA's direct recipients and do not extend to subrecipients.

The recipient is required to provide a written drug-free workplace policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and stating specific actions that will be taken for violations.

Environmental Protection

Proposed projects need to be looked at to determine their affect, if any, on the environment. Most capital projects under 5310 are "categorical exclusions" involving the acquisition of vehicles and vehicle related equipment. If a project has an environmental impact, MDOT follows all environmental regulations. There are several categories of projects:

a. "Categorical Exclusions." Many projects and activities assisted with bus and bus related category funds normally do not involve significant environmental impacts. The joint FHWA/FTA environmental regulations use the term "categorical exclusions" (CEs) to environmental document [environmental assessment (EA) or environmental impact statement (EIS)]. In February 2013, FTA published new CEs tailored specifically to transit projects in an effort to provide a more straightforward and efficient environmental review process. Under the new regulations, Section 771.118 (below) is reserved exclusively for FTA actions. In accordance with the regulations, bus and bus-related projects that are predetermined to be categorical exclusions include:

Section 771.118(c)

- (1) Utility and similar appurtenance action
- (2) Pedestrian or bicycle action

- (3) Environmental mitigation or stewardship activity
- (4) Planning and administrative activity
- (5) Action promoting safety, security, accessibility
- (6) Acquisition, transfer of real property interest
- (7) Acquisition, maintenance of vehicles/equipment
- (8) Maintenance, rehab, reconstruction of facilities
- (9) Assembly or construction of facilities
- (10) Joint development of facilities
- (11) Emergency recovery actions
- (12) Action within Existing Operational Right-of-Way
- (13) Action with Limited Federal Funding

Section 771.118(d)

- (1) Highway modernization
- (2) Bridge replacement or rail grade separation
- (3) Hardship or protective property acquisition
- (4) Acquisition of right-of-way
- (5) Reserved
- (6) Facility modernization

Experience has shown that many construction projects can be built and operated without causing significant impacts if they are carefully sited in areas with compatible, non-residential land use where the primary access roads are adequate to handle the additional bus traffic. FTA may approve the designation of these construction projects as categorical exclusions if the grant applicant provides documentation which clearly demonstrates that the conditions stated above are met and that no significant adverse effects will result.

b. Projects That May Have an Environmental Impact. Projects that significantly affect the environment require an EIS. The following are examples of projects that normally require an EIS: (1) A new controlled access freeway; (2) A highway project of four or more lanes on a new location; (3) New construction or extension of fixed transit facilities (e.g., rapid rail, light rail, commuter rail, bus rapid transit that will not be located within an existing transportation right-of-way) and; (4) New construction or extension of a separate roadway for buses or high occupancy vehicles not located within an existing highway facility. Most of the projects in which our subrecipients have been involved are outlined at Item (3) above. For these projects, our subrecipients have prepared environmental documentation with appropriate technical analysis to support a categorical exclusion, as applicable. So far no EIS actions have been required for the projects in our grant applications.

c. Projects That Require an Environmental Assessment. The grant applicant must prepare an EA for any project that is not a CE and does not clearly require the preparation of an EIS. An EA documents the impacts of the proposed project and considers alternatives to the proposed site or design and is subject to public comment. FTA will review the EA and any public hearing comments

and other comments received regarding the EA. A finding of no significant impact (FONSI), depending on the scope and magnitude of the probable environmental impacts, will be made by FTA.

FTA is not permitted to provide federal assistance to support a project requiring an EA or an EIS until FTA has completed the environmental review process and determined either that the project qualifies for a FONSI or that the final EIS supports a Federal grant for the project.

Lobbying Restrictions

Agencies applying for federal assistance exceeding \$100,000, must certify that no federal appropriated funds have been paid or will be paid, on their behalf, to influence or attempt to influence anyone pertaining to the award, continuation or modification of federal assistance. If funds other than federal appropriated funds have been used for this purpose, the agency is instructed to complete the Standard Form-LLL, "Disclosure Form to Report Lobbying."

School Bus Operations

Agencies are instructed that they must comply with this rule. They sign an annual certification with their applications that they will engage in school transportation operations only to the extent permitted by an exception provided by 49 U.S.C. 5323(f).