

Commonwealth of Virginia
Virginia Department of Rail and Public Transportation
Section 5311 State Management Plan
For
Public Transportation in Nonurbanized Areas
Revised April 1, 2009

Introduction

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

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

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

Purpose of the State Management Plan

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

a. Program Goals and Objectives

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

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

1. Encourage the maintenance, development, and improvement of existing public transportation systems in the non urbanized areas of the state through a reliable program of Federal and state financial assistance.
2. Help to maximize the efficiency, effectiveness, and safety of existing non urbanized public transportation systems through capital, technical, and planning assistance.
3. Enhance the access of all citizens in non urbanized areas of Virginia and especially the

transportation disadvantaged for trip purposes such as health care, shopping, education, recreation and employment, through the introduction of new public transportation services and the protection of existing services.

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

b. Roles and Responsibilities

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

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

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

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

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

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

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

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

DRPT has developed a *Public Transportation and Commute Assistance Grant Program Application Guidance Manual* (November 2008) to provide grant application guidance to transit providers and local governments. Application requirements are also described in the current Fiscal Year edition of the FTA

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

c. **Eligible Recipients**

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

d. **Eligible Services and Services Areas**

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

e. **Eligible Assistance Categories**

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

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

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

2. **Administrative Expenses** Eligible administrative expenses include items such as transit director's salary, secretary and bookkeeper salaries, marketing expenses, office supplies, vehicle insurance and facility rental. The Federal share of administrative expenses may not exceed 50 percent. Administrative expenses are included in each sub recipient's operating budget. DRPT does not create a separate administrative budget.
3. **Capital Expenses.** Eligible capital expenses include items such as buses, vans, paratransit vans, associated capital maintenance items, radio equipment, passenger shelters, wheelchair lifts and restraints, service vehicles, vehicle rehabilitation, computer hardware/software and construction or

rehabilitation of transit facilities. The Federal share of capital expenses may not exceed 80 percent, except for accessible vehicles which may not exceed 83 percent.

4. **Planning Expenses.** Eligible planning expenses include feasibility, technical, marketing and planning studies as needed for the support or expansion of rural public transit within the Commonwealth. The federal share of planning expenses is up to 100 percent.

f. Local Share and Local Funding Requirements

Section 5311 funds may be requested to finance up to 50% of the net operating expenses (deficit) incurred by public transportation providers in non urbanized areas. In addition, funds may be requested to finance up to 80% of capital project costs (83% for accessible vehicles). Half of the required local match for operating and administrative expenses may be comprised of unrestricted Federal funds from other sources. In other words, unrestricted Federal monies available from other sources to the Section 5311 program may be used to finance 25% of the net operating expenses (deficit). Similarly, if state funds are not received, half of the non-federal share of capital expenses (10%) may be comprised of unrestricted federal funds. If state funds are received, the entire local share of a capital project must be comprised of local cash and an amount equal to the level of state administrative assistance must be comprised of local cash.

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

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

g. Project Selection Criteria and Method of Distributing Funds

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

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

- d. Purchase of miscellaneous capital equipment.
3. **Third Priority.** The third priority is the funding of operating and capital expenses for new rural transportation systems.

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

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

Director
Virginia Department of Rail and Public Transportation
1313 E. Main Street, Suite 300
Richmond, Virginia 23219

The Director will officially respond to the FTA Section 5311 protest within 30 days.

h. Intercity Bus Transportation

The Commonwealth of Virginia has provided the Federal Transit Administration with a certification from the Governor as required pursuant to Section 5311 of the Federal Transit Act, as amended, that the intercity bus industry in the Commonwealth of Virginia does not require federal financial support as provided under the FTA Section 5311 provisions. The certification has been forwarded to the Federal Transit Administrator for Fiscal Years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007 and 2008.

i. State Rural Transit Assistance Program

1. **Program Management.** As with the FTA Section 5311 program, the Commonwealth's Rural Transit Assistance Program (RTAP) is the responsibility of the Department of Rail and Public Transportation. The RTAP program provides funding assistance for training, technical assistance, transit research and related support services. These funds are available to assist Section 5311 and Section 5310 sub recipients who are involved in the provision and coordination of rural transportation services.
2. **Goals and Objectives.** It is a goal of the RTAP program to promote improvement of public transportation services and mobility for citizens living in rural areas.
3. **Local Match Requirements.** All RTAP activities will be funded at a 100% funding.

