

An aerial photograph showing a multi-lane highway interchange with several overpasses. The surrounding area includes commercial buildings, parking lots, and some green spaces. The image is partially obscured by a large red diagonal shape on the left and a blue diagonal shape at the bottom.

SOUTH DAKOTA TRANSIT STATE MANAGEMENT PLAN

Prepared by the
South Dakota Department of Transportation
Division of Finance and Management
Office of Air, Rail and Transit

In Cooperation with:

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 PROGRAM OVERVIEW

The Federal Transit Administration (FTA) awards grants under Section 5303/5304, 5307, 5310, 5311, and 5339 to designated recipients in the urbanized areas (UZAs) and states for financing operations, planning and capital bus and bus-related expenditures that support the continuation and expansion of public transportation services in the United States.

The South Dakota Department of Transportation (SDDOT) is the designated recipient by FTA to administer the Section 5303/5304, 5310, 5311, and 5339 funds for the small urban areas and rural areas of South Dakota. As the designated recipient, it is responsible for receiving and apportioning 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 of funds within the small urban areas in South Dakota (Rapid City, Sioux City, IA, and Sioux Falls). SDDOT allocates a sub-allocation of Section 5310 and 5339 to the small urban areas by utilizing the percentage of the total South Dakota 5307 awarded by FTA.

The rural 5339 awards are allocated to rural public transportation subrecipients based on application requests, local needs, priorities, and availability of federal and local funds.

The 5310 funds are awarded to rural providers for capital costs and vehicle preventative maintenance. The capital allocation is based on application requests, local needs, priorities, and availability of federal and local funds. The preventive maintenance allocation is based on revenue miles driven by 5310 funded vehicles from the prior years performance data by applying an allocated amount per mile allowable.

As the designated recipient, SDDOT submits grant applications to FTA for Section 5303/5304, 5310, 5311, and 5339 funds and reports on behalf of the subrecipients regarding projects listed in the Program of Projects (POP). SDDOT reviews subrecipients and projects to ensure compliance with all applicable federal requirements. The individual federal programs are listed below and described in more detail later in the plan. 5303/5304 unobligated funds and projected projects are recorded in the SDDOT Statewide Work Program. These funds are managed in accordance with FTA Circular 8100.1D. (Because SDDOT does not administer them the Section 5307 funds are referenced, but not described in further detail in this Plan.)

In some localities, a subrecipient receives both Section 5307 and 5311 funding to provide public transportation to urbanized and surrounding rural areas. These subrecipients must use Section 5311 funds only to assist the rural portion of those localities.



PROGRAM GOALS AND OBJECTIVES

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

- Improving the mobility of people in rural 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 rural areas through the coordination of programs and services.
- Supporting and encouraging participation of private transportation providers in rural and small urban transportation areas.
- Supporting and improving existing public and privately-owned not-for profit transportation services for an area rather than implementing new services.
- Improving the mobility of seniors, individuals with disabilities and the general public including minority and low-income populations by supplementing existing transportation programs.
- Provide dependable transportation to seniors and individuals with disabilities in South Dakota within the guidelines and funding levels provided to the state through FTA and the Americans with Disabilities Act.
- Developing and starting new public projects for senior and individuals with disabilities where private or non-profit 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 develops its Statewide Transportation Improvement Program (STIP) annually, which covers the upcoming four-year programming of federal transit funds, among other funds. Annually, during the month of July, SDDOT holds statewide public meetings on the proposed four-year STIP. Citizens are encouraged to attend these published public meetings 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, the STIP is reviewed and, if necessary, projects are re-prioritized within the plan's timetable based on changing social and economic factors. In addition, federal funds apportioned in prior years but remaining unobligated ("carry-over funds") are tracked.

ROLES AND RESPONSIBILITIES

The Governor of the State of South Dakota has designated the SDDOT as the agency responsible for administering the Section 5303/5304, 5310, 5311, and 5339 programs.

The Office of Air, Rail and Transit; under the Division of Finance & Management has the day-to-day management responsibility for the programs. Other offices supporting SDDOT in administering the Section 5303/5304, 5310, 5311, and 5339 programs include:

- The Office of Internal Audits within the SDDOT, reviews single audits of subrecipients that receive more than \$750,000 in federal funds per year. Audit's Office will address and monitor single audit finding(s). Audit's Office 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, Audit's Office reviews and determines subrecipient financial risk based on subrecipient questionnaire and supporting documentation. Audit's Office will conduct a final review and approval of subrecipient indirect cost proposals.
- The Office of Procurement Management within the Bureau of Administration secures statewide contracts for state and local government agencies to purchase items.
- The Assistant Attorney General within 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 within the SDDOT processes payments to vendors for eligible activities and projects. Finance staff processes the Electronic Clearing House Operations (ECHO) drawdown from FTA. In addition, finance staff prepares and submits the Federal Financial and Transparency Reports.
- The Civil Rights Compliance Officer within the SDDOT Office of Legal Counsel is responsible for Equal Employment Opportunity, Title VI Compliance, and Americans with Disabilities Act compliance.
- The Disadvantaged Business Enterprise (DBE) Liaison Officer within the SDDOT Operations Support Office is responsible for Certifications and SDDOT's overall DBE plans and goals.

- The Metropolitan Planning Organization (MPO) in Rapid City and Sioux Falls conducts the application process, reviews 5310 applications and submit funding recommendations to the Office of Air, Rail, and Transit for approval and award.

SDDOT assists in determining public transportation needs for service areas and clientele needing transportation. The needs of services must be determined and proposed to SDDOT by either community requesting services or transit provider considering providing services. SDDOT will review to determine there is no duplication of services or work with parties and/or current providers to determine feasibility and efficient means to meet the service needs. 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.

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

SOUTH DAKOTA STATE AID FOR PUBLIC TRANSIT PROGRAM

State fund amounts are determined annually by South Dakota Legislation and are administered according to SD Administrative Rule 70:06:02:02. State funds are required to be used as a local match source for 5307 and 5311 federal funding subrecipients and are eligible to entities that have first received FTA or department approval for a federal transit grant and include.

- County governments;
- City governments;
- Indian Tribal governments;
- Private nonprofit corporations; and
- State Agencies

GENERAL SERVICE ELIGIBILITIES

Any agency wishing to provide service or procure goods under FTA funding programs managed by SDDOT (including 5311, 5310 or 5339 funds) is subject to the rules and regulations of the SDDOT and FTA Circulars. FTA circulars used are listed under the “References” section. 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 their proposed service areas are determined by examining existing providers and areas already being served.

The use of rural public transportation providers, as subrecipients of FTA funds, is actively promoted by SDDOT staff. Per SDDOT policy, the development of two or more providers within the same rural community is not allowed. This policy encourages coordination, efficiencies, 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, rulebooks and/or 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) and neighboring state regulations.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

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

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

To apply for the urban 5339 funds the request would be required to be submitted to the urban designated recipient for the state for consideration.

Subrecipients that receive funding through the South Dakota Transit office and elect to provide services in a non-South Dakota service area or any South Dakota urban area are required to account for the activity, expenses, revenue, and local match separate from the rural accounting. If any urban and non-South Dakota rural services are performed simultaneously with South Dakota rural services, the provider will have to determine the percent of the resources utilized for each service area. This will include administration cost for duties performed in the administration of the urban and non-South Dakota service. SDDOT encourages the use of cost allocation calculators to assist with allocating the expenses associated between separate programs. The service being provided cannot compete with the designated urban or any transit provider for that area. This percent of

the amount cannot be claimed for reimbursement under a rural award. If providing service in a non-South Dakota service area or any urban area, SDDOT encourages the subrecipient to apply for funding designed to support that service.

Example: A subrecipient applies for Urban funding to operate transit services in designated urban areas and also applies for funding from the State for services being provided. Urban funding will be awarded through separate agreements from the rural funding. Non-South Dakota funding will be managed through the awarding State, with their rules and regulations. If operating funding was awarded under the urban funds, it can be requested for reimbursement under those funds. Only the awarded South Dakota project expenses will be eligible for reimbursement under either the rural or urban award. SDDOT will require separate reporting of ridership for rural and urban services. If the role would be changed from an urban provider electing to provide service in a rural designated area the same rules would apply.



FTA FUNDING PROGRAM REQUIREMENTS

STATEWIDE AND METROPOLITAN PLANNING

The state is allocated Metropolitan Planning [Section 5303/5305(d)] and Statewide Planning [Section 5304/5305(e)] funds annually. The funds may be used throughout the state and the small urban areas of the state for various transit related planning activities. At this time, SDDOT elects to transfer the FTA Metropolitan Planning Sec 5305(d) funds to FHWA for the SDDOT planning department to administer as part of the consolidated planning grant. SDDOT Transit continues to obligate the Statewide Planning Sec 5305(e) funds directly through FTA. The state can use these funds for a variety of transit planning related purposes such as regional and corridor planning, technical studies and assistance, demonstrations, management training and cooperative research. The matching ratio is 80% federal at a minimum, with higher ratios available if certain criteria are met.

The Infrastructure Investment and Jobs Act allows a federal share of not less than 90 percent for grants under the Metropolitan Planning Program and the State Planning and Research Program that support planning activities to increase mobility through expanded access to public transportation in areas with a lower population density or a lower average income in relationship to surrounding areas. Eligible recipients seeking an increased Federal share under 49 USC 5305(f)(2) must demonstrate that the activity assists those parts of an urbanized area or rural area with a lower population density, or a lower average income compared to the applicable or adjoining urbanized area or the applicable or adjoining rural area.

Eligible Recipients: States and Metropolitan Planning Organizations

FTA SECTION 5310 – ENHANCED MOBILITY OF SENIORS & INDIVIDUALS WITH DISABILITIES

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. Two 5310 separate funding amounts are provided with each annual apportionment: funding for statewide/rural activities and funding for activities serving the small urban areas. For each amount, a 55% minimum requirement must be met to fund traditional activities, as described below.

Section 5310 funding is intended to provide transportation to seniors and individuals with disabilities. SDDOT primarily funds preventive maintenance for 5310 funded vehicles and 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.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

SDDOT may take up to 10% of the award for state administration. The 10% that is eligible to fund state/program administration costs may be funded at a 100% federal share.

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

Project awarded funding agreements with subrecipients will be for a two-year period as defined in funding agreement. Expectations are for the funds to be expended during the initial funding agreement. Subrecipients can request a funding agreement extension in writing to the SDDOT Transit Program Manager. Request must include a justifiable reason to extend the funding agreement. SDDOT will review each extension request of project performance period on a case-by-case basis.

Projects selected for funding under Section 5310 must be derived from a locally developed Coordinated Human Services Plan. These plans identify the transportation needs of persons with disabilities, older persons and people with low incomes and provide strategies for meeting these needs. These coordinated plans are approved by the SDDOT transit staff.

Subrecipients that receive funding through the South Dakota Transit office and elect to provide services in a non-South Dakota service area or any South Dakota urban area are required to account for the activity, expenses, revenue, and local match separate from the rural accounting. If any urban and non-South Dakota rural services are performed simultaneously with South Dakota rural services, the provider will have to determine the percent of the resources utilized for each service area. This will include administration cost for duties performed in the administration of the urban and non-South Dakota service. SDDOT encourages the use of cost allocation calculators to assist with allocating the expenses associated between separate programs. The service being provided cannot compete with the designated urban or any transit provider for that area. This percent of amount cannot be claimed for reimbursement under a rural award. If providing service in a non-South Dakota service area or any urban area, SDDOT encourages the subrecipient to apply for funding designed to support that service. Example: Apply for Urban funding to operate in designated urban areas and apply for funding from the State that service is being provided. Urban funding will be awarded through separate agreements from the rural funding. Non-South Dakota funding will be managed through the awarding State, with their rules and regulations. If operating funding was awarded under the urban funds, it can be requested for reimbursement under those funds. Only the awarded South Dakota project expenses will be eligible for reimbursement under either the rural or urban award. SDDOT will require separate reporting of ridership for rural and urban services. If the role would be changed from an urban provider electing to provide service in a rural designated area the same rules would apply.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

The local share for capital projects is 20%, and operating costs is 50%. The local share is 15% for acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA; 42 U.S.C. 12101 *et seq.*) or the Clean Air Act (CAA; 42 U.S.C. 7401 *et seq.*).

Section 5310 grant funding is available to be obligated to subrecipients the year in which it is appropriated plus an additional two years (for a total of three years).

ELIGIBLE TRADITIONAL ACTIVITIES

A minimum of 55 percent of 5310 funds are required to be designated for traditional Section 5310 projects and activities.

- Purchase and Repair
 - Vehicles

- Wheelchair lifts
- Ramps
- Securement devices
- Purchase and Operate
 - 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 for urban systems only.

This is not an all-inclusive list. Please contact SDDOT for assistance in determining eligibility of proposed activities.

ELIGIBLE NONTRADITIONAL ACTIVITIES

Up to 45 percent of 5310 funds are eligible to be used for nontraditional Section 5310 projects and activities.

- 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.
- Travel Training
- Volunteer driver programs
- Building an accessible path to a bus stop including curb-cuts, sidewalks, accessible pedestrian signals, or other accessible features
- Improving signage, or way-finding technology
- Incremental costs of providing same day service or door to door service
- Purchasing vehicles to support new accessible taxi, ride sharing and/or vanpooling programs

- Mobility management

This is not an all-inclusive list. Please contact SDDOT for assistance in determining eligibility of proposed activities.

ELIGIBLE SUBRECIPIENTS

All subrecipients applying for the above listed funds will be required to complete a Subrecipient Questionnaire. SDDOT transit staff will send out the Subrecipient Questionnaire to applicants to complete. 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 may be required. The result may also weigh in on SDDOT's decision whether to withhold or not award federal funds to the applicant.

Any subrecipient considered non-compliant with SDDOT or FTA rules and regulations will be notified of the non-compliance by SDDOT. The subrecipient will have 90 days from the notification date to resolve all non-compliant issues. If the subrecipient fails to resolve compliance issue(s), allocated funding will be redistributed to other eligible subrecipients.

Subrecipients are required to have at a minimum the equivalent insurance coverage for real property and equipment acquired or improved with federal assistance used to acquire the property owned by the subrecipient per FTA circular 5010. Refer to state-imposed section for insurance requirements.

Section 5310 Eligible Subrecipients Include:

- Private 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 State of South Dakota and are approved by the SDDOT that no nonprofit organizations are readily available to provide transportation services for seniors and individuals with disabilities.

MONTHLY 5310 PREVENTIVE MAINTENANCE REIMBURSEMENT REQUESTS

Preventive maintenance is permitted on 5310-funded vehicles. Each month, providers shall submit all maintenance invoices to SDDOT for the expenses incurred in the previous month for 5310 funded vehicles. 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 expenses is on SDDOT's website and will be sent to all current 5310 funding subrecipients if updates are made. 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 vehicle reimbursements and approved before the reimbursement will be processed. The reimbursement request must include: the preventive maintenance reimbursement request form, the invoice, which must include the check number or last 4 digits of the credit card number used, date paid, last 4 digits of the vehicle's VIN, and funding source. All invoices must be entered into the State's asset management software before payment will be processed.

Subrecipients receiving operating funds will submit a request based on the approved budget to reimbursement on a 50/50 basis. The subrecipient must provide documentation to support the amounts requested along with the matching fund tracking.

5310 CAPITAL REIMBURSEMENT REQUESTS

Reimbursement for capital or vehicle purchases are to be submitted to SDDOT for processing. SDDOT reviews and approves the transit agency's procurements to ensure they meet all federal and state requirements. Once the bid is awarded, documentation is sent to SDDOT by subrecipients for review and approval. New vehicle inspection paperwork is sent to SDDOT to validate that all federal regulations have been met. The request must include an invoice and proof of payment.

All reimbursement requests with a total purchase amount of \$5,000 or more will require verification by SDDOT of receipt of the items(s) before reimbursements of federal funds are processed. Subrecipients are to notify SDDOT staff to determine the verification process.

COORDINATED HUMAN SERVICE PLAN

SDDOT requires all 5310 subrecipients have an approved Coordinated Public Transit Human Services Transportation Plan (Coordination Plan). FTA Section 5310 Circular 9070 lists the required elements of a coordination plan. These include an assessment of available services that identifies current transportation providers; an assessment of transportation needs for individuals with disabilities and seniors; strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service deliver; and priorities for implementation based on resources, time, and feasibility for implementing specific strategies and/or activities identified. Coordination Plans are developed every five years with updates to be submitted to SDDOT on an annual basis.

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.

Subrecipients located in the planning area of a metropolitan planning organization (MPO) must ensure that their program of projects is included in the transportation improvement program (TIP) for the area and, for planning projects, within the MPOs Unified Work Program.

SECTION 5310 PROGRAM MEASURES

Minimum federal reporting requirements are required on all projects. Transit program reviews are conducted at least once every three years on subrecipients receiving Section 5310 funds and 5310 funded vehicle inspections are conducted every two years. Subrecipients will be evaluated on a continuing basis as needed.

Vehicles purchased with 5310 funding require an additional ridership report, separate from the overall Vehicle Ridership Report, discussed under reporting section. The 5310- ridership report captures the number of individuals served, estimated one-way trips and the names of the counties served, regarding the 5310 vehicles. Individuals served are the number of unduplicated riders who rode the vehicle throughout the Fiscal Year, Oct. 1 through Sept. 30.

FTA SECTION 5311 – FORMULA GRANTS FOR RURAL AREAS

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 as one of their means of transportation for accessing many services.

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.

Project awarded funding agreements with subrecipients will be for a one-year period as defined in funding agreement. Expectations are for the funds to be expended during the initial funding agreement. Subrecipients can request a funding agreement extension in writing to the SDDOT Transit Program Manager. Request must include a justifiable reason to extend the funding agreement. SDDOT will review each extension request of project performance period on a case-by-case basis. All reimbursement requests must be submitted to SDDOT by November 1st of each year. Only expenses incurred during defined period of performance in the funding agreement can be submitted for reimbursement under the active agreement.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

After the 15% intercity bus funding amount of the apportionment has been calculated, SDDOT may take up to 10% of the remaining apportionment for state administration activities.

State administration funds, requiring no local match, are used to fund SDDOT transit staff salaries and travel expenses related to transit administration tasks.

Area wide transportation projects are encouraged and given preference over projects with limited-service area. Preference is given to existing providers with good records of service and program compliance. New individual communities or organizations can submit application; however, SDDOT encourages to coordinate with existing area wide providers. Funding is based on the submitted budget, project performance, service, and past performance. Past performance indicators include units of service, coordination efforts, financial management, services (expansion or reduction), and program compliance.

In addition to FTA's standard matching ratios, SDDOT applies matching ratios permitted by the Federal Highway Association (FHWA). These "sliding scale" matching ratios are permitted through an agreement with FHWA defined as "Higher federal share rates for capital costs are available to fourteen states described in 23 U.S.C. 120(b) and Circular 9040." The higher federal shares under 23 U.S.C 120(b)(1) (FHWA Notice W4540.12) are based on the ratio of designated public lands area and nontaxable Indian Lands to the total land area of South Dakota. A copy of the agreement between FHWA and the SDDOT is provided with 5311-grant applications. SDDOT chooses to reimburse subrecipients' eligible administrative expenses on an 82.82/17.18 percent matching ratio, and operating expenses are reimbursed on a 51.76/48.24 percent ratio. Capital projects are still provided at an 80/20 matching ratio. SDDOT has elected not to utilize the sliding scale towards capital costs through 5311.

Section 5311 grant funding is available to be obligated to subrecipients the year in which it is appropriated plus an additional two years (for a total of three years).

ELIGIBLE OPERATING ACTIVITIES

Operating Expenses are considered those costs directly related to system operations.

- Fuel
- Oil

- Replacement tires
- Replacement parts
- Garage expenses
- Drivers' and mechanics' salaries
- Dispatcher salaries
- In-kind expenses
- Vehicle licenses
- Contractual services expenses 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.

For vehicle and facility preventative maintenance guidance, see policies on SDDOT website.

<https://dot.sd.gov/media/documents/Preventive%20Maintenance%20Facility%20Items%20April%202023.pdf>

<https://dot.sd.gov/media/documents/Preventive%20Maintenance%20Items%20-%20Vehicles%20April%202023.pdf>

Net operating expenses are those expenses that remain after farebox revenue is subtracted from eligible operating expenses. Farebox revenues do not include payments made directly to the transit provider by human service agencies.

A cost allocation plan is submitted and approved before indirect costs can be reimbursed. This plan must be approved by the cognizant federal agency. If cognizant agency is not FTA, the cost allocation must be submitted to SDDOT for approval to apply towards FTA funding and to ensure that it follows circular guidance. (2 CFR Part 200 and FTA C 5010, are references that may be used in preparing the cost allocation plan.)

ELIGIBLE ADMINISTRATIVE ACTIVITIES

Administrative Expenses are those eligible project administrative expenses including general administrative expenses such as:

- Director's salary
- Administrative Worker salaries
 - Not Dispatch or Drivers
- Office supplies
- Audit expenses
- Office rent
- Utilities
- Travel expenses
- Vehicle insurance
- Vehicle lease

- In-kind expenses
- Training

This list is not all inclusive.

INELIGIBLE OPERATING AND ADMINISTRATIVE ACTIVITIES

The expenses listed below are considered unallowable costs and cannot be reimbursed with federal or state funding:

- Food/Beverages;
- Memorials/flowers;
- Gifts;
- Promotional items, memorabilia, souvenirs;
- Entertainment (social activities, tickets to shows or sporting events, etc., meals, lodging, rentals, transportation and gratuities);
- Costs of advertising and public relations designed solely to promote the non-profit organization;
- Travel costs - airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines. Some exceptions may apply, contact SDDOT for approval;
- Costs of meetings, conventions, or other events related to other activities of the non-profit organization including;
 - Costs of displays, demonstrations, and exhibits;
 - Costs of meeting rooms, hospitably suites, and other special facilities;
 - Salaries and wages of employees engaged in setting up and displaying exhibit;

The above list is by no means comprehensive as additional expenses may not be eligible. Please contact the Transit Office or refer to the 2CFR part 230 if you have any questions about expenses eligible for reimbursement.