4. **Methods of Involving Operators in Program Development and Implementation.** The Commonwealth's RTAP program utilizes the following means of involving rural operators in the development and implementation of the annual RTAP Program of Projects:
 - a. *Input by Forum.* During an annual statewide DRPT/CTAV EXPO and training conference, a round table session is conducted among potential recipients of the RTAP services for suggestions on use of the funds;
 - b. *On-site Visits.* At least once a year, the Department of Rail and Public Transportation's staff visits rural transit system to evaluate and monitor their performance.
 - c. *DRPT Staff.* The Rural Transit Program Specialists and the Manager of Transit Programs will determine individual and statewide technical needs, which can be addressed through the RTAP program.

5. **Project Selection Criteria.** The Department of Rail and Public Transportation FTA Section 5311 Manager of Transit Programs determines with input from section staff members as to what projects will be funded with RTAP funds.
 - a. *Eligible recipients:*
 - I. Section 5311 recipients
 - II. Public Transit/Human Service Coordinated Systems
 - III. Community Transportation Associations
 - IV. Section 5310 recipients

 - b. *Application types:*
 - I. Statewide application
 - II. System specific

 - c. *Eligible Projects:*
 - I. Training: DRPT sponsored
 - II. Training: Non-DRPT
 - III. Technical Assistance:
 - On-site
 - Transit Studies
 - IV. Support Services
 - V. Coordination with other states through the Mid-Atlantic RTAP Group
 - VI. Training Equipment
 - VII. Marketing materials

j. Annual Program of Projects Development and Approval Process

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

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

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

Appendix A – Federal FY200_ Certifications and Assurances for FTA Assistance;
Section 13(c) Labor Protection Warranty;
Title VI Information Update;
Current Insurance Declaration Page showing that all FTA funded capital is protected; and

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

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

The Draft FTA Section 5311 Program of Projects is then presented to the Manager of Transit Programs for a preliminary review by the end of February. A Final FTA Section 5311 Program of Projects is presented to the Chief of Public Transportation by March 1. A Final Draft FTA 5311 Program of Projects is presented to the Director by March 15. Upon approval by the Director, the Director presents the Final Draft FTA Section 5311 Program of Projects to the Secretary of Transportation by mid May. Upon the review and approval of the Final Draft by the Secretary of Transportation, the FTA Section 5311 Program of Projects is then presented to the Commonwealth Transportation Board in May for their review and release to the public for public comment. The Commonwealth Transportation Board approves the Final FTA Section 5311 Program of Projects in late June.

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

Transportation Board conducts both preliminary and final STIP public hearings.

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

Revisions to the Approved Program of Projects are normally requested by sub recipients in consultation with the Rural Transit Program Specialists and the Manager of Transit Programs in accordance with the provisions outlined in FTA Circular 9040.1F. Budget revisions are reviewed and approved by the Rural Transit Program Specialists and the Manager of Transit Programs. Written contract amendments developed for increases in funding above those approved in the annual program of projects are signed and executed by the Director and sub recipient designee.

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

k. Coordination

Coordination is an important element to the success of the FTA Section 5311 program within the Commonwealth of Virginia. DRPT staff participates in local and statewide transportation activities, which deal with coordinating public transportation and human service transportation. DRPT staff provides on-site technical assistance and RTAP financial resources to encourage coordination between transportation services. Six (6) FTA Section 5311 sub recipients currently operate coordinated public

transportation and human service transportation systems.