ELIGIBLE CAPITAL ACTIVITIES

Eligible capital activities include:

- Facility Preventive maintenance
- Vehicle Preventive maintenance
- Rolling Stock (ICB Provider only)

ELIGIBLE SUBRECIPIENTS

All subrecipients applying for the above listed funds will be required to complete a Subrecipient Questionnaire. SDDOT transit staff will send out the Subrecipient Questionnaire to applicants to complete. 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 may be required. The result may also weigh in on SDDOT's decision whether to withhold or not award federal funds to the applicant.

Any subrecipient considered non-compliant with SDDOT or FTA rules and regulations will be notified of the non-compliance by SDDOT. The subrecipient will have 90 days from the notification date to resolve all non-compliant issues. If the subrecipient fails to resolve compliance issue(s), allocated funding will be redistributed to other eligible subrecipients.

Subrecipients are required to have at a minimum the equivalent insurance coverage for real property and equipment acquired or improved with federal assistance used to acquire the property owned by the subrecipient per FTA circular 5010. Refer to state-imposed section for insurance requirements.

Section 5311 Eligible Subrecipients Include:

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

Tribal governments who choose to have 5311 funding administered through the state follow the same procedures as all other 5311 applicants. Tribal governments also have the option to have their funding managed by FTA through a suballocation process. Those who might choose to become direct recipients to FTA would be provided equivalent technical assistance upon request.

5311 ADMINISTRATION AND OPERATING REIMBURSEMENT REQUEST

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

<https://dot.sd.gov/media/documents/5311%20Agency%20Request%20Form%20FY2023.xlsx>

Twice a year, SDDOT staff will request all invoices and documentation pertaining to 5311 reimbursement requests. This will include copies of checks and or copies of credit card receipts to provide proof of payment. The SDDOT will review for eligibility and to ensure invoices support reimbursement requests. All concerns will be addressed and resolved before payments are issued. If there are findings, SDDOT may request additional information from other months. Local match resources must also be provided to verify eligible local match sources.

5311 CAPITAL REIMBURSEMENT REQUEST

Each month, providers shall submit all maintenance invoices to SDDOT for the expenses incurred in the previous month for any funded vehicles. 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 expenses is on SDDOT's website and will be sent to all current 5311 funding subrecipients if updates are made. Any single vehicle invoice/repair in the amount of \$2,000.00 or more must be preapproved by SDDOT before reimbursement will be allowed. For facility invoice/repair anything other \$5,000.00 must be preapproved.

An invoice must be submitted to SDDOT for other capital reimbursements and approved before the reimbursement will be processed. The reimbursement request must include; the preventive maintenance reimbursement request form, the invoice, which must include the check number or last 4 digits of the credit card number used, date paid, last 4 digits of the vehicle's VIN, and funding source. For facility preventative maintenance costs, the facility location must be included, and replaces the vehicle's VIN and funding source. All invoices must be entered into the State's asset management software before payment will be processed.

FTA SECTION 5311(B) – RURAL TRANSIT ASSISTANCE PROGRAM (RTAP)

The SDDOT also uses RTAP funds to support rural transit activities for technical assistance, training, related support services, and special studies. RTAP are 100% Federal, with no local match requirement.

- **Technical Assistance**

- Travel expenses for peer-to-peer network
- Reimbursement to subrecipient 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 providers to attend workshops
 - Scholarships for attending Dakota Transit Association conference
 - 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

An example of allowed conferences and trainings includes but is not limited to: The Community Transportation Association of America (CTAA) Conference, Dakota Transit Association support/conference, transit meetings, Passenger Service and Safety (PASS) training, and any case-by-case special trainings. SDDOT emphasizes the use of RTAP funding for the required trainings listed in the SMP.

The RTAP Request form is used to request RTAP funds for travel, registration, meal per diem, lodging and other costs that do not fall under these four categories. If the RTAP Request form is submitted after the event the amount of reimbursement will be reduced by 10%.

https://www.state.sd.us/eforms/secure/eforms/S_E2320V6-RTAPRequest.pdf

After the training is complete, a RTAP Reimbursement form is to be submitted that will verify the costs estimated in the request form.

https://www.state.sd.us/eforms/secure/eforms/S_E2321V6-RTAPReimbursement.pdf

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.

FTA SECTION 5311(F) – INTERCITY BUS PROGRAM

SDDOT administers 5311(f) program funds in accordance with the Federal Intercity Bus Program. SDDOT can contract with private, tribal, or non-profit providers of intercity bus

service to support intercity bus service routes. Intercity bus service is defined as, “regularly scheduled public bus services that operates with limited stops between two urbanized areas or connects rural areas to an urbanized area.”

Feeder services are an essential aspect of the intercity bus program and is defined as the “coordination of rural connections between small transit operations and intercity bus carriers”. SDDOT encourages local transit operators to provide feeder service.

The SDDOT Intercity consultation process adheres to the requirements cited in FTA Circular 9040 in the following ways:

- Requirement: Identification of intercity bus providers in the state
 - SDDOT reviews the Intercity Bus Atlas Yearly – prior to SDDOT requesting 5311 applications from potential subrecipients.
 - <https://maps.dot.gov/portal/apps/webappviewer/index.html?id=74f2734f03e4490194ec1847f850b9d5>
 - SDDOT reviews websites of the private intercity bus operators operating in South Dakota based on review of Intercity Bus Atlas.
 - Active ICB providers providing intercity bus services are identified in subrecipients’ Coordinated Plan.
- Requirement: Activities the state will perform as part of consultation with identified providers and intercity bus organizations
 - SDDOT invites active intercity providers to all SDDOT transit program meetings.
 - SDDOT requires intercity bus providers to meet yearly with all agencies who provide feeder service to ensure local communities needs are being met. SDDOT is included in the follow up correspondence outlining the meeting.
- Requirement: An opportunity for intercity bus providers to submit proposals for funding as part of the state’s distribution of its annual apportionment
 - SDDOT identifies intercity bus providers through yearly identification research and are included in email mailing list to receive notices for federal funding availability.
- Requirement: A direct correlation between the results of the consultation process and a determination that the state’s intercity service needs are being met adequately.
 - SDDOT’s goal is to meet the formula 5311 allocation minimum 15% requirement. SDDOT will follow the recommendations of the most recent ICB Needs Assessment.
 - If the 15% minimum has not been met and all need assessment recommendations have been addressed, SDDOT will provide a letter from the Governor certifying that the ICB needs of South Dakota have been met.
 - SDDOT also identifies ICB needs through other coordination plan efforts (described more in this section).

As per the Circular, 15 percent of the annual 5311 apportionment is required to be allocated for intercity bus service. If SDDOT does not expect to meet the 15 percent requirement, outreach will be performed to ensure that all intercity bus needs are met.

Per FTA Circular 9040, if the 15% minimum funding level has not been met, SDDOT will verify that an Intercity Bus Needs study has been performed within 4 years. SDDOT will review the goals and recommendations of the latest Intercity Bus Needs assessment annually to ensure all ICB needs are being met throughout the State. SDDOT conducts the following additional outreach activities:

- SDDOT reviews the current program, funding, and services annually.
- Service is requested by providers through a grant application process with the intent of funding service that meets the following objectives:
 - The service has meaningful intermodal connections
 - The service improves connectivity to or between major metropolitan areas that currently lack convenient or direct intercity bus service
 - The contractor demonstrates that they have the technical capacity, financial stability, marketing plan and requisite experience to be recipients of federal funds.
- SDDOT performs outreach to identify possible intercity providers and look for feedback to meet the program requirements.
- SDDOT discusses the intercity bus program with local transit providers and intercity bus providers at the transit meetings and encourages the implementation of feeder services.
- SDDOT attends national conferences and networks with intercity bus providers and other state partners when funding is available.

The reporting of financial information and reimbursement for services will be performed monthly using the same provider controls and procedures as the 5311 program. The SDDOT may perform virtual compliance reviews of intercity bus operators and request inspection and maintenance reports on assets purchased or renovated or rehabilitated with SDDOT federal funds.

NATIONAL TRANSIT DATABASE

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. Information that is reported to the NTD includes financials, operational data, and a condition rating of all assets.

Subrecipients that receive funding through the South Dakota Transit office and elect to provide services in a non-South Dakota service area or any South Dakota urban area are required to

account for the activity, expenses, revenue, and local match separate from the rural accounting. If any urban and non-South Dakota rural services are performed simultaneously with South Dakota rural services, the provider will have to determine the percent of the resources utilized for each service area. This will include administration cost for duties performed in the administration of the urban and non-South Dakota service. SDDOT encourages the use of cost allocation calculators to assist with allocating the expenses associated between separate programs. The service being provided cannot compete with the designated urban or any transit provider for that area. This percent of amount cannot be claimed for reimbursement under a rural award. If providing service in a non-South Dakota service area or any urban area, SDDOT encourages the subrecipient to apply for funding designed to support that service. Example: Apply for Urban funding to operate in designated urban areas and apply for funding from the State that service is being provided. Urban funding will be awarded through separate agreements from the rural funding. Non-South Dakota funding will be managed through the awarding State, with their rules and regulations. If operating funding was awarded under the urban funds, it can be requested for reimbursement under those funds. Only the awarded South Dakota project expenses will be eligible for reimbursement under either the rural or urban award. SDDOT will require separate reporting of ridership for rural and urban services. If the role would be changed from an urban provider electing to provide service in a rural designated area the same rules would apply.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

FTA SECTION 5339 – BUS AND BUS FACILITIES

This program provides formula funding to replace, rehabilitate, construct, purchase vehicles, and related equipment, and vehicle related facilities. SDDOT applies for Section 5339(b) discretionary funds on behalf of rural and intercity transit program when the funds are made available by FTA and a need has been determined. The eligible federal share may change based on the application criteria.

Project awarded funding agreements with subrecipients will be for a two-year period as defined in funding agreement. Expectations are for the funds to be expended during the initial funding agreement. Subrecipients can request a funding agreement extension in writing to the SDDOT Transit Program Manager. Request must include a justifiable reason to extend the funding agreement. SDDOT will review each extension request of project performance period on a case-by-case basis.

Subrecipients that receive funding through the South Dakota Transit office and elect to provide services in a non-South Dakota service area or any South Dakota urban area are required to

account for the activity, expenses, revenue, and local match separate from the rural accounting. If any urban and non-South Dakota rural services are performed simultaneously with South Dakota rural services, the provider will have to determine the percent of the resources utilized for each service area. This will include administration cost for duties performed in the administration of the urban and non-South Dakota service. SDDOT encourages the use of cost allocation calculators to assist with allocating the expenses associated between separate programs. The service being provided cannot compete with the designated urban or any transit provider for that area. This percent of amount cannot be claimed for reimbursement under a rural award. If providing service in a non-South Dakota service area or any urban area, SDDOT encourages the subrecipient to apply for funding designed to support that service. Example: Apply for Urban funding to operate in designated urban areas and apply for funding from the State that service is being provided. Urban funding will be awarded through separate agreements from the rural funding. Non-South Dakota funding will be managed through the awarding State, with their rules and regulations. If operating funding was awarded under the urban funds, it can be requested for reimbursement under those funds. Only the awarded South Dakota project expenses will be eligible for reimbursement under either the rural or urban award. SDDOT will require separate reporting of ridership for rural and urban services. If the role would be changed from an urban provider electing to provide service in a rural designated area the same rules would apply.

Rural funding is to be expended in rural areas only, with either the pickup or drop off from the trip being performed in an area outside a designated urban area. If pickup and drop off both occur in an urban area, this trip and all subsequent costs will be defined as urban.

The standard local share for capital projects is 20%. The local share is 15% for acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA; 42 U.S.C. 12101 *et seq.*) or the Clean Air Act (CAA; 42 U.S.C. 7401 *et seq.*). Electric Charging stations have a local match rate of 10%, as do capital projects that are specifically implemented to meet ADA accessibility requirements.

Section 5339 grant funding is available to be obligated to subrecipients the year in which it is appropriated plus an additional two years (for a total of three years).

ELIGIBLE ACTIVITIES

- Acquisition of vehicles for fleet (expansion and replacement)
- Equipment
- Facilities

This is not an all-inclusive list. Please contact SDDOT for assistance in determining eligibility of proposed activities.

For vehicle and facility preventative maintenance guidance, see policies linked earlier in SMP.

ELIGIBLE SUBRECIPIENTS

All subrecipients applying for the above listed funds will be required to complete a Subrecipient Questionnaire. SDDOT transit staff will send out the Subrecipient Questionnaire to applicants to complete when required. 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 may be required. The result may also weigh in on SDDOT's decision whether to withhold or not award federal funds to the applicant.

Any subrecipient considered non-compliant with SDDOT or FTA rules and regulations will be notified of the non-compliance by SDDOT. The subrecipient will have 90 days from the notification date to resolve all non-compliant issues. If the subrecipient fails to resolve compliance issue(s), allocated funding will be redistributed to other eligible subrecipients.

Subrecipients are required to have at a minimum the equivalent insurance coverage for real property and equipment acquired or improved with federal assistance used to acquire the property owned by the subrecipient per FTA circular 5010. Refer to state-imposed section for insurance requirements.

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.

5339 REIMBURSEMENT REQUESTS

Reimbursement for capital or vehicle purchases are to be submitted to SDDOT for processing. SDDOT reviews and approves the transit agency's procurements to ensure they meet all federal and state requirements. Once the bid is awarded, documentation is sent to SDDOT by subrecipients for review and approval.

New vehicle inspection paperwork is sent to SDDOT to validate that all federal regulations have been met. The request must include an invoice and proof of payment.

All reimbursement requests with a total purchase amount of \$5,000 or more will require verification by SDDOT of receipt of the items(s) before reimbursements of federal funds are processed. Subrecipients are to notify SDDOT staff to determine the verification process.

Minimum federal reporting requirements are required on all projects. Transit program reviews are conducted at least once every three years on subrecipients receiving both Section 5311 and 5310 funds; in addition, an inspection of all 5310 and 5339 vehicles will be conducted every two years. Subrecipients will be evaluated on a continuing basis as needed.

SDDOT sends a written request to FTA for approval to reallocate the Section 5339 small urban program formula apportionment funds. The 5339 formula funds will be awarded to small urban providers based on the amount of funds requested for projects each year.



LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

SECTION 5303/5304 PLANNING FUNDS

The local share requirement for transit planning funds is 20% at a maximum, with a lower local share available if certain criteria are met. Eligible recipients seeking an increased Federal share under 49 USC 5305(f)(2) must demonstrate that the activity assists those parts of an urbanized area or rural area with a lower population density or a lower average income compared to the applicable or adjoining urbanized area or the applicable or adjoining rural area.

SECTION 5311

The local share requirements designated by SDDOT for the 5311 program differ from FTA standard matching ratios, as is permitted. For capital projects, the local share is 20%, 17.18% for administration expenses and 48.24% for operating expenses. SDDOT has elected to not utilize the sliding scale towards capital costs through 5311. There is not a local match requirement for RTAP funds.

SECTION 5310

The local share for capital projects is 20%, and operating costs is 50%. The local share is 15% for acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA; 42 U.S.C. 12101 *et seq.*) or the Clean Air Act (CAA; 42 U.S.C. 7401 *et seq.*).

SECTION 5339

The local share for capital projects is 20%. The local share is 15% for acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA; 42 U.S.C. 12101 *et seq.*) or the Clean Air Act (CAA; 42 U.S.C. 7401 *et seq.*). Electric Charging stations have a local match rate of 10%, as do capital projects undertaken specifically to meet ADA accessibility requirements.

LOCAL MATCH RESOURCES

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 annually if any State Matching Funds and/or Title III-B, Older Americans Act funds, will be used to supplement the federal Section 5311 funds.

Local match may include:

- Cash from nongovernmental sources (excludes fares)
- Non-farebox 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 subrecipient by other public agencies and institutions (nonfederal)
- Private organizations and individuals (excluding fare donations)
- Non-restricted federal funds may be considered, subrecipient must first obtain approval from SDDOT
- In-Kind Contributions
- Value of non-cash contributions provided by the subrecipient and nonfederal parties
- Contributions of donated property value
- 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 project costs financed with cash in-kind contributions shall be accepted as the subrecipient's matching share or other income when such contributions meet all the following criteria:
 - Verifiable from the subrecipient's records;
 - Not included as contributions for any other federally assisted program;
 - Necessary for proper and efficient completion of project objectives;
 - Not paid by restricted federal funds;
 - Provided for in the subrecipient's approved budget.
- Valuation of donated expendable personal property, this includes 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.
- Freight income
- Charter income profit
- 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 subrecipient 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.
- Federal fund braiding for local match allows grant recipients to use funds from one federal program to meet the match requirements of another. For further guidance and resources please visit.

<https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-04/ccam-federal-fund-braiding-guide-june-2020.pdf>

Note: The following sources may NOT be included in local match funds:

- Federal USDOT funding
- Farebox revenue; and
- Other restricted Federal funds



METHOD FOR DISTRIBUTING FUNDS AND PROJECT EVALUATION CRITERIA

PROGRAM YEAR

The program year for Section 5310, 5311, 5339 and State Aid funding is the federal fiscal year (October 1 to September 30). The grant funds are available to the local subrecipients through the period of performance established in every funding agreement.

SDDOT applies for discretionary funds on behalf of rural and intercity transit program when the funds are made available by FTA.

Section 5310 includes capital and operating funding, Section 5339 is capital funding only, and Section 5311 includes capital, operating and administration funding.

If SDDOT has unobligated 5339 funding, previously awarded capital projects that have experienced cost increases outside of their control can request additional funding through a written request to the SDDOT. The request must include documentation of the new project costs. Examples include increased cost of materials for construction projects and increased cost of rolling stock.

APPLICATION AND PROCESS

SDDOT will notify potential subrecipients of the availability of the grant applications by multiple methods of communications such as email from SDDOT to current providers and MPOs, posted to the SDDOT webpage, selected SD newspapers, emailed to other SD State agencies, and tribal

transit providers. Applications not received by the SDDOT imposed deadline identified in application will be considered ineligible for consideration. Subrecipients considered non-compliant with grant regulations at the time of project selection may be determined to not have the technical capacity to receive funding.

Subrecipients will have 90 days to execute the funding agreement provided by the SDDOT. If the subrecipient fails to meet the deadline, the allocated funding will be re- distributed to other eligible subrecipients.

Additional applications may be available throughout the year based on award of competitive funding, federal or state emergency funding, or other available funds. The application review process will remain the same.

SECTION 5310 APPLICATION

SDDOT is the designated recipient of 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 perspectives.

- SDDOT will notify potential subrecipients about the availability of grant applications and the deadline to apply.
- 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 a contract, they must have an approved Coordination Plan.
- Applications within the small urban MPO areas are received and reviewed by a process determined by each respective MPO. The MPO then submits a recommendation of projects to SDDOT for review and final approval.
- The applications for rolling stock are categorized as a van/other, light duty buses, or medium duty buses. Considerations for prioritizing within each category may include:
 - Mileage
 - Age of vehicle
 - New service or expanding service

- Replacement
 - Potential for providing local capital match and operating funds
 - Useful life (see following section for additional information)
 - Cooperation with local organizations and transit services
 - Organization's training
 - Maintenance policies
 - Individual vehicle files maintained
 - Spare ratio
 - ADA vs non-ADA request
 - Provided benefit description
 - demonstration of need
 - Planning efforts
 - Provided access and mobility description
 - Written personnel and driver training policy
 - Coordination plans
 - Number of days and hours of service
 - Type of ADA vehicle applied for
 - Growth percentages for ridership
 - Service area
 - Communities and clients served
- **Preventive Maintenance:** The preventive maintenance allocation is based on revenue miles driven by non-5310 funded revenue vehicles from the prior year's performance data by applying an allocated amount per mile allowable. An applicant can submit justification to adjust the rate used for consideration based on preventive maintenance cost history and state of good repair.

Using the state's fiscal year set-aside amount and the ranking process, SDDOT will determine funding priorities. Any applicant with a project that is not funded will receive a notification letter. For funded projects, 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 and submitted to FTA for approval.

SECTION 5311 APPLICATION

Section 5311 program provides capital, project administration and operating assistance to support public transportation in rural areas with a population less than 50,000.

- Applications for 5311 are announced annually.
- Public Notice of Applications 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 Human 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.

Administrative and Operating Projects

All applications received by the deadline are reviewed by SDDOT staff. Area wide transportation projects are encouraged and given preference. Preference is given to existing providers with good records of service and program compliance. New individual communities or organizations can submit application; however, SDDOT encourages to coordinate with existing area wide providers. Funding is based on the submitted budget, project performance, service, and past performance. Past performance indicators include units of service, coordination efforts, financial management, services (expansion or reduction), and program compliance

A list of projects is submitted as part of the POP, which is attached to the grant application and submitted to FTA for approval.

Capital Projects

When Section 5311 funds are used for capital projects (facility and vehicle preventive maintenance, with only ICB providers eligible for rolling stock) the following procedures will be used:

SDDOT will solicit applications for capital projects during the same application round as administrative and operating funding.

All applications received by the deadline will be reviewed by SDDOT staff. Each of these projects is evaluated by SDDOT using the following criteria:

Preventive Maintenance: The preventive maintenance allocation is based on revenue miles driven by non-5310 funded revenue vehicles from the prior year's performance data by applying an allocated amount per mile allowable. An applicant can submit justification to adjust the rate used for consideration based on preventive maintenance cost history and state of good repair.

Rolling Stock: categorized as a van (small vehicles), light duty buses, or medium duty buses. Considerations for prioritization include:

- Mileage
- Age of vehicle
- New service or expanding service
- Replacement
- Potential for providing local capital match and operating funds
- Useful life (see following section for additional information)
- Cooperation with local organizations and transit services
- Organization's training
- Maintenance policies
- Individual vehicle files maintained
- Spare ratio
- ADA vs non-ADA request
- Provided benefit description
- demonstration of need
- Planning efforts
- Provided access and mobility description
- Written personnel and driver training policy
- Coordination plans
- Number of days and hours of service
- Type of ADA vehicle applied for

- Growth percentages for ridership
- Service area
- Communities and clients served

Any subrecipient with a project that is not funded will receive a notification letter. Subrecipients with awarded projects will be sent a notice to proceed.