I. Private Sector Participation

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

m. State Administration and Technical Assistance

FTA Circular 9040.1F permits DRPT to retain up to 15% of the states' annual apportionment of FTA Section 5311 funding for state administrative and technical assistance. It has been the policy of DRPT not to use any FTA Section 5311 funds for state administrative and technical assistance expenses. Therefore, all FTA Section 5311 is passed on to sub recipients to support operating, administrative and capital expenses.

n. State Program Management

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

The Commonwealth's Section 5311 Program is managed in accordance with FTA Circular 9040.1F – Non urbanized Area Formula Program Guidance and Grant Application.

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

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

purchase off the state vehicle contract or may go out to bid for vehicles under the FTA Circular 4220.1F if a sub recipient is a private non-profit agency. A Cost and Price Analysis is required for every purchase.

| DRPT's Useful Vehicle Life Policy Vehicle Type | Useful Life |
|---|-------------------------------------|
| Vans | Minimum of 4 Years or 100,000 Miles |
| Body on Chassis Vehicles | Minimum of 4 Years or 100,000 Miles |
| Light Duty Bus | Minimum of 4 Years or 150,000 Miles |
| Supervisory Vehicle | Minimum of 4 Years or 100,000 Miles |
| Transit Coach | Minimum of 12 Years |

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

- b. *Purchase of equipment.* The Department of Rail and Public Transportation will ensure that all equipment purchased with Section 5311 funds will be in conformance with federal and state procurement procedures.
 - c. *Construction of new or renovation of transit facilities.* The Department of Rail and Public Transportation will oversee each step of any renovation or construction of transit facilities in accordance with federal and state procurement guidelines and FTA regulations regarding construction projects.
 - d. *Disadvantaged Business Enterprise.* The Department of Rail and Public Transportation will assist and encourage all Section 5311 recipients to utilize Disadvantaged Business Enterprises throughout their procurement process.
 - e. *Satisfactory Continuing Control.* The Department of Rail and Public Transportation will require that each sub recipient shall annually submit to the Department of Rail and Public Transportation a copy of their current insurance policy declarations page showing that all that the federal interested in protected in all FTA Section 5311 funded equipment.
 - f. *Vehicle Titles.* The Department of Rail and Public Transportation will require that all vehicles purchased under the FTA Section 5311 program will show the Virginia Department of Rail and Public Transportation will be as the “First Lien Holder” on the Virginia Department of Motor Vehicle Title Document. The Department of Rail and Public Transportation will hold the DMV Title to each vehicle until the sub recipient identifies that the vehicle has met DRPT’s useful life standard and wishes to disposal of the vehicle, and then DRPT will relinquish the DMV Title to the sub recipient for disposal.
2. **Financial Management.** The Commonwealth receives FTA Section 5311 reimbursement from FTA through the ECHO invoicing program for actual cash outlays paid to sub recipients. The Department of Rail and Public Transportation is responsible for maintaining detailed financial

records on individual projects within the program of projects of each FTA Section 5311 grant. Supporting documentation such as budget revisions, contract amendment justifications and related contract correspondence are also maintained by the Department of Rail and Public Transportation. FTA Section 5311 recipients are instructed in the proper maintenance and retention of contract and program documentation.

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

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

- a. An updated Program of Projects and revised budget for each active project reflecting revised project descriptions, changes in projects from one category to another and adjustments within budget categories;
 - b. Revised FTA grant project budget;
 - c. An updated Financial Status Report (SF 269); and
 - d. An updated Milestone Report.
3. **Property Management.** All sub recipients receiving FTA Section 5311 operating assistance will receive an on-site inspection of equipment and facilities and a review of their Asset Management Plan and Vehicle Replacement Plan as part of their Annual Compliance Review to be conducted by the Rural Transit Program Specialists.
 4. **Vehicle Use.** The Department of Rail and Public Transportation will ensure through on-site inspections, annual certification and compliance reviews that all equipment purchased through the FTA Section 5311 program are being used to support rural public transportation services.
 5. **Vehicle Maintenance and Disposition.** The Rail and Public Transportation will review maintenance records and maintenance procedures and practices during on-site compliance reviews.