A list of projects is submitted as part of the POP, which is attached to the grant application and submitted to FTA for approval.

SECTION 5339 APPLICATION

SDDOT is the designated recipient of all Section 5339 funds for small urban and rural transportation. Small urban funds are awarded to the State, and then suballocated to the small urban areas (i.e. Sioux Falls, Rapid City). The small urban areas, being FTA direct recipients, are making grants for these activities directly with FTA, thereby bypassing SDDOT.

For Section 5339 statewide/rural funds, however, SDDOT is the accountable and responsible entity in South Dakota to monitor and oversee implementation of federally funded transit programs and compliance with FTA grant regulations from a planning, operational, safety and fiduciary perspective. SDDOT completes the following activities:

- Application for 5339 funding is announced annually.
- SDDOT will publish public notice of the application opportunity.
- Notice and application 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. The applications are ranked to formulate the basis for the distribution of funds to each transit provider for the upcoming fiscal year. These applications are ranked based on SDDOT's scorecard, which takes into consideration many factors, including but not limited to; demonstration of need and benefit; planning efforts undertaken; local match commitment; whether new vehicle will assist with expanding service or replace older vehicles that have met their useful life, etc. It is imperative to answer application questions for each project requested in the application, as the rankings are reflection of the data to support the projects.
- The list of projects potentially funded is included in the POP which 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.
- To apply for the urban 5339 funds the request would be required to be submitted to the urban

designated recipient for the state for consideration. When Section 5339 funds are used for capital projects, the following criteria will be used:

Rolling Stock

Rolling stock is categorized as a van/other, light duty buses, or medium duty buses. Considerations for prioritizing each category may include:

- Mileage
- Age of vehicle
- New/expanding service or replacement
- Useful life (see following section for additional information)
- Potential for providing local capital match and operating funds
- Cooperation with local organizations and transit services
- Organization's training
- Maintenance policies
- Individual vehicle files maintained
- Spare ratio
- ADA vs non-ADA request
- Provided benefit description
- Demonstration of need
- Planning efforts
- Provided access and mobility description
- Written personnel and driver training policy
- Coordination plans
- Number of days and hours of service
- Type of ADA vehicle applied for
- Growth percentages for ridership
- Service area
- Communities and clients served

Facilities

Facilities are ranked on general service and need. Considerations for prioritizing each category may include:

- New facility, remodel, repair, improvement, or an expansion
- Local match source
- Benefit to agency
- Demonstration of need
- Planning efforts
- Improve enhanced access
- Land secured
- Feasibility study
- Letter of community support
- Letter of local match source
- Appraisal complete
- NEPA complete

Equipment

Equipment is ranked on service need. Considerations for prioritizing each category may include:

- New equipment, repair, replace, annual fee, increase revenue, increase efficiency, expansion
- Local match source
- Benefit description
- Demonstration of need
- Planning efforts
- Improve enhanced access and mobility
- Equipment compatible
- If for computers/tablets, who will use?

- Useful life of current system
- Will it increase efficiency

Any subrecipient with a project that is not funded will receive a notification letter. Subrecipients with awarded projects will be sent a notice to proceed.

SDDOT will send a list of projects as part of the POP, which is attached to the grant application submitted to FTA for approval.



PRIVATE SECTION PARTICIPATION

It is SDDOT's policy when a newly proposed transportation service (or substantially altered service) is planned for an area that is presently served by an operator, the private operator will be contacted and encouraged to participate in providing the new service under a service agreement with the sponsoring non-profit transit agency or the government agency in the county or area that is a current grant recipient.

In the event of two existing providers, one private for-profit and one nonprofit organization; the private for-profit operator will be encouraged to participate in providing the new transportation service. In all cases, reasonable efforts will be made to minimize the adverse effects that government subsidized transportation projects may have on private transit operations.

In keeping with FTA's continued emphasis on participation of private, for-profit transportation providers in the planning and delivery of federally funded transit services (privatization), the SDDOT encourages joint participation with transit services. Coordination and consolidation in the state is requested if new eligible providers/applicants request funds. Before new funds are approved, the new service must be administered through the existing funded subrecipient.



ANNUAL PROGRAM OF PROJECTS

The application submission and approval process for each of the grant programs results in approved subrecipient budgets and subrecipient agreements. This forms the basis for the Program of Projects (POP).

An email announcing grant availability is sent to all current applicants as well as potential new applicants who have contacted SDDOT throughout the year. In addition, an advertisement is placed in the state's major newspapers disclosing the availability of funds. Selected projects and corresponding award amounts are based on criteria for Sections 5310, 5311 and 5339 applications. Once SDDOT determines the award, the details of each award are included in a POP that is submitted to the FTA as part of the TrAMS application process.

Further, the POP for each program is incorporated into the State Transportation Improvement Program (STIP). Any projects and awards that may take place within boundaries of a Metropolitan Planning Organization (MPO) are incorporated into their respective Transportation

Improvement Programs (TIPs). TIPs are further incorporated into the STIP by reference. A completed STIP is available on the SDDOT website.

The SDDOT annual grant cycle requires completed applications to be returned to the SDDOT Transit Office by the deadline stated in the application. The application is used for requesting federal operating, capital, and administration assistance funds.

The review team reviews, recommends and/or rejects applications and submits to DOT Transit Office management.

After Office Management has approved the review team recommendations, the annual POP is completed. The POP includes name of recipient, project description, total dollar amount of the project and the federal dollar share for both operating and capital assistance funds. The POP is then reviewed by the SDDOT transit staff.

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

SDDOT develops its Statewide Transportation Improvement Program (STIP) annually, which covers the upcoming four-year programming of federal transit funds, among other funds. Annually, during the month of July, SDDOT holds statewide public meetings on the proposed four-year STIP. Citizens are encouraged to attend these published public meetings 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, the STIP is reviewed and, if necessary, projects are re-prioritized within the plan's timetable based on changing social and economic factors. In addition, federal funds apportioned in prior years but remaining unobligated after the end of each year ("carry-over funds") are tracked in the STIP.

FUNDS TRANSFER

Although it is the intent that all funds remain in their original grants, SDDOT may transfer Section 5303, 5304, 5310, 5311, 5339 and FHWA flexible funds to other programs as specified in the respective FTA circulars of these programs. Notice or request of the transfers is forwarded to FTA.

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

TRANSIT ASSET MANAGEMENT

The SDDOT Transit Asset Management Plan (TAM) is a result of the Moving Ahead for Progress in the 21st Century Act (MAP-21) that required a system to monitor and manage public transportation assets to improve safety and increase reliability and performance and establish performance measures. On July 26, 2016, FTA published the Transit Asset Management (TAM) Final Rule. The final rule groups providers into two categories: Tier I and Tier II.

South Dakota solicits participation under the SDDOT TAM Plan as required by FTA program policy. Outreach is performed yearly to address goals and updated Federal requirements. A full listing of goals and participants is located in the full TAM plan, located on the SDDOT website:

<https://dot.sd.gov/media/documents/DOT-TAMPlan.pdf>

All facilities and equipment maintenance are required to be tracked in SDDOT asset management software by each participant of the SDDOT TAM plan. Participants should refer to the TAM Plan for tracking requirements.

It is required that any subrecipient of federal funds have an asset maintenance plan that includes a series of inspections. Rural providers are required to implement the SDDOT Asset Maintenance Plan, and other providers may also utilize the template. Routine maintenance actions are required to ensure the proper care and maximum useful service life is obtained for assets. Each transit provider shall maintain a detailed record keeping system for each asset to ensure it is inspected and maintained on a routine basis per manufacturer specifications and SDDOT guidelines. Permanent records of maintenance, repairs and inspection activity for each asset will be retained on site and copies kept on file at each transit provider main office for review by SDDOT or FTA. The SDDOT Asset Maintenance Plan Template explains in greater detail the standards for general preventive maintenance, pre-trip inspections, [ADA feature maintenance](#), record keeping, cleaning schedules, facilities, and safety requirements. All facilities and equipment maintenance are required to be tracked in SDDOT asset management software by each participant of the SDDOT TAM plan. Participants should refer to the TAM Plan for tracking requirements. An asset maintenance plan template is located on the SDDOT website:

<https://dot.sd.gov/media/documents/DOT-TAMPlan.pdf>

SDDOT USEFUL LIFE STANDARDS

Below are SDDOT useful life standards. Also reference SDDOT Transit Asset Management (TAM) Plan for useful life, condition rating and state of good repair determination.

REVENUE VEHICLES

- Other Light Duty Vehicles (automobiles, minivans, or SUV's): The useful life has been defined as 4 years, or 100,000 miles.
- Medium Size Light Duty Van: The useful life has been defined as 5 years or 150,000 miles.
- Medium Size Medium-Duty Buses: The useful life has been defined as 7 years or 200,000 miles
- Small Heavy-Duty Buses: The useful life has been defined as 10 years or 350,000 miles
- Large Heavy-Duty Buses: The useful life has been defined as 12 years or 500,000 miles

- Trolleys– Rubber Tires: The useful life has been defined as 15 years or 350,000 miles
- Trolleys– Steel Wheels: The useful life has been defined as 25 years or 350,000 miles

NON-REVENUE VEHICLES

- Staff Vehicles: The useful life has been defined as 6 years or 150,000 miles
- Pickup Truck: The useful life has been defined as 12 years or 150,000 miles
- Heavy Duty Service Truck: The useful life has been defined as 18 years or 150,000 miles
- Tow Truck: The useful life has been defined as 20 years or 180,000 miles

FACILITIES AND EQUIPMENT

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

INVENTORY

It is required that subrecipients maintain an equipment inventory tracking for any equipment asset costing \$5,000 or more with a useful life greater than 1 year and are capitalized in accordance with Generally Accepted Accounting Principles (GAAP). SDDOT will report any asset over \$50,000 to National Transit Database (NTD) according to the TAM requirements. SDDOT subrecipients will use SDDOT asset management software to track equipment. In addition, all equipment should be tagged or otherwise identified as federally assisted property.

All rolling stock (revenue and non-revenue) are required to be tracked in SDDOT asset management software by each provider according to the TAM plan.

All facilities inventory is entered into SDDOT asset management software including property location, a summary of any conditions on the title, the original acquisition cost, the federal participation ratio, the federal Award identification number, the appraised value and date, a brief description of improvements, the current use of the property, useful life information, and the disposition action proposed. Participants should refer to the TAM Plan for tracking conditions of all federal assets.



SATISFACTORY CONTINUING CONTROL

Real estate, facilities, vehicles, and equipment acquired using FTA funds are supervised and reviewed for proper usage and maintenance by means of on-site asset management inspections on a minimum of once every two years or as determined necessary by SDDOT. Program reviews are performed once every three years. Asset management inspections and program reviews are

performed on an alternating schedule. 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. This also includes incidental use, flood plain maps, preventive maintenance plans, inspection information, additions, major repair data as well as transfer of ownership and release of asset information. Insurance documentation for facilities, vehicles, and equipment is to be sent to SDDOT annually. Asset Use Certification forms are signed by the subrecipient and reviewed by SDDOT annually.

VEHICLE, FACILITY AND EQUIPMENT USE

SECTION 5311 AND 5339

Subrecipients can use vehicles, facilities, and equipment only for the intended purpose under the original agreement. Incidental use for meal delivery is allowed if it does not interfere with passenger transportation service. Service provided using federally funded 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.

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 by SDDOT 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 the Program Manager and a signed copy will be provided to the subrecipient. Upon receipt of this approval, the SDDOT 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 if it does not interfere with passenger transportation service.

WARRANTY CLAIMS

Warranty issues with assets are performed by the subrecipient with the company sales manager or local service center. Warranty activity must be performed and documented according to the guidelines of the manufacturer, supplier or builder. Documentation must be retained according to record keeping guidelines.

TRANSFER OR DISPOSITION OF CAPITAL

For subrecipients who request the release of vehicles with remaining life where federal reimbursement may be required, SDDOT will make the determination if a vehicle should be transferred to another subrecipient. The SDDOT staff will determine the current market value of the vehicle and corresponding federal reimbursement amounts and prepare all the necessary written transfer agreements and forward to all parties involved for signatures before the actual physical transfer takes place. Release requests forms are located on the SDDOT website.

https://dot.sd.gov/transportation/public-transit/forms-publications#listItemLink_1542

SDDOT will identify to the FTA which vehicles have had the federal interest transferred to another subrecipient via an updated transferred vehicle report and this will be submitted annually to FTA via the electronic reporting system by October 31. The transferred vehicle report will include the name of the subrecipient the vehicle was transferred to, the name of the subrecipient the vehicle was transferred from, the year, make of the vehicle, vehicle type the grant number and funding source the vehicle was originally purchased with useful life, age, miles, purchase price, and history.

SDDOT staff will review vehicles that are requested for disposal outside the set criteria on a case-by-case basis. SDDOT staff will review the age of the vehicle, mileage, and physical and mechanical condition to determine whether the vehicle has a market value of less than \$5,000. Equipment records will be used to validate federal funding interest. Per Circular 5010, Chapter IV section 4.N records must include:

- A description of the asset;
- The identification number or serial number;
- The entity or individual that holds title to the asset;
- The source of funding (the FAIN number under which it was procured);
- The acquisition date;
- The cost of the asset;
- The percentage of federal participation in the cost;
- The location;
- The use and condition;
- The useful life; and

- The disposition data, including the date of disposal and sale price, or, where applicable, method used to determine its fair market value.

SDDOT uses straight-line depreciation to determine market value for vehicles.

For the disposition of supplies and equipment, if the useful life has been met and the subrecipient receives a total aggregate fair market value that exceeds \$5,000, the subrecipient may retain \$5,000 plus the percentage of its local share. Any remaining federal share must be returned to FTA. The subrecipient is entitled to deduct and retain from the federal share \$500 or 10% of the proceeds, whichever is less, for its selling and handling expenses. When the subrecipient receives insurance proceeds because project property has been lost or damaged by fire, casualty, or natural disaster, the subrecipient 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.

The subrecipient is required to provide the SDDOT with a completed release request form for review and approval prior to the releasing of the vehicle. 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 subrecipient for which a release request has been received, if the vehicle is in a state of good repair and can be utilized as a revenue service vehicle by another rural provider. 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.

INSURANCE

South Dakota requires subrecipients to have an insurance policy with a minimum one- million-dollar liability coverage for death, bodily injury, and property damage. Also required is uninsured and underinsured coverage per SDCL 32-40-9.

Recipients must have flood insurance as required by the Flood Disaster Protection Act of 1973, 42

U.S.C. 4021 (a), for any building located in a special flood hazard area (100- year flood zone),

before receiving federal assistance to acquire, construct, reconstruct, repair, or improve that building. Additionally, the building and its contents must be covered by flood insurance in an amount at least equal to the federal investment (less estimated land cost) or equal to the maximum limit of coverage made available with respect to the property under the National Flood Insurance Act of 1968. Current limits are \$500,000 per building and \$500,000 for the contents of each building.

PROCUREMENT

SDDOT and Subrecipients must comply with 2 CFR 200 Procurement Standards, 2 CFR Parts 1200 and 1201 Department of Transportation Regulations for Grants and Agreements, the relevant sections of FTA C 4220 Third Party Contracting Guidance, and South Dakota Codified Laws pertaining to procurement. Recipients are prohibited from contracting for goods and services from individuals that have been suspended or debarred from receiving federally assisted contracts, which is verified using the sam.gov website. SDDOT and subrecipients are to obtain documentation of this verification in the procurement file. As part of the risk assessment, the agencies procurement policy must be submitted for review. SDDOT has developed a Procurement Policy template required to be implemented by rural providers. This template prompts agencies to include specific agency information. It provides requirements, steps, sample documents, and resources.

The SDDOT and subrecipient will determine the responsible party to conduct the procurement for new Section 5311, 5310 and 5339 funded vehicles, equipment, and facilities in accordance with state bid letting procedures. The majority of all vehicles will be procured by SDDOT. Specialty vehicle procurements will be discussed, and a responsible agency will be determined. SDDOT allows providers to develop their procurements to allow other SD transit providers to utilize the award for their behalf. SDDOT also encourage innovative procurement methods and for transit providers to coordinate on developing procurements together versus doing separate procurements for the same item. SDDOT does not allow piggyback procurement from existing procurements.

SDDOT encourages all subrecipients to use ProcurementPro along with the SDDOT procurement policy template for all procurement guidance. SDDOT requires all rural providers to implement the SDDOT procurement policy template. All subrecipients must have a written procurement procedure policy approved by the agency's board or commission.

For Buy America requirements refer to section Pre-Award, Post Delivery Audits and Buy America of SMP. In addition, refer to SDDOT Procurement Policy template. Contact SDDOT to ensure the Buy America percentage requirements per applicable projects.

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 equivalent service form is required to be submitted with the capital application as applicable based on the vehicle project request. The application provides guidance for this requirement and submission. SDDOT will retain the certifications within the grant documentation. The 5311, 5310 and 5339 application requires completion of Level and Use of Service information plus reviews, and ridership data reports.

SDDOT ensures the bidding process is open and competitive and the process provides best values. The SDDOT will use public announcements by means of printed media, website posting, and individual electronic/written announcements to inform all interested parties and ensure there are no geographic preferences. SDDOT will attain the proper FTA certifications and clauses and maintain all records and documents pertaining to the purchase for the period as required by the record retention protocols. SDDOT will complete the certification Pre-award reviews to determine good standing of the bidders according to State and Federal regulations. Post-Delivery reviews are performed as required.

Note: According to SD State Law the procurement threshold is more restricted than the FTA thresholds. The below thresholds and procurement methods are to be used in conducting procurements for SD subrecipients.

Price comparison (purchases less than \$4,000) and micro purchase (between \$4,000 and \$49,999) 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 price comparison purchase, the subrecipient is required to have a process to ensure purchases are at a fair and reasonable price. The subrecipient is required to conduct a simple price or cost analysis to determine the best value according to internal purchasing thresholds and practices. The subrecipient will also document criteria used to determine quotes were fair and reasonable. In the case of purchases defined as micro purchases the subrecipient is required to obtain three written quotes from three independent sources. In micro 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.

For purchases of \$50,000 and over, the Simplified Acquisition method should be used by either using the invitation for bids (IFB)\sealed bids or request for proposal (RFP). Subrecipients are required to attain the proper FTA certifications and clauses 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.

For professional service contracts, \$50,000 or over, providers are required to conduct either a Request for Proposal or Invitation for Bid according to the SDDOT Procurement Policy template.

The Brooks Act applies to all projects when architects and engineers are needed for design contracts and construction agencies. All projects that enact the Brooks Act will be supervised by SDDOT staff.

The SDDOT has an established program to create a retainer list consisting of several consultants for the various fields of expertise, such as architectural engineering, design, etc. This retainer list is renewed 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 on SDDOT criteria. Price is then negotiated with the most qualified firm.

For a subrecipient to use a vendor off the retainer list they must do the following:

- Develop a scope of work for the project
- Complete an Independent cost estimate.
- Contact a minimum of 3 firms on the list within the category of service that is the primary work type for the project. When contacting them:
 - determine their interest in working on the project,
 - Determine if they have the time available,
 - Request a proposal that states their qualifications.
- The information compiled in steps a-c from the 3 firms are then required to be reviewed and ranked.
- Select the top scoring firm to perform the work.
- Negotiate the number of hours required to perform the task then sign the contract.
- Vendor must receive and sign the applicable Federal Certifications and clauses.
- Subrecipient is to maintain documentation of the process in the procurement file.

The Davis Bacon Act applies to all federally funded contracts more than \$2,000 for the construction, alteration, or repair (including painting and decorating) of federally funded projects. Each covered contractor and subcontractor must, on a weekly basis, provide the

contracting agency a copy of all payrolls. Each payroll submitted must be accompanied by a "Statement of Compliance". Agencies must email all Davis Bacon payroll paperwork to SDDOT office every 30 days for review.

Subrecipients are required to submit to the SDDOT Transit staff the following for simplified acquisition procurements and for vendors procured from the SDDOT retainer list.

Prior to solicitation review and approval

- Independent Cost Estimate for review prior to soliciting bids\proposals.
 - Includes preliminary details used to create cost estimate.
- Procurement packet and for review prior to soliciting bids\proposals
- RFP Evaluation Checklist

Prior to award for review and approval

- Completed procurement checklist documenting process up to the award.
- Summary of bids\proposals.
- Signed certifications and clauses.
- Recommendation of award.
- Documentation of responsiveness and responsibility.
- Price reasonableness analysis. (Refer to the SDDOT Procurement Policy template for more information.)
- Price Analysis is used if it is determined that competition was adequate, and price was within the expected range established by the ICE.
- Cost Analysis is used if it is determined that competition is inadequate, or price is inconsistent with the expected range established by ICE.
- DBE forms
- Plans (For construction projects)

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 is prohibited.

FACILITY PROJECTS

For facility construction projects (new construction, addition, or remodel), subrecipients are required to follow the SDDOT Transit Agency Capital Improvement Plan Manual, SD Construction Project Guidebook, and implemented Procurement Policy utilizing the SDDOT Provider procurement template.

<https://dot.sd.gov/media/documents/SDDOTCapitalPlanningManual.pdf>

<https://dot.sd.gov/media/documents/SDDOTFacilityConstructionProjectGuidebook.pdf>

<https://dot.sd.gov/media/documents/procurementtemplate.docx>



FINANCIAL MANAGEMENT

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

The Federal Funding Accountability and Transparency Act (FFATA) requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. The Act requires direct recipients to report subaward information exceeding \$25,000 by the end of the month, after the month in which subawards are made to a grant. To adhere to FFATA requirements, SDDOT collects financial information from each subrecipient during the grant application process. SDDOT develops a list of subawards exceeding the \$25,000 reporting threshold and complete reports in the FFATA Subaward Reporting System (FSRS) when the grant is available. This process is completed the SDDOT Finance office.

CONTRACTS

Funding agreements are established between SDDOT and subrecipients and are required for project reimbursement to be eligible. Details are provided for funding agreement under each category of funding. Subrecipients requirements are outlined in funding agreements.