Prior to the disposition of any FTA Section 5311 funded equipment the useful life criteria as established in paragraph 1.a. above must be met. A recipient desiring to dispose of any vehicles purchased through the Section 5311 program will be required to notify the Department of Rail and Public Transportation requesting disposition of the vehicle. The Rural Transit Program Specialists will review this request and grant approval or disapproval for disposition in accordance with each sub recipients Vehicle Replacement Plan. When possible vehicles will be offered to other FTA Section 5311 recipients needing vehicles prior to disposal. If no other FTA Section 5311 recipients

desire to use the vehicles then the vehicles will be disposed of and any proceeds must be used to support rural public transit services.

6. **Construction or Renovation of Facilities.** The Department of Rail and Public Transportation will oversee each step of any renovation or construction of transit facilities in accordance with state procurement guidelines and FTA regulations regarding construction projects. The FTA Section 5311 Rural Transit Program Specialist will play an active role in overseeing and providing technical assistance for all construction projects supported with FTA Section 5311 capital funds.

7. **State Reporting Requirements.** The Department of Rail and Public Transportation requires all FTA Section 5311 recipients to annually submit to the Department of Rail and Public Transportation the following reports:
 - a. For sub recipients receiving at or above \$250,000, Annual DBE Report indicating the recipients progress in meeting DBE Goals and determination of the next fiscal years goal;
 - b. Annual Performance Evaluation Report;
 - c. Final Fiscal Year Operating Expenses/Revenues Data Summary; and
 - d. An Annual Financial Audit.
 - e. An Annual NTD report
 - f. An Annual FTA Drug & Alcohol Testing MIS Report
 - g. An Annual Vehicle and Equipment Inventory Report in Asset Management
 - h. Monthly passenger reporting
 - i. Certification of Insurance for facilities and vehicles
 - j. Title VI report

o. Maintenance

The Department of Rail and Public Transportation will monitor each sub recipient through on-site visits that all Section 5311 funded equipment including ADA equipment is properly maintained so as to provide safe public transportation service.

p. Civil Rights

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

q. Section 504 and ADA Reporting

The Department of Rail and Public Transportation will monitor each sub recipient to ensure compliance with Section 504 and ADA regulations. The Section 5311 application requires each sub

recipient to report any current or pending ADA complaints. When and if complaints arise alleging a civil rights violation, then the Department of Rail and Public Transportation will initiate appropriate actions to deal with the compliant.

r. Charter Rule

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

s. Other Provisions

Each sub recipient is required by February 1st of each year to submit to DRPT a signed “Federal FY200_ Certifications and Assurances for FTA Assistance”. This certification must be signed by an Authorized Representative and affirmed by the Applicant's Attorney. Each sub recipient completes this Certification as per the Notice issued in the Federal Register. The following Certifications are required of each sub recipient:

A Total Operating Expense Certification for the prior Fiscal Year;

A Title VI Civil Rights Information Update;

Insurance Policy verification for all FTA funded vehicles and equipment;

An Independent Financial Audit;

An updated FTA Vehicle and Equipment Inventory; and a

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

1. On-Site Visits

It is the goal of the Department of Rail and Public Transportation staff to conduct a minimum of two on-site visits per year with each sub recipient. Rural Transit Program Specialists will conduct an Annual Compliance Review with each sub recipient. A checklist of areas to be reviewed (Virginia Rural Public Transit Compliance Review Workbook for Section 5311 Grantees) will be sent to the sub recipient at least 30 days prior to the visit. Most of the questions will address FTA and state requirements. Annual

Compliance Reviews will be conducted between July and December of each year, dependent on staff availability and workload.

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

The review process will include the following:

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

t. Fund Transfers

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

u. NTD Reporting

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