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. Subrecipients are required to have a written accounting and internal control policy. Section 5311 subrecipients are required to track the local match resources and how the funds are being used as match by section of funding.

SINGLE AUDIT

Single Audit Requirement: All subrecipients that expend \$750,000 or more in federal funds in one fiscal year must have a single audit performed for that fiscal year ending September 30, submit required documentation timely, and resolve identified issues. Single audit reports must be completed, and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period. If the annual single audit report contains no FTA or other U.S. Department of Transportation (US DOT) program findings, subrecipients are only required to submit a copy of the OMB Data Collection Form (SF-SAC) to the FTA regional office. If the single audit contained FTA or other US DOT program findings, subrecipients are required to submit a copy of the entire audit report to the FTA regional office.

Subrecipients must resolve audit findings promptly and upon discovery of the issue for audits under the Uniform Guidance requirements. The recipient must resolve deficiencies or opportunities for improvement identified in the audit.

In addition, the Subrecipient must submit the most current single audit with the Subrecipient Questionnaire each year when requesting funding. Subrecipients will submit to SDDOT the certification of the submitted SF-SAC form to the FTA regional office by June 30 each year.

A single audit management decision will be issued to the subrecipient by SDDOT office of Air, Rail and Transit and SDDOT Audits within six months after receipt of the audit report. Each quarter SDDOT will monitor that the audit findings are resolved.

5311 MONTHLY AUDIT

For details regarding Bi-annual monthly 5311 audits, see reimbursement request section under 5311 funding.

CONTRACT CLOSEOUT/EXTENSION

Grant projects are closed at the end of the contract period, which is established in the funding agreement. When a project has reached the end of the contract period and there is a balance of funds, those funds will be forfeited unless an extension has been granted. In some instances, capital contracts may be extended.

For extensions, requests must be sent to SDDOT at least 60 days before the end of the contract for evaluation. Request must include a justifiable reason to extend the funding agreement. SDDOT will review each extension request of project performance period on a case-by-case basis.

INDIRECT COSTS

A cost allocation plan is submitted and approved before indirect costs can be reimbursed. This plan must be approved by the cognizant federal agency. If cognizant agency is not FTA, the cost allocation must be submitted to SDDOT for approval to apply towards FTA funding and to ensure that it follows circular guidance. (2 CFR Part 200 and FTA C 5010, are references that may be used in preparing the cost allocation plan.)



The state procedures for compliance with Title VI, EEO, and DBE requirements are in accordance with 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. These procedures are located online at <https://dot.sd.gov/programs-services>.

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

AMERICANS WITH DISABILITIES ACT (ADA)/ SECTION 504 OF THE REHABILITATION ACT

Subrecipient shall not discriminate against an individual with a disability in connection with the provision of transportation services. Entities operating a fixed route system must provide complementary ADA paratransit service that is comparable to the level of services provided to individuals without disabilities who use the fixed-route system. Requirements for complementary

paratransit service is defined in Chapter 8.2 of FTA Circular 4710.

Subrecipients will submit to SDDOT their assurances of compliance with the Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA). This certification is part of the agreement with the subrecipient.

All capital purchases approved by SDDOT will show consideration for any persons with disabilities' needs currently unmet in the project area. 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 to ensure that when viewed in its entirety, the vehicle fleet is accessible. Per FTA 4710, this means "when all aspects of a transportation system are analyzed, equal opportunities for each individual with a disability to use the transportation system must exist." The 5311, 5310, and 5339 application requires completion of Level and Use of Service information plus reviews, and ridership data reports.

Included in the vehicle bid specifications, the SDDOT ensures that every FTA funded vehicle the subrecipients receives comply with the ADA requirements for the type and size of the vehicle. As part of the new vehicle inspections before delivery, the SDDOT staff completes the Optional Vehicle Acquisition Checklist (Circular 4710) as part of the new vehicle inspection. During the biennial vehicle safety/inventory inspections all vehicles are checked to ensure that the vehicle and ADA equipment and specifications are ADA compliant and operational.

During the biennial safety/inventory inspections the facilities/equipment are inspected for ADA compliance using the SDDOT Asset Inspection Checklist, which includes ADA requirements. If a new facility or current facility modifications are being planned, as part of the specifications and pre-construction review with the architectural staff, the current ADA Regulations are reviewed to ensure compliance. The program review is also used to monitor ADA compliance by addressing several ADA related questions and reviews of vehicle and facility signage. Drivers are required to receive Passenger Service and Safety Driver Certification within 180 days after the driver begins providing service. At least once every two years, the provider must ensure that each driver completes a refresher course or recertification in passenger service and safety.

Subrecipients are required to have Title VI/Nondiscrimination Complaint procedures which include ADA complaints. The complaint procedures, forms and processes are reviewed as a part of the Title VI subrecipient review (every three years).

Templates of complaint procedures and forms are provided for subrecipients online.

https://dot.sd.gov/programs-services/civil-rights/americans-with-disabilities-act-ada#listItemLink_1400

Technical assistance is provided to subrecipients on ADA requirements. Subrecipients are required to keep separate complaint logs for ADA complaints and submit them with the Title VI

complaint logs every three years as part of the Title VI review.

TITLE VI

Each subrecipient will submit a signed and dated Standard SDDOT Title VI Assurance, which is 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 spend funds in a nondiscriminatory manner. In addition, civil rights procedures and documentation questions are included in the transit program reviews. Training and guidance are provided by SDDOT to ensure providers are compliant with the regulations.

Subrecipients shall complete a Title VI equity analysis during the planning stages of facility projects regarding where the project is located or sited to ensure the location complies with Title VI equity analysis requirements.

PUBLIC PARTICIPATION

SDDOT follows federal requirements related to the provision of public outreach activities and opportunities for public comment. The department has an extensive public involvement plan which outlines the process SDDOT follows for providing public outreach activities and the opportunity for providing public comment. The Plan is located online at <https://dot.sd.gov/media/documents/SDDOT-PublicInvolvementPlan2022-SignatureCopy.pdf>.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

Subrecipients must provide disadvantaged business enterprises (DBEs) the maximum opportunity to compete for and perform contracts and subcontracts financed in whole or in part with federal funds.

SDDOT will take steps to ensure that contracting opportunities are 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:

- Identify contracting opportunities;
- Analyze area DBE availability;
- Use good faith efforts to utilize DBE firms; and,
- Maintain necessary records to verify steps taken and participation achieved.

DBE REPORTING

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

- Dollar value of contracting opportunities,
- Expenditures made to certified DBE firms; and,
- Number of vendors used for contracting opportunities.

SDDOT will submit within 30 days of making an award, the name of the successful bidder and total dollar value of any federally-funded Transit Vehicle Manufacturer (TVM) contract. Only eligible TVMs may bid on FTA-assisted transit vehicle procurements.

<https://www.surveymonkey.com/r/vehicleawardreportsurvey>

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Subrecipients may not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, or physical or mental disability.

In accordance with EEO circular 4704 each recipient, subrecipient and contractor who meets both of the following threshold requirements must implement all the EEO Program

Elements:

1. Employs 100 or more transit-related employees, and
2. 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.

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.

TECHNICAL CAPACITY

STATE IMPOSED REQUIREMENTS

Subrecipients must have adequate staffing and resources to carry out the 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.

South Dakota requires the driver of any motor vehicle carrying passengers for hire to stop for all railroad crossings per SDCL 32-29-5.

South Dakota requires an annual inspection of large passenger vehicles operated by nonprofit organizations. Each vehicle with a capacity of sixteen or more passengers, including the driver, owned or operated by a nonprofit organization, or privately owned and operated under a contract with a nonprofit organization, and used for the transportation of its members shall be inspected before October first of each year by an inspector approved by the Division of Highway Patrol. The inspector shall ensure the vehicle complies with state law and regulations. A certificate, provided by the Division of Highway Patrol, certifying that the vehicle has successfully passed inspection shall be issued by the inspector and shall be displayed on the vehicle per SDCL 32-21-3.1.

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.

Section 5311 and 5310 subrecipients will be evaluated on a continuing basis as needed through 5311 reimbursement audits, program reviews, project tracking reporting, project monitoring if applicable construction, planning or technical project, ridership report, asset inspections, asset reporting, and other means determined on the program requirements or review outcomes as determined by SDDOT.

SDDOT monitors the grant for the fund balance and sends project tracking reports at least twice annually to the subrecipients regarding the status of the projects. Subrecipients are to review the data and provide status updates to SDDOT. This process is to monitor project activity, available

funding, project timeframes, and procurement status by both parties. SDDOT issues close out letters to the subrecipient for projects completed or cancelled.

SDDOT reviews the grants for activity and makes any necessary adjustments 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

A review will be conducted on each grant when required, to assure that all payments made for invoices and direct vouchers were made for eligible project costs. Auditors also review and rank the financial risk of the subrecipients utilizing the Subrecipient Questionnaire. SDDOT staff and Internal Auditors Offices will conduct an audit on each provider biannually. The 5311 subrecipient will be notified in the month of their audit to submit the required documentation.

SDDOT staff requests invoices pertaining to 5311 reimbursement requests per provider in the designated month designated by SDDOT each year. The SDDOT will review for 5311 eligibility and invoices supporting 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. Audits must be completed, and adjustments made prior to reimbursement will be processed for future months. Audits required in September will not be paid before audit is complete, due to the end of the funding period.

PROJECT MONITORING

Subrecipients of planning and construction, rolling stock, technology projects with a total project award of \$25,000 are required to be monitored according to the SDDOT project monitoring process. The Project Monitoring purpose is as follows.

- SDDOT is required to provide technical capacity and project management to ensure project schedules, budgets, and performance objectives are achieved;
- Provide technical inspection and supervision of all projects in progress;
- Ensure conformity and compliance with all applicable federal, state, and local regulations.
- Obtain all necessary approvals prior to incurring costs.

There are three components of project monitoring.

- Monitoring documentation (Maintained by SDDOT with input and documentation submitted by subrecipient.)
 - SDDOT staff will send project monitoring emails to subrecipient to request project

updates and milestones throughout the life of the project.

- Quarterly report (Sent to subrecipient by SDDOT and completed and submitted by subrecipient.)
- Onsite Inspection (Conducted by SDDOT)
 - The onsite inspection guide is located on the SDDOT website.

https://dot.sd.gov/transportation/public-transit/forms-publications#listItemLink_1542

TRANSIT PROGRAM REVIEWS

Transit Program Reviews will be conducted every three years on all subrecipients receiving both Section 5311 and 5310 funds. The Transit 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 the report indicated deficiency(s) an adequate plan of action and signed acknowledgement form is required to be submitted before the review will be closed by SDDOT.

ASSET INSPECTIONS

Asset inspections will be conducted using SDDOT inspection criteria at least once every two years. Asset maintenance records, condition ratings, verification of inventory, and processes will be reviewed as part of this review.

TECHNICAL SUPPORT AND TRAINING

Technical support and training will be provided as deemed necessary or upon request for subrecipients or deemed necessary by SDDOT staff based on reporting, reviews, inspections, and other oversight.

REPORTING

Providers are required to abide by the following reporting requirements deemed necessary by SDDOT and/or FTA to fulfill program requirements.

Additional reporting requirements are listed under their SMP sections. Ex: DBE and charter reporting.

INCIDENT REPORTING

When a subrecipient has a safety or security incident occurring on transit property or otherwise affecting revenue services that result in 1 or more of the following:

- A fatality confirmed within 30 days of the incident
- An injury requiring immediate medical attention away from the scene of one or more persons.

- All property damage equal to or exceeding \$25,000.
 - An evacuation for life safety reasons.
 - Any vehicle accident that requires a vehicle to be towed.
1. The subrecipient is required to E-mail SDDOT staff notifying what incident occurred.
 2. The subrecipient is required to E-mail SDDOT staff notifying once the insurance claim is finalized.
 3. The subrecipient is required to submit the claim with the 5311 Reimbursement Request Form.

RIDERSHIP REPORTING

Ridership Report is required on a monthly basis for every vehicle purchased or supported with federal funds. Reports include the subrecipient name, provider name, period covered, vehicle number, license number, serial number, operating characteristics, ridership, and trip purpose. All ridership reports are due by the end of the following month and must be submitted online into the SDDOT asset management software reporting system. If vehicle ridership reports are not received by SDDOT as required, SDDOT may withhold all reimbursements to that subrecipient until the reports are submitted and received by SDDOT.

The 5310-ridership report is a yearly report that captures the number of individuals served, estimated one- way trips and the names of the counties served, regarding the 5310 vehicles. Individuals served are the number of unduplicated riders who rode the vehicle throughout the Fiscal Year, October 1st through September 30.

STATISTICAL ANNUAL REPORTING

A 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 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 stakeholders.

COORDINATED PUBLIC TRANSIT-HUMAN SERVICES TRANSPORTATION PLAN (COORDINATION PLAN)

SDDOT requires an approved Coordination Plan at least every five years. SDDOT also requires subrecipients to identify measurable 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.

COMMERCIAL DRIVER'S LICENSE

The Subrecipient will comply with the requirements for commercial driver's license and drug and alcohol testing. 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.

DRUG AND ALCOHOL PROGRAM

DRUG-FREE WORKPLACE ACT

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>

DRUG AND ALCOHOL POLICY, TESTING, AND TRAINING

Transit agencies are required to have a board approved Drug and Alcohol Policy that complies with the FTA. Also, if any significant changes to federal regulation occur, all employees are required to sign off that they have read and understand the changes of the new policy. This acknowledgement must be kept in the employee's file. All contact information for professional and medical staff such as MRO, SAP, BAT's, and labs must be up to date. The most current copies of their certifications/credentials must be on file with each Subrecipient and submitted during the program review to the DOT.

Section 5311, 5307, 5309 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, 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, opioids, amphetamines, and phencyclidine.

Any party receiving reimbursements with Section 5311 funds is required to certify annually that it is in compliance with FTA regulations concerning drug and alcohol testing and must submit an annual report to the State. The Subrecipient will sign the Certification of Compliance with FTA Anti-drug and Misuse Prevention Program to this effect which is attached as Exhibit C in the funding agreement. The Subrecipient will maintain a drug-free workplace for all employees and must have an antidrug policy and awareness program. The Subrecipient must comply with all requirements of 49 CFR Part 32.

Employees are required to take 60 minutes of Substance Abuse Awareness training within the first year of employment. Supervisors and/or other company officers authorized by the employer to make reasonable suspicion determinations shall receive at least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use and at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

MIS REPORTING

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 noncompliant 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.

MONITORING

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.

REQUIRED TRAINING

Drivers are required to have first aid training within 180 days after the driver begins providing service. At least once every three years, providers must ensure each driver completes a refresher first aid course.

Defensive driving training must be taken within 180 days after the driver begins providing service. At least once every three years providers must ensure each driver completes a refresher defensive driving course.

Training in Passenger Service and Safety (PASS) must be met within 180 days after the driver begins providing service. At least once every two years, providers must ensure each driver completes a refresher course or recertification in passenger service and safety.

Employees are required to take 60 minutes of Substance Abuse Awareness training within the first year of employment. Supervisors and/or other company officers authorized by the employer to make reasonable suspicion determinations shall receive at least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use and at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

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. The certification confirms federal funds are not allowed to pay for lobbying, requirements in submitting the Standard Form, LLL “Disclosure of Lobby Activities, required language to be included in subawards.

Subrecipient, contractors, or subcontractors are required to submit The OMB Standard Form LLL form, or quarterly report update to both the FTA Regional office and SDDOT for an event(s) that should be reported.

DEBARMENT AND SUSPENSION

SDDOT checks each applicant in Sam.gov to verify the applicant is not debarred or suspended. The applicants are also checking the SD Secretary of State’s office to verify that agency status is active before awards are granted. As part of the procurement process for SDDOT and providers, Sam.gov is used to verify that an award can be granted based on the proposed applicant not having a debarment or suspended status.

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.

CHARTER

Subrecipients are prohibited from using federally funded equipment and facilities to provide charter services except in accordance with allowable exemptions or exceptions, set out in 49 CFR Part 604. Subrecipients will sign a funding agreement which states subrecipients will comply with the 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. SDDOT staff compiles any exception charter trip information to the FTA Charter reporting website.

A review of charter services and documentation are reviewed during SDDOT Transit 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. SDDOT encourages providers to contact SDDOT staff with questions regarding charter rules clarification. Providers may also contact the FTA Charter Service Ombudsman with questions. When submitting a question, please provide the pertinent facts and highlights which area of the regulations, or Q & A, is impacted by your question. Providers are to retain the correspondence with the Ombudsman until the next review or at a minimum of 3 years.

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 type of exception trip the transit provider provided.
- 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 are available on the website:

<https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service>

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

Subrecipients are required to submit a report to SDDOT of the exception charter trips performed quarterly using the charter reporting form. Requirements related to reporting on charter activities are provided on FTA's website at the following location:

<https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service/team-report-form>



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. School tripper is defined by FTA as *“Additional capacity that an agency adds to an existing public transit route to meet the demands of traveling students. The additional service is open to the general public.”*



RECORD RETENTION

SDDOT recommends subrecipients follow the below FTA 5010 retention policy. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS.

- Applicability.
 - This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of each recipient. Records retention and access requirements also apply to the recipient’s third-party contractors, third-party subcontractors, and subrecipients. The recipients must include this requirement in third-party contracts, direct each subrecipient to include these requirements in their funding agreements, and direct its third-party contractors to include these requirements in its third-party subcontracts. These records are:
 - Records required to be maintained as identified in this circular; or as outlined in the terms of the Grant or Cooperative Agreement, or otherwise considered pertinent to FTA program requirements.
 - Records executed electronically, that may be retained electronically. However, copies made by microfilming, photocopying, or similar methods may be substituted for the original records, and files must be accessible for possible review, audit, or downloading to paper copy when required.
 - Length of Retention Period.
 - Except as otherwise specified, records must be retained for three years from the specific start dates specified in Chapter III, subsection 7.c, below.
 - To avoid duplicate record keeping, FTA may make special arrangements with the recipient (including subrecipients, as appropriate) to retain any records that are continually needed for joint use. FTA will request the transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by FTA, the three-year retention requirement is not applicable to the recipient.
 - Starting Date of the Retention Period.
 - General. In most circumstances, the starting date for retention of records is the date when the recipient submits the final expenditure report to FTA. For a project that is supported

with federal assistance across multiple Awards, FTA may request that the starting date for retention of records be the date when the last associated Award is closed. For example, for a large capital project where a third-party contract is funded across more than one Award, retention of records associated with that third-party contract would commence as soon as the last Award financing that third-party contract is closed. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three- year period, the records must be retained for three years after completion of the action and resolution of all issues that arise from it.

- Equipment Records. The three-year retention period for equipment records starts from the date of the equipment's disposition, replacement, or transfer at FTA's direction. SDDOT Transit staff maintain these records in our asset management software and hard copies are kept in SDDOT Transit office files for a minimum of 3 years after disposition.
- Records for Income Transactions after Closeout of the Award. In some cases, the recipient must report income after the Award is closed. When there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the recipient's FY in which the income is earned, even if it falls after the date of the closeout of the Award (for example, if closeout occurs on September 5, and the recipient's FY ends on June 30 of the following year, record retention begins the next day, on July 1).
- Indirect Cost Rate Proposals, Cost Allocation Plans (CAPs) and Similar Rate, and Rate Allocation Methods (including de minimis rate). This paragraph applies to the following types of documents, and their supporting records: indirect cost rate computations or proposals (including de minimis rates), CAPs, and any similar accounting computations or the rate at which a particular group of costs is chargeable (such as computer usage charge back rates or composite fringe benefit rates).
 - If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the recipient) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
 - If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the recipient) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the FY (or other accounting period) covered by the proposal, plan, or other computation.
- Third-party Contract Records. The retention period for all third-party contract records required to be retained commences after the recipient(s) makes final payment(s), and all other pending contract matters are closed.
 - Substitution of Photocopies. Copies of documents may be substituted for the originals.
 - Access to Records.

- Records of Recipients and Subrecipients. FTA, the U.S. DOT Office of Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, have the right of access to any of the recipient's books, documents, papers, or other records that pertain to the Award, in order to perform audits, or make examinations, excerpts, or transcripts.
- Expiration of Right of Access. The right of access in this section is not limited to the required retention period but continues if the records are retained.
- Restrictions on Public Access. In general, the federal Freedom of Information Act (FOIA), 5 U.S.C. § 552, does not apply to any recipient record owned and possessed by the recipient until the recipient provides that record to the Federal Government. Unless required by state or local law, recipients and subrecipients are not required to provide periodic public access to their records. However, FTA may request a recipient to provide access to those records the recipient maintains on behalf of FTA, (*i.e.*, records required by federal statute or regulation, such as Davis-Bacon wage records), or other records necessary to determine compliance with federal requirements established as conditions of eligibility for recipients of federal assistance.



REFERENCES

FTA's Circular Webpage: <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars>

U.S. Department of Transportation, Federal Transit Administration – Formula Grants For Rural Areas: Program Guidance And Application Instruction Circular FTA C 9040

U.S. Department of Transportation, Federal Transit Administration – Enhanced Mobility of Seniors And Individuals With Disabilities Program Guidance and Application Instructions Circular FTA C 9070

U.S. Department of Transportation, Federal Transit Administration – Bus and Bus Facilities Formula Program: Guidance and Application Instructions Circular FTA C 5100

U.S. Department of Transportation, Federal Transit Administration - Master Agreement

U.S. Department of Transportation, Federal Transit Administration - Annual Certification and Assurances
Code of Federal 49 Part 655 and Part 40

U.S. Department of Transportation, Federal Transit Administration – Award Management Requirements FTA C 5010

Office of Management and Budget (OMB) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200

U.S. Department of Transportation, Federal Agency Regulations for Grants and Agreements, 2 CFR Parts 1200 and 1201

U.S. Department of Transportation, Federal Transit Administration – Program Guidance for Metropolitan Planning and State Planning and Research Program Grants, FTA C 8100

U.S. Department of Transportation, Innovative Procurement and Leasing Fact Sheet